AB Bank Limited
BCIC Bhaban
30-31 Dilkusha Commercial Area
Dhaka 1000

AB Bank Limited and its Subsidiaries

Consolidated and separate financial statements
for the year ended December 31, 2016

Howladar Yunus & Co.

Gulshan Office
Howladar Yunus & Co.
House - 14 (4th floor)
Road - 16A, Gulshan -1
Dhaka - 1212
Bangladesh
T +88 (0)2 9883863
F +88 (0)2 9552989
www.howladaryunus.com

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 December 2016, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, 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-1.12 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 as amended 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.

Chartered Accountants
Correspondent firm of Grant Thornton International Ltd.

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 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in Note-1.12.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended 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 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 Bank as disclosed in Note-1.15 of 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 other than matters disclosed in these financial statements.

c) financial statements of all subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;

d) in our opinion, proper books of accounts 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 as explained in Note-14.1, 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 4,555 person hours for the audit of the books and accounts of the Bank.

Chartered Accountants

Dated: Dhaka
29 April 2017

AB Bank Limited & its Subsidiaries

Consolidated Balance Sheet

As at December 31, 2016

PROPERTY AND ASSETS	Notes	31.12.2016 Taka	31.12.2015 Taka
Cash	3(a)	**19,707,725,976**	**17,034,569,843**
In hand (including foreign currencies)	3.1(a)	1,536,407,693	1,205,441,602
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	18,171,318,283	15,829,128,241
Balance with other banks and financial institutions	4(a)	**4,655,002,507**	**4,752,701,128**
In Bangladesh	4.1(a)	2,624,288,364	2,196,851,448
Outside Bangladesh	4.2(a)	2,030,714,143	2,555,849,680
Money at call and on short notice	5(a)	**7,633,213,824**	**4,566,844,263**
Investments	6(a)	**47,561,451,498**	**33,437,817,546**
Government	6.1(a)	41,903,780,261	27,900,211,389
Others	6.2(a)	5,657,671,237	5,537,606,158
Loans, advances and lease/investments		**226,546,501,234**	**216,364,880,127**
Loans, cash credits, overdrafts, etc./Investments	7(a)	225,023,967,197	214,291,708,326
Bills purchased and discounted	8(a)	1,522,534,037	2,073,171,801
Fixed assets including premises, furniture and fixtures	9(a)	**4,680,967,000**	**4,819,543,816**
Other assets	10(a)	**6,383,908,169**	**5,962,473,246**
Non-banking assets		-	-
Total Assets		**317,168,770,208**	**286,938,829,969**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	**15,757,755,476**	**24,098,598,784**
AB Bank Subordinated Bond	12	**6,500,000,000**	**6,500,000,000**
Deposits and other accounts	13(a)	**245,394,404,421**	**213,671,723,838**
Current account and other accounts		22,296,581,953	20,050,332,586
Bills payable		4,865,582,322	3,699,973,387
Savings bank deposits		28,024,691,434	22,573,067,458
Fixed deposits		122,034,379,371	111,741,032,463
Other deposits		68,173,169,341	55,607,317,944
Other liabilities	14(a)	**25,182,491,365**	**19,094,756,031**
Total Liabilities		**292,834,651,262**	**263,365,078,652**
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		**24,324,206,960**	**23,575,987,130**
Paid-up capital	15	6,738,936,140	5,990,165,460
Statutory reserve	16	6,495,637,440	6,111,203,545
Other reserve	17(a)	3,253,395,264	4,039,376,532
Retained earnings	18(a)	7,836,238,115	7,435,241,593
Minority interest	18(b)	9,911,986	(2,235,814)
Total Equity		**24,334,118,946**	**23,573,751,317**
Total Liabilities and Shareholders' Equity		**317,168,770,208**	**286,938,829,969**

	Notes	31.12.2016 Taka	31.12.2015 Taka
Off-Balance Sheet Items			
Contingent liabilities	19	**73,478,914,136**	**68,649,158,866**
Acceptances and endorsements		29,034,996,366	24,351,049,686
Letters of guarantee	19.1	13,920,306,922	12,327,410,154
Irrevocable letters of credit		22,005,679,984	23,650,724,184
Bills for collection		8,517,930,863	8,319,974,842
Other contingent liabilities		-	-
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		**73,478,914,136**	**68,649,158,866**

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

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Consolidated Balance Sheet referred to in our separate report of even date.

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account
For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Interest income/profit on investments	21(a)	19,450,005,916	21,228,897,178
Interest/profit paid on deposits and borrowings, etc.	22(a)	(16,139,157,478)	(16,608,847,742)
Net interest income		**3,310,848,438**	**4,620,049,436**
Investment income	23(a)	5,105,865,296	3,281,987,184
Commission, exchange and brokerage	24(a)	2,855,788,192	2,964,436,043
Other operating income	25(a)	168,909,279	227,682,558
		8,130,562,767	**6,474,105,785**
Total operating income (a)		**11,441,411,205**	**11,094,155,221**
OPERATING EXPENSES			
Salary and allowances	26(a)	3,011,081,546	2,904,505,487
Rent, taxes, insurance, electricity, etc.	27(a)	711,166,604	606,508,831
Legal expenses	28(a)	18,571,996	9,292,376
Postage, stamps, telecommunication, etc.	29(a)	143,774,685	139,947,246
Stationery, printing, advertisement, etc.	30(a)	197,362,277	168,617,596
Chief executive's salary and fees	26.1	12,900,000	13,900,000
Directors' fees	31(a)	10,699,895	8,783,017
Auditors' fees	32(a)	5,762,139	5,285,950
Depreciation and repairs of Bank's assets	33(a)	585,870,806	600,206,526
Other expenses	34(a)	1,323,937,179	1,255,511,701
Total operating expenses (b)		**6,021,127,128**	**5,712,558,730**
Profit before provision c = (a-b)		**5,420,284,078**	**5,381,596,491**
Provision against loans and advances	35(a)	2,938,984,936	2,066,527,189
Provision for diminution in value of investments	36(a)	21,980,479	44,910,791
Other provisions	37(a)	59,558,484	200,066,450
Total provision (d)		**3,020,523,899**	**2,311,504,430**
Loss on disposal of AB Exchange (UK) Limited		**4,381,780**	**-**
Profit before tax		**2,395,378,399**	**3,070,092,061**
Provision for taxation		**886,586,150**	**1,612,779,701**
Current tax		1,774,806,624	2,015,720,840
Deferred tax		(888,220,474)	(402,941,140)
Net profit after tax		**1,508,792,249**	**1,457,312,360**
Appropriations			
Statutory reserve		388,712,367	535,826,124
General reserve		-	-
Dividends, etc.		-	-
		388,712,367	**535,826,124**
Retained surplus		**1,120,079,882**	**921,486,237**
Minority interest		**(5,944,179)**	**7,220,463**
Net Profit attributable to the shareholders of parent company		**1,126,024,060**	**914,265,774**
Consolidated Earnings Per Share (EPS)	39(a)	**2.25**	**2.15**

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

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement
For the year ended December 31, 2016

	2016 Taka	2015 Taka
Cash Flows from Operating Activities		
Interest receipts	18,320,297,829	21,773,331,027
Interest payments	(16,125,576,572)	(16,508,505,249)
Dividend receipts	133,087,213	115,124,494
Fee and commission receipts	2,007,736,220	1,989,547,686
Recoveries on loans previously written off	23,385,264	66,437,637
Payments to employees	(3,023,981,546)	(2,918,405,487)
Payments to suppliers	(197,362,277)	(168,617,596)
Income taxes paid	(1,531,193,578)	(2,402,728,026)
Receipts from other operating activities	6,170,669,593	4,302,995,967
Payments for other operating activities	(2,443,034,619)	(2,257,080,318)
Operating profit before changes in operating assets & liabilities	**3,334,027,525**	**3,992,100,136**
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(12,091,885,321)	(34,002,162,475)
Other assets	285,323,789	(1,132,502,797)
Deposits from other banks	963,238,791	(6,289,172,380)
Deposits from customers	30,745,860,885	21,743,796,011
Trading liabilities (short-term borrowings)	(8,557,748,994)	12,483,490,932
Other liabilities	5,875,153,318	3,783,309,830
	17,219,942,470	**(3,413,240,879)**
Net cash flow from operating activities (a)	**20,553,969,995**	**578,859,257**
Cash Flows from Investing Activities		
Purchase of government securities	(14,790,747,653)	(1,534,904,107)
(Purchase)/Sale of trading securities, shares, bonds, etc.	(120,065,079)	257,702,023
Purchase of property, plant and equipment	(217,381,698)	(139,989,135)
Net cash used in investing activities (b)	**(15,128,194,430)**	**(1,417,191,220)**
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	216,905,686	4,229,440,326
Dividend paid	(120,780)	(392,021)
Net cash flow from financing activities (c)	**216,784,906**	**4,229,048,305**
Net (decrease)/increase in cash (a+b+c)	5,642,560,471	3,390,716,342
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	26,357,133,035	22,966,416,693
Cash and cash equivalents at end of the period (*)	**31,999,693,507**	**26,357,133,035**
(*) Cash and cash equivalents:		
Cash	1,536,407,693	1,205,441,602
Prize bonds	3,751,200	3,017,800
Money at call and on short notice	7,633,213,824	4,566,844,263
Balance with Bangladesh Bank and its agent bank(s)	18,171,318,283	15,829,128,241
Balance with other banks and financial institutions	4,655,002,507	4,752,701,129
	31,999,693,507	**26,357,133,035**
Net Operating Cash Flow Per Share (NOCFPS)	**30.50**	**0.86**

