

**AB Bank Limited**

BCIC Bhaban

30-31 Dilkusha Commercial Area

Dhaka 1000

**Un-audited**

**AB Bank Limited and Its Subsidiaries**

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Consolidated and separate financial statements  
for the period ended 30 September 2019

## AB Bank Limited & Its Subsidiaries

### Consolidated Balance Sheet

As at 30 September 2019

	Notes	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>17,515,272,306</b>	<b>16,433,155,519</b>
In hand (including foreign currencies)	3.1(a)	1,521,691,697	1,960,489,318
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	15,993,580,609	14,472,666,202
<b>Balance with other banks and financial institutions</b>	4(a)	<b>4,208,334,988</b>	<b>3,378,419,653</b>
In Bangladesh	4.1(a)	960,709,277	1,823,369,874
Outside Bangladesh	4.2(a)	3,247,625,710	1,555,049,778
<b>Money at call and on short notice</b>	5(a)	<b>4,790,001,454</b>	<b>589,822,961</b>
<b>Investments</b>	6(a)	<b>61,167,901,883</b>	<b>44,351,747,141</b>
Government	6.1(a)	50,092,019,274	33,523,320,645
Others	6.2(a)	11,075,882,609	10,828,426,496
<b>Loans, advances and lease/investments</b>		<b>260,436,038,934</b>	<b>249,185,305,270</b>
Loans, cash credits, overdrafts, etc./Investments	7(a)	259,018,153,088	246,986,421,356
Bills purchased and discounted	8(a)	1,417,885,846	2,198,883,913
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,336,325,890</b>	<b>4,110,471,440</b>
<b>Other assets</b>	10(a)	<b>6,528,474,430</b>	<b>6,761,916,852</b>
<b>Non-banking assets</b>		<b>341,811,600</b>	<b>342,984,836</b>
<b>Total Assets</b>		<b>359,324,161,484</b>	<b>325,153,823,672</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11(a)	<b>16,195,948,566</b>	<b>18,272,449,759</b>
<b>AB Bank Subordinated Bond</b>	12	<b>7,400,000,000</b>	<b>8,700,000,000</b>
<b>Deposits and other accounts</b>	13(a)	<b>270,521,630,462</b>	<b>235,383,290,846</b>
Current account and other accounts		24,834,418,094	22,819,200,149
Bills payable		5,285,791,560	2,994,339,125
Savings bank deposits		29,649,027,538	28,685,663,090
Fixed deposits		120,680,520,921	128,219,725,045
Other deposits		90,071,872,350	52,664,363,438
<b>Other liabilities</b>	14(a)	<b>41,178,706,185</b>	<b>38,902,322,164</b>
<b>Total Liabilities</b>		<b>335,296,285,214</b>	<b>301,258,062,768</b>
<b>Capital/Shareholders' Equity</b>			
<b>Equity attributable to equity holders of the parent company</b>		<b>24,017,214,950</b>	<b>23,885,346,764</b>
Paid-up capital	15	7,581,303,150	7,581,303,150
Statutory reserve	16	6,651,653,945	6,623,362,740
Other reserve	17(a)	2,703,123,280	2,713,091,416
Retained earnings	18(a)	7,081,134,575	6,967,589,458
Non- controlling interest	18(b)	10,661,321	10,414,140
<b>Total Equity</b>		<b>24,027,876,271</b>	<b>23,895,760,904</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>359,324,161,484</b>	<b>325,153,823,672</b>

**AB Bank Limited & Its Subsidiaries****Consolidated Balance Sheet****As at 30 September 2019**

	Notes	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>	19	<b>48,809,675,600</b>	<b>57,209,035,486</b>
Acceptances and endorsements		13,341,682,504	21,728,577,752
Letters of guarantee	19.1	14,499,583,216	14,569,014,333
Irrevocable letters of credit		8,314,949,717	12,060,360,225
Bills for collection		12,573,641,714	7,389,781,311
Other contingent liabilities		79,818,449	1,461,301,865
<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>48,809,675,600</b>	<b>57,209,035,486</b>

**-Sd-****Chief Financial Officer (Acting)****-Sd-****Company Secretary (CC)****-Sd-****President & Managing Director****-Sd-****Director****-Sd-****Chairman**Dhaka,  
October 19, 2019

**AB Bank Limited and Its Subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the period ended 30 September 2019**

	Notes	Jan'19 - Sep'19 BDT	Jan'18 - Sep'18 BDT	Jul'19-Sep'19 Taka	Jul'18-Sep'18 Taka
<b>OPERATING INCOME</b>					
Interest income/profit on investments	21(a)	15,604,940,905	14,576,474,383	5,424,417,639	4,947,684,923
Interest/profit paid on deposits and borrowings, etc	22(a)	(13,643,361,575)	(13,117,026,806)	(4,804,331,688)	(4,647,610,444)
<b>Net interest income</b>		<b>1,961,579,330</b>	<b>1,459,447,577</b>	<b>620,085,951</b>	<b>300,074,479</b>
Investment income	23(a)	1,628,038,690	3,357,415,664	617,538,975	1,534,055,969
Commission, exchange and brokerage	24(a)	1,470,868,866	1,869,212,064	389,503,648	562,417,051
Other operating income	25(a)	107,358,708	159,797,580	34,268,665	43,586,742
		<b>3,206,266,264</b>	<b>5,386,425,307</b>	<b>1,041,311,288</b>	<b>2,140,059,761</b>
<b>Total operating income (a)</b>		<b>5,167,845,593</b>	<b>6,845,872,885</b>	<b>1,661,397,239</b>	<b>2,440,134,241</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances	26(a)	2,159,513,674	2,192,542,385	736,635,618	753,020,352
Rent, taxes, insurance, electricity, etc.	27(a)	602,884,276	564,839,561	218,653,365	194,463,863
Legal expenses	28(a)	8,871,270	1,860,365	4,369,281	(58,261)
Postage, stamps, telecommunication, etc.	29(a)	84,396,531	97,080,286	24,944,305	29,659,867
Stationery, printing, advertisement, etc.	30(a)	108,793,165	115,798,714	25,455,252	32,501,154
Chief executive's salary and fees	26.1	3,035,484	9,350,000	3,035,484	3,250,000
Directors' fees	31(a)	1,892,091	3,561,559	436,410	736,252
Auditors' fees	32(a)	5,557,979	1,171,949	826,405	122,508
Depreciation and repairs of Bank's assets	33(a)	369,216,834	363,349,869	126,272,687	122,555,645
Other expenses	34(a)	796,553,227	997,362,794	269,028,310	287,289,115
<b>Total operating expenses (b)</b>		<b>4,140,714,532</b>	<b>4,346,917,481</b>	<b>1,409,657,117</b>	<b>1,423,540,494</b>
<b>Profit before provision (c = (a-b))</b>		<b>1,027,131,062</b>	<b>2,498,955,403</b>	<b>251,740,122</b>	<b>1,016,593,747</b>
Provision against loans and advances	35(a)	611,501,565	1,362,368,369	113,801,565	931,759,255
Provision for investments	36(a)	27,216,307	229,340,489	17,897,068	59,340,489
Other provisions	37(a)	10,221,018	64,907,169	221,018	4,882,685
<b>Total provision (d)</b>		<b>648,938,890</b>	<b>1,656,616,027</b>	<b>131,919,651</b>	<b>995,982,428</b>
<b>Profit before tax (c-d)</b>		<b>378,192,172</b>	<b>842,339,376</b>	<b>119,820,470</b>	<b>20,611,319</b>
<b>Provision for taxation</b>		<b>236,632,514</b>	<b>533,322,413</b>	<b>92,713,148</b>	<b>9,795,798</b>
Current tax		392,249,527	866,621,941	129,989,966	242,265,564
Deferred tax		(155,617,013)	(333,299,528)	(37,276,818)	(232,469,766)
<b>Net profit after tax</b>		<b>141,559,658</b>	<b>309,016,963</b>	<b>27,107,322</b>	<b>10,815,520</b>
<b>Appropriations</b>					
Statutory reserve		28,111,926	26,637,294	(513,014)	(1,596,099)
General reserve		-	-	-	-
Dividends, etc.		-	-	-	-
		<b>28,111,926</b>	<b>26,637,294</b>	<b>(513,014)</b>	<b>(1,596,099)</b>
<b>Retained surplus</b>		<b>113,447,732</b>	<b>282,379,668</b>	<b>27,620,336</b>	<b>12,411,619</b>
<b>Non- controlling interest</b>		<b>247,181</b>	<b>260,085</b>	<b>84,266</b>	<b>83,427</b>
<b>Net Profit attributable to the shareholders of parent company</b>		<b>113,200,551</b>	<b>282,119,583</b>	<b>27,536,071</b>	<b>12,328,192</b>
<b>Consolidated Earnings Per Share (EPS)</b>	38(a)	<b>0.19</b>	<b>0.41</b>	<b>0.04</b>	<b>0.01</b>

-Sd-  
Chief Financial Officer (Acting)

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Company Secretary (CC)

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President & Managing Director

