

AB Bank Limited and Its Subsidiaries

**Auditor's Report and Audited Consolidated & Separate
Financial Statements**

For the period from 01 January 2015 to 31 March 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AB BANK LIMITED**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of AB Bank Limited and its subsidiaries ("the Group") as well as the separate financial statements of AB Bank Limited ("the Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 March 2015 and the consolidated and separate Profit & Loss Accounts, consolidated and separate Statements of Changes in Equity and consolidated and separate Cash Flow Statements for the period from 01 January 2015 to 31 March 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note # 1.13 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (Amended in 2013) and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 March 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period from 01 January 2015 to 31 March 2015 in accordance with Bangladesh Financial Reporting Standards as explained in note # 1.13.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 (Amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 1.15 to the financial statements appeared to be materially adequate;
 - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of the subsidiaries of the Bank as reflected in the consolidated financial statements have not been audited;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;

- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 2,000 person hours for the audit of the books and accounts of the Bank.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited & its Subsidiaries
Consolidated Balance Sheet
As at 31 March 2015

<u>PROPERTY AND ASSETS</u>	Notes	31.03.2015 Taka	31.12.2014 Taka
Cash	3(a)	14,844,257,158	13,950,476,378
In hand (including foreign currencies)	3.1(a)	1,389,749,249	1,140,708,758
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	13,454,507,909	12,809,767,620
Balance with other banks and financial institutions	4(a)	5,154,038,389	6,555,722,116
In Bangladesh	4.1(a)	3,115,698,463	4,214,889,208
Outside Bangladesh	4.2(a)	2,038,339,925	2,340,832,909
Money at call and on short notice	5(a)	4,359,773,696	2,456,985,298
Investments	6(a)	32,743,817,889	31,717,883,909
Government	6.1(a)	26,282,112,162	25,305,839,814
Others	6.2(a)	6,461,705,726	6,412,044,095
Loans, advances and lease/investments		190,755,136,368	184,737,891,930
Loans, cash credits, overdrafts, etc./Investments	7(a)	188,388,696,686	181,936,611,502
Bills purchased and discounted	8(a)	2,366,439,682	2,801,280,428
Fixed assets including premises, furniture and fixtures	9(a)	4,990,068,015	4,940,112,222
Other assets	10(a)	12,948,165,894	12,455,465,235
Non-banking assets		-	-
Total Assets		<u>265,795,257,408</u>	<u>256,814,537,088</u>
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	12,292,171,577	11,385,667,525
AB Bank Subordinated Bond	12	2,500,000,000	2,500,000,000
Deposits and other accounts	13(a)	203,556,287,655	198,116,757,714
Current account and other accounts		19,009,314,501	17,645,003,388
Bills payable		2,092,130,404	1,195,054,117
Savings bank deposits		19,606,245,394	19,427,515,775
Fixed deposits		121,799,713,816	117,532,923,933
Other deposits		41,048,883,540	42,316,260,501
Other liabilities	14(a)	28,091,308,697	26,062,452,062
Total Liabilities		<u>246,439,767,930</u>	<u>238,064,877,301</u>
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		19,363,063,503	18,759,103,871
Paid-up capital	15	5,324,591,520	5,324,591,520
Statutory reserve	16	5,585,777,244	5,582,440,229
Other reserve	17(a)	1,826,224,618	1,817,451,907
Retained earnings	18(a)	6,626,470,121	6,034,620,214
Minority interest	18(b)	(7,574,025)	(9,444,084)
Total Equity		<u>19,355,489,478</u>	<u>18,749,659,787</u>
Total Liabilities and Shareholders' Equity		<u>265,795,257,408</u>	<u>256,814,537,088</u>

	Notes	31.03.2015 Taka	31.12.2014 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	19	72,831,218,640	77,068,505,153
Acceptances and endorsements		26,927,763,134	27,020,988,453
Letters of guarantee		14,594,679,106	13,845,332,265
Irrevocable letters of credit		20,993,252,116	21,987,317,194
Bills for collection		7,543,046,935	7,738,447,692
Other contingent liabilities		2,772,477,349	6,476,419,550
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		72,831,218,640	77,068,505,153

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

-Sd-
Feroz Ahmed
Director

-Sd-
Dr. M. Imtiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

This is the consolidated balance sheet referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
For the period from 01 January 2015 to 31 March 2015

	Notes	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
OPERATING INCOME			
Interest income/profit on investments	21(a)	5,348,766,488	5,109,041,579
Interest/profit paid on deposits and borrowings, etc.	22(a)	(4,070,408,021)	(3,891,127,438)
Net interest income		1,278,358,467	1,217,914,141
Investment income	23(a)	742,239,184	694,129,240
Commission, exchange and brokerage	24(a)	766,547,622	934,991,847
Other operating income	25(a)	41,918,434	41,765,422
		1,550,705,239	1,670,886,510
Total operating income (a)		2,829,063,707	2,888,800,651
OPERATING EXPENSES			
Salary and allowances	26(a)	551,898,320	535,143,806
Rent, taxes, insurance, electricity, etc.	27(a)	136,110,903	121,246,632
Legal expenses	28(a)	2,854,720	1,622,964
Postage, stamps, telecommunication, etc.	29(a)	36,003,189	34,370,383
Stationery, printing, advertisement, etc.	30(a)	35,734,457	36,829,983
Chief executive's salary and fees		3,000,000	1,243,560
Directors' fees	31(a)	2,302,235	1,640,270
Auditors' fees	32(a)	2,423,626	502,596
Depreciation and repairs of Bank's assets	33(a)	141,706,804	135,919,050
Other expenses	34(a)	320,294,878	263,884,823
Total operating expenses (b)		1,232,329,133	1,132,404,067
Profit before provision (c = (a-b))		1,596,734,574	1,756,396,584
Provision against loans and advances	35(a)	450,000,000	430,000,065
Provision for diminution in value of investments	36(a)	11,707,055	22,902,865
Other provisions	37(a)	26,000,000	120,842,985
Total provision (d)		487,707,055	573,745,915
Profit before tax (c-d)		1,109,027,519	1,182,650,669
Provision for taxation		530,555,752	768,403,793
Current tax		532,817,220	766,654,428
Deferred tax		(2,261,468)	1,749,365
Net profit after tax		578,471,767	414,246,876
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividends, etc.		-	-
		-	-
Retained surplus		578,471,767	414,246,876
Minority interest		1,870,059	(225,093)
Net Profit attributable to the shareholders of parent company		576,601,707	414,471,969
Earnings Per Share (EPS)	38(a)	1.08	0.78

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

-Sd-
Feroz Ahmed
Director

-Sd-
Dr. M. Imtiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

This is the consolidated profit & loss account referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the period from 01 January 2015 to 31 March 2015

Cash Flows from Operating Activities	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
Interest receipts	5,268,651,649	4,813,130,029
Interest payments	(3,307,232,717)	(3,127,818,318)
Dividend receipts	10,249,800	19,663,326
Fee and commission receipts	453,967,240	594,065,906
Recoveries on loans previously written off	148,000	-
Payments to employees	(554,898,320)	(536,387,366)
Payments to suppliers	(35,734,457)	(36,829,983)
Income taxes paid	(498,880,064)	(508,133,608)
Receipts from other operating activities	1,086,340,199	1,057,157,279
Payments for other operating activities	(548,790,169)	(465,327,531)
Operating profit before changes in operating assets & liabilities	1,873,821,160	1,809,519,734
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(5,937,129,598)	(11,204,200,817)
Other assets	(156,150,622)	(1,692,859,627)
Deposits from other banks	(1,763,109,019)	886,110,027
Deposits from customers	6,439,463,656	11,184,751,568
Trading liabilities (short-term borrowings)	893,883,947	1,440,508,316
Other liabilities	1,075,463,256	361,906,034
	552,421,620	976,215,502
Net cash flow from operating activities (a)	2,426,242,781	2,785,735,236
Cash Flows from Investing Activities		
Purchase of government securities	(965,398,982)	(277,581,890)
(Purchase)/Sale of trading securities, shares, bonds, etc.	(49,661,631)	400,928,229
Purchase of property, plant and equipment	(28,612,122)	(98,527,658)
Net cash (used in)/ flow from investing activities (b)	(1,043,672,735)	24,818,681
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	12,620,105	(45,108,111)
Dividend paid	-	(34,992)
Net cash flow from/(used in) financing activities (c)	12,620,105	(45,143,103)
Net increase in cash (a+b+c)	1,395,190,151	2,765,410,814
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	22,966,416,693	18,341,599,343
Cash and cash equivalents at end of the period (*)	24,361,606,844	21,107,010,158
(*) Cash and cash equivalents:		
Cash	1,389,749,249	1,276,917,646
Prize bonds	3,537,600	3,834,500
Money at call and on short notice	4,359,773,696	2,964,201,000
Balance with Bangladesh Bank and its agent bank(s)	13,454,507,909	10,133,268,691
Balance with other banks and financial institutions	5,154,038,389	6,728,788,321
	24,361,606,844	21,107,010,158
Net Operating Cash Flow Per Share (NOCFPS)	4.56	5.23

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

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Feroz Ahmed
Director

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Dr. M. Intiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

This is the consolidated cash flow statement referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the period from 01 January 2015 to 31 March 2015

(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 Equity
Balance at 01 January 2015	5,324,591,520	5,582,440,229	118,175,719	1,323,567,485	1,281,307	374,427,395	(9,444,084)	6,034,620,214	18,749,659,786
Net profit after taxation for the period	-	-	-	-	-	-	1,870,059	576,601,707	578,471,767
Addition/(Adjustment) made during the period	-	-	-	-	-	10,568,667	-	6,975,216	17,543,883
Foreign Exchange Rate Fluctuation	-	3,337,015	(130,065)	-	(1,665,891)	-	-	8,272,983	9,814,042
Balance at 31 March 2015	5,324,591,520	5,585,777,244	118,045,654	1,323,567,485	(384,584)	384,996,062	(7,574,025)	6,626,470,121	19,355,489,478
Balance at 31 March 2014	4,976,253,760	5,570,831,273	117,912,563	1,326,815,807	6,527,348	219,324,197	(15,865,519)	5,625,121,134	17,826,920,565

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

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Director

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Director

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M. Wahidul Haque
Chairman

This is the Consolidated Statement of Changes in Equity referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited
Balance Sheet
As at 31 March 2015

<u>PROPERTY AND ASSETS</u>	Notes	31.03.2015 Taka	31.12.2014 Taka
Cash	3	14,841,513,463	13,947,708,945
In hand (including foreign currencies)	3.1	1,387,005,554	1,137,941,325
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	13,454,507,909	12,809,767,620
Balance with other banks and financial institutions	4	5,055,339,829	6,488,688,322
In Bangladesh		3,029,119,597	4,171,808,425
Outside Bangladesh		2,026,220,231	2,316,879,897
Money at call and on short notice	5	5,316,091,296	3,862,958,626
Investments	6	31,823,991,821	30,778,575,066
Government	6.1	26,282,112,162	25,305,839,814
Others	6.2	5,541,879,659	5,472,735,252
Loans, advances and lease/investments		183,850,663,718	177,570,797,390
Loans, cash credits, overdrafts, etc./Investments	7.2	182,806,526,484	176,387,446,062
Bills purchased and discounted	8	1,044,137,234	1,183,351,328
Fixed assets including premises, furniture and fixtures	9	4,353,252,689	4,404,994,528
Other assets	10	18,118,924,151	17,614,433,173
Non-banking assets		-	-
Total Assets		263,359,776,969	254,668,156,050
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	11,875,080,780	10,976,810,430
AB Bank Subordinated Bond	12	2,500,000,000	2,500,000,000
Deposits and other accounts	13	203,629,625,601	198,189,197,221
Current accounts and other accounts		19,010,436,204	17,639,785,113
Bills payable		2,092,130,404	1,195,054,117
Savings bank deposits		19,606,245,394	19,427,515,775
Fixed deposits		121,799,713,816	117,532,923,933
Other deposits		41,121,099,783	42,393,918,283
Other liabilities	14	26,660,714,221	24,845,034,825
Total Liabilities		244,665,420,602	236,511,042,476
Capital/Shareholders' Equity			
Total Shareholders' Equity		18,694,356,367	18,157,113,573
Paid-up capital	15	5,324,591,520	5,324,591,520
Statutory reserve	16	5,585,777,244	5,582,440,229
Other reserve	17	1,648,827,822	1,638,259,155
Retained earnings	18	6,135,159,781	5,611,822,670
Total Liabilities and Shareholders' Equity		263,359,776,969	254,668,156,050

	Notes	31.03.2015 Taka	31.12.2014 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	19	72,831,218,640	77,068,505,153
Acceptances and endorsements		26,927,763,134	27,020,988,453
Letters of guarantee	19.1	14,594,679,106	13,845,332,265
Irrevocable letters of credit		20,993,252,116	21,987,317,194
Bills for collection		7,543,046,935	7,738,447,692
Other contingent liabilities		2,772,477,349	6,476,419,550
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>72,831,218,640</u>	<u>77,068,505,153</u>

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

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Chairman

This is the balance sheet referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited
Profit and Loss Account
For the period from 01 January 2015 to 31 March 2015

	Notes	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
OPERATING INCOME			
Interest income/profit on investments	21	5,258,892,923	4,997,955,622
Interest paid/profit on deposits and borrowings, etc.	22	(4,052,122,486)	(3,865,780,292)
Net interest income		1,206,770,437	1,132,175,330
Investment income	23	740,545,205	680,913,585
Commission, exchange and brokerage	24	719,278,558	893,689,441
Other operating income	25	30,551,557	28,005,346
		1,490,375,320	1,602,608,373
Total operating income (a)		2,697,145,757	2,734,783,703
OPERATING EXPENSES			
Salary and allowances	26	535,992,285	519,895,842
Rent, taxes, insurance, electricity, etc.	27	132,911,643	117,485,426
Legal expenses	28	2,848,827	1,529,214
Postage, stamps, telecommunication, etc.	29	34,274,209	36,705,390
Stationery, printing, advertisement, etc.	30	35,536,201	36,265,369
Chief executive's salary and fees		3,000,000	1,243,560
Directors' fees	31	2,197,735	1,529,770
Auditors' fees	32	2,370,585	444,451
Depreciation and repairs of Bank's assets	33	135,118,271	122,054,103
Other expenses	34	316,726,152	263,194,100
Total operating expenses (b)		1,200,975,907	1,100,347,224
Profit before provision (c = (a-b))		1,496,169,850	1,634,436,478
Provision against loans and advances	35	450,000,000	430,000,065
Provision for diminution in value of investments	36	-	-
Other provisions	37	26,000,000	120,842,985
Total provision (d)		476,000,000	550,843,050
Profit before taxation (c-d)		1,020,169,850	1,083,593,428
Provision for taxation		503,800,000	727,300,570
Current tax		506,505,985	728,311,099
Deferred tax		(2,705,985)	(1,010,529)
Net profit after taxation		516,369,850	356,292,858
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividends, etc.		-	-
		-	-
Retained surplus		516,369,850	356,292,858
Earnings Per Share (EPS)	38	0.97	0.67

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

-Sd-
Feroz Ahmed
Director

-Sd-
Dr. M. Imtiaz Hossain
Director

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M. Wahidul Haque
Chairman

This is the profit & loss account referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited
Cash Flow Statement
For the period from 01 January 2015 to 31 March 2015

Notes	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
Cash Flows from Operating Activities		
Interest receipts	5,178,778,083	4,702,044,072
Interest payments	(3,288,947,182)	(3,102,471,172)
Dividend receipts	6,208,399	15,476,688
Fee and commission receipts	444,021,221	552,163,281
Recoveries on loans previously written off	148,000	-
Payments to employees	(538,992,285)	(521,139,402)
Payments to suppliers	(35,536,201)	(36,265,369)
Income taxes paid	(443,367,548)	(490,523,248)
Receipts from other operating activities	1,039,997,699	1,034,968,404
Payments for other operating activities	(539,867,074)	(430,068,087)
	1,822,443,112	1,724,185,166
Operating profit before changes in operating assets & liabilities		
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(6,199,751,489)	(11,405,589,111)
Other assets	(61,123,430)	(1,281,618,526)
Deposits from other banks	(1,763,109,019)	886,110,027
Deposits from customers	6,440,362,095	11,124,501,717
Trading liabilities (short-term borrowings)	885,650,245	1,453,912,149
Other liabilities	840,015,282	184,947,307
	142,043,685	962,263,564
Net cash flow from operating activities (a)	1,964,486,797	2,686,448,730
Cash Flows from Investing Activities		
Purchase of government securities	(965,398,982)	(277,581,890)
(Purchase)/Sale of trading securities, shares, bonds, etc.	(69,144,406)	401,890,929
Purchase of property, plant and equipment	(28,612,122)	(98,527,658)
Net cash (used in)/flow from investing activities (b)	(1,063,155,510)	25,781,381
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	12,620,105	(45,108,111)
Dividend paid	(57,997)	(34,992)
Net cash flow from/(used in) financing activities (c)	12,562,108	(45,143,103)
Net Increase in cash (a+b+c)	913,893,395	2,667,087,007
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	24,302,588,793	19,593,765,610
Cash and cash equivalents at end of the period (*)	25,216,482,188	22,260,852,617
(*) Cash and cash equivalents:		
Cash	1,387,005,554	1,273,615,755
Prize bonds	3,537,600	3,834,500
Money at call and on short notice	5,316,091,296	2,964,201,000
Balance with Bangladesh Bank and its agent bank(s)	13,454,507,909	10,133,268,691
Balance with other banks and financial institutions	5,055,339,829	7,885,932,672
	25,216,482,188	22,260,852,617
Net Operating Cash Flow Per Share (NOCFPS)	3.69	5.05

The annexed notes form an integral part of these financial statements.

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

-Sd-
Feroz Ahmed
Director

-Sd-
Dr. M. Imtiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

This is the cash flow statement referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited
Statement of Changes in Equity
For the period from 01 January 2015 to 31 March 2015

(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 equity
Balance at 01 January 2015	5,324,591,520	5,582,440,229	42,199,200	1,323,567,486	-	272,492,469	5,611,822,670	18,157,113,573
Net profit after taxation for the period	-	-	-	-	-	-	516,369,850	516,369,850
Addition/(Adjustment) made during the period	-	-	-	-	-	10,568,667	(26,450)	10,542,217
Foreign Exchange Rate Fluctuation	-	3,337,015	-	-	-	-	6,993,712	10,330,727
Balance at 31 March 2015	<u>5,324,591,520</u>	<u>5,585,777,244</u>	<u>42,199,200</u>	<u>1,323,567,486</u>	<u>-</u>	<u>283,061,136</u>	<u>6,135,159,781</u>	<u>18,694,356,367</u>
Balance at 31 March 2014	<u>4,976,253,760</u>	<u>5,570,831,273</u>	<u>42,199,200</u>	<u>1,326,815,807</u>	<u>813,610</u>	<u>117,299,837</u>	<u>5,371,127,838</u>	<u>17,405,341,326</u>

The annexed notes form an integral part of these financial statements.

-Sd-
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President & Managing Director

-Sd-
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Director

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Dr. M. Imtiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

This is the Statement of Changes in Equity referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited
Liquidity Statement

Analysis of Maturity of Assets and Liabilities
For the period from 01 January 2015 to 31 March 2015

(Amount in Taka)

	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	Total
Assets						
Cash in hand & with banks	2,312,216,374	-	-	-	12,529,297,089	14,841,513,463
Balance with Other banks and financial institutions	3,616,743,090	810,000,000	628,596,738	-	-	5,055,339,828
Money at Call & Short Notice	2,117,106,450	478,182,246	1,164,802,600	1,556,000,000	-	5,316,091,296
Investments	1,786,957,659	437,074,091	8,097,693,667	6,910,661,470	14,591,604,932	31,823,991,821
Loans & advances	33,451,629,864	66,828,596,752	68,268,840,000	9,323,293,340	5,978,303,764	183,850,663,718
Fixed assets including premises, furniture and fixture	-	-	-	-	4,353,252,690	4,353,252,690
Other assets	1,733,966,032	702,514,329	4,764,683,973	5,275,083,107	5,642,676,710	18,118,924,152
Non-banking assets	-	-	-	-	-	-
Total Assets	45,018,619,469	69,256,367,418	82,924,616,978	23,065,037,917	43,095,135,185	263,359,776,969
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	3,024,919,539	6,870,502,110	1,589,452,889	1,640,053,275	1,250,152,967	14,375,080,780
Deposit and other accounts	26,875,347,017	57,005,687,529	67,956,313,016	50,135,244,183	1,657,033,857	203,629,625,601
Provision and other Liabilities	382,586,234	497,963,543	7,695,449,027	18,072,773,499	11,941,918	26,660,714,221
Total Liabilities	30,282,852,790	64,374,153,182	77,241,214,932	69,848,070,957	2,919,128,742	244,665,420,602
Net Liquidity Excess/(shortage)	14,735,766,679	4,882,214,237	5,683,402,046	(46,783,033,040)	40,176,006,444	18,694,356,366

The annexed notes form an integral part of these financial statements.

-Sd-
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President & Managing Director

-Sd-
Feroz Ahmed
Director

-Sd-
Dr. M. Imtiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

This is the liquidity statement referred to in our separate report of even date.

Dhaka,
15 May 2015

-Sd-
ACNABIN
Chartered Accountants

AB Bank Limited
Notes to the Financial Statements
For the period from 01 January 2015 to 31 March 2015

1.1 The Bank and its activities

AB Bank Limited (the Bank) is one of the first generation Private Commercial Banks (PCBs) incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913, subsequently replaced by the Companies Act 1994, and is governed by the Bank Company (Amendment upto 2013) Act 1991. The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. AB Bank Limited has 93 Branches including one (1) Islami Banking Branch and one (1) Overseas Branch in Mumbai, India. The Bank has six subsidiary companies namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, Arab Bangladesh Bank Foundation all incorporated in Bangladesh, AB International Finance Limited, incorporated in Hong Kong and AB Exchange (UK) Limited, incorporated in United Kingdom.

AB Investment Limited (ABIL) and AB Securities Limited (ABSL) were incorporated as subsidiary companies after obtaining the approvals from Bangladesh Bank following guidelines of the Bangladesh Securities and Exchange Commission (BSEC). These two subsidiaries are being put into operations to cater the merchant banking and brokerage business which were previously carried out by the Bank itself.

The Bank through its Branches and non-banking subsidiaries provides a diverse range of financial services and products in Bangladesh and in certain international markets. The Bank has expanded its capital market oriented service horizon to its customers through AB Investment Limited. The Bank obtained permission from BSEC to embark upon merchant banking vide its certificate no. MB-1.02/2001-30 dated 15 May 2001 under the Securities and Exchange Commission Act 1993. Subsequently, the Bank has formed a subsidiary company named AB Investment Limited in accordance with the approval of Bangladesh Bank vide letter no. BRPD(R-1)717/2009-538 dated 09 December 2009 and the Bangladesh Securities and Exchange Commission vide letter no. Sec/Reg/MB-79/2010/73 dated 10 March 2010 for dealing the Merchant Banking business.

Brokerage business of Arab Bangladesh Bank Foundation (ABBF) was transferred on 01 August 2010 to AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009.

AB Bank Limited started its Islami Banking operation through its Dilkusha Islami Banking Branch, Dhaka on 23 December 2004 following the permission of Bangladesh Bank vide letter no. BRPD (P) 745 (12)/2004-2702 dated 08 July 2004. Subsequently the Branch was shifted to Kakrail, Dhaka on 18 October 2006.

The Bank obtained permission to work as a security custodian from the Bangladesh Securities and Exchange Commission vide its certificate no. SC-05/2007 dated 22 January 2007 under the Securities and Exchange Commission (Securities Custodian Service) Rules 2003.

In the year 2009, the Bank obtained permission to operate Off Shore Banking Unit (OBU) vide letter # BRPD (P-3)744/(106)/2009-4486 dated 06 December 2009 of Bangladesh Bank. OBU operation has been carried out from 28 April 2010 through the Bank's EPZ Branch, Chittagong.

The Bank has a dedicated philanthropic unit named Arab Bangladesh Bank Foundation (the Foundation) which has been operating since 2002. Foundation has obtained brokerage licenses from BSEC on 15 August 2006 and 23 October 2006 for Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) respectively and started its operation from 28 August 2006 and 05 December 2006 on DSE and CSE respectively. However, in view of the decision of Bangladesh Bank and upon due agreement to that effect the Board of Directors of ABBL and ABBF respectively, launched a new subsidiary company AB Securities Limited for the operation of brokerage business. The business of ABBF is now being conducted by AB Securities Limited.

1.2 Significant accounting policies and basis of preparation of the financial statements

Presentation of the financial statements

Consolidated financial statements and separate financial statements of the Bank comprise of Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Presentation of the financial statements (Cont.)

Consolidated financial statements and financial statements of the Bank were made as at 31 March 2015 and were prepared under the historical cost convention except investments categorised under held for trading and in accordance with Bank Company (Amendment upto 2013) Act 1991, BRPD circular no. 14 dated 25 June 2003, the Companies Act 1994, the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.

Consolidated financial statements and financial statements of the Bank have been prepared in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

Basis of consolidation

Separate set of records for consolidating the financial statements of the Branches including Mumbai Branch, India, AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, AB International Finance Limited, Hong Kong and AB Exchange (UK) Limited are maintained at the Head Office of the Bank, based on which these financial statements have been prepared. The consolidated financial statements have been prepared in accordance with the BFRS 10 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared to a common reporting period ending on 31 March 2015.

Mumbai Branch, India

The assets and liabilities of Mumbai Branch, India have been incorporated in the accounts at year end exchange rate. Income and expenditures have been incorporated in the accounts by each line item. The Balance Sheet and Profit and Loss Account of the Mumbai Branch have been shown separately in [Annex-F](#).

Islami Banking Branch

Islami Banking Branch has been maintaining separate set of books and records for its operations following Bangladesh Bank guidelines. All assets-liabilities and income-expenses of this Branch have been incorporated in similar heads of account of the Bank's financial statements. Balance Sheet and Profit and Loss Account of Islami Banking Branch is shown separately in [Annex-G](#) as per Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009.

Custodian Wing

Financial statements of Custodian Wing have been separately audited by the auditors of the Bank. Income-expenditures of Custodian Wing have been incorporated in similar heads of account of the Bank's Profit and Loss Account. Profit and Loss Account of Custodian Wing has been shown separately in [Annex-H](#).

Off-Shore Banking Unit (OBU)

This particular unit of the Bank started its operation in the year 2010. Assets-liabilities and income-expenditures of Off-Shore Banking Unit are incorporated in similar heads of account of the Bank's Balance Sheet and Profit and Loss Account. The Balance Sheet and Profit and Loss Account of the Off- Shore Banking Unit (OBU) have been shown separately in [Annex-I](#).