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Consolidated Cash Flow Statement referred to in our separate report of even date.

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended December 31, 2016

(Amount in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Minority interest	Retained earnings	Total
Balance at 01 January 2016	5,990,165,460	6,111,203,545	1,298,786,918	1,305,535,181	944,469	1,434,109,964	(2,235,814)	7,435,241,593	23,573,751,317
Adjustment:									
Bonus for 2015:									
12.50% Stock Dividend	748,770,680	-	-	-	-	-	-	(748,770,680)	-
Restated balance at 01 January 2016	6,738,936,140	6,111,203,545	1,298,786,918	1,305,535,181	944,469	1,434,109,964	(2,235,814)	6,686,470,913	23,573,751,317
Net profit after taxation for the year	-	-	-	-	-	-	(5,944,179)	1,514,736,427	1,508,792,249
Adjustment for subsidiaries	-	-	-	-	-	-	-	230,620,224	230,620,224
Addition/(Adjustment) made during the year	-	388,712,366	-	(1,774,401)	-	(787,912,180)	18,091,978	(495,941,985)	(878,824,221)
Foreign Exchange Rate Fluctuation	-	(4,278,471)	123,023	-	3,582,290	-	-	(99,647,465)	(100,220,623)
Balance at December 31, 2016	**6,738,936,140**	**6,495,637,440**	**1,298,909,941**	**1,303,760,780**	**4,526,759**	**646,197,784**	**9,911,986**	**7,836,238,115**	**24,334,118,946**
Balance at December 31, 2015	**5,990,165,460**	**6,111,203,545**	**1,298,786,918**	**1,305,535,181**	**944,469**	**1,434,109,964**	**(2,235,814)**	**7,435,241,593**	**23,573,751,317**

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

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

Dhaka,
April 29, 2017

-Sd-
Howladar Yunus & Co.
Chartered Accountants

AB Bank Limited

Balance Sheet

As at December 31, 2016

PROPERTY AND ASSETS	Notes	31.12.2016 Taka	31.12.2015 Taka
Cash	3	**19,707,650,776**	**17,033,284,356**
In hand (including foreign currencies)	3.1	1,536,332,492	1,204,156,116
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	18,171,318,283	15,829,128,241
Balance with other banks and financial institutions	4	**4,557,434,958**	**4,711,003,257**
In Bangladesh		2,531,704,237	2,159,121,205
Outside Bangladesh		2,025,730,721	2,551,882,052
Money at call and on short notice	5	**8,325,871,504**	**5,284,337,005**
Investments	6	**46,666,898,817**	**32,559,141,564**
Government	6.1	41,903,780,261	27,900,211,389
Others	6.2	4,763,118,556	4,658,930,176
Loans, advances and lease/investments	7	**218,769,451,248**	**209,725,203,268**
Loans, cash credits, overdrafts, etc./Investments		218,136,406,416	208,565,121,079
Bills purchased and discounted	8	633,044,832	1,160,082,188
Fixed assets including premises, furniture and fixtures	9	**4,080,377,435**	**4,200,872,767**
Other assets	10	**12,728,206,273**	**11,496,412,503**
Non-banking assets		-	-
Total Assets		**314,835,891,011**	**285,010,254,720**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	**15,454,422,143**	**23,693,344,309**
AB Bank Subordinated Bond	12	**6,500,000,000**	**6,500,000,000**
Deposits and other accounts	13	**245,640,782,909**	**213,818,905,499**
Current accounts and other accounts		22,298,120,917	20,067,587,921
Bills payable		4,865,582,322	3,699,973,387
Savings bank deposits		28,024,691,434	22,573,067,458
Fixed deposits		122,034,379,371	111,741,032,463
Other deposits		68,418,008,865	55,737,244,271
Other liabilities	14	**24,126,225,778**	**18,205,779,567**
Total Liabilities		**291,721,430,830**	**262,218,029,375**
Capital/Shareholders' Equity			
Total Shareholders' Equity		**23,114,460,183**	**22,792,225,345**
Paid-up capital	15	6,738,936,140	5,990,165,460
Statutory reserve	16	6,495,637,440	6,111,203,545
Other reserve	17	3,070,222,838	3,859,909,419
Retained earnings	18	6,809,663,765	6,830,946,921
Total Liabilities and Shareholders' Equity		**314,835,891,011**	**285,010,254,720**

	Notes	31.12.2016 Taka	31.12.2015 Taka
Off-Balance Sheet Items			
Contingent liabilities	19	**73,478,914,136**	**68,649,158,866**
Acceptances and endorsements		29,034,996,366	24,351,049,686
Letters of guarantee	19.1	13,920,306,922	12,327,410,154
Irrevocable letters of credit		22,005,679,984	23,650,724,184
Bills for collection		8,517,930,863	8,319,974,842
Other contingent liabilities		-	-
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		**73,478,914,136**	**68,649,158,866**

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

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Balance Sheet referred to in our separate report of even date.

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited

Profit and Loss Account

For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Interest income/profit on investments	21	18,914,027,627	20,811,576,016
Interest paid/profit on deposits and borrowings, etc.	22	(16,077,046,356)	(16,532,249,413)
Net interest income		**2,836,981,270**	**4,279,326,603**
Investment income	23	5,348,168,994	3,355,421,410
Commission, exchange and brokerage	24	2,717,093,896	2,828,755,798
Other operating income	25	115,809,979	118,591,268
		8,181,072,869	**6,302,768,477**
Total operating income (a)		**11,018,054,139**	**10,582,095,080**
OPERATING EXPENSES			
Salary and allowances	26	2,934,133,386	2,820,224,346
Rent, taxes, insurance, electricity, etc.	27	697,882,398	592,500,607
Legal expenses	28	18,146,709	8,418,187
Postage, stamps, telecommunication, etc.	29	135,901,070	135,241,035
Stationery, printing, advertisement, etc.	30	196,167,659	167,510,614
Chief executive's salary and fees	26.1	12,900,000	13,900,000
Directors' fees	31	9,586,543	7,985,347
Auditors' fees	32	5,012,790	4,345,900
Depreciation and repairs of Bank's assets	33	564,494,152	573,803,326
Other expenses	34	1,424,393,841	1,304,413,020
Total operating expenses (b)		**5,998,618,547**	**5,628,342,383**
Profit before provision c = (a-b)		**5,019,435,593**	**4,953,752,697**
Provision against loans and advances	35	2,932,772,661	1,994,811,363
Provision for diminution in value of investments	36	25,000,000	-
Other provisions	37	59,558,484	200,000,000
Total provision (d)		**3,017,331,145**	**2,194,811,363**
Profit before taxation (c-d)		**2,002,104,448**	**2,758,941,334**
Provision for taxation		697,434,025	1,488,526,466
Current tax		1,581,104,434	1,896,468,866
Deferred tax		(883,670,410)	(407,942,400)
Net profit after taxation		**1,304,670,423**	**1,270,414,868**
Appropriations			
Statutory reserve		388,712,367	535,826,124
General reserve		-	-
Dividends, etc.		-	-
		388,712,367	**535,826,124**
Retained surplus		**915,958,056**	**734,588,744**
Earnings Per Share (EPS)	39	**1.94**	**1.89**

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

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Profit and Loss Account referred to in our separate report of even date.