-Sd-  
Director

-Sd-  
Chairman

Dhaka,  
October 19, 2019

**AB Bank Limited and Its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the period ended 30 September 2019**

	Jan'19 - Sep'19 BDT	Jan'18 - Sep'18 BDT
<b>Cash Flows from Operating Activities</b>		
Interest receipts	12,933,887,264	11,656,563,288
Interest payments	(13,025,275,684)	(12,086,547,894)
Dividend receipts	76,312,008	95,952,080
Fee and commission receipts	1,025,762,922	1,240,138,635
Recoveries on loans previously written off	106,680,630	5,390,885
Payments to employees	(2,162,549,158)	(2,201,892,385)
Payments to suppliers	(108,793,165)	(115,798,714)
Income taxes paid	(866,445,011)	(333,874,804)
Receipts from other operating activities	1,997,510,704	4,050,334,592
Payments for other operating activities	(1,627,810,470)	(1,797,555,567)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>(1,650,719,961)</b>	<b>512,710,116</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Loans and advances to customers	(8,598,637,928)	(6,858,712,744)
Other assets	388,611,313	(563,548,236)
Deposits from other banks	(156,211,321)	605,644,893
Deposits from customers	34,676,465,046	(7,779,743,914)
Trading liabilities (short-term borrowings)	(2,006,589,188)	304,001,803
Other liabilities	2,114,053,231	4,841,087,724
	<b>26,417,691,155</b>	<b>(9,451,270,473)</b>
<b>Net cash flow from/(used in) operating activities (a)</b>	<b>24,766,971,194</b>	<b>(8,938,560,357)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase/(Sale) of government securities	(16,571,529,534)	8,328,483,829
Purchase of trading securities, shares, bonds, etc.	(247,456,113)	(3,924,540,688)
Purchase of property, plant and equipment	(466,267,888)	(53,795,658)
<b>Net cash (used in)/flow from investing activities (b)</b>	<b>(17,285,253,535)</b>	<b>4,350,147,482</b>
<b>Cash Flows from Financing Activities</b>		
Increase/(decrease) of long-term borrowings	(1,369,912,005)	2,668,683,652
Dividend paid	(22,340)	(313,553)
<b>Net cash (used in)/flow from Financing activities (c)</b>	<b>(1,369,934,344)</b>	<b>2,668,370,099</b>
Net (decrease)/increase in cash (a+b+c)	6,111,783,315	(1,920,042,775)
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	20,403,713,833	22,521,816,127
<b>Cash and cash equivalents at end of the period (*)</b>	<b>26,515,497,148</b>	<b>20,601,773,352</b>
(*) Cash and cash equivalents:		
Cash	1,521,691,697	1,893,860,732
Prize bonds	1,888,400	2,428,900
Money at call and on short notice	4,790,001,454	505,193,889
Balance with Bangladesh Bank and its agent bank(s)	15,993,580,609	14,075,396,954
Balance with other banks and financial institutions	4,208,334,988	4,124,892,878
	<b>26,515,497,148</b>	<b>20,601,773,352</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	41(a) <b>32.67</b>	<b>(11.79)</b>

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Chief Financial Officer (Acting)

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Company Secretary (CC)

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President & Managing Director

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Director

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Chairman

Dhaka,  
October 19, 2019

**AB Bank Limited and Its Subsidiaries**

**Consolidated Statement of Changes in Equity  
For the period ended 30 September 2019**

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non controlling interest	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Restated balance at 01 January 2019</b>	<b>7,581,303,150</b>	<b>6,623,362,740</b>	<b>1,303,199,679</b>	<b>1,298,209,633</b>	<b>5,517,410</b>	<b>106,164,694</b>	<b>10,414,141</b>	<b>6,967,589,458</b>	<b>23,895,760,904</b>
Net profit after taxation for the period	-	-	-	-	-	-	247,181	141,312,477	141,559,658
Addition/(Adjustment) made during the period	-	28,111,926	-	(1,139,179)	-	(2,403,605)	-	(26,972,850)	(2,403,708)
Foreign exchange rate fluctuation	-	179,278	501,224	-	(6,926,576)	-	-	(794,509)	(7,040,582)
<b>Balance at 30 September 2019</b>	<b>7,581,303,150</b>	<b>6,651,653,945</b>	<b>1,303,700,903</b>	<b>1,297,070,454</b>	<b>(1,409,166)</b>	<b>103,761,089</b>	<b>10,661,321</b>	<b>7,081,134,575</b>	<b>24,027,876,271</b>
<b>Balance at 30 September 2018</b>	<b>7,581,303,150</b>	<b>6,545,049,639</b>	<b>1,303,154,084</b>	<b>1,298,599,096</b>	<b>889,014</b>	<b>296,953,812</b>	<b>10,459,572</b>	<b>7,288,274,424</b>	<b>24,324,682,792</b>

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Company Secretary (CC)

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President & Managing Director

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Director

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Chairman

Dhaka,  
October 19, 2019

**AB Bank Limited**  
**Balance Sheet**  
**As at 30 September 2019**

	Notes	30 Sep 2019 BDT	31 Dec 2018 BDT
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	3	<b>17,515,141,055</b>	<b>16,433,059,322</b>
In hand (including foreign currencies)	3.1	1,521,560,446	1,960,393,120
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	15,993,580,609	14,472,666,202
<b>Balance with other banks and financial institutions</b>	4	<b>4,093,175,441</b>	<b>3,178,371,232</b>
In Bangladesh		862,983,849	1,625,277,794
Outside Bangladesh		3,230,191,592	1,553,093,439
<b>Money at call and on short notice</b>	5	<b>5,398,401,454</b>	<b>1,428,822,961</b>
<b>Investments</b>	6	<b>60,281,052,766</b>	<b>43,593,782,292</b>
Government	6.1	50,092,019,274	33,523,320,645
Others	6.2	10,189,033,492	10,070,461,647
<b>Loans, advances and lease/investments</b>	7	<b>252,933,575,897</b>	<b>241,070,141,406</b>
Loans, cash credits, overdrafts, etc./Investments		252,310,913,202	239,945,454,387
Bills purchased and discounted	8	622,662,695	1,124,687,019
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>3,775,999,005</b>	<b>3,543,223,934</b>
<b>Other assets</b>	10	<b>12,377,731,099</b>	<b>12,935,585,637</b>
<b>Non-banking assets</b>		<b>341,811,600</b>	<b>342,984,836</b>
<b>Total Assets</b>		<b>356,716,888,317</b>	<b>322,525,971,620</b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	11	<b>16,195,948,566</b>	<b>18,272,449,759</b>
<b>AB Bank Subordinated Bond</b>	12	<b>7,400,000,000</b>	<b>8,700,000,000</b>
<b>Deposits and other accounts</b>	13	<b>270,637,597,970</b>	<b>235,444,849,491</b>
Current accounts and other accounts		24,835,588,902	22,820,201,543
Bills payable		5,285,791,560	2,994,339,125
Savings bank deposits		29,649,027,538	28,685,663,090
Fixed deposits		120,680,520,921	128,219,725,045
Other deposits		90,186,669,049	52,724,920,690
<b>Other liabilities</b>	14	<b>39,764,050,676</b>	<b>37,458,190,496</b>
<b>Total Liabilities</b>		<b>333,997,597,212</b>	<b>299,875,489,746</b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>22,719,291,104</b>	<b>22,650,481,875</b>
Paid-up capital	15	7,581,303,150	7,581,303,150
Statutory reserve	16	6,651,653,945	6,623,362,740
Other reserve	17	2,537,120,221	2,540,663,004
Retained earnings	18	5,949,213,789	5,905,152,980
<b>Total Liabilities and Shareholders' Equity</b>		<b>356,716,888,317</b>	<b>322,525,971,620</b>

**AB Bank Limited**  
**Balance Sheet**  
**As at 30 September 2019**

	Notes	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>Off-Balance Sheet Items</b>			
<b>Contingent liabilities</b>	19	<b>48,809,675,600</b>	<b>57,209,035,486</b>
Acceptances and endorsements		13,341,682,504	21,728,577,752
Letters of guarantee	19.1	14,499,583,216	14,569,014,333
Irrevocable letters of credit		8,314,949,717	12,060,360,225
Bills for collection		12,573,641,714	7,389,781,311
Other contingent liabilities		79,818,449	1,461,301,865
<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>48,809,675,600</b>	<b>57,209,035,486</b>

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**Chief Financial Officer (Acting)**

-Sd-  
**Company Secretary (CC)**

-Sd-  
**President & Managing Director**

-Sd-  
**Director**

-Sd-  
**Chairman**

Dhaka,  
 October 19, 2019



**AB Bank Limited**  
**Profit and Loss Account**  
**For the period ended 30 September 2019**

	Notes	Jan'19 - Sep'19 BDT	Jan'18 - Sep'18 BDT	Jul'19-Sep'19 BDT	Jul'18-Sep'18 BDT
<b>OPERATING INCOME</b>					
Interest income/profit on investments	21	15,419,385,909	14,287,426,288	5,366,187,694	4,900,264,054
Interest paid/profit on deposits and borrowings, etc.	22	(13,626,706,534)	(13,099,685,858)	(4,799,014,950)	(4,641,864,734)
<b>Net interest income</b>		<b>1,792,679,375</b>	<b>1,187,740,430</b>	<b>567,172,744</b>	<b>258,399,320</b>
Investment income	23	1,789,945,507	3,329,089,244	722,777,460	1,527,870,891
Commission, exchange and brokerage	24	1,362,205,992	1,763,113,063	355,892,949	522,974,154
Other operating income	25	46,739,579	107,073,670	14,260,523	24,844,525
		<b>3,198,891,078</b>	<b>5,199,275,977</b>	<b>1,092,930,933</b>	<b>2,075,689,569</b>
<b>Total operating income (a)</b>		<b>4,991,570,453</b>	<b>6,387,016,407</b>	<b>1,660,103,677</b>	<b>2,334,088,889</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances	26	2,106,409,668	2,139,626,827	718,356,085	735,553,037
Rent, taxes, insurance, electricity, etc.	27	591,918,455	554,469,505	214,419,587	190,611,941
Legal expenses	28	8,649,670	1,764,065	4,287,981	(58,261)
Postage, stamps, telecommunication, etc.	29	74,976,879	89,005,587	21,698,173	26,623,054
Stationery, printing, advertisement, etc.	30	108,132,086	115,194,304	25,226,137	32,241,206
Chief executive's salary and fees	26.1	3,035,484	9,350,000	3,035,484	3,250,000
Directors' fees	31	1,555,474	3,050,716	263,962	736,252
Auditors' fees	32	5,557,979	1,171,949	826,405	122,508
Depreciation and repairs of Bank's assets	33	353,594,131	347,551,467	120,854,341	117,148,473
Other expenses	34	782,412,471	986,391,309	263,567,689	283,444,888
<b>Total operating expenses (b)</b>		<b>4,036,242,297</b>	<b>4,247,575,729</b>	<b>1,372,535,845</b>	<b>1,389,673,097</b>
<b>Profit before provision (c = (a-b))</b>		<b>955,328,156</b>	<b>2,139,440,678</b>	<b>287,567,832</b>	<b>944,415,792</b>
Provision against loans and advances	35	611,501,565	1,362,368,369	113,801,565	931,759,255
Provision for investments	36	50,000,000	170,000,000	50,000,000	-
Other provisions	37	10,221,018	64,907,169	221,018	4,882,685
<b>Total provision (d)</b>		<b>671,722,583</b>	<b>1,597,275,538</b>	<b>164,022,583</b>	<b>936,641,939</b>
<b>Profit before taxation (c-d)</b>		<b>283,605,573</b>	<b>542,165,139</b>	<b>123,545,249</b>	<b>7,773,852</b>
Provision for taxation		211,861,470	420,093,997	92,281,705	(10,960,183)
Current tax		366,455,060	755,203,634	129,214,618	222,119,136
Deferred tax		(154,593,590)	(335,109,637)	(36,932,913)	(233,079,319)
<b>Net profit after taxation</b>		<b>71,744,103</b>	<b>122,071,143</b>	<b>31,263,543</b>	<b>18,734,035</b>
<b>Appropriations</b>					
Statutory reserve		28,111,926	26,637,294	(513,014)	(1,596,099)
General reserve		-	-	-	-
Dividends, etc.		-	-	-	-
		<b>28,111,926</b>	<b>26,637,294</b>	<b>(513,014)</b>	<b>(1,596,099)</b>
<b>Retained surplus</b>		<b>43,632,177</b>	<b>95,433,848</b>	<b>31,776,557</b>	<b>20,330,134</b>
<b>Earnings Per Share (EPS)</b>	38	<b>0.09</b>	<b>0.16</b>	<b>0.04</b>	<b>0.02</b>