Subsidiaries Operation

The financial statements of subsidiaries (except Arab Bangladesh Bank Foundation-ABBF) have been consolidated following BFRS 10 "Consolidated Financial Statements". ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the Financial Statements of the Parent Company (the Bank), the Financial Statements of ABBF has not been consolidated.

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

AB Investment Limited (ABIL)

AB Investment Limited (ABIL) started its operation from 10 March 2010 for Merchant Banking Operation. AB Bank Limited holds 99.99% shares in ABIL.

The Balance Sheet and Profit and Loss Account of the ABIL have been shown separately in [Annex-J](#).

AB Securities Limited (ABSL)

Brokerage business of Arab Bangladesh Bank Foundation has been transferred to AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. AB Bank Limited at present holds 99.91% shares in ABSL.

The Balance Sheet and Profit and Loss Account of the ABSL have been shown separately in [Annex-K](#).

Cashlink Bangladesh Limited (CBL)

Cashlink Bangladesh Limited (CBL) was incorporated on 24 September 2008 with an authorised capital of Taka 1,000,000,000 divided into 100,000,000 ordinary shares of Taka 10 each. The Bank at present holds 90% shares in CBL.

The Financial Position and Profit & Loss Account and Other Comprehensive Income of the CBL have been shown separately in [Annex-L](#).

AB International Finance Limited (ABIFL)

AB International Finance Limited (ABIFL) is a company incorporated in Hong Kong. Its registered office and principal place of business is situated at Unit 1201-B, 12/F, Admiralty Centre, Tower One, 18 Harcourt, Hong Kong. It is a fully owned (100%) Subsidiary of AB Bank Limited.

The Balance Sheet and Profit and Loss Account of the ABIFL have been shown separately in [Annex-M](#).

AB Exchange (UK) Limited

AB Exchange (UK) Limited (ABEL) is a company incorporated and domiciled in United Kingdom (UK) vide registration no. 07272766 (England & Wales). The registered office is situated at 69 Whitechapel High Street, London, E1 7PL. ABEL is a fully owned (100%) Subsidiary of AB Bank Limited.

The Balance Sheet and Profit and Loss Account of the ABEL have been shown separately in [Annex-N](#).

Arab Bangladesh Bank Foundation (ABBF)

Arab Bangladesh Bank Foundation (ABBF) has maintained separate set of books and records for its operation. The Balance Sheet and Profit and Loss Account of the ABBF have been shown separately in [Annex-O](#).

Use of estimates and judgments

The preparation of consolidated financial statements and financial statements of the Bank required management to make judgments, estimates and assumptions that affected the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions have been reviewed considering business realities. Revisions of accounting estimates have been recognised in the period in which the estimates have been revised and in the future periods affected, if applicable.

All intergroup balances, transactions, income and expenses are fully eliminated while preparing the consolidated financial statements.

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****Materiality, aggregation and offsetting**

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial. The Bank did not offset assets and liabilities or income and expense, unless required or permitted by BAS/ BFRS.

Foreign currency transactions**Functional and presentational currency**

Financial statements of the Bank have been presented in Taka, which is the Bank's functional and presentational currency.

Foreign currency translation

Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per BAS 21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies as at 31 March 2015 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

Differences arising through buying and selling transactions of foreign currencies on different dates of the period have been adjusted by debiting /crediting exchange gain or loss account.

Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of the Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

Translation gain and losses

Gains or losses arising out of translation of foreign exchange have been included in the Profit and Loss Account, except those arising on the translation of net investment in foreign branch and subsidiaries.

Foreign operations

The results of financial statements of the Bank whose functional currency is not Bangladesh Taka are translated into Bangladesh Taka as follows:

- a. assets and liabilities for each items of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- b. income and expenses for Profit and Loss Account have been translated at an monthly average rate of the year; and
- c. all resulting exchange differences have been recognized in the P&L or as a separate components of equity, where appropriate.

Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS 7 "Statement of Cash Flows" under direct method as per the guidelines of BRPD circular no. 14 dated 25 June 2003. The Statement of Cash Flows show the structure of and changes in cash and cash equivalents during the year. Cash Flows during the period have been classified as operating activities, investing activities and financing activities.

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****Statement of changes in equity**

Statement of Changes in Equity has been prepared in accordance with BAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

Liquidity statement

The basis of the liquidity statement of assets and liabilities as on the reporting date is given below:

Particulars	Basis used
Balance with other banks and financial institutions	Maturity term
Investments	Respective maturity terms
Loans and advances	Repayment schedule basis
Fixed assets	Useful life
Other assets	Realization/ amortization basis
Borrowing from other banks, financial institutions and agents	Maturity/ repayments terms
Deposits and others accounts	Maturity term/ Previous trend
Other liabilities	Payments/ adjustments schedule basis

1.3 Assets and basis of their valuation**Cash and cash equivalents**

Cash comprises cash in hand and demand deposits in the banks.

Cash equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Loans and advances

- Loans and advances/investments in Islamic Banking Branch are stated at gross amounts at 31 March 2015.
- Interest/profit is calculated on a daily product basis but charged and accounted for on accrual basis. Interest/profit on classified loans and advances/ investment is kept in suspense account as per Bangladesh Bank instructions and such interest/ profit is not accounted for as income until realized from borrowers. Interest/profit is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.
- Commission and discounts on bills purchased and discounted are recognised at the time of realisation.
- Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November, 2014. The rates for provisions are stated below:

Types of loans and advances		General Provision		Specific Provision		
		UC	SMA	SS	DF	BL
Consumer	House Financing and professionals to setup business	2%	2%	20%	50%	100%
	Other than housing finance & professionals to setup business	5%	5%	20%	50%	100%
Loan to brokerage house, merchant banks, stock dealers		2%	2%	20%	50%	100%
Short-term agri-credit and micro credit		2.50%	-	5%	5%	100%
Small and medium enterprise finance		0.25%	0.25%	20%	50%	100%
Other advances		1%	1%	20%	50%	100%
Off balance sheet items		1%	-	-	-	-

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****Investment**

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premium have been amortised and discount accredited, using the effective or historical yield method. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are:

Government securities**Held to Maturity (HTM)**

Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Amortised amount of such premium are booked into Profit and Loss Account or discount is booked to reserve until maturity/disposal.

Held for Trading (HFT)

Investment primarily held for selling or trading is classified in this category. After initial recognition, investments are mark to market weekly. Decrease in the book value is recognised in the Profit and Loss Account and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Treasury Bill / Bond (HFT)	Cost	Market value	Loss to Profit and Loss Account (P&L), gain to revaluation reserve
Treasury Bill / Bond (HTM)	Cost	Amortised value	Increase in value to equity and decrease in value to P&L
Debenture	Face value	None	None
Prize bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Realised gain or loss, recognised in P&L. Unrealized gain is not recognized in accounts. Provision is maintained for unrealized loss, if any.

Investment in listed securities

These securities are brought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Unrealised gains are not recognised in the Profit and Loss Account as per BAS 18 "Revenue".

In Accordance with BRPD Circular no. 14 dated 25 June 2003, provisions should be made for any loss arising from the diminution in value of investments. Subsequently as per DOS Circular No.04 dated 24 November 2011, provisions may be made for any loss arising from the diminution in value of investments after netting of gain.

Investment in unlisted securities

Investment in unlisted securities is reported at cost under cost method.

Investment in subsidiaries

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the BAS 27 "Separate Financial Statements".

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Fixed assets

- i. All fixed assets are stated at cost less accumulated depreciation as per BAS 16 "Property, Plant and Equipment". The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the BFRS.
- ii. The cost of an item of property, plant and equipment is recognised as an asset if-
it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- iii. Depreciation on fixed assets is charged using reducing balance method except motor vehicles, computers & computer equipments and photocopiers for which straight-line method is used. The rates of depreciation are as follows:

<u>Category of asset</u>	<u>Rate of depreciation</u>
Land	Nil
Building	2.5%
Furniture and fixtures	10%
Electrical appliances	20%
Motor vehicles	20%
Leasehold assets - vehicles	20%

- iv. Depreciation on fixed assets acquired during the year is charged from the month of their acquisition. Full month's depreciation is charged in the month of addition irrespective of the date of acquisition and no depreciation is charged in the month of their disposal.
- v. The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the Profit and Loss Account.
- vi. Useful lives and method of depreciation of fixed assets are reviewed periodically. If useful lives of assets do not differ significantly as these were previously estimated, revaluation of assets does not consider to be done.
- vii. Bank capitalised items value of which is over Taka 50,000 and the items below Taka 50,000 were booked as non-capitalised items under the broader head of other expenses with effect from 01 March 2009 in accordance with the relevant policy of the Bank.
- viii. Bank also follows a policy for amortisation of expenditure considering the durability and useful lives of items. These are treated as intangible assets and are booked under the head "Fixed Assets" and amortised over their estimated useful lives by charging under the broad head "Depreciation".

Intangible assets

An intangible asset is recognised if-

- a. It is probable that the expected future economic benefits that are attributable to the assets will flow to the entity; and
- b. The cost of the assets can be measured reliably.

Other assets

Other assets include all balance sheet items not covered specifically in other areas.

Leasing

Where property, plant and equipment have been financed by lease arrangement under which substantially all the risks and rewards of ownership are transferred to the lessees are treated as finance leases as per BAS 17 "Leases". All other leases are classified as operating leases as per BAS 17 "Leases"

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Bank as lessee

Assets held under finance lease are recognised as assets of the Bank at their fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets.

Bank as lessor

The Bank did not grant any lease finance.

Stock of stationery

Stock of stationery has been shown under other assets and is valued at cost.

1.4 Capital, reserve, liabilities and provision and basis of their valuation

Share capital

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

Statutory reserve

As per Section 24 of the Bank Company (Amendment upto 2013) Act 1991, 20% of current year's profit of the Bank is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital. The Statutory Reserve of AB Bank Limited (excluding Mumbai Branch) was higher than the paid up capital as of 31 March 2015. So, the Bank did not transfer any amount to Statutory Reserve for the period. The Mumbai Branch of the Bank has maintained Statutory Reserve according to Reserve Bank of India's (RBI) guidelines/instructions.

Revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount should be credited directly to equity under the head revaluation surplus/ reserve as per BAS 16 "Property, Plant and Equipment".

Deposits and other accounts

Deposits are recognised when the Bank enters into contractual arrangements with the counterparties, which are generally on trade date and initially measured at the amount of consideration received.

Borrowing

Borrowed funds include call money, term borrowings and re-finance from different commercial banks, non-banking financial institutions and central bank.

Provision for taxation

Income tax represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision for current income tax has been made @ 42.5% on the accounting profit made by the Bank after considering taxable allowances and disallowances as per income tax laws applicable for the Bank.

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Account as per BAS-12 "Income Taxes" (note 14.3).

Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provision of BAS 19 "Employee Benefits". Bases of enumerating the retirement benefits schemes operated by the Bank are outlined below:

Provident fund

There is a provident fund scheme under the defined contribution plan. The fund is operated by a separate board of trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 10% of their basic pay to the fund. The Bank also contributes equal of employee's contribution to the fund. These contributions are invested separately. Benefits from the fund are given to eligible employees at the time of retirement/resignation as per approved rules of the fund.

Staff gratuity

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. Employees of the Bank, who served the Bank for ten years or above are entitled to get gratuity benefit at rates determined by the Service Rules of the Bank.

Superannuation fund

The Bank operates a Superannuation Fund as death-cum-retirement benefit for its employees. The fund is operated by a separate Board of Trustees.

Provision for liabilities

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Provision for liabilities (cont..)

No provision is recognised for any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot be made.

However, certain provisions on assets and liabilities are maintained in accordance with relevant Bangladesh Bank Circulars issued from time to time.

Provision for nostro accounts

Provision for nostro accounts is maintained as per circular letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

Minority Interest

Minority Interest is the equity in a subsidiary not attributable, directly or indirectly, to parent.

As per BFRS 10 'Consolidated Financial Statements' Bank presents Minority Interest separately in financial statements.

Profit or loss and each component of other shareholders equity are attributed to the owners of the parent and to the Minority Interest. Total shareholders equity is attributed to the owners of the parent and to the Minority Interest even if this result in the Minority Interest having a deficit balance.

1.5 Revenue recognition

Interest income

According to the BAS 18 "Revenue", 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.

Profit on investment (Islami Banking Branch)

Profit on investment is taken into income account from profit receivable account. Overdue charges/ compensation on classified investment is transferred to profit suspense/ compensation receivable account instead of income account.

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.

Fees and commission income

Fees and commission income on services provided by the Bank are recognised as and when the services are rendered. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of affecting the transactions.

Dividend income on shares

As per BAS 18 "Revenue", dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

Interest paid on deposits and borrowings

Interest paid on deposits, borrowings, etc. is accounted for on accrual basis according to the BAS 1 "Presentation of Financial Statements".

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the BAS 1 "Presentation of Financial Statements".

1.6 Reconciliation of books of account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled and no material difference was found which may affect the financial statements significantly. There exist no un-reconciled items in NOSTRO accounts as at 31 March 2015.

1.7 Earnings Per Share (EPS)

Basic earnings per share

Basic earnings per share have been calculated in accordance with BAS 33 "Earnings per Share" which has been shown in the face of the Profit and Loss Account. This has been calculated by dividing the basic earnings by the total ordinary outstanding shares.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

1.8 Off-balance sheet items

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines.

In accordance with BRPD circular no.14 dated 23 September 2012, general provision @ 1% has been made on the outstanding balances of Off-Balance Sheet exposure of the Bank as at 31 March 2015. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

1.9 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

1.10 Reporting period

These financial statements cover for the period from 01 January 2015 to 31 March 2015 . Segmental reporting period is shown below:

Sl no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2015 to 31 March 2015
2	Off Shore Banking Unit	01 January 2015 to 31 March 2015
3	Mumbai Branch, India	01 January 2015 to 31 March 2015
4	AB Investment Limited	01 January 2015 to 31 March 2015
5	AB Securities Limited	01 January 2015 to 31 March 2015
6	Cashlink Bangladesh Limited	01 January 2015 to 31 March 2015
7	AB International Finance Limited	01 January 2015 to 31 March 2015
8	AB Exchange (UK) Limited	01 January 2015 to 31 March 2015
9	Arab Bangladesh Bank Foundation	01 January 2015 to 31 March 2015

AB Bank Limited
Notes to financial statements for the period from 01 January 2015 to 31 March 2015

1.11 Segment Reporting

The Bank reports its operations under the following two business segments as per Bangladesh Financial Reporting Standards (BFRS)-8 "Operating Segment".

By Geographical Location & Segment Business

Amount in Taka

Profit and Loss Account for the period ended 31 March 2015

Particulars	AB Bank Limited						Subsidiaries					Adjustment	AB Bank & it's subsidiaries
	Inside Bangladesh			India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh			AB Exchange (UK) Ltd.	AB Int. Finance Ltd. (Hong Kong)		
	Conventional Banking	Islamic Banking	Investment Banking				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)				
Interest income	5,100,550,418	177,135,366	-	19,606,830	(138,279,228)	5,258,892,923	107,686,431	21,180,485	-	-	14,755,584	(53,748,934)	5,348,766,488
Interest paid on deposits and borrowings, etc.	3,854,482,003	133,686,018	114,226,228	5,120,785	(138,279,228)	4,052,122,486	55,901,307	16,601,234	-	-	253,815	(54,470,821)	4,070,408,021
Net interest income	1,246,068,416	43,449,348	(114,226,228)	14,486,045	-	1,206,770,437	51,785,124	4,579,250	-	-	14,501,769	721,887	1,278,358,467
Investment income	724,888,057	1,077,807	6,396,923	8,182,418	-	740,545,205	502,101	1,191,878	-	-	-	-	742,239,184
Commission, exchange and brokerage	621,892,399	6,128,959	-	90,492,869	-	719,278,558	9,243,629	7,274,343	18,918,855	766,978	11,846,180	(780,922)	766,547,622
Other operating income	29,726,006	60,600	-	642,027	-	30,551,557	2,102,299	162,038	-	-	11,203,557	(2,101,017)	41,918,434
Total operating income	2,622,574,878	50,716,714	(107,829,305)	113,803,358	-	2,697,145,757	63,633,153	13,207,509	18,918,855	766,978	37,551,507	(2,160,052)	2,829,063,707
OPERATING EXPENSES													
Salary and allowances	526,845,883	6,071,839	-	4,701,826	-	538,992,285	3,341,176	5,690,724	50,625	914,392	5,909,118	-	554,898,320
Rent, taxes, insurance, electricity, etc.	128,320,807	391,250	-	4,191,676	-	132,911,643	467,320	1,879,038	-	553,109	1,678,923	(1,379,130)	136,110,903
Legal expenses	2,848,827	-	-	-	-	2,848,827	-	-	-	5,893	-	-	2,854,720
Postage, stamps, telecommunication, etc.	30,910,460	89,934	-	3,205,280	-	34,274,209	173,674	395,397	4,606	87,078	1,068,225	-	36,003,189
Stationery, printing, advertisement, etc.	33,978,214	131,959	-	1,422,736	-	35,536,201	23,403	174,853	-	-	-	-	35,734,457
Directors' fees	2,167,499	30,236	-	-	-	2,197,735	34,500	-	70,000	-	-	-	2,302,235
Auditors' fees	2,005,969	-	-	364,616	-	2,370,585	-	-	-	53,041	-	-	2,423,626
Depreciation and repairs of Bank's assets	131,443,498	717,358	34,197	2,634,645	-	135,118,270	4,340,328	1,497,527	18,171	648,479	84,029	-	141,706,804
Other expenses	283,978,635	1,942,858	9,151	30,106,324	-	316,726,152	1,435,850	1,950,644	15,123	292,742	655,289	(780,922)	320,294,878
Total operating expenses	1,142,499,791	9,375,434	43,348	46,627,103	-	1,200,975,907	9,816,251	11,588,182	158,524	2,554,736	9,395,584	(2,160,052)	1,232,329,132
Profit before provision	1,480,075,086	41,341,280	(107,872,653)	67,176,255	-	1,496,169,850	53,816,902	1,619,327	18,760,331	(1,787,757)	28,155,923	-	1,596,734,574
Provision against loans and advances						450,000,000							450,000,000
Provision for diminution in value of investments						-							11,707,055
Other provisions						26,000,000							26,000,000
Total provision						476,000,000							487,707,055
Profit before taxation						1,020,169,850							1,109,027,519
Provision for taxation						503,800,000							530,555,752
Net profit after taxation						516,369,850							578,471,767

AB Bank Limited
Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Balance Sheet

Particulars	AB Bank Limited						Subsidiaries					Amount in Taka	
	Inside Bangladesh			India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh			AB Exchange (UK) Ltd.	AB Int. Finance Ltd. (Hong Kong)	Adjustment	AB Bank & it's subsidiaries
	Conventional Banking	Islamic Banking	Investment Banking				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)				
PROPERTY AND ASSETS													
Cash	14,550,354,266	288,287,370	-	2,871,827	-	14,841,513,463	25,000	34,550	5,855	2,678,290	-	-	14,844,257,158
Balance with other banks and fina. instit.	1,116,896,154	2,912,603,139	-	1,100,370,556	(140,087,089)	5,055,339,829	3,112,433	147,067,924	9,248,829	2,647,418	9,959,479	(73,337,523)	5,154,038,389
Money at call and on short notice	7,918,771,610	-	-	147,973,696	(5,262,971,610)	5,316,091,296	-	-	-	-	-	(956,317,600)	4,359,773,696
Investments	26,787,848,077	241,000,000	4,353,341,238	441,802,506	-	31,823,991,821	727,401,710	168,307,740	24,116,618	-	-	-	32,743,817,889
Loans and advances	169,200,623,795	3,666,786,302	-	871,362,784	-	183,850,663,718	6,861,517,539	1,008,192,120	-	-	1,322,302,448	(2,287,539,458)	190,755,136,368
Fixed assets	4,312,138,175	10,673,186	1,324,311	25,054,946	-	4,353,252,689	627,395,566	6,097,916	231,704	2,959,100	131,039	-	4,990,068,015
Other assets	17,997,463,480	52,401,364	28,263,230	483,132,833	(483,466,720)	18,118,924,151	354,926,635	52,627,319	29,156,752	1,081,114	7,595,714	(5,616,145,792)	12,948,165,894
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	241,884,095,558	7,171,751,361	4,382,928,779	3,072,569,147	(5,886,525,419)	263,359,776,969	8,574,378,883	1,382,327,567	62,759,758	9,365,922	1,339,988,680	(8,933,340,373)	265,795,257,408
LIABILITIES AND CAPITAL													
Liabilities													
Borrowings from other banks, financial institutions and agents	7,068,314,615	814,384	-	-	(5,267,629,007)	14,375,080,780	2,097,478,335	307,523,172	168,241,029	-	960,890,494	(3,117,042,232)	14,792,171,578
Deposits and other accounts	194,905,726,250	7,118,470,077	432	1,610,711,755	(151,209,788)	203,629,625,601	-	-	-	-	-	(73,337,946)	203,556,287,655
Other liabilities	21,619,911,918	52,466,899	4,420,079,773	299,807,495	268,448,136	26,660,714,221	835,971,870	596,343,577	12,327,300	2,687,848	257,290,222	(274,026,343)	28,091,308,697
Total Liabilities	223,593,952,782	7,171,751,361	4,420,080,205	1,910,519,250	(5,150,390,659)	244,665,420,602	2,933,450,205	903,866,749	180,568,329	2,687,848	1,218,180,716	(3,464,406,522)	246,439,767,930
Total Shareholders' Equity	18,290,142,775	-	(37,151,426)	1,162,049,897	(736,134,761)	18,694,356,366	5,640,928,677	478,460,819	(117,808,572)	6,678,074	121,807,965	(5,461,359,827)	19,363,063,503
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	(7,574,025)	(7,574,025)
Total Liabilities and Shareholders' Equity	241,884,095,558	7,171,751,361	4,382,928,779	3,072,569,147	(5,886,525,419)	263,359,776,969	8,574,378,883	1,382,327,567	62,759,758	9,365,922	1,339,988,680	(8,933,340,373)	265,795,257,408

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****1.12 Compliance of Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS)**

While preparing the financial statements, Bank applied most of the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh as applicable to the Bank:

SI #	Name of BAS	No. of BAS	Status
1	Presentation of Financial Statements	1	Complied
2	Inventories	2	Complied
3	Statement of Cash Flows	7	Complied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
5	Events after the Reporting Period	10	Complied
6	Construction Contracts	11	N/A
7	Income Taxes	12	Complied
8	Property, Plant and Equipment	16	Complied
9	Leases	17	Complied
10	Revenue	18	Complied
11	Employee Benefits	19	Complied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
13	The Effects of Changes in Foreign Exchanges Rates	21	Complied
14	Borrowing Costs	23	Complied
15	Related Party Disclosures	24	Complied
16	Accounting and Reporting by Retirement Benefit Plans	26	Complied
17	Separate Financial Statements	27	Complied
18	Investments in Associates and Joint Ventures	28	N/A
19	Interests in Joint Ventures	31	N/A
20	Financial Instruments: Presentation	32	*
21	Earnings Per Share	33	Complied
22	Interim Financial Reporting	34	Complied
23	Impairment of Assets	36	Complied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
25	Intangible Assets	38	Complied
26	Financial Instruments: Recognition and Measurement	39	*
27	Investment Property	40	Complied
28	Agriculture	41	N/A

SI #	Name of the BFRS	No. of BFRS	Status
1	First-time Adoption of International Financial Reporting Standards	1	N/A
2	Share Based Payment	2	N/A
3	Business Combinations	3	Complied
4	Insurance Contracts	4	N/A
5	Non-Current Assets Held for Sale and Discontinued Operations	5	N/A
6	Exploration for and Evaluation of Mineral Resources	6	N/A
7	Financial Instruments: Disclosures	7	*
8	Operating Segments	8	Complied
9	Consolidated Financial statements	10	Complied
10	Joint Arrangements	11	Complied
11	Disclosure of interests in other Entities	12	Complied
12	Fair Value Measurement	13	Complied

* Relevant disclosures are made according to the requirement of Bangladesh Bank.

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****1.13 Compliance of Bangladesh Bank regulations over BAS/BFRS:**

SI No.	Issues	BAS/BFRS	Bangladesh Bank
1	Presentation	As per BAS 1 Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a single Comprehensive income statement and there is no requirement to show appropriation of profit in the face of statement of comprehensive income. Again, Intangible assets must be identified, recognised, presented in the face of the balance sheet and the disclosures to be given as per BAS 38.	In accordance with BRPD Circular no. 14 dated 25 June 2003 financial statements do not require to include the statement of Other Comprehensive Income and appropriation of profit is provided in the face of Profit and Loss Account. Intangible assets are provided under the head Fixed Assets.
2	Cash and cash equivalent	As per BAS-7 cash comprises cash in hand & demand deposits and Cash equivalents recognises the short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Therefore, some items like- Balance with Bangladesh Bank on account of CRR/ SLR are not part of cash and cash equivalents as those are not readily available.	Balance with Bangladesh Bank is treated as cash and cash equivalents as per BRPD Circular no. 14 dated 25 June 2003.
3	Investment in shares and securities	As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.	As per BRPD Circular no. 14 dated 25 June 2003, provisions should be made for any loss arising from the diminution in value of investments. But, as per DOS Circular No.04 dated 24 November 2011, provisions can be made for any loss arising from the diminution in value of investments after netting of gain.
4	Revaluation gains/losses on Government securities	As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of Held For Trading (HFT) assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.	As per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009. HTM measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Amortised amount of such premium are booked into Profit and Loss Account or discount is booked to reserve until maturity/disposal. In case of HFT after initial recognition, investments are revalued at mark to market on weekly basis. Decrease in the book value is recognised in the Profit and Loss Account and any increase is transferred to revaluation reserve account.
5	Repo and reverse repo transactions	When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or similar asset) at a fixed price on a future date (REPO), the arrangements is accounted for as a deposit as oppose to a sale, and the underlying asset continues to be recognized in the entity's financial statements. Such transaction do not satisfy derecognition criteria specified in BAS 39. Same rule applies to the opposite side of the transaction (reverse REPO).	As per Bangladesh bank Circulars / guidelines, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on future date (REPO), the arrangement is accounted for as a normal sales transactions and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****1.13 Compliance of Bangladesh Bank regulations over BAS/BFRS (cont.)**

SI No.	Issues	BAS/BFRS	Bangladesh Bank
6	Provision on loans and advances/ investments	As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis. Such provision shall be netted off against loans and advances.	As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39. Also for disclosure such provision shall be shown as liability as opposed to netting of against loans and advances.
7	Recognition of interest in suspense	Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.	As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified; interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to interest suspense account, which is presented as liability in the balance sheet.
8	Non-banking asset	No indication of Non-banking asset is found in any BFRS.	As per BRPD circular No. 14, dated 25 June 2003 there must exist a face item named Non-banking asset.
9	Cash flow statement	The cash flow statement can be prepared using either the direct method or the indirect method as per BAS-7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per BRPD circular No. 14, dated 25 June 2003 cash flow is the mixture of direct and indirect methods.
10	Financial Guarantee	Financial guarantee liabilities are recognised initially at their fair value (as measured in accordance with BFRS 13), and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included under other liabilities.	As per BRPD Circular no. 14 dated 25 June 2003, financial guarantees such as Letter of Credit, Letter of Guarantee, Acceptance and Endorsement, etc. will be treated as off balance sheet items.