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited

Cash Flow Statement

For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
Cash flows from Operating Activities			
Interest receipts		17,784,319,539	21,356,009,865
Interest payments		(16,063,465,450)	(16,431,906,919)
Dividend receipts		192,687,562	180,634,136
Fees and commission receipts		1,872,192,713	1,855,689,669
Recoveries on loans previously written off		23,385,264	66,437,637
Payments to employees		(2,947,033,386)	(2,834,124,346)
Payments to suppliers		(196,167,659)	(167,510,614)
Income taxes paid		(1,426,153,910)	(2,169,479,061)
Receipts from other operating activities	40	6,167,893,301	4,266,444,672
Payments for other operating activities	41	(2,517,832,213)	(2,283,109,070)
Operating profit before changes in operating assets & liabilities		**2,889,825,760**	**3,839,085,967**
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(10,954,512,194)	(34,529,580,155)
Other assets		(575,458,450)	(1,194,431,447)
Deposits from other banks		963,238,791	(6,289,172,380)
Deposits from customers		30,845,057,712	21,818,538,165
Trading liabilities (short-term borrowings)		(8,455,827,852)	12,487,093,552
Other liabilities		5,746,275,074	3,846,295,697
		17,568,773,082	**(3,861,256,567)**
Net cash flow from operating activities (a)		**20,458,598,843**	**(22,170,601)**
Cash Flows from Investing Activities			
Purchase of government securities		(14,790,747,653)	(1,534,904,107)
(Purchase)/Sale of trading securities, shares, bonds, etc.		(104,188,380)	197,069,162
Purchase of property, plant and equipment		(217,381,698)	(139,989,135)
Net cash used in investing activities (b)		**(15,112,317,731)**	**(1,477,824,080)**
Cash Flows from Financing Activities			
Increase/(decrease) of long-term borrowings		216,905,686	4,229,440,326
Dividend paid		(120,780)	(392,021)
Net cash flow from financing activities (c)		**216,784,906**	**4,229,048,305**
Net Increase/(decrease) in cash (a+b+c)		**5,563,066,018**	**2,729,053,624**
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		27,031,642,418	24,302,588,793
Cash and cash equivalents at end of the period (*)		**32,594,708,438**	**27,031,642,417**
(*) Cash and cash equivalents:			
Cash		1,536,332,492	1,204,156,116
Prize bonds		3,751,200	3,017,800
Money at call and on short notice		8,325,871,504	5,284,337,004
Balance with Bangladesh Bank and its agent bank(s)		18,171,318,283	15,829,128,241
Balance with other banks and financial institutions		4,557,434,958	4,711,003,257
		32,594,708,438	**27,031,642,417**
Net Operating Cash Flow Per Share (NOCFPS)		**30.36**	**(0.03)**

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

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

This is the Cash Flow Statement referred to in our separate report of even date.

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited
Statement of Changes in Equity
For the year ended December 31, 2016

(Amount in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
Balance at 01 January 2016	5,990,165,460	6,111,203,545	1,222,199,200	1,305,535,182	1,332,175,037	6,830,946,921	22,792,225,345
Adjustment:							
Bonus for 2015:							
12.50% Stock Dividend	748,770,680	-	-	-	-	(748,770,680)	-
Restated balance at 01 January 2016	**6,738,936,140**	**6,111,203,545**	**1,222,199,200**	**1,305,535,182**	**1,332,175,037**	**6,082,176,241**	**22,792,225,345**
Net profit after taxation for the year	-	-	-	-	-	1,304,670,423	1,304,670,423
Addition/(Adjustment) made during the year	-	388,712,367	-	(1,774,401)	(787,912,180)	(477,850,007)	(878,824,221)
Foreign Exchange Rate Fluctuation	-	(4,278,471)	-	-	-	(99,332,892)	(103,611,364)
Balance at December 31, 2016	**6,738,936,140**	**6,495,637,440**	**1,222,199,200**	**1,303,760,781**	**544,262,857**	**6,809,663,765**	**23,114,460,183**
Balance at December 31, 2015	**5,990,165,460**	**6,111,203,545**	**1,222,199,200**	**1,305,535,182**	**1,332,175,037**	**6,830,946,921**	**22,792,225,345**

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

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

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

AB Bank Limited

Liquidity Statement

Analysis of Maturity of Assets and Liabilities

As at December 31, 2016

Amount in Taka

Particulars	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	2,904,066,153	-	-	-	16,803,584,623	19,707,650,776
Balance with Other banks and financial institutions	3,527,434,958	700,000,000	330,000,000	-	-	4,557,434,958
Money at Call & Short Notice	4,716,455,032	3,285,381,956	324,034,516	-	-	8,325,871,504
Investments	575,534,920	4,989,246,060	4,450,983,640	13,545,313,988	23,105,820,209	46,666,898,817
Loans & advances	26,548,123,560	57,221,854,887	95,569,461,888	34,298,354,326	5,131,656,587	218,769,451,248
Fixed assets including premises, furniture and fixture	-	-	-	-	4,080,377,435	4,080,377,435
Other assets	377,360,854	2,639,668,325	2,552,611,376	1,251,468,568	5,907,097,149	12,728,206,273
Non-banking assets	-	-	-	-	-	-
Total Assets	**38,648,975,477**	**68,836,151,228**	**103,227,091,421**	**49,095,136,882**	**55,028,536,004**	**314,835,891,011**
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	5,528,473,257	7,287,965,189	2,438,516,686	5,625,373,900	1,074,093,110	21,954,422,143
Deposit and other accounts	31,227,249,880	60,103,828,484	89,703,315,254	62,520,054,989	2,086,334,302	245,640,782,909
Provision and other Liabilities	613,533,275	461,642,202	4,903,613,722	18,146,814,990	621,590	24,126,225,778
Total Liabilities	**37,369,256,412**	**67,853,435,875**	**97,045,445,662**	**86,292,243,880**	**3,161,049,001**	**291,721,430,830**
Net Liquidity Excess/(shortage)	**1,279,719,065**	**982,715,353**	**6,181,645,759**	**(37,197,106,998)**	**51,867,487,003**	**23,114,460,183**

-Sd-
Moshiur Rahman Chowdhury
President & Managing Director
(Current Charge)

-Sd-
Shishir Ranjan Bose, FCA
Independent Director

-Sd-
M. A. Awal
Director

-Sd-
M. Wahidul Haque
Chairman

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

-Sd-
Howladar Yunus & Co.
Chartered Accountants

Dhaka,
April 29, 2017

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 Act, 1991 (Amendment up to 2013). The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. AB Bank Limited has 104 Branches including one (1) Islami Banking Branch and one (1) Overseas Branch in Mumbai, India. The Bank has five subsidiary companies namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, Arab Bangladesh Bank Foundation all incorporated in Bangladesh and AB International Finance Limited, incorporated in Hong Kong.

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.

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.

Consolidated financial statements and financial statements of the Bank were made as at December 31, 2016 and were prepared under the historical cost convention except investments categorised under held for trading and in accordance with Bank Company Act 1991, (Amendment up to 2013); 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 and AB International Finance Limited, Hong Kong 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 December 31, 2016.

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 Annexure-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 Annexure-G as per Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009. Distribution of profit under Islamic Banking Operation and fixation of final rate for the year 2016 has also been disclosed separately in Annexure-H.

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 Annexure-I.

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 Annexure-J.

Amana Bank Limited as Associates

AB Bank Limited invested in Amana Bank Limited, Srilanka which is a licensed commercial bank and established under the Banking Act No. 30 of 1988 (Srilankan Banking Act) and amendments thereto. Amana Bank is a public limited liability company incorporated on 5 February 2009 and the registered office of the Bank is located at No. 480, Galle Road, Colombo 3. The Bank commenced commercial banking operations on 1 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange.

The principal activities of the Bank is to provide Sharia compliant banking and related activities such as accepting customer deposits, personal banking, lease financing, home and property financing, advances against gold, resident and non-resident foreign currency operations, trade financing, import and export financing, equipment and machinery financing, working capital financing and project financing.

Although AB Bank Limited invested 14.44% in equity of Amana Bank Limited, Amana Bank Limited considered as Associates. A representative in the board of directors of Amana Bank Limited holds by the Bank.