-Sd-  
Chief Financial Officer (Acting)

-Sd-  
Company Secretary (CC)

-Sd-  
President & Managing Director

-Sd-  
Director

-Sd-  
Chairman

Dhaka,  
October 19, 2019

**AB Bank Limited**  
**Cash Flow Statement**  
**For the period ended 30 September 2019**

	Notes	Jan'19 - Sep'19 BDT	Jan'18 - Sep'18 BDT
<b>Cash flows from Operating Activities</b>			
Interest receipts		12,748,332,269	11,367,515,193
Interest payments		(13,008,620,643)	(12,069,206,946)
Dividend receipts		62,133,265	77,076,660
Fees and commission receipts		922,597,258	1,138,675,092
Recoveries on loans previously written off		106,680,630	5,390,885
Payments to employees		(2,109,445,152)	(2,148,976,827)
Payments to suppliers		(108,132,086)	(115,194,304)
Income taxes paid		(811,143,969)	(231,582,443)
Receipts from other operating activities	39	2,214,426,310	3,933,167,084
Payments for other operating activities	40	(1,591,725,149)	(1,766,385,609)
<b>Operating profit before changes in operating assets &amp; liabilities</b>		<b>(1,574,897,268)</b>	<b>190,478,785</b>
<b>Increase/decrease in operating assets and liabilities</b>			
Loans and advances to customers		(9,211,338,754)	(6,699,061,298)
Other assets		712,449,475	(468,424,125)
Deposits from other banks		(156,211,321)	605,644,893
Deposits from customers		34,730,873,908	(8,063,320,699)
Trading liabilities (short-term borrowings)		(2,006,589,188)	305,044,959
Other liabilities		1,990,324,400	5,357,366,600
		<b>26,059,508,520</b>	<b>(8,962,749,669)</b>
<b>Net cash flow from/(used in) operating activities (a)</b>		<b>24,484,611,253</b>	<b>(8,772,270,884)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase/(Sale) of government securities		(16,571,529,534)	8,328,483,829
Purchase of trading securities, shares, bonds, etc.		(118,571,846)	(3,814,461,843)
Purchase of property, plant and equipment		(458,538,395)	(53,256,797)
<b>Net cash (used in)/flow from investing activities (b)</b>		<b>(17,148,639,774)</b>	<b>4,460,765,189</b>
<b>Cash Flows from Financing Activities</b>			
Increase/(decrease) of long-term borrowings		(1,369,912,005)	2,668,683,652
Dividend paid		(22,340)	(313,553)
<b>Net cash (used in)/flow from Financing activities (c)</b>		<b>(1,369,934,344)</b>	<b>2,668,370,099</b>
<b>Net Increase/(decrease) in cash (a+b+c)</b>		<b>5,966,037,134</b>	<b>(1,643,135,596)</b>
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		21,042,569,215	22,941,590,211
<b>Cash and cash equivalents at end of the period (*)</b>		<b>27,008,606,350</b>	<b>21,298,454,616</b>
(*) Cash and cash equivalents:			
Cash		1,521,560,446	1,893,774,477
Prize bonds		1,888,400	2,428,900
Money at call and on short notice		5,398,401,454	1,305,006,389
Balance with Bangladesh Bank and its agent bank(s)		15,993,580,609	14,075,396,954
Balance with other banks and financial institutions		4,093,175,441	4,021,847,896
		<b>27,008,606,350</b>	<b>21,298,454,616</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	41	<b>32.30</b>	<b>(11.57)</b>

-Sd-  
Chief Financial Officer (Acting)

-Sd-  
Company Secretary (CC)

-Sd-  
President & Managing Director

-Sd-  
Director

-Sd-  
Chairman

Dhaka,  
October 19, 2019

**AB Bank Limited**  
**Statement of Changes in Equity**  
**For the period ended 30 September 2019**

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Balance at 01 January 2019</b>	<b>7,581,303,150</b>	<b>6,623,362,741</b>	<b>1,222,199,200</b>	<b>1,298,209,633</b>	<b>20,254,171</b>	<b>5,905,152,980</b>	<b>22,650,481,875</b>
Net profit after taxation for the period	-	-	-	-	-	71,744,103	71,744,103
Addition/(Adjustment) made during the period	-	28,111,926	-	(1,139,179)	(2,403,605)	(26,972,747)	(2,403,605)
Foreign exchange rate fluctuation	-	179,278	-	-	-	(710,547)	(531,268)
<b>Balance at 30 September 2019</b>	<b>7,581,303,150</b>	<b>6,651,653,945</b>	<b>1,222,199,200</b>	<b>1,297,070,455</b>	<b>17,850,566</b>	<b>5,949,213,789</b>	<b>22,719,291,104</b>
<b>Balance at 30 September 2018</b>	<b>7,581,303,150</b>	<b>6,545,049,639</b>	<b>1,222,199,200</b>	<b>1,298,599,096</b>	<b>195,019,707</b>	<b>6,059,398,836</b>	<b>22,901,569,628</b>

-Sd-  
**Chief Financial Officer (Acting)**

-Sd-  
**Company Secretary (CC)**

-Sd-  
**President & Managing Director**

-Sd-  
**Director**

-Sd-  
**Chairman**

Dhaka,  
 October 19, 2019

## AB Bank Limited

### Notes to the financial statements for the period ended September 30, 2019

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#### 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. Revenue recognition

##### Interest income

The interest income is recognised on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified or treated as Sub Standard (SS) as per BRPD circular no. 14 dated 23 September 2012 and is kept in interest suspense account. Interest on classified advances is accounted for as income when realised.

##### Investment income

Interest income on investments is recognised on accrual basis except treasury bills. Capital gains on investments in shares are also included in investment income. Capital gains are recognized when these are realised.

#### 2(a) Provision

##### i) Loans & Advances

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

##### ii) Investments

Provisions for diminution in value of investment is made for loss arising on diminution value of investment in quoted shares and other investments have been accounted for as per Bangladesh Bank Guidelines/ instructions.

##### iii) Taxation

Provision for income tax has been made on taxable income after necessary adjustment made in accordance with the provisions of the Finance Act 2019, Income Tax Ordinance 1984 and other relevant rules as applicable.

#### 2(b) Earnings Per Share (EPS)

Earnings Per Share (EPS) has been computed in accordance with International Accounting Standard (IAS)-33 by dividing the basic earnings by the number of ordinary shares outstanding as of September 30, 2019.

#### 2(c) Significant Deviation

##### I. Investment income

Due to increase of Treasury Bill/Bond yield curve, mark to market loss accounted for the period ended September 30, 2019.

##### II. Commission, exchange and brokerage

Off-Balance Sheet exposures decreased BDT 1,639 crore from last year same reporting time. As such, fee base commission income decreased compare to last year.

##### III. Provision against loans and advances

Provision against loans and advances made during the 3rd quarter (Jan-Sep) 2019 as per Bangladesh Bank guidelines/instructions.

##### IV. Provision for investments

To follow Bangladesh Bank circular, we have maintained adequate provision against investment in quoted shares.

#### 2(d) Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;

## AB Bank Limited

### Notes to the financial statements for the period ended September 30, 2019

- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

#### Significant contracts where the Bank is a party and wherein Directors have interest

Name of contract	Name of the party	Name of Director and related by	Relationship
Lease agreement with AB Bank Limited	Elite International Ltd.	Feroz Ahmed	Common Director

#### Related party transactions

Name of related party	Relationship	Nature of transaction	Amount in BDT
Elite International Ltd.	Common Director	Office Rent	1,863,000

#### Loans/placement given to subsidiary of the Bank

Sl. No.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	791,934,557
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	180,476,611
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	608,400,000
<b>Total loans/placement to subsidiary</b>				<b>1,392,042,995</b>

#### 2(e) General

- i) Figures relating to the previous period/year have been rearranged wherever necessary.
- ii) Figures in these notes have been rounded off to the nearest Taka/BDT.