1.14 Regulatory and legal compliance

The Bank complied with the requirement of the following regulatory and legal authorities:

- i. The Bank Company (Amendment upto 2013) Act, 1991
- ii. The Companies Act, 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Rules, 1987
- v. The Securities and Exchange Ordinance, 1969
- vi. The Securities and Exchange Commission Act, 1993
- vii. The Securities and Exchange Commission (Public Issues) Rules, 2006
- viii. The Income Tax Ordinance, 1984 and Rules
- ix. The Value Added Tax (VAT) Act, 1991 and Rules
- x. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations.

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

1.15 Risk management

As a financial intermediary, the Bank is exposed to various types of risks. Risk is defined as uncertainties resulting in adverse variation of profitability or in losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking as defined by Bangladesh Bank as well as Pillar 2 risks. The core risks are credit risk, asset liability risks, money laundering risks, internal control and compliance risks, information technology risks and foreign exchange risks. Some other risks those also affect banking business are liquidity risk, market risk interest rate risk, equity risk, operational risk, reputation risk, strategic risks, credit concentration risks, environmental and climate change risks etc. The objective of the risk management framework at the bank is that the Bank understands, evaluates and takes well calculative risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures, policies and procedures established to address these risks and also implementing Bangladesh Bank's guidelines and following some of the best practices as under:

Credit risk

It arises mainly from lending, trade finance and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/ her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Corporate Division has been formed at Head Office which is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, two separate divisions have been formed within the Credit Division. These are (a) Credit Risk Management Division and (b) Credit Administration Division. Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc. Adequate provision has been made on classified loans / investments.

A thorough assessment is done before sanction of any credit facility at Credit Risk Management Division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at Corporate Division by the Relationship Manager / Officer and ends at Credit Risk Management Division when it is approved / declined by the competent authority. Credit approval authority has been delegated to the credit committee.

In determining single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines. Concentration of single borrower / large loan limit is shown in [note-7.6](#).

Operational risk

Operational risk address the risk associated with fraud, forgery, unauthorised activities, error, omission, system failure and external events among others. Bank is managing these risk through written procedures, regular training and awareness programs. Departmental Control Function Checklist (DCFCL), Quarterly Operations Report, Loan Documentation Checklist etc. are in place covering all probable risks associated with bank's business and operations. Surprise inspections are also made on a regular basis to make sure that all control tools are functioning properly.

Market risk

The exposure of market risk of the Bank is restricted to foreign exchange risk, interest rate risk and equity position risk.

Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

Financial Institution and Treasury (FIT) Division independently conducted the foreign exchange transactions and the Mid office and the Back office of Treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Market rate as determined by Bangladesh Bank at the month end. All nostro accounts are reconciled on a monthly basis and outstanding entry is reviewed by the management for its settlement. The position maintained by the Bank at the end of day was within the stipulated limit prescribed by the Bangladesh Bank.

Interest rate risk

Interest rate risk may arise from trading portfolio and non- trading portfolio. The trading portfolio of the bank consists of government treasury bills, bond, etc. The short term movement in interest rate is negligible or nil. Interest rate risk of non trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by the Investment Banking Division under a well designed policy framework. Adequate provision was maintained by the Bank for diminution of market value of Investments.

Liquidity risk

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Financial Institution and Treasury (FIT) Division under approved guidelines. FIT front office is supported by a very structured Mid Office and Back Office. The liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

Risk arising from money laundering

AB Bank Limited considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its core business values. The board of directors and senior management are firmly committed to combat money laundering. Every year, a message from the President and Managing Director's office goes to all employees' of the Bank reiterating the importance of the issue. There is a high profile Central Compliance Unit (CCU) in place to oversee the anti money laundering activities. The president and managing director himself supervise the function of CCU's. Operation has separated and dedicated headcount for surveillance of the anti money laundering functions across the bank. Training and awareness programs are regularly held to make all employees' aware of the issue. Bank has also undertaken campaign against money laundering in electronic media.

Internal Control and Compliance Risk

Internal Control and Compliance Division (ICCD) of the bank performs three core functions - Internal Audit, Monitoring and Compliance in order to mitigate the internal control and compliance risk. ICCD conducts Risk Based Audit and Annual Audit of the Branches. Audit of Head Office Divisions also come under ICCD. ICCD monitors compliance of Internal as well as Bangladesh Bank Audit Reports including Bangladesh Bank Special Audit Reports on Core Risks. Besides, Special Audit on some specific issues like year-end Cash Position, Security Stock verification etc. are also done by ICCD.

Information and Communication Technology (ICT) Security Risk

IT division of AB Bank took several initiatives to minimize the ICT related risk. Among those ATM Switch Migration from Euronet iTM to ECS iTx, Automatic Voltage Regulator for Head Office Data Center and Disaster Recovery Site, CISCO IronPort Web Security implementation to protect Internet threat, Building Management System (BMS) expanded to protect AB Bank Data Center and Disaster Recovery Site from fire and water and Implemented CISCO Nexus 7009 Switch into DC and DR which is the first time for any financial institution in Bangladesh.

AB Bank Limited

Notes to financial statements for the period from 01 January 2015 to 31 March 2015

1.16 Environment Risk Management (ERM)

Bangladesh Bank issued Guidelines on Environment Risk Management (ERM) to streamline solutions for managing the environmental risks in the financial sector – Ref: BRPD Circular No.01/2011 dated 30.01.2011 and BRPD Circular no.02 dated 27 February, 2011 respectively. Bank accordingly introduced the Guideline on Environment Risk Management on June 15, 2011. These ERM guidelines are an attempt to incorporate the environmental impact of a business into the lending process, so that the environment gets due consideration in the appraisal process.

Environmental risk is a facilitating element of credit risk arising from such environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

The Bank is complying with Bangladesh Bank Guidelines to the above effect from time to time and reporting activities on ERM and Green Banking every quarter.

1.17 Credit Rating of the Bank

Credit rating of the Bank in last five years are:

Year	Date of Rating	Long term	Short term
Jan to Dec 2014	April 30, 2015	AA ₃	ST-2
Jan to Dec 2013	March 27, 2014	AA ₃	ST-2
Jan to Dec 2012	May 26, 2013	AA ₃	ST-2
Jan to Dec 2011	June 21, 2012	AA ₃	ST-2
Jan to Dec 2010	May 26, 2011	AA ₃	ST-2

1.18 Events after reporting period

As per BAS -10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

There was no material events which have occurred after the reporting period which could affect the values stated in the financial statements.

1.19 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;
- (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.

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****Related party disclosures (cont.)**

a) 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.	Salim Ahmed, Feroz Ahmed & B.B. Saha Roy	Common Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in Taka
Elite International Ltd.	Common Director	Office Rent	299,205

1.20 Audit Committee of the Board of Directors**i) Particulars of Audit Committee**

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular No. 11 dated October 27, 2013 issued by Bangladesh Bank. The Committee was formed comprising 5 (five) members of the Board:

Sl no.	Name	Status with Bank	Status with Committee	Duration	Educational/ Professional Qualification
1	Mr. Shishir Ranjan Bose, FCA	Independent Director	Chairman	With effect from 16 July 2008	Fellow of Chartered Accountants
2	Mr. M. Wahidul Haque	Chairman	Member	With effect from 04 February 2008	B.A., LLB
3	Mr. Salim Ahmed	Vice Chairman	Member	With effect from 08 May 2014	B.A (Hons.) M.A. (History)
4	Mr. M.A. Awal	Director	Member	With effect from 12 July 2011	B.Com.
5	Mr. Prof. Dr. M. Imtiaz Hossain	Independent Director	Member	With effect from 12 April 2015	Phd from University of Manchester, UK

The Company Secretary acts as Secretary of the Audit Committee of the Board.

ii) Meeting held with Audit Committee

During the 1st quarter ended 31 March 2015, the Audit Committee conducted 05 (five) meetings in which, among others, the following issues were reviewed and discussed:

- inspection report of branches/Head Office conducted by Bank's internal inspection team;
- financial statements of the Bank;
- 1st quarter accounts of the Bank for the year 2015;
- review of the financial statements of the subsidiary companies; and
- status of compliance of different rules and regulations.

iii) Steps taken for implementation on effective internal control procedure of the Bank

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

AB Bank Limited**Notes to financial statements for the period from 01 January 2015 to 31 March 2015****1.21 Shariah Council**

Members of AB Bank Shariah Supervisory Committee are as under:

Sl no.	Name	Status with the Committee	Educational/ Professional Qualification
1	Jb. M. Azizul Huq	Chairman	Prominent Islamic Scholar & Banker. M.A (Economics) Dhaka University.
2	Jb. Md. Shouquat Ali Advocate, Bangladesh Supreme Court	Vice-Chairman	B.A (Hons.) M.A (Eco.), LLB (1st class). Ex-Company Secretary & Head of Law Division, IBBL
3	Jb. Mukhlesur Rahman	Member	Kamil, Madrasah Edu. Board, B.A (Hons) & M.A in Islamic Studies, Dhaka University. Higher Diploma in Arabic Language, Dhaka University.
4	Jb. Mawlana Muhammad Musa	Member	Prominent author and research Scholar in Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University,
5	Jb. M. Wahidul Haque (Chairman, Board of Directors, ABBL)	Member	BA, LLB
6	Jb. Shamim Ahmed Chaudhury (President & MD, ABBL)	Member	MBA with Major in Finance
7	Jb. Mohd. Haroon Rashid	Member Secretary	M.A, M. Phil PhD Aligor University, India. Mufti (1st Class) Darul Ulum Dewband, India

During the 1st quarter of 2015 (i.e January-March'15) AB Bank Shariah Supervisory Committee met in 01 (one) meeting and reviewed different operational issues among which important ones are as under:

- Reviewing the Yearly Shariah Audit Report (January-December, 2014) of Islami Banking Branch and its observations.
- Approving the Financial Statements of 2014 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2014 on Islamic banking operation of the Bank.

2. General

- i. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current period without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current period.
- ii. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

	31.03.2015 Taka	31.12.2014 Taka
3. Cash		
Cash in hand	(Note: 3.1) 1,387,005,554	1,137,941,325
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2) 13,454,507,909	12,809,767,620
	<u>14,841,513,463</u>	<u>13,947,708,945</u>
3(a) Consolidated Cash		
AB Bank Limited	14,841,513,463	13,947,708,945
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	34,550	6,190
Cashlink Bangladesh Limited (CBL)	5,855	23,096
AB Exchange (UK) Ltd.	2,678,290	2,713,147
	<u>14,844,257,158</u>	<u>13,950,476,378</u>
3.1 Cash in hand		
In local currency	1,354,934,487	1,110,821,477
In foreign currency	32,071,067	27,119,848
	<u>1,387,005,554</u>	<u>1,137,941,325</u>
3.1(a) Consolidated Cash in hand		
AB Bank Limited	1,387,005,554	1,137,941,325
AB Investments Limited	25,000	25,000
AB International Finance Limited	-	-
AB Securities Limited	34,550	6,190
Cashlink Bangladesh Limited (CBL)	5,855	23,096
AB Exchange (UK) Ltd.	2,678,290	2,713,147
	<u>1,389,749,249</u>	<u>1,140,708,758</u>
3.2 Balance with Bangladesh Bank and its agent bank(s)		
Balance with Bangladesh Bank		
In local currency	12,936,703,246	11,858,151,070
In foreign currency	262,396,229	563,838,581
	13,199,099,474	12,421,989,650
Sonali Bank Limited (as an agent bank of Bangladesh Bank)-local currency	255,408,435	387,777,970
	<u>13,454,507,909</u>	<u>12,809,767,620</u>
3.2.1 Balance with Bangladesh Bank- local currency		
Balance as per Bank Ledger	12,936,703,246	11,858,151,070
<u>Unresponded debit entries:</u>		
Bangladesh Bank statement	273,295,681	26,767,121
AB Bank's ledger	273,295,681	26,767,121
	-	-
<u>Unresponded credit entries:</u>		
Bangladesh Bank statement	44,775,486	132,747,435
AB Bank's ledger	44,585,486	40,815,281
	190,000	91,932,154
	<u>12,708,183,051</u>	<u>11,964,131,384</u>

Bangladesh Bank Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as of 31.03.2015 is given below:

Period of Unreconciliation	Number of		Unresponded Amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	29	13	272,795,681	44,585,486
3 months to less than 6 months	-	-	-	-
6 months to less than 12 months	-	-	-	-
12 months and more	1	1	500,000	190,000
Total	30	14	273,295,681	44,775,486

3.2.2 Balance with Bangladesh Bank-Foreign currency

	31.03.2015 Taka	31.12.2014 Taka
Balance as per Bank Ledger	262,396,229	563,838,581
<u>Unresponded debit entries:</u>		
Bangladesh Bank statement	38,005,561	4,985,182
AB Bank's ledger	37,031,123	4,985,182
	974,439	-
<u>Unresponded credit entries:</u>		
Bangladesh Bank statement	428,217,234	242,379,951
AB Bank's ledger	117,527,839	71,164,115
	310,689,396	171,215,836
Balance as per Bangladesh Bank Statement	652,607,902	801,233,350

Bangladesh Bank Account represents outstanding transactions (net) originated but yet to be responded at the Balance sheet date. However the status of unresponded entries as of 31.03.2015 is given below:

Period of Unreconciliation	Number of		Unresponded Amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	30	283	38,005,561	424,469,959
3 months to less than 6 months		1	-	46,671
6 months to less than 12 months		2	-	98,339
12 months and more	-	6	-	3,602,265
Total	30	292	38,005,561	428,217,234

3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)

AB Bank Limited	13,454,507,909	12,809,767,620
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	13,454,507,909	12,809,767,620

3.3 Statutory deposits

Conventional Banking (Inside Bangladesh)

Cash Reserve Requirement and Statutory Liquidity Ratio

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 33 of the Bank Company Act, 1991 (Amendment up to 2013) and Bangladesh Bank's MPD circular no. 05 dated 01 December 2010, MPD circular no. 01 dated 23 June 2014 and DOS circular no. 01 dated 19 January 2014.

The statutory cash reserve requirement is on the Bank's time and demand liabilities at the rate of 6.50% and has been calculated and maintained with Bangladesh Bank in current account while statutory liquidity ratio of 13.00% is required, on the same liabilities is also maintained in the form of treasury bills, bonds and debentures including foreign currency balance with Bangladesh Bank. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

(a) Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD Circular No. 01 dated 23 June 2014, Bank has to maintain CRR @ 6.5% on fortnightly cumulative average basis and minimum CRR @ 6% on daily basis.

	31.03.2015	31.12.2014
	Taka	Taka
i. Daily Position as on the reporting date		
Required reserve	12,244,747,931	11,138,537,332
Actual reserve maintained	12,407,249,113	11,716,558,324
Surplus	162,501,182	578,020,992

As per Bank ledger, balance with Bangladesh Bank (local currency) is Tk 12,651,169,310 while as per Bangladesh Bank Statements balance is Tk. 12,422,649,116. Difference between the balance as per Bank Ledger and as per the Bangladesh Bank Statement is properly reconciled and adjusted accordingly.

ii. Fortnightly cumulative Position

As per Bangladesh Bank MPD Circular No. 01 dated 23 June 2014, Bank has to maintain CRR @ 6.5% on fortnightly cumulative average basis.

Required reserve (6.5% of total time & demand liabilities)	208,160,714,827	189,355,134,644
Actual reserve maintained	208,915,181,511	191,003,842,243
Surplus	754,466,684	1,648,707,599

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time & demand liabilities)	24,489,495,862	22,277,074,664
Actual reserve maintained	27,750,088,115	27,005,008,364
Total surplus	3,260,592,253	4,727,933,700

As per Bangladesh Bank MPD circular no. 05 dated 01 December 2010, MPD circular no. 01 dated 23 June 2014 and Bangladesh Bank DOS circular no. 01 dated 19 January 2014 all scheduled Banks have to maintain CRR and SLR @ 6.50% and @ 13.00% respectively of their total time and demand liabilities on bi-weekly average basis, where the Bank maintained @ 6.59% and @ 14.73% respectively at the 1st quarter end 2015.

(c) Components of Statutory Liquidity Ratio (SLR)

Cash in hand	1,381,400,000	1,131,735,000
Balance with Sonali Bank	255,400,000	387,777,000
HTM Securities	15,576,268,661	15,973,346,093
HFT Securities	10,374,518,657	8,929,129,280
Excess Reserve of CRR	162,500,797	578,020,992
Other Eligible Security	-	5,000,000
	27,750,088,115	27,005,008,364

Islamic Banking

Cash Reserve Requirement and Statutory Liquidity Ratio

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Company Act, 1991 (Amendment up to 2013) and subsequent Bangladesh Bank (BB) MPD's circular no. 01 dated: 23 June 2014.

The Statutory Cash Reserve is required on the Bank's Time and Demand Liabilities at the rate of 6.50% which has been calculated and maintained with Bangladesh Bank in Al-Wadeeah Current Account while Statutory Liquidity Ratio of 5.50% is required including excess amount of CRR on the same liabilities. The required amount maintained in the form of Bangladesh Government Islami Investment Bond (BGIIB), Cash Balance in the Vault and Foreign Currency (FC) Balance with Bangladesh Bank. Both the reserves (CRR & SLR) are maintained in excess, as shown below:

	31.03.2015 Taka	31.12.2014 Taka
(a) Cash Reserve Requirement (CRR)		
Required reserve	284,578,920	229,438,260
Actual reserve maintained	285,533,935	231,953,093
Surplus	955,015	2,514,833
(b) Statutory Liquidity Ratio (SLR)		
Total required reserve	240,797,550	194,140,070
Total actual reserve held	244,708,450	201,739,017
Total surplus	3,910,900	7,598,947

Mumbai Branch

Cash reserve ratio and statutory liquidity ratio

Cash reserve ratio and statutory liquidity ratio have been calculated and maintained in accordance with Section 24 of the Banking Companies Act 1949, Section 42 (2) of the RBI Act 1934 and RBI circular nos. DBOD. No.Ret. BC.22/12.01.001/2012-13.

The statutory cash reserve ratio is required on the Bank's time and demand liabilities at the rate of 4.00% for the 1st quarter 2015 & 31.12.2014 and has been maintained with RBI in current account while statutory liquidity ratio of 21.50% for 31.03.2015 & 22.00% for 31.12.2014 is required, on the same liabilities is also maintained in the form of treasury bills, and bonds including foreign currency balance with RBI. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

(a) Cash Reserve Ratio (CRR)		
Required reserve	13,184,922	10,522,167
Actual reserve maintained	17,163,302	16,866,506
Surplus	3,978,381	6,344,338
(b) Statutory Liquidity Ratio (SLR)		
Required reserve	413,474,013	302,149,255
Actual reserve maintained	512,964,653	335,151,337
Surplus	99,490,640	33,002,082
Total required reserve	426,658,934	312,671,422
Total actual reserve held	530,127,955	352,017,842
Total surplus	103,469,021	39,346,420

4. Balance with other banks and financial institutions

In Bangladesh	(Note: 4.1)	3,029,119,597	4,171,808,425
Outside Bangladesh	(Note: 4.2)	2,026,220,231	2,316,879,897
		5,055,339,829	6,488,688,322

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

In Bangladesh	(Note: 4.1.a)	3,115,698,463	4,214,889,208
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a)	2,038,339,925	2,340,832,909
		5,154,038,389	6,555,722,116

4.1 In Bangladesh

Current Deposits

	31.03.2015 Taka	31.12.2014 Taka
Standard Chartered Bank, Dhaka City Centre Branch	642,863	3,695,559
Agrani Bank Ltd., VIP Road Branch, Sylhet	6,194	18,214
Agrani Bank Ltd., Local Office, Dhaka	24,885	24,885
Islami Bank Bangladesh Ltd., Local Office	17,277	17,277
Agrani Bank Ltd., Bhairab Bazar Branch	534	30,000,534
Janata Bank Ltd., Jessore Branch	8,137	5,049
Agrani Bank Ltd., Mymensingh Branch	3,139	10,030,464
Janata Bank Ltd., Corporate Branch, Bogra	7,778	2,328
Rupali Bank Ltd., Bogra Branch	2,005	4,425
Agrani Bank Ltd., Thana Road Branch, Bogra	4,984	4,580
RAKUB, Bogra Branch	6,505	13,620
Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi	4,876	5,000
Janata Bank Ltd., Rajshahi Branch	5,288	5,000
IFIC Bank Ltd., Rajshahi Branch	840	840
Rupali Bank Ltd., Rajshahi Branch	11,150	10,000
Janata Bank Ltd., Rangpur Branch	511,969	59,041,800
RAKUB, Rangpur Branch	111,818	111,818
Rupali Bank Ltd., Rangpur Branch	41,904	169,394
Janata Bank Ltd., Chapai Nawabganj Branch	1,316	1,316
Agrani Bank Ltd., Brahmanbaria Branch	3,850	1,970
Agrani Bank Ltd., Pabna Branch	1,000	-
Janata Bank Ltd., Pabna Branch	1,000	-
	1,419,312	103,164,073

Special Notice Deposits

Agrani Bank Ltd., Rangpur Branch	100,492,032	85,396,350
Agrani Bank Ltd., Saidpur Branch	15,307	15,307
Agrani Bank Ltd., VIP Road Branch, Sylhet	33,836	33,756
Agrani Bank Ltd., Bogra Branch	7,530	7,530
Agrani Bank Ltd., Jhikargachha Branch	7,106,001	50,955,001
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna	2,216	7,622
Agrani Bank Ltd., Naogaon Branch	15,422,631	12,802,674
Agrani Bank Ltd., Jessore Branch	35,560	12,015,582
Agrani Bank Ltd., Moulvi Bazar Branch	1,411,671	12,158,103
Agrani Bank Ltd., Satkhira Branch	11,168	11,168
Agrani Bank Ltd., Court Road Branch, Narayanganj	-	-
Southeast Bank Ltd., Principal Branch	48,120	48,120
Agrani Bank Ltd., Principal Branch, Dhaka	902	90,683
Agrani Bank Ltd., Barisal Branch	21,547	72,077
Bangladesh Krishi Bank, Barisal Branch	45,563	3,356
Janata Bank Ltd., Barisal Branch	4,845	4,735
Standard Chartered Bank, Dhaka City Centre Branch	1,042,033	1,042,033
Islami Bank Bangladesh Ltd., Head Office Complex Corporate Br.	492,453	448,957
Bank Asia Ltd., Islami Banking Window, Shantinagar Branch	1,320,235	1,320,235
First Security Islami Bank Ltd, Dilkusha Br.	155,198	154,289
Al-Arafah Islami Bank Ltd, Dilkusha Branch	12,677,378	208,835,048
Shahjalal Islami Bank Ltd, Dhaka Main Branch	79,769	78,359
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka	976,520	967,141
Bank Alfalah Ltd, Main Branch, Dhaka	150,000,000	255,805,569
Southeast Bank Ltd., Motijheel Branch (Islami Banking)	112,716,674	110,608,819
ICB Islamic Bank Ltd., Principal Br, Motijheel	103,024,433	100,000,000
Agrani Bank Ltd., Islami Banking Window, Amin Court Corp. Br.	735,493,021	725,493,021
Jamuna Bank Ltd. Nayabazar Islami Banking Br.	34,226	17,534,226
Union Bank Ltd., Dilkusha Branch	385,867	384,082
	1,243,056,735	1,596,293,843

Mudaraba Special Notice Deposit

Social Islamic Bank Ltd. Principal Branch
EXIM Bank Ltd, Motijheel Branch

31.03.2015 Taka	31.12.2014 Taka
3,281,900	2,080,821
1,361,651	269,689
4,643,551	2,350,510

Fixed Deposits

Trust Bank Ltd.
Hajj Finance Company Ltd.
Southeast Bank Ltd.
Social Islami Bank Ltd.
Phoenix Finance and Investment Ltd.
Al-Arafah Islami Bank Limited
EXIM Bank Ltd.
The City Bank Ltd.
ICB Islamic Bank Ltd.
Union Bank Ltd.
Islamic Finance & Investment Ltd.
Union Capital Ltd.

80,000,000	-
230,000,000	250,000,000
200,000,000	200,000,000
200,000,000	200,000,000
100,000,000	100,000,000
-	300,000,000
-	500,000,000
200,000,000	200,000,000
50,000,000	50,000,000
450,000,000	450,000,000
120,000,000	120,000,000
150,000,000	100,000,000
1,780,000,000	2,470,000,000
3,029,119,597	4,171,808,425

4.1.a Consolidated In Bangladesh

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

3,029,119,597	4,171,808,425
3,112,433	544,019
-	-
147,067,924	114,444,709
9,248,829	6,384,834
-	-
3,188,548,783	4,293,181,988
72,850,320	78,292,780
3,115,698,463	4,214,889,208

Less: Inter company transaction

4.2 Outside Bangladesh

Current Deposits

The Bank of Tokyo Mitsubishi Ltd.
HSBC Plc
HSBC AUST
JP Morgan Chase Bank
Sonali Bank (Kolkata)
Sonali Bank (UK)
Sonali Bank (UK)
Myanmar Economic Bank
Citibank NA
Hatton National Bank Ltd.
Commerz Bank AG
HABIB Zurich
NIB Bank Ltd.
Mashreq Bank Psc

1,057,509	707,665
-	-
1,607,857	923,416
212,716,774	198,961,345
3,436,589	3,279,358
78,735,308	123,120,793
12,585,344	-
31,898	31,959
59,900,559	50,449,931
3,324,608	8,160,962
25,087,754	40,148,266
4,189,482	4,719,240
8,590,266	6,017,517
63,851,813	36,560,861

Outside Bangladesh (cont..)