Investment in Amana Bank Limited is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets in accordance with BAS 28 using the equity method as AB has 14.44% holding in equity of Amana Bank with a representation in their Board. The Balance Sheet and Profit and Loss Account of Amana Bank Limited have been shown separately in Annexure-K.

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 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 Annexure-L.

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 Annexure-M.

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 Balance Sheet and Profit and Loss Account of the CBL have been shown separately in Annexure-N.

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 Annexure-O.

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 Board of Directors of AB Bank Limited has decided to close-down the AB Exchange (UK) Limited, UK in its 607th Board Meeting held on July 12, 2016. Accordingly, after completing all the formalities, Management of AB Exchange (UK) applied to Companies House (UK) on July 25, 2016 for striking off the company and on November 15, 2016 the Company was dissolved through official gazette.

The company ceased its commercial operations from November 15, 2016 and treated the assets and liabilities at net realizable value as per BFRS 5 – Non –current Assets Held for Sale and discontinued operation. The financial statements for the period ended as on 15 November 2016 were prepared.

The Balance Sheet and Profit and Loss Account of the ABEL have been shown separately in Annexure-P.

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 Annexure -Q.

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.

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 December 2016 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 year 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.

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

i. Loans and advances/investments in Islamic Banking Branch are stated at gross amounts at December 31, 2016.

ii. Interest/profit is calculated on a daily basis but charged and accounted 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 income until realized from borrowers. Interest/profit is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.

iii. Commission on bills purchased and discounting are recognised at the time of realisation.

iv. 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, BRPD Circular No. 16 dated 18 November, 2014, BRPD Circular No. 04 dated January 29,2015 and BRPD Circular No. 08 dated 02 August 2015 . The rates for provisions are stated below:

Particulars		Short Term Agri Credit	Consumer Financing			SMEF	Loans to BHs/MBs /SDs	All Other Credit	Off Balance Sheet Exposures
			Other than HF, LP	HF	LP				
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%	1%
	SMA	2.5%	5%	2%	2%	0.25%	2%	1%	
Classified	SS	5%	20%	20%	20%	20%	20%	20%	
	DF	5%	50%	50%	50%	50%	50%	50%	
	BL	100%	100%	100%	100%	100%	100%	100%	

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	Recording of changes
Treasury Bill / Bond (HFT)	Cost	Market value	Loss to Profit and Loss Account (P&L), gain to revaluation
Treasury Bill / Bond (HTM)	Cost	Amortised value	Increase in value to equity and
Debenture	Face value	None	
Prize bond	Cost	None	None
Shares	Cost	Lower of cost and market value	Realised gain or loss, recognised
			Unrealized gain is not

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".

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. computer equipments and photocopiers for which straight-line method is used. The rates of depreciation are as follows:

Category of asset	Rate of depreciation
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".

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

is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital.

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 year. 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 @ 40% on the accounting profit made by the Bank after considering taxable allowances and disallowances as per income tax laws applicable for the Bank.

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 10.01).

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".

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".

Profit paid on deposits (Islami Banking Branch)

Profit paid to different Mudaraba depositors is recognised on accrual basis as per provisional rate. However, the final rate of profit is determined and to be paid to the depositors as per Annex H.

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 December 31, 2016.

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. EPS of previous year was restated giving effect of issue of bonus 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 December 31, 2016. 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 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

Profit and Loss Account for the year ended December 31, 2016

Amount in Crore Taka

Particulars	AB Bank Limited							Subsidiaries				Adjustment	AB Bank & it's subsidiaries
	Inside Bangladesh				India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh			AB Int. Finance Ltd. (Hong Kong)		
	Conventional Banking	Islamic Banking	Investment Banking	Off- Shore Banking Unit				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)			
Interest income	1,827.52	58.39	-	71.30	6.12	(71.93)	1,891.40	41.20	7.75	0.15	5.04	(0.54)	1,945.00
Interest paid on deposits and borrowings, etc.	1,530.78	38.52	31.78	51.20	1.97	(46.54)	1,607.70	3.64	2.81	-	0.58	(0.81)	1,613.92
Net interest income	**296.74**	**19.86**	**(31.78)**	**20.11**	**4.15**	**(25.38)**	**283.70**	**37.57**	**4.94**	**0.15**	**4.46**	**0.27**	**331.08**
Investment income	510.95	0.05	21.06	-	2.76	-	534.82	0.79	1.10	(18.26)	-	(7.86)	510.59
Commission, exchange and brokerage	236.52	3.46	-	0.28	32.27	(0.83)	271.71	4.25	4.35	12.33	5.14	(12.21)	285.58
Other operating income	11.27	0.07	-	0.01	0.24	-	11.58	1.14	0.21	-	4.78	(0.82)	16.89
Total operating income	**1,055.48**	**23.44**	**(10.71)**	**20.39**	**39.42**	**(26.21)**	**1,101.81**	**43.75**	**10.60**	**(5.79)**	**14.39**	**(12.76)**	**1,144.14**
OPERATING EXPENSES													
Salary and allowances	289.27	3.32	-	0.58	1.54	-	294.70	1.52	3.06	0.02	3.09	-	302.40
Rent, taxes, insurance, electricity, etc.	67.77	0.15	-	0.00	1.86	-	69.79	0.27	0.84	-	0.78	(0.55)	71.12
Legal expenses	1.80	-	-	0.01	0.01	-	1.81	0.01	-	0.01	0.03	-	1.86
Postage, stamps, telecommunication, etc.	12.44	0.06	-	0.03	1.06	-	13.59	0.09	0.16	0.00	0.75	(0.21)	14.38
Stationery, printing, advertisement, etc.	19.27	0.05	-	0.00	0.29	-	19.62	0.04	0.05	-	0.03	-	19.74
Directors' fees	0.94	0.02	-	-	-	-	0.96	0.04	0.05	0.03	-	-	1.07
Auditors' fees	0.43	-	-	-	0.07	-	0.50	0.01	0.01	0.02	0.04	-	0.58
Charges on loan losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and repairs of Bank's assets	55.34	0.29	0.01	0.08	0.73	-	56.45	1.89	0.20	0.01	0.04	-	58.59
Other expenses	128.25	0.75	0.34	1.23	11.87	-	142.44	0.73	0.97	0.00	0.25	(12.00)	132.39
Total operating expenses	**575.53**	**4.62**	**0.35**	**1.93**	**17.43**		**599.86**	**4.59**	**5.34**	**0.08**	**5.00**	**(12.76)**	**602.11**
Profit before provision	**479.95**	**18.82**	**(11.07)**	**18.46**	**21.99**	**(26.21)**	**501.94**	**39.16**	**5.26**	**(5.87)**	**9.39**	**-**	**542.03**
Provision against loans and advances							293.28						293.90
Provision for diminution in value of investments							2.50						2.20
Other provisions							5.96						5.96
Total provision							**301.73**						**302.05**
Loss on disposal of AB Exchange (UK) Limited							-						0.44
Profit before taxation							200.21						239.54
Provision for taxation							69.74						88.66
Net profit after taxation							**130.47**						**150.88**