		<b>30 Sep 2019</b>	<b>31 Dec 2018</b>
		BDT	BDT
<b>3. Cash</b>			
Cash in hand	(Note 3.1)	1,521,560,446	1,960,393,120
Balance with Bangladesh Bank and its agent bank(s)	(Note 3.2)	15,993,580,609	14,472,666,202
		<b>17,515,141,055</b>	<b>16,433,059,322</b>
<b>3(a) Consolidated Cash</b>			
AB Bank Limited		17,515,141,055	16,433,059,322
AB Investments Limited		25,000	25,000
AB International Finance Limited		68,722	60,069
AB Securities Limited		35,000	7,699
Cashlink Bangladesh Limited (CBL)		2,529	3,429
		<b>17,515,272,306</b>	<b>16,433,155,519</b>
<b>3.1 Cash in hand</b>			
In local currency		1,489,117,608	1,930,310,067
In foreign currency		32,442,837	30,083,053
		<b>1,521,560,446</b>	<b>1,960,393,120</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>3.1(a) Consolidated Cash in hand</b>		
AB Bank Limited	1,521,560,446	1,960,393,120
AB Investments Limited	25,000	25,000
AB International Finance Limited	68,722	60,069
AB Securities Limited	35,000	7,699
Cashlink Bangladesh Limited (CBL)	2,529	3,429
	<b>1,521,691,697</b>	<b>1,960,489,318</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
Balance with Bangladesh Bank		
In local currency	14,669,033,842	13,768,884,839
In foreign currency	937,950,820	512,577,340
	15,606,984,661	14,281,462,179
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency	386,595,948	191,204,023
	<b>15,993,580,609</b>	<b>14,472,666,202</b>
<b>3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>		
AB Bank Limited	15,993,580,609	14,472,666,202
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b>15,993,580,609</b>	<b>14,472,666,202</b>
<b>4. Balance with other banks and financial institutions</b>		
In Bangladesh	862,983,849	1,625,277,794
Outside Bangladesh	3,230,191,592	1,553,093,439
	<b>4,093,175,441</b>	<b>3,178,371,232</b>
<b>4(a) Consolidated balance with other banks and financial institutions</b>		
In Bangladesh	(Note: 4.1.a) 960,709,277	1,823,369,874
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a) 3,247,625,710	1,555,049,778
	<b>4,208,334,988</b>	<b>3,378,419,653</b>
<b>4.1.a Consolidated In Bangladesh</b>		
AB Bank Limited	862,983,849	1,625,277,794
AB Investment Limited	3,165,374	163,372
AB International Finance Limited	-	-
AB Securities Limited	168,285,909	219,418,078
Cashlink Bangladesh Limited (CBL)	41,144,680	39,142,292
	<b>1,075,579,811</b>	<b>1,884,001,535</b>
<u>Less: Inter company transaction</u>	114,870,534	60,631,661
	<b>960,709,277</b>	<b>1,823,369,874</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>4.2.a Consolidated Outside Bangladesh (Nostro Accounts)</b>		
AB Bank Limited	3,230,191,592	1,553,093,439
AB Investment Limited	-	-
AB International Finance Limited	18,518,479	2,873,543
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	3,248,710,071	1,555,966,982
<u>Less: Inter company transactions</u>	1,084,360	917,204
	<b>3,247,625,710</b>	<b>1,555,049,778</b>
<b>5. Money at call and on short notice</b>		
In Bangladesh	4,460,000,000	350,000,000
Outside Bangladesh	938,401,454	1,078,822,961
	<b>5,398,401,454</b>	<b>1,428,822,961</b>
<b>5(a) Consolidated money at call and on short notice</b>		
AB Bank Limited	5,398,401,454	1,428,822,961
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	5,398,401,454	1,428,822,961
<u>Less: Inter-group transaction</u>	(608,400,000)	(839,000,000)
	<b>4,790,001,454</b>	<b>589,822,961</b>
<b>6. Investments</b>	<b>60,281,052,766</b>	<b>43,593,782,292</b>
<b>6 (a) Consolidated investments</b>		
AB Bank Limited	60,281,052,766	43,593,782,292
AB International Finance Limited	-	-
AB Investment Limited	760,509,262	598,400,806
AB Securities Limited	126,339,855	159,564,043
Cashlink Bangladesh Limited (CBL)	-	-
	<b>61,167,901,883</b>	<b>44,351,747,141</b>
<b>6.1 Government securities</b>		
T.Bill-Local-RE.REPO	8,172,666,569	-
T.Bill	3,639,587,035	-
Treasury bonds	37,953,877,269	33,253,504,945
Bangladesh Bank Islami Investment bonds	324,000,000	267,500,000
Prize bonds	1,888,400	2,315,700
	<b>50,092,019,274</b>	<b>33,523,320,645</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>6.1(a) Consolidated Government securities</b>		
AB Bank Limited	50,092,019,274	33,523,320,645
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b>50,092,019,274</b>	<b>33,523,320,645</b>
<b>6.2 Other investments</b>		
Shares	4,154,920,523	4,073,326,681
Bond	4,000,000,000	4,000,000,000
Pinnacle Global Fund Pte Limited	1,632,120,880	1,620,531,856
	<b>9,787,041,403</b>	<b>9,693,858,537</b>
<b>Investments -ABBL, Mumbai branch</b>		
Treasury bills	401,992,089	376,603,110
Debentures and bonds	-	-
	<b>401,992,089</b>	<b>376,603,110</b>
<b>Total other investments</b>	<b>10,189,033,492</b>	<b>10,070,461,647</b>
<b>6.2 (a) Consolidated other investments</b>		
AB Bank Limited	10,189,033,492	10,070,461,647
AB Investment Limited	760,509,262	598,400,806
AB International Finance Limited	-	-
AB Securities Limited	126,339,855	159,564,043
Cashlink Bangladesh Limited (CBL)	-	-
	<b>11,075,882,609</b>	<b>10,828,426,496</b>
<b>6.2.1 Investments in shares</b>		
Quoted (Publicly traded)	3,660,617,189	3,579,023,347
Unquoted	494,303,334	494,303,334
	<b>4,154,920,523</b>	<b>4,073,326,681</b>
<b>6.2.2 Investment in subordinated bonds</b>		
United Commercial Bank Ltd.	2,750,000,000	2,750,000,000
National Bank Ltd.	1,250,000,000	1,250,000,000
	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>6.2.3 Pinnacle Global Fund Pte Limited</b>	<b>1,632,120,880</b>	<b>1,620,531,856</b>
Provision for the above has been maintained as per Bangladesh Bank Letter no. DBI-1/101/2018-1316 dated 26 April 2018.		
<b>7. Loans, advances and lease/investments</b>	<b>252,933,575,897</b>	<b>241,070,141,407</b>



## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>7.1 Broad category-wise breakup excluding bills purchased and discounted</b>		
Loans	231,577,353,699	218,454,567,396
Overdrafts	20,717,300,012	21,469,015,304
Cash credits	-	-
	<b>252,294,653,711</b>	<b>239,923,582,700</b>
<b>Outside Bangladesh: ABBL, Mumbai branch</b>		
Loans	635,598	857,155
Overdrafts	-	-
Cash credits	15,623,893	21,014,532
	16,259,491	21,871,687
	<b>252,310,913,202</b>	<b>239,945,454,387</b>
<b>7.2 Net loans, advances and lease/investments</b>		
Gross loans and advances	252,933,575,897	241,070,141,407
<u>Less:</u>		
Interest suspense	23,465,586,604	19,704,000,511
Provision for loans and advances	11,443,955,707	10,639,913,428
	34,909,542,311	30,343,913,940
	<b>218,024,033,585</b>	<b>210,726,227,467</b>
<b>7.3 Geographical location-wise (division) distribution</b>		
<b>In Bangladesh</b>		
<b><u>Urban branches</u></b>		
Dhaka	189,674,684,397	177,398,148,260
Chittagong	39,489,149,013	45,044,489,929
Khulna	3,585,427,020	4,241,865,534
Sylhet	1,352,583,851	1,706,871,983
Barisal	167,727,866	209,418,491
Rajshahi	3,996,051,704	3,947,785,970
Rangpur	4,998,016,973	4,773,577,125
Mymensingh	592,826,745	813,560,601
	<b>243,856,467,568</b>	<b>238,135,717,892</b>
<b><u>Rural branches</u></b>		
Dhaka	1,272,395,738	1,422,797,756
Chittagong	7,122,560,104	484,638,715
Sylhet	43,802,180	51,017,378
Mymensingh	78,195,028	77,400,044
	<b>8,516,953,050</b>	<b>2,035,853,894</b>
<b>Outside Bangladesh</b>		
ABBL, Mumbai branch	560,155,278	898,569,620
	<b>252,933,575,897</b>	<b>241,070,141,406</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>7.4 Classification of loans, advances and lease/investments</b>		
<b>In Bangladesh</b>		
<u>Unclassified</u>		
Standard	153,863,796,429	130,508,546,015
Special Mention Account	36,320,300,086	29,935,179,745
	<u>190,184,096,515</u>	<u>160,443,725,759</u>
<u>Classified</u>		
Sub-Standard	6,804,000,000	4,145,600,000
Doubtful	3,035,600,000	3,809,100,000
Bad/Loss	52,349,724,103	71,773,146,027
	<u>62,189,324,103</u>	<u>79,727,846,027</u>
	<u>252,373,420,618</u>	<u>240,171,571,787</u>
<b>Outside Bangladesh-Mumbai Branch</b>		
Unclassified Loan	560,155,278	898,569,620
Classified Loan	-	-
	<u>560,155,278</u>	<u>898,569,620</u>
	<b><u>252,933,575,897</u></b>	<b><u>241,070,141,407</u></b>
<b>7(a) Consolidated loans, advances and lease/investments</b>		
AB Bank Limited	252,310,913,202	239,945,454,388
AB Investment Limited	6,745,056,051	6,781,090,546
AB International Finance Limited	-	-
AB Securities Limited	934,595,003	881,889,697
Cashlink Bangladesh Limited (CBL)	-	-
	<b><u>259,990,564,256</u></b>	<b><u>247,608,434,630</u></b>
<u>Less: Inter company transaction</u>	<u>972,411,168</u>	<u>622,013,274</u>
	<b><u>259,018,153,088</u></b>	<b><u>246,986,421,356</u></b>
<b>8 Bills purchased and discounted</b>		
In Bangladesh	78,766,907	247,989,086
Outside Bangladesh - ABBL, Mumbai Branch	543,895,787	876,697,933
	<b><u>622,662,695</u></b>	<b><u>1,124,687,019</u></b>
<b>8 (a) Consolidated Bills purchased and discounted</b>		
AB Bank Limited	622,662,695	1,124,687,019
AB Investment Limited	-	-
AB International Finance Limited	795,223,152	1,074,196,894
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b><u>1,417,885,846</u></b>	<b><u>2,198,883,913</u></b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>9. Fixed assets including premises, furniture and fixtures</b>		
<b>Cost:</b>		
Land and Building	2,968,097,272	2,968,097,272
Furniture and fixtures	250,779,105	251,696,675
Office appliances	64,750,745	64,842,310
Electrical appliances	1,932,972,244	1,696,166,546
Motor vehicles	780,678,517	746,846,242
Intangible Assets	750,071,451	655,429,056
	6,747,349,335	6,383,078,101
<u>Less: Accumulated depreciation and amortization</u>	2,971,350,330	2,839,854,168
	<b>3,775,999,005</b>	<b>3,543,223,934</b>
<b>9(a) Consolidated Fixed assets including premises, furniture and fixtures</b>		
<b>Cost:</b>		
AB Bank Limited	6,747,349,335	6,383,078,101
AB Investments Limited	687,471,361	687,202,886
AB International Finance Limited	4,661,713	4,635,529
AB Securities Limited	37,778,532	30,343,698
Cashlink Bangladesh Limited (CBL)	81,471,369	81,471,369
	7,558,732,310	7,186,731,583
<b>Accumulated depreciation:</b>		
AB Bank Limited	2,971,350,330	2,839,854,168
AB Investments Limited	135,760,183	122,007,063
AB International Finance Limited	4,308,540	4,118,552
AB Securities Limited	29,515,998	28,809,002
Cashlink Bangladesh Limited (CBL)	81,471,369	81,471,358
	3,222,406,420	3,076,260,143
	<b>4,336,325,890</b>	<b>4,110,471,440</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)	5,811,431,750	5,811,431,750
AB Securities Limited (99.91% owned subsidiary company of ABBL)	199,898,000	199,898,000
Cashlink Bangladesh Limited (CBL) (90% owned subsidiary company of ABBL)	212,581,228	212,581,228
	6,223,910,978	6,223,910,978
<b>Outside Bangladesh:</b>		
AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
	5,203,944	5,203,944
	<b>6,229,114,922</b>	<b>6,229,114,922</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>Non-income generating</b>		
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Deferred tax assets (Note 10.1)	2,046,374,607	1,891,779,670
Accounts receivable	1,733,699,382	2,299,178,425
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	745,951,008	999,244,181
Exchange for clearing	39,737,111	453,222,112
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	945,589,938	605,240,157
Security deposits	160,029,960	162,207,512
Local drafts paid without advice	-	-
Advance rent and advertisement	419,061,252	226,716,629
Stationery, stamps, printing materials, etc.	37,937,495	48,962,028
Inter-branch adjustment	315,425	-
	<b>6,148,616,176</b>	<b>6,706,470,714</b>
	<b>12,377,731,099</b>	<b>12,935,585,637</b>
<b>10(a) Consolidated Other assets</b>		
AB Bank Limited	12,377,731,099	12,935,585,637
AB Investment Limited	362,439,265	157,065,820
AB International Finance Limited	36,908,165	28,019,758
AB Securities Limited	20,038,897	56,626,977
Cashlink Bangladesh Limited (CBL)	32,776,795	32,354,358
	<b>12,829,894,221</b>	<b>13,209,652,550</b>
<u>Less: Inter-group transaction</u>	6,301,419,791	6,447,735,698
	<b>6,528,474,430</b>	<b>6,761,916,852</b>
<b>10.1 Deferred tax assets</b>		
<b>a) Deferred tax assets for specific provisions of loans and advances</b>		
Opening Deferred Tax (Assets)/Liabilities	1,995,567,400	1,508,826,970
<u>Add: Deferred Tax Income during the period/year</u>	116,887,500	486,740,431
<b>Closing deferred tax assets</b>	<b>2,112,454,900</b>	<b>1,995,567,400</b>
<b>b) Deferred tax liabilities against property, plant &amp; equipment</b>		
Balance at 01 January	103,787,730	80,784,454
<u>Add/(less): Provision made during the period/year</u>	(37,706,090)	20,998,517
<u>Add/(Less): Adjustment for Rate Fluctuation during the period/year</u>	(1,347)	2,004,759
<b>Closing deferred tax liabilities</b>	<b>66,080,294</b>	<b>103,787,730</b>
<b>Net Deferred Tax Assets (a-b)</b>	<b>2,046,374,607</b>	<b>1,891,779,670</b>
<b>Net Deferred Tax Income during the period/year</b>	<b>154,593,590</b>	<b>465,741,914</b>
<b>10.2 Calculations of deferred tax liabilities :</b>		
<b>Deferred tax liabilities against Property, Plant &amp; Equipment</b>		
Accounting base of Property, Plant & Equipment	4,090,108,818	3,877,785,440
Tax base of Property, Plant & Equipment	3,907,662,737	3,595,032,878
<b>Difference</b>	<b>182,446,081</b>	<b>282,752,562</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>(Deductible)/Taxable Temporary Difference</b>	<b>182,446,081</b>	<b>282,752,562</b>
Effective Tax Rate	37.50%	37.50%
<b>Deferred Tax (Assets)/Liabilities</b>	<b>68,417,280</b>	<b>106,032,211</b>
<b>Deferred Tax (Assets)/Liabilities of Mumbai Branch</b>	<b>(2,336,989)</b>	<b>(2,244,482)</b>
<b>Closing Deferred Tax (Assets)/Liabilities</b>	<b>66,080,292</b>	<b>103,787,729</b>
<b>10.3 Consolidated deferred tax liabilities</b>		
AB Bank Limited	66,080,294	103,787,730
AB Investment Limited	11,793,291	12,888,007
<b>Total</b>	<b>77,873,585</b>	<b>116,675,737</b>
<b>10.4 Consolidated deferred tax assets</b>		
AB Bank Limited	2,112,454,900	1,995,567,400
AB Securities Limited	2,296,608	2,367,901
<b>Total</b>	<b>2,114,751,508</b>	<b>1,997,935,301</b>
<b>11. Borrowings from other banks, financial institutions and agents</b>		
In Bangladesh (Note 11.1)	16,195,948,566	18,272,449,759
Outside Bangladesh	-	-
	<b>16,195,948,566</b>	<b>18,272,449,759</b>
<b>11.1 In Bangladesh:</b>		
<b>11.1.1 Bangladesh Bank</b>		
Export Development Fund	1,746,027,366	1,495,730,627
Islamic Investment Bond	1,824,910,809	2,056,462,900
Refinance against IPFF	294,739,788	317,210,749
Refinance against Women Entr., Small Enterprise, ETP & Others	164,076,340	211,517,384
	<b>4,029,754,303</b>	<b>4,080,921,660</b>
<b>11.1.2 Call &amp; Term Borrowing from</b>		
NCC Bank Ltd.	1,250,000,000	500,000,000
NRB Commercial Bank Limited	1,000,000,000	400,000,000
Agrani Bank Limited	4,400,000,000	4,000,000,000
Sonali Bank Limited	2,000,000,000	2,600,000,000
Janata Bank Limited	-	1,000,000,000
Meghna Bank Limited	-	700,000,000
Basic Bank Limited	-	250,000,000
Uttara Bank Limited	-	2,500,000,000
Bank Asia Limited	2,000,000,000	-
Phoneix Finance Ltd	-	20,000,000
South Bangla Bank Ltd	800,000,000	-
Rupali Bank Limited	422,500,000	1,922,900,000
South East Bank Limited	169,000,000	-
Krishi Bank Limited	-	125,850,000
Accrued interest	124,694,263	166,646,489
Accrued Interest Repo-Other Bank	-	6,131,610
	<b>12,166,194,263</b>	<b>14,191,528,098</b>
<b>Total in Bangladesh</b>	<b>16,195,948,566</b>	<b>18,272,449,759</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>11(a) Consolidated Borrowings from other banks, financial institutions and agents</b>		
AB Bank Limited	16,195,948,566	18,272,449,759
AB Investment Limited	791,934,557	423,537,438
AB International Finance Limited	602,001,626	839,904,947
AB Securities Limited	180,476,611	198,475,836
Cashlink Bangladesh Limited (CBL)	-	-
	17,770,361,360	19,734,367,980
<u>Less: Intercompany transactions</u>	1,574,412,794	1,461,918,222
	<b>16,195,948,566</b>	<b>18,272,449,759</b>

### 12. AB Bank Subordinated Bond

AB Bank Subordinated Bond-I	1,000,000,000	1,500,000,000
AB Bank Subordinated Bond-II	2,400,000,000	3,200,000,000
AB Bank Subordinated Bond-III	4,000,000,000	4,000,000,000
	<b>7,400,000,000</b>	<b>8,700,000,000</b>

#### AB Bank Subordinated Bonds

Bank has issued 7 years Sub-Ordinated bonds in three phases, namely- AB Bank Subordinated Bond-I for BDT 250 crore in August 2014, AB Bank Subordinated Bond-II for BDT 400 crore in September 2015 and AB Bank Subordinated Bond-III for BDT 400 crore in May 2018 under Private Placement of Debt Securities Rules, 2012. These bonds are non-convertible, unsecured in nature and approved by the Central Bank for inclusion in Tier-II capital of the Bank.

BRAC	400,000,000	600,000,000
Sonali Bank Limited	800,000,000	1,100,000,000
Agrani Bank Limited	500,000,000	700,000,000
Midland Bank Limited	80,000,000	120,000,000
BRAC Bank Limited	220,000,000	300,000,000
NRB Commercial Bank Limited	220,000,000	300,000,000
Mutual Trust Bank Limited	32,000,000	48,000,000
Grameen Capital Management Limited	8,000,000	12,000,000
Rupali Bank Limited	600,000,000	800,000,000
Janata Bank Limited	300,000,000	400,000,000
Uttara Bank Limited	180,000,000	240,000,000
National Life Insurance Co. Limited	60,000,000	80,000,000
Jamuna Bank Limited	2,300,000,000	2,300,000,000
National Credit & Commerce Bank Limited	1,700,000,000	1,700,000,000
	<b>7,400,000,000</b>	<b>8,700,000,000</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

		30 Sep 2019 BDT	31 Dec 2018 BDT
<b>13. Deposit and other accounts</b>			
Inter-bank deposits		1,844,736,331	2,000,947,652
Other deposits		268,792,861,638	233,443,901,839
		<b>270,637,597,970</b>	<b>235,444,849,491</b>
<b>13(a) Consolidated Deposit and other accounts</b>			
AB Bank Limited		270,637,597,970	235,444,849,491
AB Investment Limited		-	-
AB International Finance Limited		-	-
AB Securities Limited		-	-
Cashlink Bangladesh Limited (CBL)		-	-
		270,637,597,970	235,444,849,491
<u>Less: Inter-group transaction</u>		115,967,508	61,558,646
		<b>270,521,630,462</b>	<b>235,383,290,846</b>
<b>13.1 Demand and time deposits</b>			
<b>a) Demand Deposits</b>		<b>32,789,792,941</b>	<b>28,396,250,345</b>
Current accounts and other accounts		24,835,588,902	22,820,201,543
Savings Deposits (9%)		2,668,412,478	2,581,709,678
Bills Payable		5,285,791,560	2,994,339,125
<b>b) Time Deposits</b>		<b>237,847,805,029</b>	<b>207,048,599,146</b>
Savings Deposits (91%)		26,980,615,060	26,103,953,412
Short Notice Deposits		52,988,861,077	32,204,480,815
Fixed Deposits		120,680,520,921	128,219,725,045
Other Deposits		37,197,807,972	20,520,439,875
<b>Total Demand and Time Deposits</b>		<b>270,637,597,970</b>	<b>235,444,849,491</b>
<b>14. Other liabilities</b>			
Accumulated provision against loans and advances	(Note 14.1)	11,443,955,707	10,639,913,428
Inter-branch adjustment		-	838,178
Provision for current tax (net of advance tax)	(Note 14.2)	1,055,685,600	1,500,377,781
Interest suspense account		23,465,586,604	19,704,000,511
Provision against other assets	(Note 14.3)	328,573,038	318,685,468
Accounts payable - Bangladesh Bank		114,232,318	1,642,013,761
Accrued expenses		193,098,096	224,980,797
Provision for off balance sheet items	(Note 14.4)	710,000,000	810,000,000
Provision against investments	(Note 14.5)	1,939,303,000	1,889,303,000
Others (*)		513,616,314	728,077,572
		<b>39,764,050,676</b>	<b>37,458,190,496</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.