	31.03.2015 Taka	31.12.2014 Taka
Nepal Bangladesh Bank Ltd.	1,961,902	2,054,142
Bank of Bhutan	5,358,138	24,440,385
Wachovia Bank/Wells Fargo N.A	4,614,294	35,987,587
Habib America Bank	64,883,945	37,454,925
Commerz Bank AG	113,731,126	34,496,508
Hypovereins Bank	5,758,439	4,499,051
National Commercial Bank Ltd.	29,809,545	29,866,788
Habib Metro Bank	20,796,142	13,408,724
Habib Bank AG	1,596,793	703,347
COMMERZ BK CAD	4,597,254	3,594,551
COMMERZ BK CHF	3,836,099	10,098,144
JPMC NY-OBU	59,756,622	34,796,121
HSBC, New York	45,690,749	768,564,087
Reserve Bank of India	17,162,759	16,866,506
HDFC BANK CSDL	398,844	303,823
HDFC Bank Ltd.	75,091,630	7,836,735
Commerz Bank AG (Euro)	5,770,437	10,560,432
Commerz Bank AG (ACU)	2,070,059	7,966,631
Kotak Mahindra Bank	24,050,818	9,585,173
HSBC (USD)	47,173,565	69,269,827
HSBC (ACUD)	920,845,887	526,831,239
Habib American Bank Ltd.	384,548	7,313,278
HSBC NY (OBU)	5,645,867	103,738,518
Standard Chartered Bank	76,661,543	79,026,001
Standard Chartered Bank	6,035,456	
JP Morgan Chase Bank	7,422,009	4,536,060
(Details are given in Annex - A)	2,026,220,231	2,316,879,897

4.2.a Consolidated Outside Bangladesh (Nostro Accounts)

AB Bank Limited	2,026,220,231	2,316,879,897
AB Investment Limited	-	-
AB International Finance Limited	9,959,479	20,114,404
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	2,647,418	4,003,394
	2,038,827,128	2,340,997,695
Less: Inter company transactions	487,203	164,787
	2,038,339,925	2,340,832,909

4.3 Account-wise/grouping of balance with other banks and financial institutions

Current deposits	2,027,639,543	2,420,043,970
Savings deposits	4,643,551	2,350,510
Short-Notice Deposits	1,243,056,735	1,596,293,843
Fixed deposits	1,780,000,000	2,470,000,000
	5,055,339,829	6,488,688,322

	31.03.2015	31.12.2014
	Taka	Taka
4.4 Maturity grouping of balance with other banks		
Repayable – on demand	2,027,639,544	2,420,043,970
– up to 3 months	2,399,103,547	3,658,644,353
– over 3 months but below 1 year	628,596,738	410,000,000
– over 1 year but below 5 years	-	-
– over 5 years	-	-
	5,055,339,829	6,488,688,322
5. Money at call and on short notice		
In Bangladesh (Note: 5.1)	2,655,800,000	600,000,000
Outside Bangladesh (Note: 5.2)	2,660,291,296	3,262,958,626
	5,316,091,296	3,862,958,626
5.1 In Bangladesh		
<u>With banking companies</u>		
The City Bank Limited	1,205,600,000	-
Eastern Bank Limited	389,000,000	-
BRAC Bank Limited	311,200,000	-
	1,905,800,000	-
<u>With non-banking financial institutions</u>		
Industrial and Infrastructure Development Finance Company (IIDFC)	-	50,000,000
Prime Finance & Investment Ltd.	100,000,000	-
People's Leasing and Financial Services Ltd.	200,000,000	100,000,000
International Leasing & Financial Services Ltd.	450,000,000	450,000,000
	750,000,000	600,000,000
	2,655,800,000	600,000,000
<u>At short notice</u>	-	-
<u>On calls and placements</u>		
Industrial and Infrastructure Development Finance Company (IIDFC)	-	50,000,000
Prime Finance & Investment Ltd.	100,000,000	-
The City Bank Limited	1,205,600,000	-
Eastern Bank Limited	389,000,000	-
BRAC Bank Limited	311,200,000	-
People's leasing and financial services Limited	200,000,000	100,000,000
International Leasing & Financial Services Limited	450,000,000	450,000,000
	2,655,800,000	600,000,000
	2,655,800,000	600,000,000
5.2 Outside Bangladesh		
Pinnacle Global Fund Pte Limited	1,556,000,000	1,558,988,000
AB International Finance Limited	956,317,600	1,405,973,328
Kotak Mahindra Bank	46,680,000	88,754,500
HDFC Bank Limited	101,293,696	209,242,798
	2,660,291,296	3,262,958,626
5(a) Consolidated money at call and on short notice		
AB Bank Limited	5,316,091,296	3,862,958,626
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Limited	-	-
	5,316,091,296	3,862,958,626
Less: Inter-group transaction	(956,317,600)	(1,405,973,328)
	4,359,773,696	2,456,985,298

	31.03.2015 Taka	31.12.2014 Taka
6. Investments		
Nature wise (Bangladesh Operation):		
Held for Trading	10,374,518,657	8,929,129,280
Held to Maturity	15,817,268,661	16,169,346,093
Others	5,190,401,998	5,310,303,497
	31,382,189,316	30,408,778,870
Nature wise (Mumbai Branch):		
Held for Trading	-	-
Held to Maturity	441,802,506	369,796,197
Others	-	-
	441,802,506	369,796,197
Claim wise:		
Government securities	26,282,112,162	25,305,839,814
Other investments	5,541,879,659	5,472,735,252
	31,823,991,821	30,778,575,066
6 (a) Consolidated investments		
AB Bank Limited	31,823,991,821	30,778,575,066
AB International Finance Limited	-	-
AB Investment Limited	727,401,710	746,884,485
AB Securities Limited	168,307,740	168,307,740
Cashlink Bangladesh Limited (CBL)	24,116,618	24,116,618
AB Exchange (UK) Ltd.	-	-
	32,743,817,889	31,717,883,909
6.1 Government securities		
Treasury bills	4,431,870,412	2,612,978,291
30 days Bangladesh Bank bills	-	-
Treasury bonds	21,605,704,150	22,488,628,622
Debentures - Bangladesh House Building Finance Corporation (Maturity date: 14 March 2015, interest rate: 5.50%)	-	5,000,000
Bangladesh Bank Islami Investment bonds	241,000,000	196,000,000
Prize bonds	3,537,600	3,232,900
	26,282,112,162	25,305,839,814
6.1.1 Maturity wise Treasury Bills & Bonds		
(a) 30 Days Bangladesh Bank Bill	1,558,073,837	499,364,774
(b) Treasury Bill		
(i) 91 Days Treasury Bill	-	343,307,751
(ii) 182 Days Treasury Bill	267,504,801	-
(iii) 364 Days Treasury Bill	2,606,291,775	2,269,670,540
Total Treasury Bill	2,873,796,576	2,612,978,291
(c) Treasury Bond		
(i) 02 Years Treasury Bond	1,003,914,989	975,367,599
(ii) 05 Years Treasury Bond	3,214,245,454	3,709,863,326
(iii) 10 Years Treasury Bond	11,375,419,582	11,380,898,191
(iv) 15 Years Treasury Bond	3,762,276,674	3,919,230,562
(v) 20 Years Treasury Bond	2,163,060,206	2,304,137,404
Total Treasury Bond	21,518,916,905	22,289,497,082
Treasury Bond Adjustment	86,787,245	199,131,541
Total (a)+(b)+(c)	26,037,574,563	25,600,971,688

	31.03.2015 Taka	31.12.2014 Taka
6.1(a) Consolidated Government securities		
AB Bank Limited	26,282,112,162	25,305,839,814
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	26,282,112,162	25,305,839,814
6.2 Other investments		
Shares	(Note: 6.2.1) 4,970,077,153	4,972,939,056
Bond	(Note: 6.2.2) 130,000,000	130,000,000
	5,100,077,153	5,102,939,056
Investments -ABBL, Mumbai Branch		
Treasury bills	406,574,666	335,151,337
Debentures and Bonds	35,227,840	34,644,860
	441,802,506	369,796,197
Total Other investments	5,541,879,659	5,472,735,252
6.2 (a) Consolidated other investments		
AB Bank Limited	5,541,879,659	5,472,735,252
AB Investment Limited	727,401,710	746,884,485
AB International Finance Limited	-	-
AB Securities Limited	168,307,740	168,307,740
Cashlink Bangladesh Limited (CBL)	24,116,618	24,116,618
AB Exchange (UK) Ltd.	-	-
	6,461,705,726	6,412,044,095
6.2.1 Investments in shares		
Quoted (Publicly Traded)	4,072,070,308	4,074,932,211
Unquoted	898,006,845	898,006,845
	4,970,077,153	4,972,939,056
Details are given in Annexure-B		
6.2.2 Investment in subordinated bonds		
Prime Bank Limited	90,000,000	90,000,000
Trust Bank Limited	40,000,000	40,000,000
	130,000,000	130,000,000
6.3 Maturity grouping		
Repayable – on demand	110,020,145	-
– upto 3 months	2,114,011,605	1,185,193,085
– over 3 months but below 1 year	8,097,693,667	7,300,588,163
– over 1 year but below 5 years	6,910,661,470	7,238,903,591
– over 5 years	14,591,604,932	15,053,890,227
	31,823,991,821	30,778,575,066

6.4 Disclosure of uniform accounting procedures for REPO transactions under DOS circular no 06 dated 15 July 2010 is given below :

a.(i) Disclosure regarding outstanding Repo as on 31 March 2015:

Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Bangladesh Bank (Liquidity Support)	3/31/2015	1/Apr/15	853,905,000
Basic Bank Ltd (Interbank REPO)	3/31/2015	1/Apr/15	396,447,660
Janata Bank Ltd (Interbank REPO)	3/31/2015	1/Apr/15	1,019,540,755
Prime Bank Ltd (Interbank REPO)	3/31/2015	1/Apr/15	479,969,500
Total			1,730,322,160

(ii) Disclosure regarding outstanding Reverse Repo as on 31 March 2015:

Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
None	N/A	N/A	N/A

b. Disclosure regarding overall transaction of Repo and Reverse repo:

	Minimum outstanding during the period	Maximum outstanding during the period	Daily average outstanding during the period
Securities sold under repo:			
i) with Bangladesh Bank	-	2,281,400,000	1,130,417,222
ii) with other banks & FIS	-	4,849,200,000	1,753,136,222
Securities purchased under reverse repo:			
i) from Bangladesh Bank	NIL	-	-
ii) from other banks & FIS	NIL	777,464,203	5,121,113

	31.03.2015 Taka	31.12.2014 Taka
7. Loans, advances and lease/investments	183,850,663,718	177,570,797,390
7.1 Maturity grouping		
Repayable – on demand	2,909,712,635	3,121,047,452
– upto 3 months	97,370,513,980	77,338,284,669
– over 3 months but below 1 year	68,268,840,000	62,598,062,666
– over 1 year but below 5 years	9,323,293,340	32,638,991,004
– over 5 years	5,978,303,764	1,874,411,599
	183,850,663,718	177,570,797,390
7.2 Broad category-wise breakup		
In Bangladesh		
Loans	159,768,649,339	151,973,642,894
Overdrafts	22,880,126,958	24,257,058,709
Cash credits	-	-
	182,648,776,297	176,230,701,603
Outside Bangladesh: ABBL, Mumbai Branch		
Loans	137,428,556	118,290,492
Overdrafts	2,947,293	173,447
Cash credits	17,374,340	38,280,520
	157,750,188	156,744,459
	182,806,526,484	176,387,446,062

	31.03.2015 Taka	31.12.2014 Taka
7.3 Product wise Loans and Advances		
Overdraft	22,867,169,014	24,258,189,159
Cash Credit	17,374,340	37,995,893
Time loan	54,600,563,593	54,883,861,279
Term loan	86,248,539,648	76,409,640,764
Bills under LC	175,205,900	597,494,835
Trust Receipt	10,856,581,240	12,033,291,210
Packing credit	491,365,450	469,070,866
Loan against accepted bills	5,433,511,285	5,659,662,347
Consumer Loan	1,347,610,714	1,315,552,111
Staff Loan	768,605,300	722,687,599
Bills Purchased & Discounted	1,044,137,234	1,183,351,328
	<u>183,850,663,718</u>	<u>177,570,797,390</u>
7.4 Net loans, advances and lease/investments		
Gross loans and advances	183,850,663,718	177,570,797,390
Less:		
Interest suspense	3,690,843,275	2,889,551,303
Provision for loans and advances	5,304,285,837	4,853,671,957
	8,995,129,112	7,743,223,260
	<u>174,855,534,606</u>	<u>169,827,574,130</u>
7.5 Significant concentration		
Advances to industries	87,738,548,125	84,929,595,774
Advances to customer groups	96,112,115,593	92,641,201,616
Advances to allied concerns of Directors	-	-
Advances to Chief Executive	-	-
	<u>183,850,663,718</u>	<u>177,570,797,390</u>
7.6 Advances to customers for more than 10% of Bank's total capital		
Total capital of the Bank	<u>22,342,455,373</u>	<u>22,798,623,509</u>
Number of clients	34	34
Amount of outstanding advances	61,234,212,000	60,681,015,326
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable
7.7 Industry-wise loans, advances and lease/investments		
Agriculture	2,196,523,420	2,801,651,097
Large and medium scale industry	43,717,606,523	47,768,695,594
Working capital	42,428,433,800	35,187,549,617
Export	821,904,526	1,091,168,593
Commercial lending	44,743,108,457	40,693,652,705
Small and cottage industry	2,941,015,263	1,010,622,049
Others	47,002,071,729	49,017,457,735
	<u>183,850,663,718</u>	<u>177,570,797,390</u>

	31.03.2015 Taka	31.12.2014 Taka
7.8 Geographical location-wise (division) distribution		
In Bangladesh		
Urban Branches		
Dhaka	120,649,927,189	117,399,668,828
Chittagong	44,715,495,124	41,645,368,181
Khulna	4,858,730,635	4,812,452,773
Sylhet	2,094,742,035	2,126,304,984
Barisal	361,523,008	390,486,202
Rajshahi	3,398,575,194	3,466,971,019
Rangpur	3,198,632,933	3,172,244,903
	179,277,626,119	173,013,496,891
Rural Branches		
Dhaka	3,197,602,179	3,141,994,538
Chittagong	444,193,084	461,678,607
Khulna	-	-
Sylhet	59,879,553	60,156,085
Barisal	-	-
Rajshahi	-	-
Rangpur	-	-
	3,701,674,816	3,663,829,229
Outside Bangladesh		
ABBL, Mumbai Branch	871,362,784	893,471,270
	183,850,663,718	177,570,797,390
7.9 Classification of loans, advances and lease/investments		
In Bangladesh		
<u>Unclassified</u>		
Standard	174,124,660,645	169,504,238,421
Special Mention Account	1,412,062,408	418,500,342
	175,536,723,054	169,922,738,763
<u>Classified</u>		
Sub-Standard	1,231,610,000	691,700,000
Doubtful	410,886,000	331,100,000
Bad/Loss	5,800,081,881	5,731,787,357
	7,442,577,881	6,754,587,357
	182,979,300,935	176,677,326,120
Outside Bangladesh-Mumbai Branch		
Unclassified Loan	768,295,109	792,109,246
Classified Loan	103,067,674	101,362,024
	871,362,784	893,471,270
	183,850,663,718	177,570,797,390
7.10 Particulars of Loans, advances and lease/investments		
(i) Loans considered good in respect of which the Bank is fully secured	175,159,211,239	169,292,299,227
(ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee	-	-
(iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	8,691,452,479	8,278,498,163
(iv) Loans adversely classified but provision not maintained there against	-	-
	183,850,663,718	177,570,797,390

	31.03.2015 Taka	31.12.2014 Taka
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	768,605,300	722,687,599
(vi) Loans due from companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in case of private companies, as members	-	-
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Bank or any of them either separately or jointly with any other persons [note 7.10 (a)]	768,605,300	729,638,094
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	-	-
(ix) Due from other banking companies	-	-
(x) Amount of classified loans on which interest has not been charged:	-	-
(a) Increase/(decrease) of provision (specific)	29,818,000	2,119,762,675
(b) Amount of loan written off	-	1,723,925,000
(c) Amount realised against loan previously written off	148,000	16,283,000
(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	2,740,900,000	2,711,082,000
(e) Interest creditable to interest suspense account	5,789,474,844	5,537,277,863
(xi) Written off loan:		
During the period		1,723,925,000
Cumulative to-date (as per Bangladesh Bank guidelines)	7,188,963,000	7,188,963,000
Cumulative to-date (in amicable settlement)	2,699,929,000	2,696,192,000
The amount of written off loans for which lawsuits have been filed for its recovery	2,699,929,000	2,696,192,000

7.10 (a) The amount represents loans Tk. 768,605,300 crore due by the employees of the Bank.

7.11 Securities wise Loans, advances and lease/investments

Nature of security

Collateral of movable/immovable assets	147,227,611,505	142,142,104,460
Cash collateral	4,357,260,730	4,186,307,061
Banks and financial institutions guarantee	1,103,103,982	1,146,804,952
Personal guarantee	9,927,935,840	9,533,339,592
Corporate guarantee	3,309,311,946	3,236,279,187
Other securities	17,925,439,715	17,325,962,138
	183,850,663,718	177,570,797,390

7(a) Consolidated Loans, advances and lease/investments

AB Bank Limited	182,806,526,484	176,387,446,062
AB Investment Limited	6,861,517,539	7,107,095,221
AB International Finance Limited	-	-
AB Securities Limited	1,008,192,120	1,046,831,154
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	190,676,236,144	184,541,372,437
Less: Inter company transaction	2,287,539,458	2,604,760,935
	188,388,696,686	181,936,611,502

	31.03.2015 Taka	31.12.2014 Taka
8 Bills purchased and discounted		
In Bangladesh	330,524,638	446,624,517
Outside Bangladesh - ABBL, Mumbai Branch	713,612,596	736,726,811
	1,044,137,234	1,183,351,328
8.1 Maturity grouping		
Repayable – within 1 month	365,448,031	419,274,898
– over 1 month but within 3 months	459,420,382	515,478,050
– over 3 months but within 6 months	219,268,821	248,598,380
– over 6 months	-	-
	1,044,137,234	1,183,351,328
8 (a) Consolidated Bills purchased and discounted		
AB Bank Limited	1,044,137,234	1,183,351,328
AB Investment Limited	-	-
AB International Finance Limited	1,322,302,448	1,617,929,100
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	2,366,439,682	2,801,280,428
9. Fixed assets including premises, furniture and fixtures		
Cost:		
Land and Building	3,341,682,082	3,341,682,082
Furniture and fixtures	220,418,495	218,512,340
Office appliances	61,723,246	62,061,284
Electrical appliances	1,453,196,698	1,443,497,994
Motor vehicles	577,393,554	567,752,028
Intangible Assets	547,722,620	571,032,453
	6,202,136,695	6,204,538,180
Less: Accumulated depreciation and amortization	1,848,884,006	1,799,543,653
	4,353,252,689	4,404,994,528
A schedule of fixed assets is given in Annexure-C		
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Cost		
AB Bank Limited	6,202,136,695	6,204,538,180
AB Investments Limited	682,564,941	574,374,720
AB International Finance Limited	7,610,544	7,623,595
AB Securities Limited	28,432,297	29,069,045
Cashlink Bangladesh Limited (CBL)	250,270,879	250,270,879
AB Exchange (UK) Ltd.	15,192,864	15,359,298
	7,186,208,221	7,081,235,717
Accumulated depreciation		
AB Bank Limited	1,848,884,006	1,799,543,653
AB Investments Limited	55,169,375	50,853,564
AB International Finance Limited	7,479,505	7,452,313
AB Securities Limited	22,334,381	21,667,677
Cashlink Bangladesh Limited (CBL)	250,039,175	250,021,004
AB Exchange (UK) Ltd.	12,233,764	11,585,284
	2,196,140,206	2,141,123,495
	4,990,068,015	4,940,112,222

10. Other assets

Income generating-Equity Investment

In Bangladesh:

	31.03.2015 Taka	31.12.2014 Taka
AB Investment Limited (99.99% owned subsidiary company of ABBL)	99,899,000	99,899,000
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
	<u>512,378,228</u>	<u>512,378,228</u>

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)	50,423,392	50,423,392
	<u>55,627,337</u>	<u>55,627,337</u>
	<u>568,005,565</u>	<u>568,005,565</u>

Non-income generating

Advance corporate income tax (Note: 10.1)	9,800,808,312	9,357,440,764
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
Accounts receivable	655,760,893	730,277,969
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	598,372,371	507,327,670
Exchange for clearing	557,934,912	459,660,909
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	623,196,321	695,096,286
Security deposits	180,770,713	175,578,647
Advance rent and advertisement	182,630,478	171,597,362
Stationery, stamps, printing materials, etc.	31,424,589	29,273,384
Inter-branch adjustment	-	154,618
	<u>17,550,918,587</u>	<u>17,046,427,609</u>
	<u>18,118,924,151</u>	<u>17,614,433,173</u>

10(a) Consolidated Other assets

AB Bank Limited	18,118,924,151	17,614,433,173
AB Investment Limited	354,926,635	461,991,430
AB International Finance Limited	7,595,714	13,749,068
AB Securities Limited	52,627,319	97,885,973
Cashlink Bangladesh Limited (CBL)	29,156,752	28,405,366
AB Exchange (UK) Ltd.	1,081,114	1,319,511
	<u>18,564,311,686</u>	<u>18,217,784,520</u>
Less: Inter-group transaction	5,616,145,792	5,762,319,285
	<u>12,948,165,894</u>	<u>12,455,465,235</u>

	31.03.2015	31.12.2014
	Taka	Taka
10.1 Advance corporate income tax		
In Bangladesh:		
Opening Balance	9,125,367,470	6,925,302,663
<u>Add:</u> Paid during the period	375,000,000	1,948,549,059
Tax withheld during the period	23,883,895	251,607,320
	398,883,895	2,200,156,379
<u>Less:</u> Transfer/Adjustment during the period		91,572
Closing Balance	9,524,251,365	9,125,367,470
Advance tax of ABBL, Mumbai Branch	276,556,947	232,073,293
	9,800,808,312	9,357,440,763
11. Borrowings from other banks, financial institutions and agents		
In Bangladesh	(Note: 11.1) 7,302,983,720	7,313,322,021
Outside Bangladesh	(Note: 11.2) 4,572,097,060	3,663,488,409
	11,875,080,780	10,976,810,430
11.1 In Bangladesh:		
11.1.1 Bangladesh Bank		
ADB loan	14,739,000	17,107,125
Islamic Investment Bonds	814,384	500,000,000
Refinance against IPFF	351,119,019	105,176,850
Refinance against Women Entr., Small Enterprise, ETP & Others	141,621,527	126,633,297
	508,293,930	748,917,272
11.1.2 Call & Term Borrowing from		
Basic Bank Limited	750,000,000	950,000,000
Citibank NA	450,000,000	420,000,000
Dutch Bangla Bank Limited	1,562,202,697	1,565,293,240
One Bank Limited	250,000,000	-
HSBC	290,000,000	300,000,000
ICB Islami Bank Limited	500,000,000	470,000,000
Brac Bank Limited	1,781,101,349	1,000,000,000
United Commercial Bank Limited	1,190,550,674	1,300,000,000
Commercial Bank of Ceylon	-	390,422,237
Bangladesh Commerce Bank Limited	-	155,957,262
Accrued interest	20,835,070	12,732,010
	6,794,689,790	6,564,404,749
	7,302,983,720	7,313,322,021
11.2 Outside Bangladesh		
Sonali Bank UK	595,080,008	616,893,327
ICICI BK LTD, HK	933,600,000	-
International Finance Corporation	2,727,224,885	2,732,718,832
Banca UBAE	316,192,167	313,876,251
	4,572,097,060	3,663,488,409

A schedule of borrowings from other banks, financial institutions and agents outside Bangladesh is given in **Annex - D**.

	31.03.2015 Taka	31.12.2014 Taka
11.3 Analysis by security		
Secured (assets pledge as security for liabilities)	-	-
Unsecured	11,875,080,780	10,976,810,430
	11,875,080,780	10,976,810,430
11.4 Repayment pattern		
Repayable on demand	2,673,600,000	1,670,000,000
Repayable on maturity	9,201,480,780	9,306,810,430
	11,875,080,780	10,976,810,430
11.4.1 Repayable on maturity		
<u>Bangladesh Bank refinance:</u>		
ADB loan	14,739,000	17,107,125
Refinance against IPFF	351,119,019	105,176,850
Refinance against Women Entr., Small Enterprise, ETP & Others	141,621,527	126,633,297
	507,479,545	248,917,272
<u>Term borrowings:</u>		
Islamic Investment Bonds	814,384	500,000,000
International Finance Corporation	2,727,224,885	2,732,718,832
Banca UBAE	316,192,167	313,876,251
Commercial Bank of Ceylon	-	390,422,237
Bangladesh Commerce Bank Ltd	-	155,957,262
ICB Islami Bank Ltd	500,000,000	470,000,000
Brac Bank Limited	1,781,101,349	1,000,000,000
United Commercial Bank Ltd.	1,190,550,674	1,300,000,000
Sonali Bank UK	595,080,008	616,893,327
Dutch Bangla Bank Ltd	1,562,202,697	1,565,293,240
Accrued interest	20,835,070	12,732,010
	8,694,001,234	9,057,893,158
	9,201,480,780	9,306,810,430
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
AB Bank Limited	11,875,080,780	10,976,810,430
AB Investment Limited	2,097,478,335	2,406,573,816
AB International Finance Limited	960,890,494	1,407,722,530
AB Securities Limited	307,523,172	299,693,825
Cashlink Bangladesh Limited (CBL)	168,241,029	183,241,029
AB Exchange (UK) Ltd.	-	-
	15,409,213,809	15,274,041,630
Less: Intercompany transactions	3,117,042,232	3,888,374,105
	12,292,171,577	11,385,667,525
12. AB Bank Subordinated Bond		
Subordinated Bond	2,500,000,000	2,500,000,000

The Board of Directors of AB Bank Limited in its 546th meeting held on March 12, 2014 approved the 7 years Non-Convertible Subordinated Bond BDT 250 crore for enhancing the Bank capital strength and subsequently approved by the shareholders in an Extra-ordinary 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 gave consent to raise capital of AB Bank Limited through issuance of Non-convertible Subordinated Bond.