Balance Sheet

Amount in Crore Taka

Particulars	AB Bank Limited							Subsidiaries				Adjustment	AB Bank & it's subsidiaries
	Inside Bangladesh				India (Mumbai Branch)	Adjustment	Total	Inside Bangladesh			AB Int. Finance Ltd. (Hong Kong)		
	Conventional Banking	Islamic Banking	Investment Banking	OBU				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)			
PROPERTY AND ASSETS													
Cash	1,941.51	28.39	-	-	0.87	-	1,970.77	0.00	0.00	0.00	0.00	-	1,970.77
Balance with other banks and financial instit.	84.79	241.56	-	10.35	127.07	(8.02)	455.74	0.06	30.18	3.51	0.64	(24.64)	465.50
Money at call and on short notice	1,069.88	-	-	221.30	47.68	(506.27)	832.59	-	-	-	-	(69.27)	763.32
Investments	4,172.03	24.85	427.58	-	42.23	-	4,666.69	72.13	17.29	0.04	-	-	4,756.15
Loans and advances	20,254.18	442.30	-	1,136.11	46.93	(2.57)	21,876.95	722.98	95.77	-	88.95	(130.00)	22,654.65
Fixed assets	405.74	0.93	-	0.18	1.19	-	408.04	59.72	0.32	0.01	0.02	-	468.10
Other assets	2,872.13	2.65	4.05	3.03	30.94	(1,639.98)	1,272.82	5.67	3.28	3.09	2.34	(648.82)	638.39
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**30,800.24**	**740.67**	**431.63**	**1,370.97**	**296.91**	**(2,156.84)**	**31,483.59**	**860.55**	**146.84**	**6.66**	**91.95**	**(872.72)**	**31,716.88**
LIABILITIES AND CAPITAL													
Liabilities													
Borrowings from other banks, financial institutions and agents	1,686.42	-	-	1,335.12	-	(826.10)	2,195.44	120.73	25.36	-	69.22	(184.98)	2,225.78
Deposits and other accounts	23,675.40	731.13	0.00	7.17	158.39	(8.01)	24,564.08	-	-	-	-	(24.64)	24,539.44
Other liabilities	3,088.52	8.17	432.03	10.15	21.89	(1,148.13)	2,412.62	61.37	69.97	0.99	5.58	(32.29)	2,518.25
Total Liabilities	**28,450.34**	**739.30**	**432.03**	**1,352.44**	**180.29**	**(1,982.25)**	**29,172.14**	**182.10**	**95.33**	**0.99**	**74.81**	**(241.91)**	**29,283.47**
Total Shareholders' Equity	2,349.90	1.38	(0.40)	18.54	116.62	(174.59)	2,311.45	678.45	51.51	5.67	17.15	(631.80)	2,432.42
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	0.99	0.99
Total Liabilities and Shareholders' Equity	**30,800.24**	**740.67**	**431.63**	**1,370.97**	**296.91**	**(2,156.84)**	**31,483.59**	**860.55**	**146.84**	**6.66**	**91.95**	**(872.72)**	**31,716.88**

1.11 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:

Sl #	Name of BAS	No. of BAS	Status
1	Presentation of Financial Statements	1	Complied
2	Inventories	2	Complied
3	Statement of Cash Flows	7	*
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 Govt. Grants and Disclosure of Govt. 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	Complied
19	Financial Reporting in Hyperinflationary Economics	29	N/A
20	Interests in Joint Ventures	31	N/A
21	Financial Instruments: Presentation	32	*
22	Earnings Per Share	33	Complied
23	Interim Financial Reporting	34	Complied
24	Impairment of Assets	36	Complied
25	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
26	Intangible Assets	38	Complied
27	Financial Instruments: Recognition and Measurement	39	*
28	Investment Property	40	N/A
29	Agriculture	41	N/A

Sl #	Name of 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	N/A
4	Insurance Contracts	4	N/A
5	Non-Current Assets Held for Sale and Discontinued Operations	5	Complied
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	N/A
11	Disclosure of interests in other Entities	12	Complied

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

1.12 Compliance of Bangladesh Bank regulations over BAS/BFRS:

Sl 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 de-recognition 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.

1.12 Compliance of Bangladesh Bank regulations over BAS/BFRS (cont.)

Sl 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.

1.13 Regulatory and legal compliance

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

i. The Bank Company Act, 1991 (Amendment up to 2013)
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, 2015
viii. The Income Tax Ordinance, 1984 and Rules
ix. The Value Added Tax (VAT) Act, 1991 and Rules
x. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
xi. Central Depository Bangladesh Limited (CDBL) rules and regulations.

1.14 Reporting period

Sl no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2016 to 31 December 2016
2	Off Shore Banking Unit	01 January 2016 to 31 December 2016
3	Mumbai Branch, India	01 January 2016 to 31 December 2016
4	AB Investment Limited	01 January 2016 to 31 December 2016
5	AB Securities Limited	01 January 2016 to 31 December 2016
6	Cashlink Bangladesh Limited	01 January 2016 to 31 December 2016
7	AB International Finance Limited	01 January 2016 to 31 December 2016
8	AB Exchange (UK) Limited	01 January 2016 to 15 November 2016
9	Arab Bangladesh Bank Foundation	01 January 2016 to 31 December 2016

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 and Pillar-2 risk as well. 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 Department 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 Department. 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.

Operational risk

Operational risk address the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and external events among others. Bank is managing these risks 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. 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.

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:

Year	Date of Rating	Long term	Short term
Jan to Dec 2015	May 19, 2016	AA_3	ST-2
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

1.18 Events after the 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 event 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.

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	Common Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in Taka
Elite International Ltd.	Common Director	Office Rent	2,021,840

c) Loans/Placement given to subsidiary of the Bank

Sl. No.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	902,012,897
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	253,621,766
03	Cash link Bangladesh Limited (CBL)	90% owned Subsidiary	Loans and advances	142,388,324
04	AB Int. Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	692,657,680
Total Loans/placemen to subsidiary				**1,990,680,667**

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 27 October, 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	Chartered Accountant
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	Prof. Dr. M. Imtiaz Hossain	Independent Director	Member	With effect from 12 April 2015	Ph. D. from University of Manchester, U.K.

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

ii) Meeting held with Audit Committee

During the year 2016, the Audit Committee conducted 13 (thirteen) meetings in which, among others, the following issues were reviewed and discussed:

- comprehensive inspection report of Bangladesh Bank including status of compliance thereof;
- inspection reports of Branches/Head Office conducted by Bank's Internal Control & Compliance Division;
- financial statements of the Bank;
- quarterly and half-yearly Financial Statements of the Bank for the year 2016;
- 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.

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	Vice Chairman	B.A (Hons.) M.A (Eco.), LLB (1st class). Ex-Company Secretary & Head of Law Division, IBBL
3	Jb. M. Wahidul Haque Chairman, BOD, ABBL	Member	BA, LLB
4	Jb. Shamim Ahmed Chaudhury, President & Managing Director, ABBL	Member	MBA with Major in Finance
5	Jb. Mawlana Muhammad Musa	Member	Prominent auther and research Scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University
6	Jb. Dr. Mohd. Haroon Rashid	Member Secretary	M.A, M. Phil PhD Aligor University, India. Mufti (1st Class) Darul Ulum Dewband, India

During the Year 2016, AB Bank Shariah Supervisory Committee met in 05 (Five) meetings (Full Committee 03+Sub-Committee 02) and reviewed different operational issues, including those referred to it by the Management of the Bank and gave opinion & decisions related to Islamic Shariah.

The important issues attending by the Shariah Supervisory Committee during the year 2016 are :

- Reviewing the Half-Yearly Shariah Audit Report (July-December,2015) of Islami Banking Branch and its observations.
- Reviewing the Half- Yearly Shariah Audit Report (January-June,2016) of Islami Banking Branch .
- Approving the Final Account, 2015 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2015 on Islamic banking operation of the Bank.
- Reviewing the Shari'ah By-Laws 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 year.

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.

		31.12.2016 Taka	31.12.2015 Taka
3. Cash			
Cash in hand	(Note: 3.1)	1,536,332,492	1,204,156,116
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	18,171,318,283	15,829,128,241
		19,707,650,776	**17,033,284,356**
3(a) Consolidated Cash			
AB Bank Limited		19,707,650,776	17,033,284,356
AB Investments Limited		25,000	25,000
AB International Finance Limited		10,117	-
AB Securities Limited		2,245	2,410
Cashlink Bangladesh Limited (CBL)		37,839	6,445
AB Exchange (UK) Ltd.		-	1,251,631
		19,707,725,976	**17,034,569,843**
3.1 Cash in hand			
In local currency		1,505,667,616	1,174,908,808
In foreign currency		30,664,876	29,247,308
		1,536,332,492	**1,204,156,116**
3.1(a) Consolidated Cash in hand			
AB Bank Limited		1,536,332,492	1,204,156,116
AB Investments Limited		25,000	25,000
AB International Finance Limited		10,117	-
AB Securities Limited		2,245	2,410
Cashlink Bangladesh Limited (CBL)		37,839	6,445
AB Exchange (UK) Ltd.		-	1,251,631
		1,536,407,693	**1,205,441,602**
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency		17,465,080,869	14,828,917,268
In foreign currency		298,117,635	636,067,309
		17,763,198,503	15,464,984,577
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency		408,119,780	364,143,664
		18,171,318,283	**15,829,128,241**
3.2.1 Balance with Bangladesh Bank- local currency			
Balance as per Bank Ledger		17,465,080,869	14,828,917,268
Unresponded debit entries:		416,427,442	73,257,072
Bangladesh Bank statement		407,941,845	73,257,072
AB Bank's ledger		8,485,597	-
Unresponded credit entries:		82,152,179	6,754,860
Bangladesh Bank statement		81,962,179	6,557,885
AB Bank's ledger		190,000	196,975
		17,130,805,606	**14,762,415,056**