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

		30 Sep 2019 BDT	31 Dec 2018 BDT
<b>14.1 Accumulated provision against loans and advances</b>			
<u>The movement in specific provision for bad and doubtful debts</u>			
Balance at 01 January		5,078,767,423	3,772,067,423
Fully provided debts written off during the period	(-)	(14,142,324)	-
Recovery of amounts previously written off	(+)	106,680,630	8,725,518
Specific provision made during the period	(+)	311,700,000	1,297,974,482
		<u>404,238,306</u>	<u>1,306,700,000</u>
Balance at 30 September		<b>5,483,005,729</b>	<b>5,078,767,423</b>
Provision made by ABBL, Mumbai Branch		-	-
<b>Total provision on classified loans and advances</b>		<b><u>5,483,005,729</u></b>	<b><u>5,078,767,423</u></b>
<u>On unclassified loans</u>			
Balance at 01 January		5,557,133,658	4,867,316,658
Transferred from Off Balance Sheet provisions	(+)	100,000,000	50,000,000
General provision made during the period	(+)	301,000,000	639,817,000
		<u>401,000,000</u>	<u>689,817,000</u>
Balance at 30 September		5,958,133,658	5,557,133,658
Provision made by ABBL, Mumbai Branch		2,816,321	4,012,348
<b>Total provision on un-classified loans and advances</b>		<b>5,960,949,979</b>	<b>5,561,146,006</b>
<b>Total provision on loans and advances</b>		<b><u>11,443,955,707</u></b>	<b><u>10,639,913,428</u></b>

	<u>Required</u>	30 Sep. 2019	
		Maintained	Excess
<u>Provision for</u>			
Un-classified loans and advances	5,955,816,321	5,960,949,979	5,133,658
Classified loans and advances	5,483,000,000	5,483,005,729	5,729
	<b><u>11,438,816,321</u></b>	<b><u>11,443,955,707</u></b>	<b><u>5,139,386</u></b>

(\*) The required provision as disclosed above has been derived without considering the requirement of provisioning for the year 2018 as imposed by Bangladesh Bank vide letter no. DBI-1/101/2018-1316 dated 26 April 2018.

### 14.1.1 Details of provision for loans and advances

	30 Sep. 2019	
	Required	Maintained
<u>General Provision</u>	<b>5,955,816,321</b>	<b>5,960,949,979</b>
Standard	5,390,816,321	5,395,949,979
Special Mention Account	565,000,000	565,000,000
<u>Specific Provision</u>	<b>5,483,000,000</b>	<b>5,483,005,729</b>
Substandard	944,400,000	944,400,000
Doubtful	1,002,200,000	1,002,200,000
Bad/Loss	3,536,400,000	3,536,405,729
<b>Excess provision maintained at 30 September 2019</b>		<b><u>5,139,386</u></b>

### 14.2 Provision for current tax (net of advance tax)

Current Tax	(note 14.2.1)	15,345,499,945	14,978,959,012
Advance Income Tax	(note 14.2.2)	14,289,814,346	13,478,581,232
<b>Provision for current tax (net of advance tax)</b>		<b><u>1,055,685,600</u></b>	<b><u>1,500,377,781</u></b>



## AB Bank Limited

### Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>14.2.1 Provision for current tax</b>		
Opening Balance	14,835,831,960	13,917,551,618
Add: Provision made during the period/year	303,174,093	918,280,342
Closing Balance	15,139,006,052	14,835,831,960
Provision held by ABBL, Mumbai Branch	206,493,893	143,127,052
	<b>15,345,499,945</b>	<b>14,978,959,012</b>

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2017 (Assessment Year 2018-19). 1st Appeal filed against the order of the Deputy Commissioner of Taxes for the assessment year 2018-19. Corporate income tax return for the year 2018 submitted under section 82BB corresponding to Assessment Years 2019-20. Tax assessments for income years 1995, 1996, 1997, 2007, 2009, 2010, 2011 and 2012 were completed but these were referred to the Hon'ble High Court on the application made by the Bank for some disputed points.

#### 14.2.2 Advance corporate income tax

##### In Bangladesh:

Balance at 01 January 2018	13,330,000,239	13,008,910,364
Paid during the period	746,404,641	321,089,875
Closing balance (Bangladesh operations)	14,076,404,880	13,330,000,239
Advance tax of ABBL, Mumbai Branch	213,409,466	148,580,992
	<b>14,289,814,346</b>	<b>13,478,581,232</b>

#### 14.3 Provision against other assets

##### Provision for

Prepaid legal expenses	113,030,000	107,530,000
Protested bills	76,055,610	76,055,610
Others	139,487,428	135,099,858
	<b>328,573,038</b>	<b>318,685,468</b>

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

#### 14.3.1 Calculation of Provision against other assets

Particulars	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	112,887,059	112,887,059	50% & 100%	56,443,529	113,030,000
Protested bills	75,645,980	75,645,980	100%	75,645,980	76,055,610
Others	92,548,490	92,548,490	100%	92,548,490	139,487,428
<b>Required provision for other assets</b>				<b>224,637,999</b>	<b>328,573,038</b>
Total provision requirement					224,637,999
Total provision maintained					328,573,038
<b>Excess provision maintained at 30 September 2019</b>					<b>103,935,038</b>

## AB Bank Limited

### Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>14.4 Provision for off balance sheet items</b>		
Opening balance	810,000,000	860,000,000
<u>Less:</u> Transferred to general provisions	(100,000,000)	(50,000,000)
Closing balance	<b>710,000,000</b>	<b>810,000,000</b>

#### 14.4.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	30 Sep 2019	31 Dec 2018
Acceptances and endorsements	13,250,152,900	1%	132,501,529	216,648,132
Letters of guarantee	14,497,884,315	1%	144,978,843	145,690,143
Irrevocable letters of credit	8,314,949,717	1%	83,149,497	120,603,602
Bills for collection	-	1%	-	-
Others	79,818,449	1%	798,184	14,613,019
<b>Total Off Balance Sheet Items &amp; required provision</b>	<b>36,142,805,382</b>		<b>361,428,054</b>	<b>497,554,896</b>
Total provision maintained			710,000,000	810,000,000
<b>Excess provision at 30 September 2019</b>			<b>348,571,946</b>	<b>312,445,104</b>

Off Balance Sheet exposures of Mumbai Branch, India is BDT 9,290,144,594.60. As per Reserve Bank of India (RBI) regulation there is no provision requirement against these Off Balance Sheet exposures .

#### 14.5 Provision against investments

##### Provision against quoted shares:

Opening balance	1,650,053,000	1,560,053,000
<u>Add:</u> Provision made during the period	50,000,000	90,000,000
<b>Closing Balance</b>	<b>1,700,053,000</b>	<b>1,650,053,000</b>
Total provision maintained for Investment	1,700,053,000	1,650,053,000
Total provision requirement for Investment	1,697,428,099	1,642,820,432
<b>Excess provision</b>	<b>2,624,901</b>	<b>7,232,568</b>

##### Provision for Pinnacle Global Fund Pte Limited:

Opening balance	239,250,000	-
<u>Add:</u> Provision made during the period/Year	-	239,250,000
<b>Closing Balance</b>	<b>239,250,000</b>	<b>239,250,000</b>

(\*) Provision for Pinnacle Global Fund Pte Limited has been maintained as per Bangladesh Bank vide letter no. DBI-1/101/2018-1316 dated 26 April 2018.