	31.03.2015	31.12.2014
	Taka	Taka
13. Deposit and other accounts		
Inter-bank deposits	8,244,629,848	10,007,738,867
Other deposits	195,384,995,752	188,181,458,354
	203,629,625,601	198,189,197,221
13(a) Consolidated Deposit and other accounts		
AB Bank Limited	203,629,625,601	198,189,197,221
AB Investment Limited	-	-
AB International Finance Limited	-	6,018,236
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	203,629,625,601	198,195,215,457
Less: Inter-group transaction	73,337,946	78,457,744
	203,556,287,655	198,116,757,714
13.1 Maturity analysis of inter-bank deposits		
Repayable – on demand	1,374,181,318	1,098,483,242
– within 1 month	2,502,248,530	3,060,220,903
– over 1 month but within 3 months	4,368,200,000	5,646,584,722
– over 3 months but within 1 year	-	202,450,000
– over 1 year but within 5 years	-	-
– over 5 years but within 10 years	-	-
– over 10 years	-	-
	8,244,629,848	10,007,738,867
13.2 Maturity analysis of total deposits excluding inter bank deposit		
Repayable – on demand	2,248,581,705	1,750,254,292
– within 1 month	20,750,335,464	15,403,477,078
– over 1 month but within 3 months	52,637,487,529	52,797,934,646
– over 3 months but within 1 year	67,956,313,013	68,482,947,994
– over 1 year but within 5 years	50,135,244,183	47,761,942,498
– over 5 years	1,657,033,860	1,984,901,847
	195,384,995,754	188,181,458,354
13.3 Demand and time deposits		
a) Demand Deposits	22,867,128,694	20,583,315,650
Current accounts and other accounts	19,010,436,204	17,639,785,113
Savings Deposits (9%)	1,764,562,085	1,748,476,420
Bills Payable	2,092,130,404	1,195,054,117
b) Time Deposits	180,762,496,907	177,605,881,571
Savings Deposits (91%)	17,841,683,309	17,679,039,355
Short Notice Deposits	26,032,760,320	27,253,775,501
Fixed Deposits	121,799,713,816	117,532,923,933
Other Deposits	15,088,339,462	15,140,142,782
Total Demand and Time Deposits	203,629,625,602	198,189,197,221

13.4 Sector-wise break up of deposits and other accounts

	31.03.2015 Taka	31.12.2014 Taka
Government	2,234,210,750	897,413,533
Deposit money Banks	8,244,629,848	10,007,738,867
Autonomous & Semi-Autonomous Bodies	4,816,166,376	4,264,224,627
Public Non-Financial Organisation	38,104,049,629	32,677,381,012
Other Public	2,808,039,805	2,256,073,419
Foreign Currency	5,062,912,254	4,765,892,912
Private	142,359,616,940	143,320,472,851
	203,629,625,602	198,189,197,221

14. Other liabilities

Accumulated provision against loans and advances	(Note 14.1) 5,304,285,837	4,853,671,957
Provision for current tax	(Note 14.2) 12,849,159,053	12,339,190,786
Deferred tax liabilities	(Note 14.3) 133,513,077	136,219,062
Interest suspense account	(Note 14.4) 3,690,843,275	2,889,551,303
Provision against other assets	(Note 14.5) 640,228,969	614,228,969
Provision for outstanding debit entries in NOSTRO accounts	200,000	200,000
Accounts payable - Bangladesh Bank	446,961,198	163,907,636
Accrued expenses	278,334,317	361,528,702
Provision for off balance sheet items	(Note 14.6) 1,010,000,000	1,010,000,000
Provision against investments	(Note 14.7) 1,995,053,000	1,995,053,000
Inter branch adjustment	194,858	-
Others (*)	311,940,638	481,483,411
	26,660,714,221	24,845,034,825

(*) 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.

14.1 Accumulated provision against loans and advances

The movement in specific provision for bad and doubtful debts

Opening Balance	2,891,323,484	2,244,104,159
Fully provided debts written off during the period	(-) -	1,412,080,675
Recovery of amounts previously written off	(+)	-
Specific provision made during the period	(+)	2,059,300,000
Transferred from other assets provisions	(+)	-
Transfer from general provision	(+)	-
Recoveries and provision no longer required	(-)	-
Net charge to Profit and Loss Account	(+)	-
	50,000,000	647,219,325
Closing Balance	2,941,323,484	2,891,323,484
Provision made by ABBL, Mumbai Branch	33,360,640	32,808,560
Total provision on classified loans and advances	2,974,684,124	2,924,132,044

On unclassified loans

Balance at 01 January	1,925,867,313	1,703,660,313
Recoveries and provision no longer required	(-) -	-
Transfer to specific provision during the period	(-) -	-
General provision made during the period	(+)	222,207,000
	400,000,000	222,207,000
Balance at the period ended	2,325,867,313	1,925,867,313
Provision made by ABBL, Mumbai Branch	3,734,400	3,672,600
Total provision on un-classified loans and advances	2,329,601,713	1,929,539,913
Total provision on loans and advances	5,304,285,837	4,853,671,957

Provision for	Required	31.03.2015	
		Maintained	Excess
Un-classified loans and advances	1,686,234,400	2,329,601,713	643,367,313
Classified loans and advances	2,966,560,640	2,974,684,124	8,123,484
	4,652,795,040	5,304,285,837	651,490,797

14.1.1 Details of provision for loans and advances

	31.03.2015	
	Required	Maintained
General Provision	1,686,234,400	2,329,601,713
Standard	1,607,634,400	2,251,001,713
Special Mention Account	78,600,000	78,600,000
Specific Provision	2,966,560,640	2,974,684,124
Substandard	125,760,640	125,760,640
Doubtful	99,900,000	99,900,000
Bad/Loss	2,740,900,000	2,749,023,484
		651,490,797

Excess provision maintained at 31 March 2015

14.2 Provision for current tax

	31.03.2015	31.12.2014
	Taka	Taka
Balance at 01 January	12,133,437,043	9,519,523,785
Add: Provision made during the period	478,546,120	2,613,913,258
Balance at the year ended	12,611,983,163	12,133,437,043
Provision held by ABBL, Mumbai Branch	237,175,890	205,753,743
	12,849,159,053	12,339,190,786

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2012 (Assessment Year 2013-14). Corporate income tax return for the year 2013 submitted under section 82BB corresponding to Assessment Year 2014-15. Tax assessment for income years 2010, 2011 and 2012 are under appeal. Tax assessments for income years 1995,1996,1997,2007 and 2009 were completed but these were referred to the Hon'ble High Court on the application made by the Bank for some disputed points.

14.3 Deferred tax liabilities

Balance at 01 January	136,219,062	109,050,939
Add/(less): Provision made during the period	(2,705,985)	27,091,990
Add/(Less): Adjustment/Rate Fluctuation during the period	-	76,133
	133,513,077	136,219,062

14.4 Interest suspense account

Balance at 01 January		2,866,769,441	1,751,626,029
Transfer during the period	(+)	807,816,598	1,605,582,737
Recovery during the period	(-)	6,820,000	178,595,000
Waiver during the period		3,737,000	-
Write off during the period	(-)	-	311,844,325
Balance at 31 March		3,664,029,039	2,866,769,441
Mumbai Branch		26,814,235	22,781,862
		3,690,843,275	2,889,551,303

14.5 Provision against other assets

Provision for		
Prepaid legal expenses	67,030,000	66,030,000
Protested bills	26,065,610	26,065,610
Others	547,133,359	522,133,359
	640,228,969	614,228,969

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

14.5.1 Calculation of Provision against other assets

	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	66,527,534	66,527,534	50% & 100%	-	67,030,000
Protested bills	23,223,989	23,223,989	100%	23,223,989	26,065,610
Others	80,000,000	80,000,000	100%	80,000,000	547,133,359
Required provision for other assets				103,223,989	640,228,969
Total provision requirement					103,223,989
Total provision maintained					640,228,969
Excess provision maintained at 31 March 2015					537,004,979

31.03.2015 Taka	31.12.2014 Taka
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14.6 Provision for off balance sheet items

Balance at 01 January	1,010,000,000	810,000,000
Add: Provision made during the period	-	200,000,000
	1,010,000,000	1,010,000,000

14.6.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	31.03.2015	31.12.2014
Acceptances and endorsements	26,691,068,401	1%	266,910,684	267,879,526
Letters of guarantee	14,594,679,106	1%	145,946,791	138,453,323
Irrevocable letters of credit	20,993,252,116	1%	209,932,521	219,873,172
Bills for collection	5,450,360,054	1%	54,503,601	60,588,983
Others	2,772,477,349	1%	27,724,773	64,764,196
Total Off Balance Sheet Items & required provision	70,501,837,027		705,018,370	751,559,199
Total provision maintained			1,010,000,000	1,010,000,000
Excess provision at 31 March 2015			304,981,630	258,440,801

No provision has been maintained against Off Balance Sheet items of Mumbai Branch amounting Tk. 2,329,381,613 as per Reserve Bank of India (RBI) guidelines.

14.7 Provision against investments

Balance at 01 January	1,995,053,000	1,995,053,000
Add: Provision made during the period	-	-
	1,995,053,000	1,995,053,000

14(a) Consolidated Other liabilities

AB Bank Limited	26,660,714,221	24,845,034,825
AB Investment Limited	835,971,870	814,831,811
AB International Finance Limited	257,290,222	58,743,830
AB Securities Limited	596,343,577	656,127,920
Cashlink Bangladesh Limited (CBL)	12,327,300	12,450,906
AB Exchange (UK) Ltd.	2,687,848	2,959,224
	28,365,335,038	26,390,148,516
Less: Inter-group transaction	274,026,340	327,696,455
	28,091,308,697	26,062,452,061

	31.03.2015 Taka	31.12.2014 Taka
15. Share Capital	5,324,591,520	5,324,591,520
15.1 Authorised Capital		
600,000,000 ordinary shares of Taka 10 each	6,000,000,000	6,000,000,000
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	5,174,591,520
	5,324,591,520	5,324,591,520

15.3 Percentage of shareholding

	As at 31 March 2015		As at 31 December 2014	
	No. of shares	%	No. of shares	%
Sponsors and public	529,407,041	99.43	529,407,041	99.43
Government	3,052,111	0.57	3,052,111	0.57
	532,459,152	100.00	532,459,152	100

15.4 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Upto 500	59,812	65,079	64.87	66.06
501 to 5,000	27,572	28,380	29.91	28.81
5,001 to 10,000	2,507	2,626	2.72	2.67
10,001 to 20,000	1,179	1,252	1.28	1.27
20,001 to 30,000	377	395	0.41	0.40
30,001 to 40,000	173	184	0.19	0.19
40,001 to 50,000	103	110	0.11	0.11
50,001 to 100,000	205	218	0.22	0.22
100,001 to 1,000,000	216	224	0.23	0.23
Over 1,000,000	52	52	0.06	0.05
	92,196	98,520	100.00	100.00

15.5 Names of the Directors and their shareholding as at 31 March 2015

Name of the Director	Status	No of Shareholding	
		March 31, 2015	Dec. 31, 2014
Mr. M. Wahidul Haque	Chairman	115,196	115,196
Mr. Salim Ahmed	Vice-Chairman	12,576,868	12,576,868
Mr. Feroz Ahmed	Director	11,047,823	11,047,823
Mr. M. A. Awal	Director	3,336	3,336
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-
Mr. Faheemul Huq, Barrister - at -Law	Director	456,851	456,851
Mr. Syed Afzal Hasan Uddin, Barrister - at -Law	Director	2,368	2,368
Mr. Gholam Sarwer	Director	12,768	12,768
Mr. Md. Mesbahul Hoque	Director	2,368	2,368
Mr. B. B. Saha Roy	Director	2,065	2,065
Dr. M. Imtiaz Hossain	Independent Director	-	-
Mr. Shamim Ahmed Chaudhury	President & Managing Director	-	-

15.6 Capital to Risk Weighted Assets Ratio (CRAR) - As per BASEL III

Consolidated - CRAR

In terms of section 13(2) of the Bank Company (Amendment upto 2013) Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Consolidated basis at the close of business on 31 March 2015 is Taka 22,599,695,166 as against available Total Common Equity Tier-I Capital of Taka 17,266,932,170 and Total Tier-2 Capital Available of Taka 5,669,511,586 that is, a total of Taka 22,936,443,756 thereby showing surplus capital/equity of Taka 336,748,590 at that date. Details are shown below:

	31.03.2015 Taka Basel-III	31.12.2014 Taka Basel-II
Core capital (Tier I)		
Fully Paid-up Capital/Capital Deposited with BB	5,324,591,520	5,324,591,520
Statutory Reserve	5,585,777,244	5,582,440,229
Non-repayable share premium account	-	-
General Reserve	118,045,654	118,175,719
Retained earnings	6,626,470,121	6,034,620,214
Minority interest in Subsidiaries	(7,574,025)	(9,444,084)
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	17,647,310,514	17,050,383,599
Regulatory Adjustment:		
Goodwill and all other Intangible Assets	367,345,540	-
Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Deferred Tax Assets (DTA)	-	-
Defined benefit pension fund assets	-	-
Gain on sale related to securitization transactions	-	-
Investment in own CET-1 Instruments/Shares	-	-
Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities	3,072,804	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other if any	-	-
	380,378,344	9,960,000
Total Common Equity Tier-I Capital	17,266,932,170	17,040,423,599
Additional Tier-I Capital	-	-
Tier-2 Capital (Gone concern Capital)		
General Provision (Eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit risk-weighted assets calculated under the standiardised approach)	2,496,200,000	3,037,313,116
All other preference shares	-	-
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines)	2,500,000,000	2,500,000,000
Minority Interest	-	-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Revaluation Reserves as on 31 March, 2015 (50% of Fixed Assets and Securities & 10% of Equities)	854,089,482	849,638,094
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	5,850,289,482	6,386,951,210

	31.03.2015 Taka	31.12.2014 Taka
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	170,817,896	-
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other (if any)	-	-
Total Tier-2 Capital Available	5,840,329,482	6,376,991,210
Total admissible Tier 2 Capital	5,669,511,586	6,376,991,210
Total Eligible Capital	22,936,443,756	23,417,414,809
Total assets including off-Balance Sheet items	338,626,476,049	333,883,042,242
Total risk-weighted assets (RWA)	225,996,951,661	223,746,284,916
B. Total required capital (10% of Total RWA)	22,599,695,166	22,374,628,492
Capital Surplus / (Shortfall) [A-B]	336,748,590	1,042,786,317
Capital to Risk Weighted Assets Ratio (CRAR)	10.15%	10.47%

Solo - CRAR

In terms of section 13(2) of the Bank Company (Amendment upto 2013) Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Solo basis at the close of business on 31 March 2015 is Taka 22,327,294,372 as against available Common Equity Tier-I capital of Taka 16,717,309,401 and Total Tier-2 Capital Available capital of Taka 5,625,145,972 that is, a total of Taka 22,342,455,373 thereby showing surplus capital/equity of Taka 15,161,001 at that date. Details are shown below:

Core capital (Tier I)

Fully Paid-up Capital/Capital Deposited with BB	5,324,591,520	5,324,591,520
Statutory Reserve	5,585,777,244	5,582,440,229
Non-repayable share premium account	-	-
General Reserve	42,199,200	42,199,200
Retained earnings	6,135,159,781	5,611,822,670
Minority interest in Subsidiaries	-	-
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	17,087,727,744	16,561,053,618

Regulatory Adjustment:

Goodwill and all other Intangible Assets	367,345,540	-
Shortfall in provisions required against Non Performing Loans (NPLs)	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities	-	-
Deferred Tax Assets (DTA)	-	-
Defined benefit pension fund assets	-	-
Gain on sale related to securitization transactions	-	-
Investment in own CET-1 Instruments/Shares	-	-
Reciprocal crossholdings in the CET-1 capital of Banking, Financial and	3,072,804	-
Any investment exceeding the approved limit under section 26(2) of	-	-
Investments in subsidiaries which are not consolidated- 50% of	-	-
Other if any	-	-
	370,418,344	-
Total Common Equity Tier-I Capital	16,717,309,401	16,561,053,618

	31.03.2015 Taka	31.12.2014 Taka
Additional Tier-I Capital	-	-
Tier-2 Capital (Gone concern Capital)		
General Provision (Eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit risk-weighted assets calculated under the standardised approach)	2,482,494,523	2,939,539,913
All other preference shares	-	-
Subordinated debt/Instruments issued by the banks that meet the Minority Interest	2,500,000,000	2,500,000,000
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Revaluation Reserves as on 31 December, 2015 (50% of Fixed Assets and Securities & 10% of Equities)	803,314,311	798,029,977
Other (if any item approved by Bangladesh Bank)		
Sub-Total	5,785,808,834	6,237,569,890

Regulatory Adjustments:

Revaluation Reserves for Fixed Assets, Securities & Equity Securities	160,662,862	-
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other (if any)	-	-
Total Tier-2 Capital Available	5,625,145,972	6,237,569,890

Total Eligible Capital

Total Eligible Capital	22,342,455,373	22,798,623,509
Total assets including off-Balance Sheet items	336,190,995,610	331,736,661,203
Total risk-weighted assets (RWA)	223,272,943,722	220,862,243,100
B. Total required capital (10% of Total RWA)	22,327,294,372	22,086,224,310
Capital Surplus / (Shortfall) [A-B]	15,161,001	712,399,199
Capital to Risk Weighted Assets Ratio (CRAR)	10.01%	10.32%

Detailed Disclosure under Pillar III of Basel III is presented in (**Annex- E**).

16. Statutory reserve

In Bangladesh

Opening balance	5,384,130,846	5,384,130,846
Add: Addition during the period	-	-
	5,384,130,846	5,384,130,846

Outside Bangladesh - ABBL, Mumbai Branch

Opening balance	198,309,382	180,668,545
Add: Addition during the period	-	22,074,774
Add: Transferred from Investment fluctuation reserve	-	-
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation	3,337,015	(4,433,937)
	201,646,397	198,309,382
	5,585,777,244	5,582,440,229

17. Other reserve

General reserve	(Note 17.1) 42,199,200	42,199,200
Assets revaluation reserve	(Note 17.2) 1,323,567,486	1,323,567,486
Investment revaluation reserve	(Note 17.3) 283,061,136	272,492,469
	1,648,827,822	1,638,259,155

	31.03.2015 Taka	31.12.2014 Taka
17.1 General reserve		
Opening balance	42,199,200	42,199,200
Add: Addition during the period	-	-
	42,199,200	42,199,200
17.2 Assets revaluation reserve		
Opening balance	1,323,567,486	1,326,815,807
Add: Addition during the period	-	-
Less: Adjustment during the period	-	3,248,321
	1,323,567,486	1,323,567,486
17.3 Investment revaluation reserve (Treasury Bills & Treasury Bonds)		
<u>In Bangladesh</u>		
Revaluation Reserve for:		
Held to Maturity (HTM)	2,851,578	3,946,258
Held for Trading (HFT)	280,209,558	268,546,211
	283,061,136	272,492,469
<u>Outside Bangladesh</u>		
ABBL, Mumbai Branch	-	-
	283,061,136	272,492,469
17.3.1 Revaluation Reserve for Held to Maturity (HTM)		
Opening balance	3,946,258	2,589,612
Add: Addition during the period	-	1,356,646
	3,946,258	3,946,258
Less: Adjustment during the period	1,094,680	-
	2,851,578	3,946,258
17.3.2 Revaluation Reserve for Held for Trading (HFT)		
Opening balance	268,546,211	41,024,648
Add: Addition during the period	11,663,347	227,521,563
	280,209,558	268,546,211
Less: Adjustment during the period	-	-
	280,209,558	268,546,211
Revaluation reserve of HTM and HFT securities transferred to Revaluation Reserve Account as per Bangladesh Bank DOS Circular No. 05 dated 26 May 2008 of which 50% of revaluation reserve is treated as Supplementary Capital.		
17(a) Consolidated other reserve		
AB Bank Limited	1,648,827,822	1,638,259,155
AB Investment Limited	-	-
AB International Finance Limited	75,461,870	77,257,827
AB Securities Limited	101,934,926	101,934,926
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	1,826,224,618	1,817,451,907
18. Retained earnings		
Opening balance	5,611,822,670	4,986,366,647
Add: Post-tax profit for the period	516,369,850	1,260,033,729
Less: Transfer to statutory reserve	-	22,074,774
Cash dividend	-	248,812,688
Bonus shares issued	-	348,337,760
	6,128,192,519	5,627,175,154
Add/(Less): Retained earnings adjustment	(26,450)	-
Add: Foreign Exchange Translation gain/(loss)	6,993,712	(15,352,484)
	6,135,159,781	5,611,822,670

	31.03.2015 Taka	31.12.2014 Taka
18(a) Consolidated Retained earnings		
AB Bank Limited	6,135,159,781	5,611,822,670
AB Investment Limited	466,103,677	443,830,684
AB International Finance Limited	35,931,511	93,455,537
AB Securities Limited	141,436,459	142,031,030
Cashlink Bangladesh Limited (CBL)	(360,008,572)	(378,712,146)
AB Exchange (UK) Ltd.	(39,363,966)	(39,518,318)
	6,379,258,891	5,872,909,457
Less: Adjustment during the period	(211,339,022)	(123,968,489)
Minority Interest	(35,872,209)	(37,742,268)
	6,626,470,121	6,034,620,214
18(b) Minority Interest		
AB Investment Limited	7,416	7,193
AB Securities Limited	419,417	419,938
Cashlink Bangladesh Limited	(8,000,857)	(9,871,215)
	(7,574,025)	(9,444,084)
	72,831,218,640	77,068,505,153
19. Contingent liabilities		
19.1 Letters of guarantee		
Money for which the Bank is contingently liable in respect of guarantees issued favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	227,000,000	258,800,000
Others	14,367,679,106	13,586,532,265
	14,594,679,106	13,845,332,265
20. Profit and loss account		
<u>Income:</u>		
Interest, discount and similar income	5,888,444,787	5,582,757,186
Dividend income	6,208,399	15,476,688
Fee, commission and brokerage	444,021,221	552,163,281
Gains less losses arising from investment securities	188,524	26,330,723
Gains less losses arising from dealing in foreign currencies	275,257,337	341,526,160
Other operating income	30,551,557	28,005,346
Gains less losses arising from dealing securities	104,596,418	54,304,611
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	6,749,268,242	6,600,563,995
<u>Expenses:</u>		
Interest, fee and commission	4,052,122,486	3,865,780,292
Administrative expenses	797,671,380	756,809,766
Other operating expenses	316,726,152	263,194,100
Depreciation and amortization on banking assets	86,578,376	80,343,358
Losses on loans and advances	-	-
	5,253,098,393	4,966,127,516
	1,496,169,849	1,634,436,478
21. Interest income/profit on investments		
Interest on loans and advances:		
Loans and advances	5,063,596,392	4,685,702,461
Bills purchased and discounted	85,850,343	165,779,375
	5,149,446,735	4,851,481,836
Interest on:		
Calls and placements	107,779,583	144,743,815
Balance with foreign banks	724,915	1,605,173
Reverse Repo	796,381	-
Balance with Bangladesh Bank	145,308	124,797
	109,446,187	146,473,785
	5,258,892,923	4,997,955,622

	Jan'15- Mar'15	Jan'14- Mar'14
	Taka	Taka
21(a). Consolidated Interest income/profit on investments		
AB Bank Limited	5,258,892,923	4,997,955,622
AB International Finance Limited	14,755,584	21,620,369
AB Investment Limited	107,686,431	130,898,744
AB Securities Limited	21,180,485	23,050,846
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	5,402,515,422	5,173,525,580
Less: Intercompany Transactions	53,748,934	64,484,001
	5,348,766,488	5,109,041,579
22. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	2,819,865,924	2,667,096,280
Savings deposits	165,470,063	187,361,458
Special notice deposits	355,493,372	455,077,235
Other deposits	415,350,039	394,727,348
	3,756,179,399	3,704,262,321
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	216,915,689	161,517,971
Subordinated Bond	79,027,397	-
	4,052,122,486	3,865,780,292
22(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	4,052,122,486	3,865,780,292
AB Investment Limited	55,901,307	73,766,013
AB International Finance Limited	253,815	845,119
AB Securities Limited	16,601,234	15,941,902
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	4,124,878,842	3,956,333,326
Less: Intercompany Transactions	54,470,821	65,205,888
	4,070,408,021	3,891,127,438
23. Investment income		
Capital gain on sale of shares	188,524	26,330,723
Interest on treasury bills	75,793,724	99,455,664
Dividend on shares	6,208,399	15,476,688
Interest on debentures	641,671	2,887,500
Interest on treasury bonds	547,654,567	476,466,598
Gain/(Loss) on treasury bills and treasury bonds	104,596,418	54,304,611
Interest on other bonds & others	5,461,902	5,991,803
	740,545,205	680,913,585
23(a). Consolidated Investment income		
AB Bank Limited	740,545,205	680,913,585
AB Investment Limited	502,101	11,085,373
AB International Finance Limited	-	-
AB Securities Limited	1,191,878	2,130,282
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	742,239,184	694,129,240

	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
24. Commission, exchange and brokerage		
Other fees, commission and service charges	230,439,115	275,580,215
Commission on letters of credit	173,695,352	240,567,005
Commission on letters of guarantee	39,886,755	36,016,062
Exchange gains less losses arising from dealings in foreign currencies	275,257,337	341,526,160
	719,278,558	893,689,441
24(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	719,278,558	893,689,441
AB Investment Limited	9,243,629	19,437,470
AB International Finance Limited	11,846,180	10,848,876
AB Securities Limited	7,274,343	15,528,803
Cashlink Bangladesh Limited (CBL)	18,918,855	5,094,832
AB Exchange (UK) Ltd.	766,978	877,868
	767,328,544	945,477,289
Less: Intercompany Transactions	780,922	10,485,442
	766,547,622	934,991,847
25. Other income		
Locker rent, insurance claim and others	1,187,155	717,498
Recoveries on loans previously written off	148,000	-
Recoveries on telex, telephone, fax, etc.	20,561,698	20,514,988
Recoveries on courier, postage, stamp, etc.	6,645,176	6,687,141
Gain on sale of Bank property	-	-
Non-operating income (*)	2,009,527	85,719
	30,551,557	28,005,346
(*) Non-operating income includes sale of scrap items.		
25(a). Consolidated other income		
AB Bank Limited	30,551,557	28,005,346
AB Investment Limited	2,102,299	2,189,553
AB International Finance Limited	11,203,557	13,121,072
AB Securities Limited	162,038	550,468
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	44,019,451	43,866,439
Less: Inter company transactions	2,101,017	2,101,017
	41,918,434	41,765,422
26. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	535,700,623	519,894,204
Festival and incentive bonus	291,662	1,638
	535,992,285	519,895,842
26(a). Consolidated salary and allowances		
AB Bank Limited	535,992,285	519,895,842
AB Investment Limited	3,341,176	3,297,842
AB International Finance Limited	5,909,118	5,608,476
AB Securities Limited	5,690,724	5,226,567
Cashlink Bangladesh Limited (CBL)	50,625	42,954
AB Exchange (UK) Ltd.	914,392	1,072,124
	551,898,320	535,143,806