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 31.12.2016 is given below:

year of Unreconciliation	Number of		Unresponded Amount	
	Debit	Credit	Debit	Credit
Less than 3 months	20	13	415,384,042	81,962,179
3 months to less than 6 months	1	-	543,400	-
6 months to less than 12 months	-	-	-	-
12 months and more	1	1	500,000	190,000
Total	**22**	**14**	**416,427,442**	**82,152,179**

	31.12.2016 Taka	31.12.2015 Taka
3.2.2 Balance with Bangladesh Bank-Foreign currency		
Balance as per Bank Ledger	**298,117,635**	**636,067,309**
Unresponded debit entries:	118,316,794	91,784,804
Bangladesh Bank statement	250,144	69,780,153
AB Bank's ledger	118,066,650	22,004,651
Unresponded credit entries:	518,246,575	293,977,233
Bangladesh Bank statement	223,842,629	117,186,981
AB Bank's ledger	294,403,946	176,790,252
Balance as per Bangladesh Bank Statement	**698,047,416**	**838,259,738**

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 31.12.2016 is given below:

Period of Unreconciliation	Number of		Unresponded Amount	
	Debit	Credit	Debit	Credit
Less than 3 months	3	360	118,316,794	518,064,716
3 months to less than 6 months	-	3	-	57,685
6 months to less than 12 months	-	2	-	124,175
12 months and more	-	-	-	-
Total	**3**	**365**	**118,316,794**	**518,246,575**

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

AB Bank Limited	18,171,318,283	15,829,128,241
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	18,171,318,283	**15,829,128,241**

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), 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 Government Securities and other regulatory components which supported to SLR. 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 @ 6.50% on fortnightly cumulative average basis and minimum CRR @ 6.00% on daily basis.

	31.12.2016 Taka	31.12.2015 Taka
i. Daily Position as on the reporting date		
Required reserve	16,524,589,436	14,311,926,525
Actual reserve maintained	16,840,182,357	14,451,833,382
Surplus	**315,592,920**	**139,906,857**

As per Bank ledger, balance with Bangladesh Bank (local currency) is Tk 17,185,457,620 while as per Bangladesh Bank Statements balance is Tk 16,851,182,356.81 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 @ 6.50% on fortnightly cumulative average basis.

Required reserve (6.5% of total time & demand liabilities)	280,918,020,418	243,302,750,923
Actual reserve maintained	283,448,606,792	243,672,654,926
Surplus	**2,530,586,374**	**369,904,004**

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time & demand liabilities)	33,049,178,873	28,623,853,050
Actual reserve maintained	43,898,597,690	29,356,067,647
Total surplus	**10,849,418,817**	**732,214,597**

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 @ 6.62% and @ 17.27% respectively at the year end.

(c) Components of Statutory Liquidity Ratio (SLR)

Cash in hand	1,523,355,928	1,194,823,535
Balance with Sonali Bank	408,119,780	364,143,664
HTM Securities	26,772,534,816	18,599,744,739
HFT Securities	14,878,994,246	9,057,448,852
Excess Reserve of CRR	315,592,920	139,906,857
Other Eligible Security	-	-
	43,898,597,690	**29,356,067,647**

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 Companies Act 1991 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 :

	31.12.2016 Taka	31.12.2015 Taka
(a) Cash Reserve Requirement (CRR)		
Required reserve	278,995,186	299,107,166
Actual reserve maintained	279,623,249	299,581,674
Surplus	**628,063**	**474,508**
(b) Statutory Liquidity Ratio (SLR)		
Total required reserve	236,072,850	253,090,679
Total actual reserve held	253,428,446	254,179,042
Total surplus	**17,355,596**	**1,088,363**

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.24/12.01.001/2015-16

The statutory cash reserve ratio is required on the Bank's time and demand liabilities at the rate of 4.00 % for 31.12.2015 & for 31.12.2016 and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 21.50% for 31.12.2015 & 20.75% for 31.12.2016 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	11,715,608	13,591,067
Actual reserve maintained	25,831,749	19,205,033
Surplus	**14,116,141**	**5,613,966**
(b) Statutory Liquidity Ratio (SLR)		
Required reserve	297,935,158	283,965,610
Actual reserve maintained	422,292,782	406,787,241
Surplus	**124,357,623**	**122,821,632**
Total required reserve	309,650,766	297,556,677
Total actual reserve held	448,124,531	425,992,275
Total surplus	**138,473,765**	**128,435,598**

4. Balance with other banks and financial institutions

In Bangladesh	(Note: 4.1)	2,531,704,237	2,159,121,205
Outside Bangladesh	(Note: 4.2)	2,025,730,721	2,551,882,052
		4,557,434,958	**4,711,003,257**

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

In Bangladesh	2,624,288,364	2,196,851,448
Outside Bangladesh (Nostro Accounts)	2,030,714,143	2,555,849,680
	4,655,002,507	**4,752,701,128**

	31.12.2016 Taka	31.12.2015 Taka
4.1 In Bangladesh		
Current Deposits		
Standard Chartered Bank, Dhaka City Centre Branch	2,913,073	3,753,023
Agrani Bank Ltd., VIP Road Branch, Sylhet	7,010	3,779
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	7,000,534	30,000,534
Janata Bank Ltd., Jessore Branch	60,463	4,810
Agrani Bank Ltd., Mymensingh Branch	47,350	29,490,600
Trust Bank Ltd., Mymensingh Branch	87,774	6,096,580
Janata Bank Ltd., Corporate Branch, Bogra	38,685	88,791
Rupali Bank Ltd., Bogra Branch	10,175	24,410
Agrani Bank Ltd., Thana Road Branch, Bogra	41,322,566	15,090,109
RAKUB, Bogra Branch	11,339	21,220
Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi	5,000	5,230
Janata Bank Ltd., Rajshahi Branch	5,000	5,000
IFIC Bank Ltd., Rajshahi Branch	-	265
Rupali Bank Ltd., Rajshahi Branch	7,925	10,575
Janata Bank Ltd., Rangpur Branch	17,305,223	52,021,549
RAKUB, Rangpur Branch	109,593	110,168
Rupali Bank Ltd., Rangpur Branch	691,095	16,765
Janata Bank Ltd., Chapai Nawabganj Branch	13,919	1,216
Agrani Bank Ltd., Brahmanbaria Branch	270	2,930
	69,679,155	**136,789,715**
Special Notice Deposits		
Agrani Bank Ltd., Rangpur Branch	22,587,987	66,508,857
Agrani Bank Ltd., Saidpur Branch	3,892	12,657
Agrani Bank Ltd., VIP Road Branch, Sylhet	23,939	34,026
Agrani Bank Ltd., Bogra Branch	7,530	7,530
Agrani Bank Ltd., Pabna Branch	1,000	1,000
Janata Bank Ltd., Pabna Branch	1,000	1,000
Agrani Bank Ltd., Jhikargachha Branch	23,059,512	24,428,851
Agrani Bank Ltd., Sirajgonj Branch	18,858,257	-
RAKUB, Sirajgonj Branch	1,425	-
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna	45,595	1,691
Agrani Bank Ltd., Naogaon Branch	15,571,462	4,133,689
Agrani Bank Ltd., Jessore Branch	5,031,193	8,595
Agrani Bank Ltd., Moulvi Bazar Branch	2,540,180	12,757,552
Agrani Bank Ltd., Satkhira Branch	9,443	10,018
Southeast Bank Ltd., Principal Branch	48,120	48,120
Agrani Bank Ltd., Principal Branch, Dhaka	668	189
Agrani Bank Ltd., Barisal Branch	31,542	37,554
Bangladesh Krishi Bank, Barisal Branch	42,691	90,425
Janata Bank Ltd., Barisal Branch	5,142	4,953
Standard Chartered Bank, Dhaka City Centre Branch	1,039,533	1,041,033
Islami Bank Bangladesh Ltd., Head Office Complex Corporate Br.	527,037	515,815
Bank Asia Ltd., Islami Banking Window, Shantinagar Branch	40,222	41,647
First Security Islami Bank Ltd, Dilkusha Br.	158,321	156,386
Al-Arafah Islami Bank Ltd, Dilkusha Branch	333,306,075	3,100,111
Shahjalal Islami Bank Ltd, Dhaka Main Branch	165,961	80,630
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka	89,319	88,303
Bank Alfalah Ltd, Main Branch, Dhaka	250,000,000	254,112,588
Southeast Bank Ltd., Motijheel Branch (Islami Banking)	2,473,793	5,729,315
ICB Islamic Bank Ltd., Principal Br, Motijheel	139,688	29,993,421
Agrani Bank Ltd., Islami Banking Window, Amin Court Corp. Br.	3,878,505	298,831,582
Jamuna Bank Ltd. Nayabazar Islami Banking Br.	14,665	150,207,721
Union Bank Ltd., Dilkusha Branch	6,758	8,083
	679,710,453	**851,993,342**