##### Total Provision maintained against investment:

Provision against quoted shares	1,700,053,000	1,650,053,000
Provision for Pinnacle Global Fund Pte Limited	239,250,000	239,250,000
	<b>1,939,303,000</b>	<b>1,889,303,000</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>14(a) Consolidated Other liabilities</b>		
AB Bank Limited	39,764,050,676	37,458,190,496
AB Investment Limited	847,374,717	873,488,971
AB International Finance Limited	64,075,770	65,509,340
AB Securities Limited	565,171,569	610,856,624
Cashlink Bangladesh Limited (CBL)	9,742,006	9,770,756
	41,250,414,738	39,017,816,187
<u>Less: Inter-group transaction</u>	71,708,553	115,494,023
	<b>41,178,706,185</b>	<b>38,902,322,164</b>
<b>15. Share Capital</b>	<b>7,581,303,150</b>	<b>7,581,303,150</b>
<b>15.1 Authorised Capital</b>		
1,500,000,000 ordinary shares of BDT 10 each	<b>15,000,000,000</b>	<b>15,000,000,000</b>
<b>15.2 Issued, Subscribed and Paid-up Capital</b>		
10,000,000 ordinary shares of BDT 10 each issued for cash	100,000,000	100,000,000
5,000,000 ordinary shares of BDT 10 each issued for rights	50,000,000	50,000,000
743,130,315 ordinary shares of BDT 10 each issued as bonus shares	7,431,303,150	7,431,303,150
	<b>7,581,303,150</b>	<b>7,581,303,150</b>
<b>16. Statutory reserve</b>		
<b>In Bangladesh</b>		
Opening balance	6,324,553,560	6,256,894,064
<u>Add: Addition during the period</u>	-	67,659,496
	6,324,553,560	6,324,553,560
<b>Outside Bangladesh - ABBL, Mumbai Branch</b>		
Opening balance	298,809,180	292,348,935
<u>Add: Addition during the period</u>	28,111,926	27,622,121
<u>Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation</u>	179,278	(21,161,876)
	327,100,385	298,809,180
	<b>6,651,653,945</b>	<b>6,623,362,740</b>
<b>17. Other reserve</b>		
General reserve	1,222,199,200	1,222,199,200
Assets revaluation reserve	1,297,070,455	1,298,209,633
Investment revaluation reserve	17,850,566	20,254,171
	<b>2,537,120,221</b>	<b>2,540,663,004</b>
<b>17(a) Consolidated Other reserve</b>		
AB Bank Limited	2,537,120,221	2,540,663,004
AB Investment Limited	-	-
AB International Finance Limited	80,092,537	86,517,889
AB Securities Limited	85,910,523	85,910,523
Cashlink Bangladesh Limited (CBL)	-	-
	<b>2,703,123,280</b>	<b>2,713,091,416</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	30 Sep 2019 BDT	31 Dec 2018 BDT
<b>18. Retained earnings</b>		
Opening balance	5,905,152,980	6,011,991,999
Add: Post-tax profit for the period/year	71,744,103	18,323,578
Less: Transfer to statutory reserve	(28,111,926)	(95,281,616)
	<b>5,948,785,157</b>	<b>5,935,033,960</b>
Add/(Less): Transferred from Assets Revaluation Reserve	1,139,179	2,270,683
Add/(Less): Foreign Exchange Translation gain/(loss)	(710,547)	(32,151,664)
	<b>5,949,213,789</b>	<b>5,905,152,980</b>
<b>18(a) Consolidated Retained earnings</b>		
AB Bank Limited	5,949,213,789	5,905,152,980
AB Investment Limited	326,697,046	348,015,148
AB International Finance Limited	92,714,737	108,540,902
AB Securities Limited	153,880,546	151,680,259
Cashlink Bangladesh Limited (CBL)	(178,018,002)	(180,470,666)
	6,344,488,116	6,332,918,623
Add/(Less): Adjustment made during the period/year	718,981,282	616,758,478
Minority interest	(17,665,176)	(17,912,357)
	<b>7,081,134,575</b>	<b>6,967,589,458</b>
<b>18(b) Non-controlling interest</b>		
AB Investment Limited	10,264	10,297
AB Securities Limited	452,857	450,910
Cashlink Bangladesh Limited	10,198,200	9,952,933
	<b>10,661,321</b>	<b>10,414,140</b>
<b>19. Contingent liabilities</b>	<b>48,809,675,600</b>	<b>57,209,035,486</b>
<b>19.1 Letters of guarantee</b>		
Money for which the Bank is contingently liable in respect of guarantees issued favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	146,097,469	68,158,730
Others	14,353,485,747	14,500,855,603
	<b>14,499,583,216</b>	<b>14,569,014,333</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>20. Profit and loss account</b>		
<u>Income:</u>		
Interest, discount and similar income	18,539,718,126	17,160,041,036
Dividend income	62,133,265	77,076,660
Fee, commission and brokerage	922,597,258	1,138,675,092
Gains less losses arising from investment securities	47,335,263	28,592,070
Gains less losses arising from dealing in foreign currencies	439,608,734	624,437,971
Other operating income	46,739,579	107,073,670
Gains less losses arising from dealing securities	(1,439,855,238)	350,805,766
Income from non-banking assets	-	-
	<u>18,618,276,987</u>	<u>19,486,702,265</u>
<u>Expenses:</u>		
Interest, fee and commission	13,626,706,534	13,099,685,858
Administrative expenses	3,026,889,915	3,044,165,431
Other operating expenses	782,412,471	986,391,309
Depreciation and amortization on banking assets	226,939,910	217,018,989
Loss on loans and advances	-	-
	<u>17,662,948,831</u>	<u>17,347,261,587</u>
	<u><b>955,328,156</b></u>	<u><b>2,139,440,678</b></u>
<b>21. Interest income/profit on investments</b>		
Interest on loans and advances:		
Loans and advances	14,338,642,443	13,413,355,060
Bills purchased and discounted	890,840,865	599,860,911
	<u>15,229,483,308</u>	<u>14,013,215,971</u>
Interest on:		
Calls and placements	150,169,193	261,130,645
Balance with foreign banks	9,865,650	8,147,243
Reverse Repo	15,614,346	-
Balance with Bangladesh Bank	14,253,412	4,932,429
	<u>189,902,601</u>	<u>274,210,317</u>
	<u><b>15,419,385,909</b></u>	<u><b>14,287,426,288</b></u>
<b>21(a). Consolidated Interest income/profit on investments</b>		
AB Bank Limited	15,419,385,909	14,287,426,288
AB International Finance Limited	38,357,728	36,767,300
AB Investment Limited	121,127,047	215,803,651
AB Securities Limited	27,091,071	38,166,121
Cashlink Bangladesh Limited (CBL)	2,749,117	2,689,672
	<u>15,608,710,872</u>	<u>14,580,853,032</u>
<u>Less:</u> Intercompany transactions	<u>3,769,966</u>	<u>4,378,649</u>
	<u><b>15,604,940,905</b></u>	<u><b>14,576,474,383</b></u>
<b>22. Interest/profit paid on deposits, borrowings, etc.</b>		
Interest on deposits:		
Fixed deposits	7,623,850,131	7,729,842,079
Savings deposits	723,245,687	695,604,650
Special notice deposits	1,787,790,730	1,443,524,672
Other deposits	1,813,572,553	1,388,020,477
	<u>11,948,459,101</u>	<u>11,256,991,879</u>
Interest on borrowings:		
Local banks, financial institutions including BB	1,022,759,762	1,264,030,964
Subordinated Bond	655,487,671	578,663,015
	<u>13,626,706,534</u>	<u>13,099,685,858</u>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>22(a). Consolidated Interest/profit paid on deposits, borrowings, etc.</b>		
AB Bank Limited	13,626,706,534	13,099,685,858
AB Investment Limited	-	-
AB International Finance Limited	4,112,508	4,657,097
AB Securities Limited	18,142,979	19,060,139
Cashlink Bangladesh Limited (CBL)	-	-
	<b>13,648,962,021</b>	<b>13,123,403,094</b>
<u>Less: Intercompany transactions</u>	<u>5,600,445</u>	<u>6,376,288</u>
	<b><u>13,643,361,575</u></b>	<b><u>13,117,026,806</u></b>
<b>23. Investment income</b>		
Capital gain on sale of shares	47,335,263	28,592,070
Interest on treasury bills	46,910,509	28,331,470
Dividend on shares	62,133,265	77,076,660
Interest on treasury bonds	2,781,159,909	2,690,969,446
Gain/(Loss) on treasury bills and treasury bonds	(1,439,855,238)	350,805,766
Interest on other bonds & others	292,261,799	153,313,833
	<b>1,789,945,507</b>	<b>3,329,089,244</b>
<b>23(a). Consolidated Investment income</b>		
AB Bank Limited	1,789,945,507	3,329,089,244
AB Investment Limited	(138,062,006)	13,194,673
AB International Finance Limited	-	-
AB Securities Limited	(23,844,811)	14,984,576
Cashlink Bangladesh Limited (CBL)	-	147,171
	<b>1,628,038,690</b>	<b>3,357,415,664</b>
<b>24. Commission, exchange and brokerage</b>		
Other fees, commission and service charges	514,399,450	617,410,830
Commission on letters of credit	316,965,884	411,071,229
Commission on letters of guarantee	91,231,924	110,193,034
Exchange gains less losses arising from dealings in foreign currencies	439,608,734	624,437,971
	<b>1,362,205,992</b>	<b>1,763,113,063</b>
<b>24(a). Consolidated Commission, exchange and brokerage</b>		
AB Bank Limited	1,362,205,992	1,763,113,063
AB Investment Limited	26,449,070	28,020,221
AB International Finance Limited	52,115,527	49,191,002
AB Securities Limited	30,098,278	28,887,779
Cashlink Bangladesh Limited (CBL)	-	-
	<b>1,470,868,866</b>	<b>1,869,212,064</b>
<b>25. Other income</b>		
Locker rent, insurance claim and others	3,831,332	5,758,225
Recoveries on telex, telephone, fax, etc.	31,473,793	49,870,660
Recoveries on courier, postage, stamp, etc.	10,387,417	21,527,314
Non-operating income (*)	1,047,037	29,917,472
	<b>46,739,579</b>	<b>107,073,670</b>