	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
27. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	81,119,246	72,523,311
Electricity, gas, water, etc.	35,623,155	15,565,603
Insurance	16,169,242	29,396,512
	132,911,643	117,485,426
27(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	132,911,643	117,485,426
AB Investment Limited	467,320	1,006,731
AB International Finance Limited	1,678,923	1,638,976
AB Securities Limited	1,879,038	1,900,692
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	553,109	593,937
	137,490,033	122,625,762
Less: Inter company transactions	1,379,130	1,379,130
	136,110,903	121,246,632
28. Legal expenses		
Legal expenses	2,848,827	1,529,214
28(a). Consolidated Legal expenses		
AB Bank Limited	2,848,827	1,529,214
AB Investment Limited	-	93,750
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	5,893	-
	2,854,720	1,622,964
29. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	23,868,900	25,687,829
Telephone	2,918,725	3,146,246
Postage, stamp and shipping	7,486,583	7,871,315
	34,274,209	36,705,390
29(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	34,274,209	36,705,390
AB Investment Limited	173,674	162,052
AB International Finance Limited	1,068,225	839,945
AB Securities Limited	395,397	400,476
Cashlink Bangladesh Limited (CBL)	4,606	59,746
AB Exchange (UK) Ltd.	87,078	93,906
	36,003,189	38,261,515
Less: Inter company transactions	-	3,891,132
	36,003,189	34,370,383
30. Stationery, printing, advertisements, etc.		
Printing and stationery	27,182,082	27,056,271
Publicity, advertisement, etc.	8,354,120	9,209,098
	35,536,201	36,265,369

	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
30(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	35,536,201	36,265,369
AB Investment Limited	23,403	102,955
AB International Finance Limited	-	150,221
AB Securities Limited	174,853	310,370
Cashlink Bangladesh Limited (CBL)	-	1,068
AB Exchange (UK) Ltd.	-	-
	35,734,457	36,829,983

31. Directors' fees

Directors' fees	312,800	523,250
Meeting expenses	1,884,935	1,006,520
	2,197,735	1,529,770

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	2,197,735	1,529,770
AB Investment Limited	34,500	34,500
AB International Finance Limited	-	-
AB Securities Limited	-	46,000
Cashlink Bangladesh Limited (CBL)	70,000	30,000
AB Exchange (UK) Ltd.	-	-
	2,302,235	1,640,270

32. Auditors' fees

Statutory	263,935	284,323
Others	2,106,650	160,127
	2,370,585	444,451

32(a). Consolidated Auditors' fees

AB Bank Limited	2,370,585	444,451
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	53,041	58,146
	2,423,626	502,596

33. Depreciation and repairs of Bank's assets

Depreciation :

Electrical appliances	37,052,488	42,124,043
Furniture and fixtures	3,106,608	3,128,200
Office appliances	571,348	610,642
Building	4,882,618	4,507,335
Motor vehicles	14,462,471	13,092,150
	60,075,532	63,462,370

	Jan'15- Mar'15	Jan'14- Mar'14
	Taka	Taka
<u>Repairs:</u>		
Motor vehicles	6,668,567	4,973,831
Electrical appliances	17,793,571	16,599,836
Office premises and others	22,646,036	18,486,343
Furniture and fixtures	506,898	559,220
Office appliances	924,823	1,091,514
	<u>48,539,895</u>	<u>41,710,745</u>
	108,615,428	105,173,114
Amortization of Intangible Assets	<u>26,502,844</u>	<u>16,880,988</u>
	135,118,271	122,054,103

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

AB Bank Limited	135,118,271	122,054,103
AB Investment Limited	4,340,328	4,077,315
AB International Finance Limited	84,029	83,174
AB Securities Limited	1,497,527	1,520,665
Cashlink Bangladesh Limited (CBL)	18,171	7,329,642
AB Exchange (UK) Ltd.	648,479	854,151
	141,706,804	135,919,050

34. Other expenses

Contractual service	102,569,210	87,671,214
Amortization of deferred revenue expenses	12,162,826	19,572,253
Petrol, oil and lubricant	15,283,051	14,975,566
Software expenses	37,592,745	37,670,482
Entertainment	11,577,170	12,227,893
Travelling	8,080,093	11,974,087
Subscription, membership and sponsorship	41,257,577	17,205,032
Training, seminar and workshop	18,771,462	3,976,577
Local conveyance	2,567,192	2,351,682
Professional charges	6,206,656	70,700
Books, newspapers and periodicals	364,887	346,483
Branch opening expenses	58,760	-
Bank Charges	2,804,543	10,182,723
Sundry expenses (*)	57,429,980	44,969,410
	316,726,152	263,194,100

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

34(a). Consolidated other expenses

AB Bank Limited	316,726,152	263,194,100
AB Investment Limited	1,435,850	3,087,663
AB International Finance Limited	655,289	979,636
AB Securities Limited	1,950,644	2,939,831
Cashlink Bangladesh Limited (CBL)	15,123	46,777
AB Exchange (UK) Ltd.	292,742	231,126
	321,075,800	270,479,133
Less: Inter company transactions	<u>780,922</u>	<u>6,594,310</u>
	320,294,878	263,884,823

35. Provision against loans and advances

On un-classified loans	400,000,000	234,707,000
On classified loans	50,000,000	195,293,065
	450,000,000	430,000,065

	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
35(a). Consolidated provision against loans and advances		
AB Bank Limited	450,000,000	430,000,065
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	450,000,000	430,000,065
36. Provisions for diminution in value of investments		
In quoted shares	-	-
36(a). Consolidated provisions for diminution in value of investments		
AB Bank Limited	-	-
AB Investment Limited	11,362,570	22,279,070
AB International Finance Limited	-	-
AB Securities Limited	344,485	623,795
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	11,707,055	22,902,865
37. Other provision		
Provision for off balance sheet items	-	40,000,000
Provision for Other assets	26,000,000	80,842,985
	26,000,000	120,842,985
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	26,000,000	120,842,985
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	26,000,000	120,842,985
38. Earnings Per Share (EPS)		
Profit after taxation	516,369,850	356,292,858
Number of ordinary shares outstanding	532,459,152	532,459,152
Earnings Per Share	0.97	0.67
38(a) Consolidated Earnings Per Share		
Net Profit attributable to the shareholders of parent company	576,601,707	414,471,969
Number of ordinary shares outstanding	532,459,152	532,459,152
Earnings Per Share	1.08	0.78

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 March 2015 in terms of Bangladesh Accounting Standard (BAS)-33.

39. Receipts from other operating activities

Interest on treasury bills, bonds, debenture and others
Exchange earnings
Recoveries on telex, telephone, fax, etc.
Recoveries on courier, postage, stamp, etc.
Gain on sale of Bank properties
Non-operating income
Others

	Jan'15- Mar'15 Taka	Jan'14- Mar'14 Taka
	734,336,806	665,436,898
	275,257,337	341,526,160
	20,561,698	20,514,988
	6,645,176	6,687,141
	-	-
	2,009,527	85,719
	1,187,155	717,498
	1,039,997,699	1,034,968,404

40. Payments for other operating activities

Rent, taxes, insurance, electricity, etc.
Postage, stamps, telecommunication, etc.
Repairs of Bank's assets
Legal expenses
Auditor's fees
Directors' fees
Other Expenses

	132,911,643	117,485,426
	34,274,209	36,705,390
	48,537,923	41,710,745
	2,848,827	1,529,214
	2,370,585	444,451
	2,197,735	1,529,770
	316,726,152	230,663,092
	539,867,074	430,068,087

41. Conversion Rates

Assets and liabilities as at 31 March 2015 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

<u>Currency</u>	<u>Abbreviation</u>	<u>Unit</u>	<u>Equivalent to BDT</u>
British Pound Sterling	GBP	1.00	115.1051
European Currency	EURO	1.00	84.2107
Indian Rupee	INR	1.00	1.2448
Japanese Yen	JPY	1.00	0.6476
US Dollar	USD	1.00	77.8000
Honkong Dollar	HKD	1.00	10.0300
U.A.E Dirham	DIRHAM	1.00	21.1833

42. Highlights of the overall activities of the Bank

SI #	Particulars	31.03.15 Taka	31.12.14 Taka
1	Paid-up capital	5,324,591,520	5,324,591,520
2	Total capital	22,342,455,373	22,798,623,509
3	Capital surplus	15,161,001	712,399,199
4	Total assets	263,359,776,969	254,668,156,050
5	Total deposits	203,629,625,601	198,189,197,221
6	Total loans and advances	183,850,663,718	177,570,797,390
7	Total contingent liabilities and commitments	72,831,218,640	77,068,505,153
8	Credit-deposit ratio	90.29	89.60
9	Ratio of classified loans against total loans and advances	4.10%	3.86%
10	Profit after tax and provision	516,369,850	1,260,033,729
11	Loans Classified during the Year	687,990,524	3,841,644,357
12	Provision kept against classified loans	2,974,684,124	2,924,132,044
13	Provision surplus/ (deficit)	651,490,797	278,608,797
14	Cost of fund	9.89%	10.63%
15	Interest earning assets	222,565,522,763	215,691,391,977
16	Non-interest earning assets	40,794,254,206	38,976,764,073
17	Return on investments (ROI)	9.46%	9.68%
18	Return on assets (ROA)	0.80%	0.54%
19	Income from investments	740,545,205	2,878,403,934
20	Earnings per share	0.97	2.37
21	Net Income per share	0.97	2.37
22	Price-earnings ratio (Times)	24.23	12.64

-Sd-
Shamim Ahmed Chaudhury
President & Managing Director

-Sd-
Feroz Ahmed
Director

-Sd-
Dr. M. Imtiaz Hossain
Director

-Sd-
M. Wahidul Haque
Chairman

Dhaka,
15 May 2015

AB Bank Limited
Currency wise Balances
As at 31 March 2015

Name of the bank	Location	Name of currency	As at 31 March 2015		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka
The Bank of Tokyo Mitsubishi Ltd.	Japan	JPY	1,632,966	0.6476	1,057,508.78
HSBC AUST	Australia	AUD	27,039.85	59.4625	1,607,857.08
JP Morgan Chase Bank	USA	USD	2,734,148.76	77.8000	212,716,773.53
Sonali Bank (Kolkata)	India	ACU	44,172.10	77.8000	3,436,589.38
Sonali Bank (UK)	UK,London	USD	1,012,021.95	77.8000	78,735,307.71
Sonali Bank (UK)	UK,London	GBP	109,337.85	115.1051	12,585,344.16
Myanmar Economic Bank	Myanmar	ACU	410.00	77.8000	31,898.00
Citibank NA	USA	USD	769,930.06	77.8000	59,900,558.67
Hatton National Bank Ltd.	Srilanka	ACU	42,732.75	77.8000	3,324,607.95
Commerz Bank AG	Germany	USD	322,464.70	77.8000	25,087,753.66
NIB Bank Ltd.	Pakistan	ACU	110,414.73	77.8000	8,590,265.99
Mashreq Bank Psc	USA	USD	820,717.39	77.8000	63,851,812.94
Nepal Bangladesh Bank Ltd.	Nepal	ACU	25,217.25	77.8000	1,961,902.05
Bank of Bhutan	Bhutan	ACU	68,870.67	77.8000	5,358,138.13
HABIB Zurich	Germany	EUR	49,750.00	84.2107	4,189,482.33
Wachovia Bank/Wells Fargo N.A	USA	USD	59,309.69	77.8000	4,614,293.88
Habib America Bank	USA	USD	833,983.87	77.8000	64,883,945.09
Commerz Bank AG	Germany	EURO	1,350,554.34	84.2107	113,731,126.36
Hypovereins Bank	Germany	EUR	68,381.32	84.2107	5,758,438.82
National Commercial Bank Ltd	KSA	USD	383,156.10	77.8000	29,809,544.58
Habib Metro Bank	Pakistan	ACU	267,302.59	77.8000	20,796,141.50
Habib Bank AG	Dubai	AED	75,379.82	21.1833	1,596,793.34
COMMERZ BK CAD	Germany	CAD	75,033.32	61.2695	4,597,254.00
COMMERZ BK CHF	Germany	CHF	47,699.80	80.4217	3,836,099.01
HSBC-OBU	USA	USD	72,568.98	77.8000	5,645,866.64
JPMC NY-OBU	USA	USD	768,079.98	77.8000	59,756,622.44
HSBC, New York	USA	USD	587,284.70	77.8000	45,690,749.66
Standard Chartered Bank	New York	USD	945,727.38	77.8000	73,577,590.16
Standard Chartered Bank	Singapore	SGD	54,532.09	56.5530	3,083,953.29
Standard Chartered Bank	UK, London	GBP	52,434.31	115.1051	6,035,456.50
Reserve Bank of India	Mumbai	INR	13,787,563.57	1.2448	17,162,759.13
HDFC Bank	Mumbai	INR	60,644,661.10	1.2448	75,490,474.14
Kotak Mahindra Bank	India	INR	19,321,030.02	1.2448	24,050,818.17
JP Morgan Chase - USD	New York	USD	95,398.57	77.8000	7,422,008.75
Commerz Bank - EURO	Frankfurt	EURO	68,523.79	84.2107	5,770,436.73
Commerz Bank ACU	Frankfurt	ACU	26,607.44	77.8000	2,070,059.17
HSBC - USD	New York	USD	606,344.02	77.8000	47,173,564.76
HABIB AMERICAN BANK LTD	New York	USD	4,942.77	77.8000	384,547.51
HSBC - ACU - USD	New York	USD	11,836,065.39	77.8000	920,845,887.35
					2,026,220,231

AB Bank Limited
Investment in Shares as at 31 March 2015

Amount in Taka

Particulars	Number of shares	Market price per share	Total market price	Cost per Share	Total cost
Shares (quoted)					
Dhaka Bank Ltd.	435,000	17.40	7,569,000	19.81	8,616,210
NBL	1,100,000	10.10	11,110,000	42.28	46,512,850
Uttara Bank Ltd.	47,365	22.90	1,084,659	25.15	1,191,030
AB Bank 1st MF	35,173,750	5.50	193,455,625	8.53	300,000,000
LR Global Mutual Fund	10,369,343	4.00	41,477,372	9.64	100,000,000
Popular Life 1st MF	2,222,852	4.40	9,780,549	6.77	15,041,000
Pragati Insurance	1,054,416	35.50	37,431,768	119.10	125,579,297
Desco	5,850,098	65.90	385,521,458	95.18	556,787,791
Khulna Power	5,174,884	64.70	334,814,995	97.34	503,738,804
Meghna Petroleum	22,000	204.20	4,492,400	231.78	5,099,138
Padma Oil	305,000	248.50	75,792,500	306.07	93,352,149
Powergrid Com.	3,366,500	34.00	114,461,000	81.61	274,723,472
Beacon Pharma	6,642,500	14.60	96,980,500	73.96	491,289,694
Beximco Pharma	6,186,920	56.30	348,323,596	66.53	411,596,943
Orion Pharma	1,200,000	42.00	50,400,000	83.33	100,000,001
Fuwang Foods Ltd.	497,310	20.60	10,244,586	31.50	15,666,128
Lafarge Surma Cement	125,000	114.50	14,312,500	134.50	16,812,600
BSRM Steel	3,177,000	72.30	229,697,100	108.63	345,132,565
GPH Ispat	694,050	43.00	29,844,150	57.99	40,245,292
Union Capital Ltd.	1,880,340	16.20	30,461,508	79.26	149,037,204
Beximco	3,057,950	32.30	98,771,785	110.24	337,094,014
SP Ceramics	1,143,962	11.60	13,269,959	58.13	66,501,146
Argon Denims Ltd.	1,200,000	31.80	38,160,000	56.71	68,052,980
			<u>2,177,457,010</u>		<u>4,072,070,308</u>

Shares/Bond (unquoted)

Particulars	Number of shares	Cost per Share	Book Value/Cost
CDBL	5,000,000	2.00	10,000,000
CDBL (Placement)	711,804	8.00	5,694,430
Fiber @ home Ltd.	500,000	100.00	50,000,000
IIDFCL	105,765	100.00	10,576,495
Amana Bank Limited, Srilanka	180,562,010	3.42	616,735,920
Bangladesh Fund	2,000,000	100.00	200,000,000
Stock Market Stabilization Fund	500,000	10.00	5,000,000
			<u>898,006,845</u>

Annexure-C

AB Bank Limited

**Schedule of Fixed Assets
As at 31 March 2015**

(Amount in Taka)

Particulars	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Total
Cost/ Revaluation							
Balance at 01 January 2015	3,341,682,083	218,512,340	62,061,284	1,443,497,993	567,752,028	571,032,451	6,204,538,180
Addition during the period	-	2,832,245	181,539	18,114,899	9,600,000	4,661,279	35,389,962
Less: Disposal/Adjustment during the period	-	988,526	659,323	8,724,574	-	28,709,853	39,082,276
Adjustment for FX Rate Fluctuation	-	62,435	139,747	308,378	41,526	738,743	1,290,829
At 31 March 2015	3,341,682,083	220,418,494	61,723,247	1,453,196,696	577,393,554	547,722,620	6,202,136,695
Accumulated Depreciation							
Balance at 01 January 2015	92,723,741	103,655,201	50,952,269	970,866,615	412,986,916	168,358,909	1,799,543,651
Addition during the period	4,882,618	3,106,608	571,348	37,052,487	14,462,472	26,502,843	86,578,376
Less: Disposal/Adjustment during the period	-	875,863	629,149	7,940,204	-	28,709,853	38,155,069
Adjustment for FX Rate Fluctuation	-	32,206	132,991	183,987	29,509	538,356	917,049
At 31 March 2015	97,606,359	105,918,152	51,027,459	1,000,162,885	427,478,897	166,690,255	1,848,884,007
Net Book Value							
At 31 March 2015	3,244,075,723	114,500,343	10,695,788	453,033,811	149,914,657	381,032,366	4,353,252,689
At 31 December 2014	3,248,958,342	114,857,140	11,109,015	472,631,377	154,765,112	402,673,543	4,404,994,528

AB Bank Limited

Borrowings from other banks, financial institutions and agents-outside Bangladesh

Name of the bank	Location	Currency	At 31 March 2015			At 31 December 2014		
			Amounts in foreign currency	Conversion rate	Equivalent amount in Taka	Amounts in foreign currency	Conversion rate	Equivalent amount in Taka
Sonali Bank UK	UK	USD	7,648,843	77.80	595,080,008	7,914,023	77.95	616,893,327
ICICI BK LTD, HK	HK	USD	12,000,000	77.80	933,600,000	-	-	-
International Finance Corporation	USA	USD	35,054,304	77.80	2,727,224,885	35,057,599	77.95	2,732,718,832
Banca UBAE	Italy	USD	4,064,167	77.80	316,192,167	4,026,667	77.95	313,876,251
					<u>4,572,097,060</u>			<u>3,663,488,409</u>

AB Bank Limited
Details of Risk Weighted Assets under Basel III at 31 March 2015

Risk Weighted Assets (RWA) for	31.03.2015		31.12.2014	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit Risk				
On- Balance sheet (as shown below)	246,122,740,361	168,703,172,307	237,697,458,701	165,950,350,974
Off-Balance sheet (as shown below)	38,716,791,387	29,896,389,571	38,557,345,629	30,919,980,327
B. Market Risk		7,252,810,058		7,374,692,523
C. Operational Risk		17,420,571,786		16,617,219,276
Total RWA (A+B+C)	284,839,531,748	223,272,943,722	276,254,804,330	220,862,243,100

Credit Risk - On Balance Sheet

Sl.	Exposure Type	31.03.2015		31.12.2014	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and Cash Equivalents	1,390,543,154	-	1,141,174,225	-
b)	Claims on Bangladesh Government and Bangladesh Bank	29,211,009,676	-	28,640,030,266	-
c)	Claims on other Sovereigns & Central Banks*	406,574,666	203,287,333	335,151,337	167,575,668
d)	Claims on Bank for International Settlements, International	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs):	-	-	-	-
f)	Claims on Public Sector Entities (other than Government) in	76,166,200	38,083,100	88,249,959	44,124,980
g)	Claims on Banks and Non-bank Financial Institution (NBFI):				
i)	Original maturity over 3 months	2,551,827,840	908,917,840	2,360,690,773	611,642,408
ii)	Maturity less than 3 months	14,717,888,079	2,943,577,616	15,386,368,831	3,077,273,766
h)	Claims on Corporate (excluding equity exposure)	109,369,257,304	93,648,758,032	105,843,843,157	95,303,984,716
hi)	Claims on SME	37,770,116,999	33,840,257,028	35,913,019,877	31,968,812,309
i)	Claims under Credit Risk Mitigation	4,974,225,887	1,265,740,355	4,987,292,299	1,229,578,167
	Fixed Risk Weight Groups:				
j)	Claims categorized as retail portfolio (excluding consumer loan)	3,034,668,294	2,276,001,221	2,957,039,428	2,217,779,571
k)	Consumer Loan	983,439,249	983,439,249	950,934,586	950,934,586
l)	Claims fully secured by residential property	1,294,254,700	647,127,350	1,266,649,049	633,324,524
m)	Claims fully secured by commercial real estate	5,169,463,000	5,169,463,000	5,022,991,699	5,022,991,699
n)	Past Due Claims (Risk weights are to be assigned net of specific	4,509,471,999	5,385,453,367	3,934,770,173	4,630,499,029
o)	Investments in venture capital	1,135,712,017	1,703,568,026	1,135,712,017	1,703,568,026
p)	Claim on Capital Market Exposure	6,968,448,313	8,710,560,391	7,609,189,641	9,511,487,051
q)	Unlisted equity investments and regulatory capital instruments	350,220,392	437,775,490	185,220,392	231,525,490
r)	Investments in premises, plant and equipment and all other fixed	4,353,252,689	4,353,252,689	4,404,994,528	4,404,994,528
s)	Claims on all fixed assets under operating lease	-	-	-	-
t)	All other assets	17,856,199,903	6,187,910,221	15,534,136,465	4,240,254,456
	Total	246,122,740,361	168,703,172,307	237,697,458,701	165,950,350,974

AB Bank Limited
Detailed of Risk Weighted Assets under Basel III at 31 March 2015

Credit Risk - Off Balance Sheet

SI.	Exposure Type	31.03.2015		2014	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6
a)	Claims on Bangladesh Government and Bangladesh Bank	-	-	-	-
b)	Claims on other Sovereigns & Central Banks*	-	-	-	-
c)	Claims on Bank for International Settlements, International	-	-	-	-
d)	Claims on Multilateral Development Banks (MDBs):	-	-	-	-
e)	Claims on Public Sector Entities (other than Government) in	-	-	-	-
f)	Claims on Banks:	-	-	-	-
	i) Maturity over 3 months	-	-	-	-
	ii) Maturity less than 3 months	113,500,000	22,700,000	129,400,000	25,880,000
g)	Claims on Corporate (excluding equity exposure)	36,543,783,231	28,147,509,614	35,977,298,869	28,839,721,111
h)	Against retail portfolio (excluding consumer loan)	352,390,296	264,292,722	344,369,791	258,277,343
hi)	Claims on SME	1,701,149,508	1,455,918,882	2,101,937,072	1,791,761,976
j)	Consumer Loan	5,968,352	5,968,352	4,339,897	4,339,897
j)	Claims fully secured by residential property	-	-	-	-
k)	Claims fully secured by commercial real estate	-	-	-	-
l)	Investments in venture capital	-	-	-	-
m)	Capital Market Exposure	-	-	-	-
n)	All other assets	-	-	-	-
	Total	38,716,791,387	29,896,389,571	38,557,345,629	30,919,980,327

AB Bank Limited
Disclosures on Risk Based Capital (Basel III) based on 31 March 2015

These disclosures have been made in accordance with the Bangladesh Bank BRPD Circular no. 18 of 21 December 2014 as to Guidelines on 'Risk Based Capital Adequacy for Banks' in line with Basel III.

1. Capital Adequacy under Basel-III

To cope with the international best practices and to make the Bank's capital more risk sensitive as well as more shock resilient, 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised regulatory capital framework in line with Basel III) have been introduced from January 01, 2015. The guidelines were issued by Bangladesh Bank (BB) under section 13 and section 45 of the Bank Company (Amendment upto 2013) Act, 1991 and also in accordance with "Basel III: A global regulatory framework for more resilient banks and banking systems" of December 2010 (rev June 2011) (popularly known as 'Basel III Capital Adequacy Framework') released by Basel Committee on Banking Supervision (BCBS).

Basel III guidelines are structured on the following aspects:

- a) Minimum capital requirements to be maintained by a Bank against credit, market, and operational risks.
- b) Process for assessing the overall capital adequacy aligned with risk profile of a Bank as well as capital growth plan.
- c) Framework of public disclosure on the position of a Bank's risk profiles, capital adequacy, and risk management system.

2. Scope of application

Basel III guidelines apply to all scheduled banks on 'Solo' basis as well as on 'Consolidated' basis where-

- Solo Basis' refers to all position of the bank and its local and overseas branches/offices; and
- Consolidated Basis' refers to all position of the bank (including its local and overseas branches/offices) and its subsidiary company(ies) engaged in financial (excluding insurance) activities like merchant banks, brokerage firms, discount houses, etc. (if any).

AB Bank followed the scope narrated above. Bank has Tier 1 Capital (Going concern) and tier 2 Capital (Gone concern) structure at the moment.

3. Capital base

Regulatory capital has been categorized into following way:

- 1) Tier 1 Capital (going-concern capital)
 - a) Common Equity Tier I
 - b) Additional Tier I
- 2) Tier 2 Capital (Gone concern)

1. (a) Common Equity Tier 1 Capital

For the local banks, Common Equity Tier 1 (CET1) capital shall consist of sum of the following items:

- a) Paid up capital
 - b) Non-repayable share premium account
 - c) Statutory reserve
 - d) General reserve
 - e) Retained earnings
 - f) Dividend equalization reserve
 - g) Minority interest in subsidiaries
- Less: Regulatory adjustments applicable on CET1

1. (b) Additional Tier 1 Capital

For the local banks, Additional Tier 1 (AT1) capital shall consist of the following items:

- a) Instruments issued by the banks that meet the qualifying criteria for AT1 as specified at Annex4.
 - b) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only);
- Less: Regulatory adjustments applicable on AT1 Capital

AB Bank Limited
Disclosures on Risk Based Capital (Basel III) based on 31 March 2015

2. Tier 2 Capital

Tier 2 capital, also called 'gone-concern capital', represents other elements which fall short of some of the characteristics of the core capital but contribute to the overall strength of a bank. For the local banks, Tier 2 capital shall consist of the following items:

- a) General Provisions; (General provisions/general loan-loss reserve eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit risk-weighted assets calculated under the standardised approach)
- b) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital;
- c) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified

Less: Regulatory adjustments applicable on Tier-2 capital;

4. Limits (Minima and Maxima)

These instructions will be adopted in a phased manner starting from the January 2015, with full implementation of capital ratios from the beginning of 2019. Banks will be required to maintain the following ratios on an ongoing basis:

- a) Common Equity Tier 1 of at least 4.5% of the total RWA.
- b) Tier-1 capital will be at least 6.0% of the total RWA.
- c) Minimum CRAR of 10% of the total RWA.
- d) Additional Tier 1 capital can be admitted maximum up to 1.5% of the total RWA or 33.33% of CET1, whichever is higher
- e) Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher
- f) In addition to minimum CRAR, Capital Conservation Buffer (CCB) of 2.5% of the total RWA is being introduced which will be maintained in the form of CET1.