	31.12.2016 Taka	31.12.2015 Taka
Savings Deposits		
Social Islamic Bank Ltd. Principal Branch	2,008,758	160,982
EXIM Bank Ltd, Motijheel Branch	305,873	177,168
	2,314,630	**338,149**
Fixed Deposits		
Hajj Finance Company Ltd.	230,000,000	90,000,000
Social Islami Bank Ltd.	700,000,000	400,000,000
Phoenix Finance and Investment Ltd.	200,000,000	100,000,000
ICB Islamic Bank Ltd.	-	150,000,000
Islamic Finance & Investment Ltd.	100,000,000	30,000,000
Union Capital Ltd.	150,000,000	-
IDLC Finance Ltd.	150,000,000	150,000,000
IIDFC	150,000,000	150,000,000
Peoples Leasing	100,000,000	100,000,000
	1,780,000,000	**1,170,000,000**
	2,531,704,237	**2,159,121,205**

4.1(a) Consolidated In Bangladesh

AB Bank Limited	2,531,704,237	2,159,121,205
AB Investment Limited	589,394	407,792
AB International Finance Limited	-	-
AB Securities Limited	301,781,150	165,337,954
Cashlink Bangladesh Limited (CBL)	35,129,817	2,541,951
AB Exchange (UK) Ltd.	-	-
	2,869,204,598	**2,327,408,902**
Less: Inter company transaction	244,916,234	130,557,454
	2,624,288,364	**2,196,851,448**

4.2 Outside Bangladesh

Current Deposits		
The Bank of Tokyo Mitsubishi Limited	1,517,399	2,346,493
HSBC AUST	-	1,964,146
JP Morgan Chase Bank	66,606,161	289,365,303
Sonali Bank (Kolkata)	4,419,042	3,214,619
Sonali Bank (UK) Limited USD	34,651,846	61,274,722
Sonali Bank (UK) Limited GBP	14,327	2,908,780
Myanmar Economic Bank	32,272	32,185
Citibank NA	15,969,528	58,242,176
Hatton National Bank Limited	3,582,419	6,100,873
Commerz Bank AG	27,564,966	52,995,482
NIB Bank Limited	7,467,975	11,115,678
Mashreq Bank Psc	56,562,687	65,780,113
Nepal Bangladesh Bank Limited	1,417,764	1,705,203
Bank of Bhutan	7,409,209	1,896,107
HABIB Zuric	1,012,020	2,102,504
Wachovia Bank/Wells Fargo N.A	232,728,906	113,483,885
Habib America Bank	34,895,134	50,804,395
Commerz Bank AG	11,002,073	56,399,858
Hypovereins Bank	16,085,422	4,314,679
Habib Metro Bank	29,493,069	43,348,031
Habib Bank AG(AED)	295,963	494,717
COMMERZ BK CAD	3,614,893	5,257,648
COMMERZ BK CHF	4,198,199	2,916,759
HSBC NY (OBU)	-	14,423,769

	31.12.2016 Taka	31.12.2015 Taka
JPMC NY-OBU	102,727,497	978,429
Commerz Bank (R)-OBU	19,479	-
HSBC New York	-	173,528,238
Reserve Bank of India	25,831,749	19,205,033
HDFC BANK CSGL	264,968	125,063
HDFC Bank Limited	40,875,802	45,616,872
Commerz Bank AG (Euro)	-	3,756,767
Commerz Bank AG (ACU)	-	9,167,230
Kotak Mahindra Bank	61,554,263	65,991,225
HSBC (USD)	-	7,445,573
HSBC (ACUD)	-	690,660,468
Habib American Bank Limited	3,303,805	41,322,812
Habib Bank	2,963,103	-
Habib Bank ACU	1,744,326	-
JP CHASE ACU	1,087,748,226	-
Habib Sons Bank	1,593,766	42,990,297
Standard Chartered Bank, NY, USA	37,347,945	86,167,373
Standard Chartered Bank, Singapore	1,721,935	5,091,531
Standard Chartered Bank, UK, GBP	4,491,311	4,050,657
HABIB UK, GBP	1,532,647	3,808,784
HABIB UK, USD	45,922,344	56,579,791
JP Morgan Chase Bank	45,546,283	442,907,785
(Details are given in **Annex - A**)	**2,025,730,721**	**2,551,882,052**

4.2 (a) Consolidated Outside Bangladesh (Nostro Accounts)

AB Bank Limited	2,025,730,721	2,551,882,052
AB Investment Limited	-	-
AB International Finance Limited	6,443,952	20,473,829
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	116,291
	2,032,174,673	2,572,472,172
Less: Inter company transactions	1,460,530	16,622,492
	2,030,714,143	**2,555,849,680**

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

Current deposits	2,095,409,877	2,688,673,767
Savings deposits	2,314,630	338,149
Short-Notice Deposits	679,710,453	851,991,342
Fixed deposits	1,780,000,000	1,170,000,000
	4,557,434,958	**4,711,003,257**

		31.12.2016 Taka	31.12.2015 Taka
4.4	**Maturity grouping of balance with other banks**		
	Repayable – on demand	2,095,409,877	2,688,673,767
	– up to 3 months	2,132,025,082	1,982,329,491
	– over 3 months but below 1 year	330,000,000	40,000,000
	– over 1 year but below 5 years	-	-
	– over 5 years	-	-
		4,557,434,958	**4,711,003,257**
5.	**Money at call and on short notice**		
	In Bangladesh (Note: 5.1)	5,636,133,300	2,712,507,500
	Outside Bangladesh (Note: 5.2)	2,689,738,204	2,571,829,505
		8,325,871,504	**5,284,337,005**
5.1	**In Bangladesh**		
	With banking companies		
	Local Currency:		
	Mercantile Bank Limited	1,000,000,000	-
	NRB Commercial Bank Limited	400,000,000	-
	National Bank Limited	1,000,000,000	-
	NRB Global Bank Limited	100,000,000	
	Jamuna Bank Limited	500,000,000	
	Basic Bank Limited	1,000,000,000	-
		4,000,000,000	**-**
	Foreign Currency:		
	Eastern Bank Limited	236,133,300	392,501,500
	Islami Bank Bangladesh Limited	-	1,570,006,000
		236,133,300	**1,962,507,500**
	With non-banking financial institutions		
	Prime Finance & Investment Ltd.	150,000,000	50,000,000
	Bay Leasing and Investment Limited	100,000,000	50,000,000
	Industrial and Infrastructure Development Finance Company (IIDFC)	-	100,000,000
	GSP Finance	100,000,000	-
	Lanka Bangla	200,000,000	-
	Delta Brac Housing	250,000,000	-
	Union Capital	150,000,000	-
	People's Leasing and Financial Services Ltd.	-	100,000,000
	International Leasing & Financial Services Ltd.	450,000,000	450,000,000
		1,400,000,000	**750,000,000**
		5,636,133,300	**2,712,507,500**
	At short notice	-	-
	On calls and placements		
	Eastern Bank Limited	236,133,300	392,501,500
	Islami Bank Bangladesh Limited	-	1,570,006,000
	Mercantile Bank Limited	1,000,000,000	-
	NRB Commercial Bank Limited	400,000,000	-
	National Bank Limited	1,000,000,000	-
	NRB Global Bank Limited	100,000,000	-
	Jamuna Bank Limited	500,000,000	-
	Basic Bank Limited	1,000,000,000	-
	GSP Finance	100,000,000	-
	Lanka Bangla	200,000,000	-
	Delta Brac Housing	250,000,000	-
	Union Capital	150,000,000	-
	Industrial and Infrastructure Development Finance Company (IIDFC)	-	100,000,000
	Prime Finance & Investment Ltd.	150,000,000	50,000,000
	Bay Leasing & Investment Limited	100,000,000	50,000,000
	People's leasing and financial services Limited	-	100,000,000
	International Leasing & Financial Services Limited	450,000,000	450,000,000
		5,636,133,300	**2,712,507,500**