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

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>25(a). Consolidated other income</b>		
AB Bank Limited	46,739,579	107,073,670
AB Investment Limited	9,131,677	9,630,896
AB International Finance Limited	55,889,544	47,587,212
AB Securities Limited	1,565,777	1,640,831
Cashlink Bangladesh Limited (CBL)	-	-
	113,326,577	165,932,609
<u>Less: Inter company transactions</u>	5,967,869	6,135,029
	<b>107,358,708</b>	<b>159,797,580</b>
<b>26. Salary and allowances</b>		
Basic salary, provident fund contribution and all other allowances	1,928,722,532	1,958,906,904
Festival and incentive bonus	177,687,136	180,719,923
	<b>2,106,409,668</b>	<b>2,139,626,827</b>
<b>26.1 Chief executive's salary and fees</b>	<b>3,035,484</b>	<b>9,350,000</b>
<b>26(a). Consolidated salary and allowances</b>		
AB Bank Limited	2,106,409,668	2,139,626,827
AB Investment Limited	11,526,151	11,395,135
AB International Finance Limited	21,872,422	22,498,704
AB Securities Limited	19,504,805	18,821,954
Cashlink Bangladesh Limited (CBL)	200,628	199,764
	<b>2,159,513,674</b>	<b>2,192,542,385</b>
<b>27. Rent, taxes, insurance, electricity, etc.</b>		
Rent, rates and taxes	387,842,627	355,476,020
Electricity, gas, water, etc.	72,637,771	72,647,223
Insurance	131,438,057	126,346,262
	<b>591,918,455</b>	<b>554,469,505</b>
<b>27(a). Consolidated Rent, taxes, insurance, electricity, etc.</b>		
AB Bank Limited	591,918,455	554,469,505
AB Investment Limited	1,669,864	1,490,866
AB International Finance Limited	7,382,068	7,124,538
AB Securities Limited	6,051,279	5,881,041
Cashlink Bangladesh Limited (CBL)	-	11,000
	607,021,666	568,976,951
<u>Less: Inter company transactions</u>	4,137,390	4,137,390
	<b>602,884,276</b>	<b>564,839,561</b>
<b>28. Legal expenses</b>		
Legal expenses	<b>8,649,670</b>	<b>1,764,065</b>
<b>28(a). Consolidated legal expenses</b>		
AB Bank Limited	8,649,670	1,764,065
AB Investment Limited	221,600	96,300
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b>8,871,270</b>	<b>1,860,365</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>29. Postage, stamp, telecommunication, etc.</b>		
Telex, fax, internet, wireless link, SWIFT, etc.	51,534,784	59,024,542
Telephone	4,872,874	5,865,201
Postage, stamp and shipping	18,569,221	24,115,844
	<b>74,976,879</b>	<b>89,005,587</b>
<b>29(a). Consolidated Postage, stamp, telecommunication, etc.</b>		
AB Bank Limited	74,976,879	89,005,587
AB Investment Limited	594,601	495,790
AB International Finance Limited	7,757,492	6,475,631
AB Securities Limited	1,067,559	1,103,128
Cashlink Bangladesh Limited (CBL)	-	150
	<b>84,396,531</b>	<b>97,080,286</b>
<b>30. Stationery, printing, advertisements, etc.</b>		
Printing and stationery	101,811,858	95,660,143
Publicity, advertisement, etc.	6,320,227	19,534,161
	<b>108,132,086</b>	<b>115,194,304</b>
<b>30(a). Consolidated Stationery, printing, advertisements, etc.</b>		
AB Bank Limited	108,132,086	115,194,304
AB Investment Limited	144,714	109,856
AB International Finance Limited	159,282	138,246
AB Securities Limited	357,083	356,308
Cashlink Bangladesh Limited (CBL)	-	-
	<b>108,793,165</b>	<b>115,798,714</b>
<b>31. Directors' fees</b>		
Directors' fees	984,800	1,462,800
Meeting expenses	570,674	1,587,916
	<b>1,555,474</b>	<b>3,050,716</b>
Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee and Shariah Council.		
<b>31(a). Consolidated Directors' fees</b>		
AB Bank Limited	1,555,474	3,050,716
AB Investment Limited	91,340	200,010
AB International Finance Limited	-	-
AB Securities Limited	187,777	253,333
Cashlink Bangladesh Limited (CBL)	57,500	57,500
	<b>1,892,091</b>	<b>3,561,559</b>
<b>32. Auditors' fees</b>		
Statutory	368,685	325,311
Others	5,189,295	846,638
	<b>5,557,979</b>	<b>1,171,949</b>



## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>32(a). Consolidated Auditors' fees</b>		
AB Bank Limited	5,557,979	1,171,949
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b>5,557,979</b>	<b>1,171,949</b>
<b>33. Depreciation and repairs of Bank's assets</b>		
<u>Depreciation :</u>		
Electrical appliances	89,264,497	78,436,874
Furniture and fixtures	8,322,066	9,352,785
Office appliances	1,545,105	1,713,524
Building	13,188,043	13,526,198
Motor vehicles	52,327,898	54,475,390
	<b>164,647,609</b>	<b>157,504,772</b>
<u>Repairs:</u>		
Motor vehicles	18,476,437	17,284,429
Electrical appliances	51,940,640	51,177,528
Office premises and others	51,450,019	57,173,197
Furniture and fixtures	1,274,307	1,298,656
Office appliances	3,512,817	3,598,669
	<b>126,654,221</b>	<b>130,532,478</b>
	291,301,830	288,037,249
Amortization of Intangible Assets	62,292,301	59,514,217
	<b>353,594,131</b>	<b>347,551,467</b>
<b>33(a). Consolidated Depreciation and repairs of Bank's assets</b>		
AB Bank Limited	353,594,131	347,551,467
AB Investment Limited	13,982,026	13,860,600
AB International Finance Limited	376,807	608,050
AB Securities Limited	1,263,870	1,297,929
Cashlink Bangladesh Limited (CBL)	-	31,824
	<b>369,216,834</b>	<b>363,349,869</b>
<b>34. Other expenses</b>		
Contractual service	363,614,627	363,644,493
Petrol, oil and lubricant	42,430,866	49,885,295
Software expenses	138,559,834	130,506,704
Entertainment	26,348,843	28,798,934
Travelling	7,491,909	15,335,308
Subscription, membership and sponsorship	9,776,581	58,335,268
Training, seminar and workshop	5,237,201	9,177,325
Local conveyance	6,882,260	7,638,078
Professional charges	27,567,989	64,421,445
Books, newspapers and periodicals	810,501	1,129,036
Branch opening expenses	-	142,466
Bank Charges	10,163,661	11,335,035
Sundry expenses (*)	143,528,200	246,041,923
	<b>782,412,471</b>	<b>986,391,309</b>

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

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>34(a). Consolidated other expenses</b>		
AB Bank Limited	782,412,471	986,391,309
AB Investment Limited	7,009,071	3,579,354
AB International Finance Limited	1,101,716	1,592,491
AB Securities Limited	5,991,646	5,700,788
Cashlink Bangladesh Limited (CBL)	38,323	98,853
	<b>796,553,227</b>	<b>997,362,794</b>
<b>35. Provision against loans and advances</b>		
On un-classified loans	299,801,565	407,759,255
On classified loans	311,700,000	954,609,115
	<b>611,501,565</b>	<b>1,362,368,369</b>
<b>35(a). Consolidated provision against loans and advances</b>		
AB Bank Limited	611,501,565	1,362,368,369
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b>611,501,565</b>	<b>1,362,368,369</b>
<b>36. Provisions for investments</b>		
Provision for quoted shares in Bangladesh operations	50,000,000	170,000,000
Provision for Pinnacle Global Fund Pte Limited	-	-
Provision for Amana Bank Plc	-	-
<b>Total provision for investments</b>	<b>50,000,000</b>	<b>170,000,000</b>
<b>36(a). Consolidated provisions for diminution in value of investments</b>		
AB Bank Limited	50,000,000	170,000,000
AB Investment Limited	5,819,239	56,340,489
AB International Finance Limited	-	-
AB Securities Limited	(28,602,932)	3,000,000
Cashlink Bangladesh Limited (CBL)	-	-
	<b>27,216,307</b>	<b>229,340,489</b>
<b>37. Other provision</b>		
Provision for off balance sheet items	-	-
Provision for Other assets	10,221,018	64,907,169
	<b>10,221,018</b>	<b>64,907,169</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.		
<b>37(a). Consolidated other provisions</b>		
AB Bank Limited	10,221,018	64,907,169
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	<b>10,221,018</b>	<b>64,907,169</b>

## AB Bank Limited

Notes to the financial statements for the period ended September 30, 2019

	Jan'19- Sep'19 BDT	Jan'18- Sep'18 BDT
<b>38. Earnings Per Share (EPS)</b>		
Profit after taxation	71,744,103	122,071,143
Number of ordinary shares outstanding	758,130,315	758,130,315
Earnings Per Share	<u>0.09</u>	<u>0.16</u>
<b>38.(a) Consolidated Earnings Per Share</b>		
Net Profit attributable to the shareholders of parent company	141,312,477	308,756,878
Number of ordinary shares outstanding	758,130,315	758,130,315
Earnings Per Share	<u>0.19</u>	<u>0.41</u>
Earnings Per Share (EPS) has been computed in accordance with International Accounting Standard (IAS)-33 by dividing the basic earnings by the number of ordinary shares outstanding as of September 30, 2019 .		
<b>39. Receipts from other operating activities</b>		
Interest on treasury bills, bonds, debenture and others	1,727,812,242	3,252,012,584
Exchange earnings	439,874,489	574,080,830
Recoveries on telex, telephone, fax, etc.	31,473,793	49,870,660
Recoveries on courier, postage, stamp, etc.	10,387,417	21,527,314
Non-operating income	1,047,037	29,917,472
Others	3,831,332	5,758,225
	<u>2,214,426,310</u>	<u>3,933,167,084</u>
<b>40. Payments for other operating activities</b>		
Rent, taxes, insurance, electricity,	591,918,455	554,469,505
Postage, stamps, telecommunication, etc.	74,976,879	89,005,587
Repairs of Bank's assets	126,654,221	130,532,478
Legal expenses	8,649,670	1,764,065
Auditor's fees	5,557,979	1,171,949
Directors' fees	1,555,474	3,050,716
Other Expenses	782,412,471	986,391,309
	<u>1,591,725,149</u>	<u>1,766,385,609</u>
<b>41 Net Operating Cash Flow Per Share (NOCFPS)</b>		
Net Operating Cash Flow	24,484,611,253	(8,772,270,884)
Number of ordinary shares outstanding	758,130,315	758,130,315
Net Operating Cash Flow Per Share (NOCFPS)	<u>32.30</u>	<u>(11.57)</u>
<b>41(a) Consolidated Net Operating Cash Flow Per Share (NOCFPS)</b>		
Net Operating Cash Flow	24,766,971,194	(8,938,560,357)
Number of ordinary shares outstanding	758,130,315	758,130,315
Net Operating Cash Flow Per Share (NOCFPS)	<u>32.67</u>	<u>(11.79)</u>
	<b>30 Sep 2019</b>	<b>31 Dec 2018</b>
	BDT	BDT
<b>42 Net Asset Value Per Share (NAVPS)</b>		
Net Asset Value	22,719,291,104	22,650,481,875
Number of ordinary shares outstanding	758,130,315	758,130,315
Net Asset Value Per Share (NAVPS)	<u>29.97</u>	<u>29.88</u>
<b>42(a) Consolidated Net Asset Value Per Share (NAVPS)</b>		
Net Asset Value	24,017,214,950	23,885,346,764
Number of ordinary shares outstanding	758,130,315	758,130,315
Net Asset Value Per Share (NAVPS)	<u>31.68</u>	<u>31.51</u>
<b>43 Reconciliation of net profit with cash flows from operating activities</b>		

Bank prepares Cash flow statement in accordance with Bangladesh Bank, BRPD Circular No. 14 dated 25 June 2003.