Following is the phase-in arrangement for the implementation of minimum capital requirements

Phase-in arrangement of minimum capital requirements

	2015	2016	2017	2018	2019
Minimum Common Equity Tier-1 Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.63%	1.25%	1.88%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.5%	5.13%	5.75%	6.38%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.63%	11.25%	11.88%	12.50%

5. Capital Conservation Buffer

Banks are required to maintain a capital conservation buffer of 2.5%, comprised of Common Equity Tier 1 capital, above the regulatory minimum capital requirement of 10%. Banks should not distribute capital (i.e. pay dividends or bonuses in any form) in case capital level falls within this range. However, they will be able to conduct business as normal when their capital levels fall into the conservation range as they experience losses. Therefore, the constraints imposed are related to the distributions only and are not related to the operations of banks. The distribution constraints imposed on banks when their capital levels fall into the range increase as the banks' capital levels approach the minimum requirements. The Table below shows the minimum capital conservation ratios a bank must meet at various levels of the Common Equity Tier 1 capital ratios.

Bank's minimum capital conservation standards

CET-1 Ratio	Minimum Capital Conservation Ratio (expressed as percentage of earnings)
4.5% - 5.125%	100%
>5.125% - 5.75%	80%
>5.75% - 6.375%	60%
>6.375% - 7.0%	40%
>7.0%	0%

AB Bank Limited
Disclosures on Risk Based Capital (Basel III) based on 31 March 2015

6 Regulatory Adjustments / Deductions

In order to arrive at the eligible regulatory capital for the purpose of calculating CRAR, banks are required to make the following deductions from CET1/Capital:

- * Shortfall in provisions against NPLs and Investments
- * Goodwill and all other Intangible Assets
- * Deferred tax assets (DTA)
- * Defined benefit pension fund assets
- * Gain on sale related to securitization transactions
- * Investment in own shares
- * Investments in the Capital of Banking, Financial and Insurance Entities
 (Reciprocal crossholdings in the Capital of Banking, Financial and Insurance Entities)

Transitional Arrangements for Capital Deductions

Currently, 10% of revaluation reserves for equity instruments and 50% of revaluation reserves for fixed assets and securities are eligible for Tier 2 capital. However, Bangladesh Bank, in the light of Basel III proposals, has harmonized deductions from capital which will mostly be applied at the level of Tier 2. The regulatory capital adjustment will start in a phased manner from January, 2015 in the following manner:

Transitional Arrangements for Capital Deductions

Phase-in of deductions from Tier 2	2015	2016	2017	2018	2019
RR for Fixed Assets	20%	40%	60%	80%	100%
RR for Securities	20%	40%	60%	80%	100%
RR for Equity Securities	20%	40%	60%	80%	100%

Bank complied with the conditions as embodied in this respect wherever applicable.

7. Leverage Ratio

A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level

The banks will maintain leverage ratio on quarterly basis. The calculation at the end of each calendar quarter will be submitted to BB showing the average of the month end leverage ratios based on the following definition of capital and total exposure.

$$\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$$

Transitional Arrangements

The parallel run period for leverage ratio will commence from January, 2015 and run until December 31, 2016. During this period, the leverage ratio and its components will be tracked to assess whether the design and calibration of the minimum tier 1 leverage ratio of 3% is appropriate over a credit cycle and for different types of business models, including its behavior relative to the risk based requirements.

Bank level disclosure of the leverage ratio and its components will start from January 1, 2015. However, banks should report their Tier 1 leverage ratio to the BB (Department of Off-Site Supervision) along with CRAR report from the quarter ending March, 2015. Based on the results of the parallel run period, any final adjustments to the definition and calibration of the leverage ratio will be made by BB in 2017, with a view to setting the leverage ratio requirements as a separate capital standard from January 1, 2018.

Bank complied with the conditions as embodied in this respect wherever applicable.

8. a) Credit Risk

Credit risk is the potential that a bank borrower or counterparty fails to meet its obligation in accordance with agreed term.

Bank followed the suggested methodology, process as contained in the Guidelines.

AB Bank Limited
Disclosures on Risk Based Capital (Basel III) based on 31 March 2015

b) Methodology

Bangladesh Bank adopted Standardized Approach for calculating Risk Weighted Assets. The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to all their on-balance sheet and off-balance sheet exposures. Risk weights are based on external credit rating (solicited) which was mapped with the BB rating grade or a fixed weight that is specified by Bangladesh Bank.

c) Credit Risk Mitigation

AB Bank uses a number of techniques to reduce its credit risk to which the Bank is exposed. For example, exposures may be collateralized by first priority claims, in whole as in part with cash or securities, a loan exposure may be guaranteed by a third party. Additionally, Bank may agree to net loans owed to them against deposits from the same counterparty.

Bank uses Comprehensive Approach as adopted by the Central Bank. In this approach when taking collateral, Bank will need to calculate adjusted exposure to a counterparty for capital adequacy purposes in order to take account of the effects of that collateral. Using haircut, Bank is required to adjust both the amount of the exposure to the counterparty and the value of any collateral received in support of that counterparty to take account of possible future fluctuations in the value of either, occasioned by market movements. This will produce volatility adjusted amounts for both exposure and collateral.

9. a) Market Risk

Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices. The market risk positions subject to this requirement are:

- i) The risks pertaining to interest rate related instruments and equities in the trading book; and
- ii) Foreign exchange risk and commodities risk throughout the bank (both in the banking and in the trading book).

b) Methodology

In Standardized Approach, the capital requirement for various market risks (interest rate risk, equity price risk, commodity price risk, and foreign exchange risk) is determined separately. The total capital requirement in respect of market risk is the sum of capital requirement calculated for each of these market risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:

- a) Capital Charge for Interest Rate Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.
- b) Capital Charge for Equity Position Risk = Capital Charge for Specific Risk + Capital Charge for General Market Risk.
- c) Capital Charge for Foreign Exchange Risk = Capital Charge for General Market Risk
- d) Capital Charge for Commodity Position Risk = Capital Charge for General Market Risk

Bank followed the suggested methodology, process as contained in the Guidelines.

10. a) Operational Risk

Operational Risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputation risk.

b) Measurement Methodology

Banks operating in Bangladesh shall compute the capital requirements for operational risk under the Basic Indicator Approach (BIA). Under BIA, the capital charge for operational risk is a fixed percentage, denoted by (alpha), of average positive annual gross income of the bank over the past three years. Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average.

Bank followed the suggested methodology, process as contained in the Guidelines.

AB Bank Limited
Disclosures on Risk Based Capital (Basel III) based on 31 March 2015

11. Disclosure under Pillar III

Disclosure given below as specified by RBCA Guidelines dated 21 December 2014:

A) Scope of Application

Qualitative Disclosure

<p>(a) The name of the top corporate entity in the group to which this guidelines applies.</p>	<p>AB Bank Limited</p>
<p>(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).</p>	<p>The consolidated financial statements of the Bank include the financial statements of (a) AB Bank Limited (b) AB Investment Limited (c) AB Securities Limited (d) Cash Link Bangladesh Limited (e) AB International Finance Limited and (f) AB Exchange (UK) Limited. A brief description of these are given below:</p> <p><u>AB Bank Limited (ABBL)</u> AB Bank Limited is one of the first generation private commercial banks (PCBs), incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913, subsequently replaced by the Companies Act 1994, and governed by the Bank Company (Amendment upto 2013) Act 1991. The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange respectively. AB Bank Limited has 92 Branches including 1 Islami Banking Branch, 1 Overseas Branch in Mumbai, India. The Bank has six (06) subsidiary companies, AB Investment Limited, AB Securities Limited, CashLink Bangladesh Limited, AB International Finance Limited, incorporated in Hong Kong, AB Exchange (UK) Limited and Arab Bangladesh Bank Foundation.</p> <p><u>AB Investment Limited</u> AB Investment Limited (ABIL), a Subsidiary of AB Bank Limited was incorporated under the Companies Act, 1994 on 24 December 2009 with a view to run and manage the operations of Merchant Banking Wing of AB Bank Limited independently. AB Investment Limited started its operation on 10 March 2010. AB Investment Limited has achieved an unparalleled reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship. ABIL's Registered Office is located at WW Tower (Level 7), 68 Motijheel C.A., Dhaka. ABIL has two branch offices at Aarabad. Chittaona and Chowhatta. Svlhet.</p> <p><u>AB Securities Limited</u> Brokerage business of Arab Bangladesh Bank Foundation has been transferred to the newly formed AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. Main objective of the company is to act as a stock broker to buy and sell Securities, Bond, Debenture, etc. on behalf of clients. ABSL also manages its own portfolio under Stock Dealer License. ABSL is a member of both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. ABSL started its operation independently on 02 August 2010, before that it was operated under the ABBF License.</p> <p><u>Cashlink Bangladesh Limited</u> Cashlink Bangladesh Limited (CBL) was incorporated on 24 September 2008 in Bangladesh under the Companies Act 1994 as a private company limited. AB Bank Limited presently holds 90% shares in CBL. The principal activity of the company is to install and operate a switched Automated Teller Machines (ATM) and Point of Sales (POS) network on behalf of a number of local and foreign banks enabling these member bank customers who are active cardholders to withdraw cash, make utility bill payments (e.g. water, gas, electricity and telephone bills) and to purchase commodity goods from any of the ATM and POS terminals established under the network.</p> <p><u>AB International Finance Limited</u> AB International Finance Limited (ABIFL) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Unit 1201-B, 12/F, Admiralty Centre, Tower One, 18 Harcourt, Hong Kong.</p> <p><u>AB Exchange (UK) Limited</u> AB Exchange (UK) Limited (ABEL) is a company incorporated and domiciled in United Kingdom (UK) and has its registered office 69 Whitechapel High Street, London, E1 7PL. Its registered number is 07272766 (England & Wales). ABEL is fully owned (100%) Subsidiary of AB Bank Limited.</p>

AB Bank Limited
Disclosures on Risk Based Capital (Basel II) based on 31 March 2015

Scope of Application (cont..)

	<p><u>Arab Bangladesh Bank Foundation</u></p> <p>Bank also has a Subsidiary (99.60% owned by AB Bank) for philanthropic/ CSR activities known as Arab Bangladesh Bank Foundation (ABBF). This has not been included in the Consolidation as ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the Financial Statements of the Parent Company (the Bank), the Financial Statements of ABBF has not been consolidated.</p>
(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
(d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable

B) Capital Structure
Qualitative Disclosure

(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	<p>The terms and conditions of the main features of all capital instruments have been segregated in line with of the eligibility criteria set forth vide BRPD Circular No. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p>Common Equity Tier 1 capital instruments</p> <p>Paid-up share capital: Issued, subscribed and fully paid up share capital of the Bank. It represents Paid up Capital, Right Shares as well as Bonus Shares issued from time to time.</p> <p>Statutory Reserve: As per Section 24(1) of the Bank Company (Amendment upto 2013) Act, 1991, an amount equivalent to 20% of the profit before taxes for each year of the Bank has been transferred to the Statutory Reserve Fund.</p> <p>General reserve: Any reserve created through Profit and Loss Appropriation Account for fulfilling any purpose.</p> <p>Retained Earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>In this respect, Bank is complied.</p> <p>Additional Tier 1 Capital Bank has no any type of Additional Tier I Capital.</p> <p>Tier 2 Capital</p> <p>a) General Provisions; (General provisions/general loan-loss reserve eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit risk-weighted assets calculated under the standiardised approach)</p> <p>b) Subordinated debt / Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital;</p> <p>c) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified</p> <p>Less: Regulatory adjustments applicable on Tier-2 capital;</p>
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AB Bank Limited
Disclosures on Risk Based Capital (Basel II) based on 31 March 2015

Qualitative Disclosure (cont.)

	<p>Classified loan is categorized under following 03 (three) categories:</p> <ul style="list-style-type: none"> > Sub-standard > Doubtful > Bad & Loss <p>Any continuous loan will be classified as:</p> <ul style="list-style-type: none"> > 'Sub-standard' if it is past due/over due for 3 months or beyond but less than 6 months. > 'Doubtful' if it is past due/over due for 6 months or beyond but less than 9 months. > 'Bad/Loss' if it is past due/over due for 9 months or beyond. <p>Any Demand Loan will be classified as:</p> <ul style="list-style-type: none"> > 'Sub-standard' if it remains past due/overdue for 3 months or beyond but not over 6 months from the date of claim by the bank or from the date of creation of forced loan. > 'Doubtful' if it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan. > 'Bad/Loss' if it remains past due/overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of forced loan. <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the due date, the amount of unpaid installment(s) will be termed as 'defaulted installment'.</p>																																																					
<p>> Definitions of past due and impaired (for accounting purposes)</p>	<p>i. In case of Fixed Term Loans :</p> <ul style="list-style-type: none"> > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 3 (three) months, the entire loan will be classified as "Sub-standard". > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 6 (six) months, the entire loan will be classified as "Doubtful". > If the amount of 'defaulted installment' is equal to or more than the amount of installment(s) due within 9 (nine) months, the entire loan will be classified as "Bad/Loss". <p>If any Fixed Term Loan is repayable on monthly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 06 monthly installments. Similarly, if the loan is repayable on quarterly installment basis, the amount of installment(s) due within 06 (six) months will be equal to the sum of 2 quarterly installments.</p>																																																					
<p>> Description of approaches followed for specific and general allowances and statistical methods</p>	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="675 1440 964 1514" rowspan="2">Types of loans and advances</th> <th colspan="5" data-bbox="964 1440 1503 1472">Provision</th> </tr> <tr> <th data-bbox="964 1472 1073 1514">UC</th> <th data-bbox="1073 1472 1182 1514">SMA</th> <th data-bbox="1182 1472 1291 1514">SS</th> <th data-bbox="1291 1472 1399 1514">DF</th> <th data-bbox="1399 1472 1503 1514">BL</th> </tr> </thead> <tbody> <tr> <td data-bbox="675 1514 768 1717" rowspan="2">Consumer</td> <td data-bbox="768 1514 964 1591">House building and professionals to setup business</td> <td data-bbox="964 1514 1073 1591">2%</td> <td data-bbox="1073 1514 1182 1591">2%</td> <td data-bbox="1182 1514 1291 1591">20%</td> <td data-bbox="1291 1514 1399 1591">50%</td> <td data-bbox="1399 1514 1503 1591">100%</td> </tr> <tr> <td data-bbox="768 1591 964 1717">Other than Housing Finance & Professionals to setup business</td> <td data-bbox="964 1591 1073 1717">5%</td> <td data-bbox="1073 1591 1182 1717">5%</td> <td data-bbox="1182 1591 1291 1717">20%</td> <td data-bbox="1291 1591 1399 1717">50%</td> <td data-bbox="1399 1591 1503 1717">100%</td> </tr> <tr> <td colspan="2" data-bbox="675 1717 964 1795">Provision for loan to Brokerage House, Merchant Banks, Stock dealers</td> <td data-bbox="964 1717 1073 1795">2%</td> <td data-bbox="1073 1717 1182 1795">2%</td> <td data-bbox="1182 1717 1291 1795">20%</td> <td data-bbox="1291 1717 1399 1795">50%</td> <td data-bbox="1399 1717 1503 1795">100%</td> </tr> <tr> <td colspan="2" data-bbox="675 1795 964 1852">Short-term agri-credit and micro credit</td> <td data-bbox="964 1795 1073 1852">2.50%</td> <td data-bbox="1073 1795 1182 1852">-</td> <td data-bbox="1182 1795 1291 1852">5%</td> <td data-bbox="1291 1795 1399 1852">5%</td> <td data-bbox="1399 1795 1503 1852">100%</td> </tr> <tr> <td colspan="2" data-bbox="675 1852 964 1911">Small & Medium Enterprise Finance</td> <td data-bbox="964 1852 1073 1911">0.25%</td> <td data-bbox="1073 1852 1182 1911">0.25%</td> <td data-bbox="1182 1852 1291 1911">20%</td> <td data-bbox="1291 1852 1399 1911">50%</td> <td data-bbox="1399 1852 1503 1911">100%</td> </tr> <tr> <td colspan="2" data-bbox="675 1911 964 1946">Others</td> <td data-bbox="964 1911 1073 1946">1%</td> <td data-bbox="1073 1911 1182 1946">1%</td> <td data-bbox="1182 1911 1291 1946">20%</td> <td data-bbox="1291 1911 1399 1946">50%</td> <td data-bbox="1399 1911 1503 1946">100%</td> </tr> </tbody> </table>	Types of loans and advances		Provision					UC	SMA	SS	DF	BL	Consumer	House building and professionals to setup business	2%	2%	20%	50%	100%	Other than Housing Finance & Professionals to setup business	5%	5%	20%	50%	100%	Provision for loan to Brokerage House, Merchant Banks, Stock dealers		2%	2%	20%	50%	100%	Short-term agri-credit and micro credit		2.50%	-	5%	5%	100%	Small & Medium Enterprise Finance		0.25%	0.25%	20%	50%	100%	Others		1%	1%	20%	50%	100%
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AB Bank Limited
Disclosures on Risk Based Capital (Basel II) based on 31 March 2015

Qualitative Disclosure (cont.)

<p>> Discussion of the Bank's credit risk management policy</p>	<p>The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated in ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system. There is a separate Credit Risk Management Division for ensuring proper risk management of Loans and Credit Monitoring and Recovery Division for monitoring and recovery of irregular loans. Internal control & compliance division independently assess quality of loans and compliance status at least once in a year. Adequate provision is maintained against classified loans as per Bangladesh Bank Guidelines. Status of loans are regularly reported to the Board/ Board Audit Committee. Besides, Credit risk management process involves focused on monitoring of Top- 30 Loans, Top- 20 Defaulters, Sectoral exposures viz-a-viz among others limit.</p>
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Quantitative Disclosure

Taka in Crore		31.03.2015		31.12.2014	
		In %	Taka	In %	Taka
(b) Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	12.45%	2,288	13.66%	2,426
	Cash Credit	0.00%	-	0.02%	4
	Time loan	29.70%	5,460	30.91%	5,488
	Term loan	46.91%	8,625	43.03%	7,641
	Blc	0.10%	18	0.34%	60
	TR	5.91%	1,086	6.78%	1,203
	Packing credit	0.27%	49	0.26%	47
	Loan-accp bills	2.96%	543	3.19%	566
	Consumer Loan	0.73%	135	0.74%	132
	Staff Loan	0.42%	77	0.41%	72
	Bills Purchased & Discounted	0.57%	104	0.67%	118
	Total	100%	18,385	100%	17,757
(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Urban Branches				
	Dhaka	67.30%	12,065	67.86%	11,740
	Chittagong	24.94%	4,472	24.07%	4,165
	Khulna	2.71%	486	2.78%	481
	Sylhet	1.17%	209	1.23%	213
	Barisal	0.20%	36	0.23%	39
	Rajshahi	1.90%	340	2.00%	347
	Rangpur	1.78%	320	1.83%	317
		100%	17,928	100%	17,301
	Rural Branches				
	Dhaka	86.38%	320	85.76%	314
	Chittagong	12.00%	44	12.60%	46
	Khulna	0.00%	-	0.00%	-
	Sylhet	1.62%	6	1.64%	6
	Barisal	0.00%	-	0.00%	-
	Rajshahi	0.00%	-	0.00%	-
	Rangpur	0.00%	-	0.00%	-
		100%	370	100%	366
	Outside Bangladesh				
ABBL, Mumbai Branch	0.47%	87	0.50%	89	
	100%	18,385	100%	17,757	
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.19%	220	1.6%	280
	Large and medium scale industry	23.78%	4,372	26.9%	4,777
	Working capital	23.08%	4,243	19.8%	3,519
	Export	0.45%	82	0.6%	109
	Commercial lending	24.34%	4,474	22.9%	4,069
	Small and cottage industry	1.60%	294	0.6%	101
	Others	25.57%	4,700	27.6%	4,902
	100%	18,385	100%	17,757	

AB Bank Limited
Disclosures on Risk Based Capital (Basel II) based on 31 March 2015

Quantitative Disclosure (cont.)

(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	1.58%	291	1.76%	312
	– upto 3 months	52.96%	9,737	43.55%	7,734
	– over 3 months but below 1 year	37.13%	6,827	35.25%	6,260
	– over 1 year but below 5 years	5.07%	932	18.38%	3,264
	– over 5 years	3.25%	598	1.06%	187
		100%	18,385	100%	17,757
(f) By major industry or counterparty type:					
	i. Amount of impaired loans and if available, past due loans, provided separately	4.10%	755	3.86%	686
	ii. Specific and general provisions		530		485
	iii. Charges for specific allowances and charge-offs during the period		45		229
(g) Gross Non Performing Assets (NPAs)					
Non Performing Assets (NPAs) to Outstanding Loans & advances				31.03.15	31.12.14
	Non Performing Assets (NPAs)			755	686
	Non Performing Assets (NPAs) to Outstanding Loans & Advances			4.10%	3.86%
	Movement of Non Performing Assets (NPAs)-Bangladesh Operations:				
	Opening Balance			675.46	463.69
	Additions			88.46	443.52
	Reductions			19.65	231.75
	Closing balance			744.27	675.46
	Movement of Specific Provision for Non Performing Assets (NPAs)				
	Opening Balance			289.13	224.41
	Provision made during the period			5.00	205.93
	Write - off			-	141.21
	Transferred from other assets provisions			-	-
	Transfer from General Provisions			-	-
	Closing balance			294.13	289.13
	Provision held by Mumbai Branch			3.34	3.28
				297.47	292.41

E) Equities: Disclosures for Banking Book Positions

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to the equity risk, including:	
> differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.
> discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices	Quoted shares are valued at cost. Necessary provision is maintained if market price fall below the cost price. Unquoted shares are valued at cost.
(b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	Not Applicable

AB Bank Limited
Disclosures on Risk Based Capital (Basel II) based on 31 March 2015

Qualitative Disclosure (cont.)

(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period (2014)	<u>Taka in Crore</u> 0.019
(d) > Total unrealized gains (losses)	(189.46)
> Total latent revaluation gains (losses)	Nil
> Any amounts of the above included in Tier 2	Nil
(e) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Nil

F) Interest rate risk in the banking book (IRRBB)

Qualitative Disclosure

(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	<p>Interest rate risk is the potential that the value of the On Balance Sheet and the Off Balance Sheet position of the Bank would be negatively effected with the change in the Interest rate. The vulnerability of an institution towards the advance movement of the interest rate can be gauged by using Duration GAP under Stress Testing Analysis.</p> <p>AB Bank has also been exercising the Stress Testing using the Duration GAP for measuring the Interest Rate Risk on its On Balance Sheet exposure for estimating the impact of the net change in the market value of equity on the Capital Adequacy Ratio (CAR) due to change in interest rates only on its On Balance Sheet position (as the Bank holds no interest bearing Off Balance Sheet positions and or Derivatives). Under the assumption of three different interest rate changes i.e. 1%, 2% and 3%.</p>
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Quantitative Disclosure

(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	Taka in Crore	
	31.03.15	2014
Market Value of Assets	25,754	25,024
Market Value of Liability	24,260	23,467
Weighted Avg. Duration GAP	0.61	0.59
CAR after different level of Shocks:		
Minor Level	9.44%	9.78%
Moderate Level	8.86%	9.23%
Major Level	8.28%	8.68%

G) Market Risk

Qualitative Disclosure

(a) > Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
> Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'.

AB Bank Limited
Disclosures on Risk Based Capital (Basel II) based on 31 March 2015

Qualitative Disclosure (cont.)

> Market risk Management system	The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. Alco meets at least once in a month.
> Policies and process for mitigating market risk	There are approved limits for Market risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

Quantitative Disclosure

(b) The capital requirements for:	Taka in Crore	
	31.03.15	2014
Interest rate risk	22.12	25.78
Equity position risk	43.55	47.21
Foreign exchange risk	6.86	0.76
Commodity risk	-	-
	72.53	73.75

H) Operational Risk

Qualitative Disclosure

(a) > Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Borad oversees the activities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.
> Performance gap of executives and staffs	AB has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. AB's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
> Potential external events	No potential external events is expected to expose the Bank to significant operational risk.
> Policies and processes for mitigating operational risk	The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh bank. Policy guidelines on Risk Based Internal Audit system is in operation as per RBA branches are rated according to their risk status and branches scoring more on risk status are subjected to more frequent audit by Internal Control & Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. ICCD directly report to Audit Committee of the Board. In addition there is a Vigilance Cell established in 2009 to reinforce operational risk management of the bank. Bank's Anti-Money laundering activities are headed by CAMELCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
> Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosure

(b) The capital requirements for Operational Risk	Taka in Crore	
	31.03.15	2014
	174.21	166.17

AB BANK LIMITED
Mumbai Branch, India
 Balance Sheet
 As at 31 March 2015

<u>PROPERTY AND ASSETS</u>	31.03.2015	31.12.2014
	INR	INR
Cash	16,094,623	16,213,338
In hand (including foreign currencies)	2,307,059	2,435,764
Balance with Reserve Bank India (including foreign currencies)	13,787,564	13,777,574
Balance with other banks and financial institutions	870,186,212	526,223,818
In India	79,965,691	14,479,440
Outside India	790,220,521	511,744,377
Money at call and on short notice	118,873,471	243,422,070
Investments	354,918,465	302,071,718
Government	326,618,465	273,771,718
Others	28,300,000	28,300,000
Loans and advances	697,416,645	729,840,933
Loans, cash credits, overdrafts, etc	124,141,745	126,884,221
Bills purchased and discounted	573,274,900	602,956,712
Fixed assets including premises, furniture and fixtures	20,127,688	17,318,592
Other assets	396,553,821	361,660,068
Non-banking assets	-	-
Total Assets	<u>2,474,170,925</u>	<u>2,196,750,536</u>
<u>LIABILITIES AND CAPITAL</u>		
Liabilities		
Borrowings from other banks, financial institutions and agents	-	-
Deposits and other accounts	1,293,952,246	1,073,102,772
Current deposits	1,194,649,269	883,848,435
Demand deposits	496,596	514,067
Bills payable	1,206,343	499,498
Savings deposits	8,120,277	8,752,783
Fixed deposits	89,479,761	179,487,989
Other deposits	-	-
Other liabilities	246,695,305	221,111,875
Total Liabilities	<u>1,540,647,550</u>	<u>1,294,214,647</u>
Capital/Shareholders' Equity		
Total Shareholders' Equity	933,523,375	902,535,888
Paid-up capital	369,822,602	369,822,602
Statutory reserve	161,991,000	161,991,000
Other reserve	-	-
Retained earnings	401,709,773	370,722,286
Total Liabilities and Shareholders' Equity	<u>2,474,170,925</u>	<u>2,196,750,536</u>

AB BANK LIMITED
Mumbai Branch, India
Profit and Loss Account
For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 INR	Jan'14-Mar'14 INR
OPERATING INCOME		
Interest income	15,600,183	21,821,019
Interest paid on deposits and borrowings, etc.	(4,074,355)	(4,355,583)
Net interest income	11,525,828	17,465,436
Investment income	6,510,344	5,881,484
Commission, exchange and brokerage	72,000,691	65,610,969
Other operating income	510,829	731,435
Total operating income (a)	79,021,864	72,223,888
	90,547,692	89,689,325
OPERATING EXPENSES		
Salary and allowances	3,741,010	3,820,392
Rent, taxes, insurance, electricity, etc.	3,335,109	3,211,281
Legal expenses	-	1,236
Postage, stamps, telecommunication, etc.	2,550,283	2,631,381
Stationery, printing, advertisement, etc.	1,132,001	834,691
Auditors' fees	290,107	351,280
Depreciation and repairs of Bank's assets	2,096,256	1,884,163
Other expenses	23,954,110	30,082,553
Total operating expenses (b)	37,098,875	42,816,976
Profit before provision (c = a-b)	53,448,817	46,872,349
Provision against loans and advances	-	3,850,000
Provision for investments Fluctuation reserve	-	-
Other provisions	-	650,000
Total provision (d)	-	4,500,000
Profit before taxation (c-d)	53,448,817	42,372,349
Provision for taxation	22,461,331	20,119,956
Net profit after taxation	30,987,486	22,252,393

AB BANK LIMITED
Islami Banking Branch
Balance Sheet
As at 31 March 2015

	31.03.2015 Taka	31.12.2014 Taka
<u>PROPERTY AND ASSETS</u>		
Cash	288,287,370	235,177,277
Cash in Hand (Including foreign currencies)	2,753,435	3,224,184
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	285,533,935	231,953,093
Balance with Other Banks and Financial Institutions	2,912,603,139	3,968,649,633
In Bangladesh	2,912,603,139	3,968,649,633
Outside Bangladesh	-	-
Placement with other Banks & Financial Institutions	-	-
Investment in shares & other financial institutions	241,000,000	196,000,000
Government (BGIIB For SLR)	241,000,000	196,000,000
Others	-	-
Investments	3,666,786,302	3,581,597,033
General Investments etc.	3,666,786,302	3,581,597,033
Bills Purchased & Negotiated	-	-
Fixed Assets including Premises	10,673,186	10,999,011
Other Assets	52,401,364	59,063,570
Non-Banking Assets	-	-
	<u>7,171,751,361</u>	<u>8,051,486,525</u>
<u>LIABILITIES AND CAPITAL</u>		
<u>Liabilities</u>		
Placement from Banks (BGIIB)& Other Financial Institutions	814,384	500,000,001
Deposits and Other Accounts	7,118,470,077	7,498,571,575
Mudaraba Savings Deposits	86,343,966	66,403,373
Mudaraba Term Deposits	4,294,879,630	4,194,982,174
Other Mudaraba Deposits	2,613,557,248	3,135,169,285
Al-Wadeeah Current and Other Deposit Accounts	118,475,764	94,481,895
Bills Payable	5,213,469	7,534,848
Other Liabilities	52,466,899	52,914,949
Total Liabilities	<u>7,171,751,361</u>	<u>8,051,486,525</u>

	31.03.2015 Taka	31.12.2014 Taka
Contingent Liabilities		
Acceptances & Endorsements	-	-
Letter of Guarantee	305,351,391	306,310,980
Irrevocable Letters of Credit (including Back to Back Bills)	-	-
Inland Bills for collection	-	-
Other Contingent Liabilities	-	-
Total	305,351,391	306,310,980
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 Off-Balance Sheet items including Contingent Liabilities	305,351,391	306,310,980

AB BANK LIMITED
Islami Banking Branch
Profit and Loss Account

For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'14-Mar'14 Taka
Investment Income	177,135,366	201,953,436
Profit paid on Deposits	133,686,018	166,810,667
Net Investment Income	43,449,348	35,142,769
Income from Investments in Shares/Securities	1,077,807	1,265,000
Commission, Exchange and Brokerage	6,128,959	6,697,739
Other Operating Income	60,600	62,025
Total Operating Income	50,716,714	43,167,534
Operating Expenses		
Salaries and Allowances	6,071,839	5,886,447
Rent, Taxes, Insurance, Electricity etc.	391,250	333,654
Legal Expenses	-	-
Postage, Stamps, Telecommunication etc.	89,934	96,990
Stationeries, Printing and Advertisement etc.	131,959	155,636
Directors' Fees & Expenses	-	-
Shariah Supervisory Committee's Fees & Expenses	30,236	90,040
Auditors' Fees	-	-
Charges on investment Losses	-	-
Depreciation and repair to Bank's Assets	717,358	745,540
Zakat Expenses	-	-
Other Expenses	1,942,858	1,221,732
Total Operating Expenses	9,375,434	8,530,039
Profit before Provisions	41,341,280	34,637,495

**AB Bank Limited
Custodian Wing
Balance Sheet
As at 31 March 2015**

	31.03.2015	31.12.2014
	Taka	Taka
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant and Equipment	44,837	47,475
Intangible Assets	-	-
Total Non Current Assets	<u>44,837</u>	<u>47,475</u>
Current Assets		
Cash and Bank Balances	-	-
Advance, Deposit and Prepayments	-	-
Accounts Receivables	17,159,327	17,159,327
Total Current Assets	<u>17,159,327</u>	<u>17,159,327</u>
Total Assets	<u>17,204,165</u>	<u>17,206,802</u>
<u>LIABILITIES</u>		
Non-Current Liabilities		
	-	-
Current Liabilities		
Payable to AB Bank	13,497,098	13,473,285
Accounts Payable	3,654,167	3,654,167
Provision for Audit Fees	52,900	79,350
Total Current Liabilities	<u>17,204,165</u>	<u>17,206,802</u>
Total Liabilities	<u>17,204,165</u>	<u>17,206,802</u>

AB Bank Limited
Custodian Wing
Profit and Loss Account
For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'14-Mar'14 Taka
Operating Income		
Commission, exchange and brokerage	-	-
Total Operating Income (a)	-	-
Operating Expenses		
Rent, taxes and insurance	6,400	-
Auditor's fees	2,638	-
Depreciation and repair of bank's assets	5,275	-
Other expenses	1,005	2,005
Total operating expenses (b)	15,318	2,005
Net loss	(15,318)	(2,005)

AB BANK LIMITED
Offshore Banking Unit (OBU)
Balance Sheet
As at 31 March 2015

	31.03.2015		31.12.2014	
	BDT	USD	BDT	USD
PROPERTY AND ASSETS				
Cash	-		-	-
Balance with Other Banks and Financial Institutions	65,557,068	842,636	138,607,520	1,778,173
In Bangladesh	154,579	1,987	72,881	935
Outside Bangladesh	65,402,489	840,649	138,534,639	1,777,238
Money at call and on short notice (Placement)	2,512,317,600	32,292,000	2,964,961,328	38,037,000
Loans and Advances	10,111,890,838	129,972,890	8,257,900,272	105,939,241
Loans & Advances - Regular	10,111,890,838	129,972,890	8,257,900,272	105,939,241
Premises and Fixed Assets (WDV)	4,062,072	52,212	2,962,668	38,008
Other Assets	41,129,965	528,663	1,663,022	21,335
Accrued Interest	1,388,652	17,849	1,516,377	19,453
Pre-paid Advances	63,313	814	146,645	1,881
Miscellaneous	39,678,000	510,000	-	-
Total Assets	12,734,957,543	163,688,400	11,366,094,811	145,813,756
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Bank & Financial Institutions	12,573,580,785	161,614,149	11,110,821,567	142,538,898
In Bangladesh	8,001,483,726	102,846,835	7,447,333,158	95,540,609
Outside Bangladesh	4,572,097,059	58,767,314	3,663,488,409	46,998,289
Deposits and Other Accounts	145,926,877	1,875,667	90,097,304	1,155,843
Demand Deposits	60,707,509	780,302	7,575,604	97,186
Demand Deposits - Others	85,219,368	1,095,365	82,521,701	1,058,657
Other Term Deposit - NFCD	-	-	-	-
Other Deposits	-	-	-	-
Total Liabilities	12,719,507,662	163,489,816	11,200,918,871	143,694,741
Capital and Shareholders' Equity				
Retained Earnings	15,449,881	198,585	165,175,939	2,119,015
Total Shareholders' Equity	15,449,881	198,585	165,175,939	2,119,015
Total Liabilities and Shareholders' Equity	12,734,957,543	163,688,400	11,366,094,811	145,813,756

AB Bank Limited
Off-Shore Banking Unit (OBU)

Profit and Loss Account

For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'15-Mar'15 USD	Jan'14-Mar'14 Taka	Jan'14-Mar'14 USD
Interest income	99,879,537	1,283,799	138,904,104	1,788,367
Interest paid on deposits and borrowing etc.	82,886,680	1,065,381	80,125,758	1,031,606
Net Interest income	16,992,857	218,417	58,778,346	756,761
Commission, exchange and brokerage	764,332	9,824	1,181,393	15,210
Other operating income	122,924	1,580	89,379	1,151
Total operating income (A)	17,880,113	229,821	60,049,118	773,122
Salaries and allowances	1,372,737	17,644	1,141,838	14,701
Rent, taxes, insurance, electricity etc.	7,911	102	30,708	395
Postage, stamps, telecommunication etc.	68,534	881	70,672	910
Stationeries, printing, advertisement etc.	3,292	42	1,033	13
Depreciation and repair of bank's assets	288,573	3,709	2,547	33
Other expenses	689,184	8,858	66,805	860
Total operating expenses (B)	2,430,232	31,237	1,313,603	16,912
Profit before provisions (C=A-B)	15,449,881	198,585	58,735,515	756,210

AB Investment Limited (ABIL)
Statement of Financial Position (Balance Sheet)
As at 31 March 2015

ASSETS	31.03.2015	31.12.2014
	Taka	Taka
Non-Current Assets		
Property, plant and equipment	627,395,566	523,521,156
Investment in shares	727,401,710	746,884,485
Office renovation	1,283,459	1,604,318
Total non-current assets	1,356,080,735	1,272,009,959
Current Assets		
Loans to clients	6,861,517,539	7,107,095,221
Advances, deposits and prepayments	21,103,227	115,197,599
Receivable from brokers	15,903,745	60,075,510
Advance income tax	316,636,204	285,114,003
Cash and cash equivalents	3,137,433	569,019
Total current assets	7,218,298,148	7,568,051,352
Total assets	8,574,378,883	8,840,061,311
EQUITY AND LIABILITIES		
Capital and reserve		
Share capital	274,725,000	274,725,000
Retained earnings	466,103,678	443,830,684
Share money deposit	4,900,100,000	4,900,100,000
Total capital and reserve	5,640,928,678	5,618,655,684
Non-current liabilities		
Provident fund, gratuity fund and recreation club	5,856,858	5,576,047
Deferred tax	13,998,390	13,294,336
Current Liabilities		
Borrowing from banks	2,093,883,891	2,400,973,816
Liabilities for expenses	3,761,194	6,322,656
Payable against sales proceeds of shares	12,551,129	57,545,124
Provision for taxation	407,808,033	388,330,749
Provision for unclassified loans and investment	305,643,622	294,281,052
Credit balance with clients' accounts	89,947,088	55,081,847
Other liability	-	-
Total current liabilities	2,913,594,957	3,202,535,244
Total liabilities	2,933,450,205	3,221,405,627
Total shareholders' equity and liability	8,574,378,883	8,840,061,311

AB Investment Limited (ABIL)

Statement of Comprehensive Income (Profit and Loss Statement) For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'14-Mar'14 Taka
Operating income		
Interest income	107,686,431	130,898,744
Management fee	5,025,735	3,700,565
Transaction/Settlement fee	4,217,894	15,728,905
Other operating income	-	8,000
Total operating income (A)	116,930,060	150,336,214
Operating expenses		
Salary and allowances	3,341,176	3,297,842
Audit and consultancy	-	-
Administrative expenses	6,475,075	8,564,966
Financial expense	55,901,307	73,766,013
Total operating expenses (B)	65,717,558	85,628,821
Net- operating income (C=A-B)	51,212,502	64,707,393
Non operating income (D)	2,102,299	2,189,553
Investment income/(loss) (E)	502,101	11,085,373
Profit before provision for loans and investment (F=C+D+E)	53,816,902	77,982,319
Provision for investment	11,362,570	22,279,070
Net profit before tax for the period	42,454,332	55,703,249
Provision for taxation	20,181,338	29,243,370
Current tax	19,477,284	26,339,573
Deferred tax	704,054	2,903,797
Net profit after tax for the period	22,272,994	26,459,879

AB Securities Limited

Statement of Financial Position As at 31 March 2015

Sources of Fund	31.03.2015 Taka	31.12.2014 Taka
<u>Shareholders' Equity:</u>	478,460,819	479,055,390
Share Capital	235,000,000	235,000,000
Revaluation Reserve	102,024,360	102,024,360
Retained Earnings	141,436,459	142,031,030
<u>Non Current Liabilities:</u>	381,175,543	380,542,795
Liabilities for Other Finance	370,263,485	370,263,485
Deferred Liability-Gratuity	4,192,830	4,006,734
Provision for Provident Fund	6,719,228	6,272,576
Total Source of Fund (A+B)	859,636,362	859,598,185
Application of Fund		
<u>Non Current Assets:</u>	8,232,463	9,276,378
Property, Plant & Equipment	6,097,916	7,401,368
Preliminary Expenses	-	-
Deferred Tax Assets	2,134,547	1,875,010
<u>Investments:</u>	168,307,740	168,307,740
<u>Current Assets:</u>	1,207,921,914	1,259,168,026
Cash and Cash Equivalents	147,102,475	114,450,899
Advance, Deposit & Prepayment	2,876,139	2,764,809
Advance Income Tax	23,034,545	20,926,698
Accounts Receivable	1,033,006,017	1,120,114,875
Other Current Asset	1,902,738	910,745
<u>Current Liabilities and Provisions:</u>	524,825,755	577,153,959
Accounts Payable	125,991,837	167,711,760
Bank Overdraft	299,429,422	299,693,825
Liabilities for Expense	11,887,306	24,147,909
Provision for Income Tax	28,540,312	26,411,362
Other Liabilities	58,976,878	59,189,103
Net Current Assets (C-D)	683,096,159	682,014,067
Total Application of Fund (A+B+E)	859,636,362	859,598,185

AB Securities Limited

Statement of Comprehensive Income For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'14-Mar'14 Taka
A) OPERATING INCOME	13,207,510	25,318,496
Brokerage Commission	7,274,343	15,528,803
Interest Income	4,579,251	7,108,944
Investment Income	1,191,878	2,130,282
Other Operating Income	162,038	550,468
B) OPERATING & OTHER EXPENSE	11,588,183	12,344,601
Operating Expenses	10,278,043	11,037,880
Other Financial Expenses	6,689	15,738
Depreciation on Property, Plant & Equipment	1,303,451	1,290,983
C) Profit Before Provision (A-B)	1,619,327	12,973,896
D) Provision	344,485	623,795
For Diminution in Value of Investments	344,485	623,795
For Diminution in Value of Loan	-	-
E) Profit Before Taxation (C-D)	1,274,842	12,350,101
F) Provision for Taxation	1,869,413	5,987,335
Current Tax	2,128,950	6,131,238
Deferred Tax	(259,537)	(143,903)
Net (Loss)/Profit After Taxation (E-F)	(594,571)	6,362,766

Cashlink Bangladesh Limited and its Subsidiary

Consolidated Statement of Financial Position As of 31 March 2015

ASSETS	31.03.2015	31.12.2014
	Taka	Taka
Non Current Assets		
Property, Plant and Equipment	231,701	249,872
Intangible Assets	3	3
Total Non Current Assets	231,704	249,874
Current Assets		
Cash & Bank Balances	9,254,684	6,407,930
Investment in Shares	24,116,618	24,116,618
Advance, Deposit & Prepayment	278,884	278,884
Advance Tax	28,390,990	27,435,220
Accounts Receivable	486,878	691,262
Total Current Assets	62,528,053	58,929,914
Total Assets	62,759,753	59,179,783
EQUITY AND LIABILITIES		
Equity		
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Loss	(360,008,572)	(378,712,146)
Total Equity	(117,808,572)	(136,512,146)
Liabilities		
Non-Current Liabilities		
Long Term Loan	9,742,006	9,742,006
Current Liabilities		
Accrued Expenses	-	172,500
VAT Deducted at Source	17,920	25,781
Provision for Taxation	1,584,968	1,528,212
Short Term Loan from Bank	168,241,029	183,241,029
Provision for decrease in Market Value of Investment in Share	982,396	982,396
Total Current Liabilities	170,826,313	185,949,918
Total Liabilities	180,568,319	195,691,924
Total Equity and Liabilities	62,759,753	59,179,783

Cashlink Bangladesh Limited and its Subsidiary
Consolidated statement of profit or loss and other comprehensive income
For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'14-Mar'14 Taka
Revenue	18,918,855	5,094,832
Less: Operating Expenses	13,715	7,329,642
General and Administration Expenses	144,809	180,545
Operating Profit	18,760,331	(2,415,355)
Add: Other Income/(Loss)	-	-
	18,760,331	(2,415,355.43)
Less: Other Expenses	-	-
Profit Before Provision	18,760,331	(2,415,355.43)
Provision for decrease in Market Value of Investment in Share	-	-
Profit Before Taxation	18,760,331	(2,415,355.43)
Income Tax Expenses	56,757	25,474.16
Net Profit After Tax	18,703,574	(2,440,829.59)
Other Comprehensive Income	-	-
	18,703,574	(2,440,829.59)

AB International Finance Limited

Balance Sheet As at 31 March 2015

	31.03.2015 HK\$	31.12.2014 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	13,065	17,048
CURRENT ASSETS		
Discounted bills receivable	131,834,741	161,032,835
Deposits, prepayments and other receivable	757,300	823,645
Tax refundable	-	544,803
Cash and bank balances	992,969	2,001,991
	133,585,009	164,403,274
CURRENT LIABILITIES		
Accrued liabilities and other payables	25,142,577	4,674,413
Deferred interest income	-	1,586,061
Provision for long service payments	509,489	509,489
Due to ultimate holding company	95,801,644	139,786,750
Tax payable	-	-
	121,453,710	146,556,713
NET CURRENT ASSETS	12,131,299	17,846,562
	12,144,363	17,863,609
EQUITY		
Share capital	1,000,000	1,000,000
Retained earnings	3,582,404	563,904
Proposed final dividend	-	8,737,746
Capital Reserve	7,561,960	7,561,960
	12,144,363	17,863,609

AB International Finance Limited
Profit and Loss Account
For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 HK\$	Jan'14-Mar'14 HK\$
Interest income	1,471,942	2,158,863
Interest expenses	(25,319)	(84,388)
Net interest income	1,446,623	2,074,475
Other operating income	2,299,325	2,393,476
Total operating income	3,745,948	4,467,952
Staff costs	(589,464)	(560,024)
Depreciation	(3,983)	(4,689)
Other operating expenses	(343,809)	(363,965)
Total operating expenses	(937,256)	(928,678)
Profit before taxation	2,808,692	3,539,274
Income tax	(463,434)	(583,980)
Net Profit for the period	2,345,258	2,955,294

AB Exchange (UK) Limited (ABEL)**Balance Sheet
As at 31 March 2015**

	31.03.2015 GBP	31.12.2014 GBP
FIXED ASSETS		
Tangible Assets	25,708	31,210
	25,708	31,210
Current Assets		
Debtors	9,392	10,912
Cash at Bank and in Hand	46,268	55,543
	55,661	66,455
Creditors		
Amounts falling due within one year	(23,342)	(24,471)
	32,319	41,984
Net Current Assets		
	58,027	73,194
Total Assets less Current Liabilities		
	58,027	73,194
Creditors		
Amounts falling due after more than one year	-	-
	58,027	73,194
Net Assets		
	58,027	73,194
CAPITAL AND RESERVES		
Called up share capital	400,000	400,000
Profit and loss account	(341,973)	(326,806)
	58,027	73,194
SHAREHOLDERS' FUND		
	58,027	73,194

AB Exchange (UK) Limited (ABEL)
Profit and Loss Account
For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 GBP	Jan'14-Mar'14 GBP
Turnover	6,507	6,794
Administrative expenses	(21,674)	(22,470)
Loss on ordinary activities before taxation	(15,167)	(15,676)
Tax on loss on ordinary activities	-	-
Net Loss for the period	(15,167)	(15,676)

Arab Bangladesh Bank Foundation (ABBF)
Statement of Financial Position

As at 31 March 2015

	31.03.2015 Taka	31.12.2014 Taka
Sources of Funds		
Shareholders' Equity:		
Share Capital	20,000,000	20,000,000
Retained Earning	442,384,280	438,713,138
Total Shareholders' Equity	462,384,280	458,713,138
Application of Funds		
Fixed Assets less accumulated depreciation	13,543,492	13,543,492
Current Assets, Loans and Advances		
Balance with other Bank	53,407,256	55,920,970
Other current assets	350,000,000	350,000,000
Advances, deposit and prepayment	140,258,633	140,189,258
Accrued interest on FDR	8,308,078	215,832
Accrued interest on Investment in ABSL	-	-
	551,973,968	546,326,060
Current Liabilities and Provisions:		
Liabilities for expenses	247,100	247,100
Other Liabilities	468,656	468,656
Provision for Tax	102,417,424	100,440,656
	103,133,180	101,156,412
Net Current Assets	448,840,788	445,169,647
Total Application of Fund	462,384,280	458,713,138

Arab Bangladesh Bank Foundation (ABBF)
Statement of Comprehensive Income
For the period from 01 January 2015 to 31 March 2015

	Jan'15-Mar'15 Taka	Jan'14-Mar'14 Taka
Income	8,785,995	11,971,760
Interest Income	8,785,995	11,971,760
Other Operating Income	-	-
Less: Operating and Other Expenses	3,138,088	38,083,986
Operating Expenses	81,588	81,588
Financial Charge	6,000	345
Other Expenses (CSR)	3,050,500	38,002,053
Depreciation on Fixed Assets	-	-
Profit/ (Loss) before Tax	5,647,908	(26,112,226)
Provision for Taxation		
Current Tax	1,976,768	879,220
Net Profit/(Loss) after taxation	3,671,140	(26,991,445)

**Name of the Directors and Entities in which they had interest
As of 31 March 2015**

Sl. No.	Name	Status	Name of Firms / Companies in which interested as proprietor/partner/director/managing agent/guarantor/employees etc.
1	Mr. M. Wahidul Haque	Chairman	Chairman: - AB Bank Limited - AB Investment Limited - AB Securities Limited - Cashlink Bangladesh Limited - AB Exchange(UK) Ltd., London, UK. Director: -Amana Bank PLC, Colombo, SriLanka. Managing Director: -Deundi Tea Company (UK) Ltd. -Noyapara Tea Co. Limited.
2	Mr. Salim Ahmed	Vice-Chairman	1. Super Refinery (Pvt.) Ltd. 2. Elite Super Plastic Ind.(pvt.) Ltd. 3. Super Sea Fish (Pvt.) Ltd. 4. Super Share & Securities Ltd. 5. Elite Properties Management Ltd. 6. Elite Paint & Chemical Industries Ltd. 7. Hexagon Chemical Complex Ltd. 8. Elite International Ltd. 9. Supertel Ltd. 10. Bangladesh General Insurance Company Ltd. 11. AB Securities Ltd.-As director,(nominated by AB Bank Ltd.) 12. AB Investment Limited -As director, (nominated by AB Bank Ltd.) 13. CashLink Bangladesh Ltd -As director (nominated by AB Bank Ltd.)
3	Mr. Feroz Ahmed	Director	1. AB International Finance Ltd., Hong Kong - as Chairman (Nominated by AB Bank Ltd.) 2. Hexagaon Chemical Complex Ltd.- as Chairman 3. Elite Paint & Chemical Ind. Ltd. 4. Elite International Ltd. 5. FDN Energy Ltd. 6. Ahmed Securities Services Ltd. 7. Universal Shipping & Trawling Company 8. Bangladesh General Insurance Company Ltd. 9. Holy Crescent Hospital
4	Mr. M. A. Awal	Director	AB International Finance Ltd., Hong Kong, - as Director (Nominated by AB Bank Ltd.)
5	Mr. Shishir Ranjan Bose, FCA	Independent Director	1. S .R. Bose & Co. - Chartered Accountants as Proprietor 2. AB Securities Ltd. - as Independent Director. * 3. Cashlink Bangladesh Ltd. - as Independent Director * 4. AB Exchange (UK) - as Independent Director * 5. Therapeutics (Bangladesh) Ltd. -as Independent Director (* Nominated by AB Bank Ltd. for Sl. No. 2, 3 & 4)
6	Mr. Faheemul Huq, Barrister-at-Law	Director	N/A
7	Mr. Syed Afzal Hasan Uddin, Barrister-at-Law	Director	1) Syed Ishtiaq Ahmed & Associates 2) AB Exchange (UK) Ltd.- Nominee Director (Nominated by AB Bank Ltd.) 3) Square Textiles Ltd. - Independent Director 4) Western Marine Shipyard Ltd - Independent Director 5) Color City Ltd.- Independent Director 6) Millennium Aviation Ltd. - Nominee Director 7) Managewell Media Ltd.- Nominee Director 8) Forward Air Aviation Ltd- Nominee Director 9) Managewell Holdings Ltd. 10) Managewell Investment Ltd. 11) Managewell Service Ltd.
8	Mr. Gholam Sarwar	Director	1) Pacific Industries Limited 2) Pacific Traders Ltd. 3) Therapeutics (Bd.) Limited
9	Mr. Md. Mesbahul Hoque	Director	Therapeutics (BD) Ltd. -as Managing Director
10	Mr. B.B. Saha Roy	Director	1) Elite Paint & Chemical Industries Ltd. 2) Hexagaon Chemical Complex Ltd.
11	Dr. M. Imtiaz Hossain	Independent Director	AB Investment Ltd. - As Independent Director (Nominated by AB Bank Ltd.)
12	Mr. Shamim Ahmed Chaudhury	President & Managing Director	1) AB Securities Ltd. - As Director 2) Cashlink Bangladesh Ltd. - As nominee Director (Nominated by AB Bank Ltd.)