5.2	**Outside Bangladesh**	-	-
	Pinnacle Global Fund Pte Limited	1,520,308,045	1,570,006,000
	AB International Finance Limited	692,657,680	717,492,742
	Kotak Mahindra Bank	93,789,706	106,254,000
	Abu Dhabi Commercial Bank	34,736,928	-
	HDFC Bank Limited	348,245,845	178,076,763
		2,689,738,204	**2,571,829,505**
5(a)	**Consolidated money at call and on short notice**		
	AB Bank Limited	8,325,871,504	5,284,337,005
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
	AB Exchange (UK) Limited	-	-
		8,325,871,504	**5,284,337,005**
	Less: Inter-group transaction	(692,657,680)	(717,492,742)
		7,633,213,824	**4,566,844,263**
6.	**Investments**	**46,666,898,817**	**32,559,141,564**
	Nature wise (Bangladesh Operation):		
	Held for Trading	14,878,994,246	9,057,448,852
	Held to Maturity	26,772,534,816	18,599,744,739
	Others	4,593,076,974	4,495,160,732
		46,244,606,036	**32,152,354,323**
	Nature wise (Mumbai Branch):		
	Held for Trading/Available for Sale	168,382,569	192,159,840
	Held to Maturity	253,910,212	214,627,402
	Others	-	-
		422,292,782	**406,787,241**
	Claim wise:	-	
	Government securities (Note: 6.1)	41,903,780,261	27,900,211,389
	Other investments (Note: 6.2)	4,763,118,556	4,658,930,176
		46,666,898,817	**32,559,141,564**
6 (a)	**Consolidated investments**		
	AB Bank Limited	46,666,898,817	32,559,141,564
	AB International Finance Limited	-	-
	AB Investment Limited	721,255,054	686,571,505
	AB Securities Limited	172,865,988	168,598,202
	Cashlink Bangladesh Limited (CBL)	431,639	23,506,275
	AB Exchange (UK) Ltd.	-	-
		47,561,451,498	**33,437,817,546**
6.1	**Government securities**		
	Treasury bills	3,099,601,719	-
	Treasury bonds	38,551,927,342	27,657,193,589
	Bangladesh Bank Islami Investment bonds	248,500,000	240,000,000
	Prize bonds	3,751,200	3,017,800
		41,903,780,261	**27,900,211,389**
6.1.1	**Maturity wise Treasury Bills & Bonds**		
(a)	30 Days Bangladesh Bank Bill	**-**	**-**
(b)	**Treasury Bill**		
	(i) 91 Days Treasury Bill	-	-
	(ii) 182 Days Treasury Bill	89,883,720	-
	(iii) 364 Days Treasury Bill	3,009,717,999	-
	Total Treasury Bill	**3,099,601,719**	**-**

		31.12.2016 Taka	31.12.2015 Taka
(c)	**Treasury Bond**		
	(i) 02 Years Treasury Bond	2,754,212,762	1,376,476,025
	(ii) 05 Years Treasury Bond	4,244,212,683	3,829,558,681
	(iii) 10 Years Treasury Bond	19,015,316,652	13,287,209,326
	(iv) 15 Years Treasury Bond	6,914,912,645	4,792,573,141
	(v) 20 Years Treasury Bond	5,623,272,600	4,371,376,416
	Total Treasury Bond	**38,551,927,343**	**27,657,193,589**
	Total (a)+(b)+(c)	**41,651,529,062**	**27,657,193,589**
6.1(a)	**Consolidated Government securities**		
	AB Bank Limited	41,903,780,261	27,900,211,389
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
	AB Exchange (UK) Ltd.	-	-
		41,903,780,261	**27,900,211,389**
6.2	**Other investments**		
	Shares	4,275,825,774	4,132,142,935
	Bond	65,000,000	120,000,000
		4,340,825,774	**4,252,142,935**
	Investments -ABBL, Mumbai Branch		
	Treasury bills	422,292,782	406,787,241
	Debentures and Bonds	-	-
		422,292,782	**406,787,241**
	Total Other investments	**4,763,118,556**	**4,658,930,176**
6.2 (a)	**Consolidated other investments**		
	AB Bank Limited	4,763,118,556	4,658,930,176
	AB Investment Limited	721,255,054	686,571,505
	AB International Finance Limited	-	-
	AB Securities Limited	172,865,988	168,598,202
	Cashlink Bangladesh Limited (CBL)	431,639	23,506,275
	AB Exchange (UK) Ltd.	-	-
		5,657,671,237	**5,537,606,158**
6.2.1	**Investments in shares**		
	Quoted (Publicly Traded)	4,044,554,844	3,900,872,005
	Unquoted	231,270,930	848,006,845
		4,275,825,774	**4,748,878,849**
	Details are given in **Annexure-B**		
6.2.2	**Investment in subordinated bonds**		
	Prime Bank Limited	45,000,000	90,000,000
	Trust Bank Limited	20,000,000	30,000,000
		65,000,000	**120,000,000**
6.3	**Maturity grouping**		
	Repayable – on demand	-	-
	– upto 3 months -	5,564,780,980	836,521,967
	– over 3 months but below 1 year -	4,450,983,640	5,929,296,131
	– over 1 year but below 5 years	13,545,313,989	7,839,516,342
	– over 5 years -	23,105,820,209	17,953,807,124
		46,666,898,818	**32,559,141,564**

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

a.(i) Disclosure regarding outstanding Repo as on December 31, 2016:

Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
Janata Bank Limited	29/Dec/16	01/Jan/17	3,248,038,900
National Bank Limited	29/Dec/16	01/Jan/17	990,677,600
Total			**4,238,716,500**

(ii) Disclosure regarding outstanding Reverse Repo as on December 31, 2016:

Counter party name	Agreement Date	Reversal Date	Amount (1st leg cash consideration)
NIL	N/A	N/A	N/A

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

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) with other banks & FIS	-	7,024,910,000	1,163,388,852
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	NIL	NIL
ii) from other banks & FIS	-	3,221,953,443	374,898,758

	31.12.2016 Taka	31.12.2015 Taka
7. Loans, advances and lease/investments	**218,769,451,248**	**209,725,203,268**
7.1 Maturity grouping		
Repayable – on demand	7,483,816,192	4,099,228,662
– upto 3 months	76,286,162,255	85,394,625,460
– over 3 months but below 1 year	95,569,461,888	83,823,390,835
– over 1 year but below 5 years	34,298,354,326	34,627,758,562
– over 5 years	5,131,656,587	1,780,199,748
	218,769,451,248	**209,725,203,268**
7.2 Broad category-wise breakup		
In Bangladesh		
Loans	196,098,211,776	186,497,250,636
Overdrafts	21,894,121,995	21,933,481,587
Cash credits	-	-
	217,992,333,771	**208,430,732,223**
Outside Bangladesh: ABBL, Mumbai Branch		
Loans	127,607,382	118,274,428
Overdrafts	2,657,760	172,003
Cash credits	13,807,503	15,942,426
	144,072,646	134,388,856
	218,136,406,416	**208,565,121,079**

	31.12.2016 Taka	31.12.2015 Taka
7.3 Product wise Loans and Advances		
Overdraft	21,896,779,755	21,933,653,590
Cash Credit	13,807,503	15,942,426
Time loan	57,816,781,042	62,722,556,379
Term loan	119,784,568,627	105,476,350,097
Bills under LC	207,109,508	238,473,847
Trust Receipt	9,162,163,925	10,158,011,199
Packing credit	212,208,534	436,274,437
Loan against accepted bills	2,930,851,022	4,924,495,085
Loan-EDF	3,205,905,915	-
Consumer Loan	1,402,328,120	1,370,222,178
Staff Loan	1,503,902,463	1,289,141,842
Bills Purchased & Discounted	633,044,832	1,160,082,188
	218,769,451,248	**209,725,203,268**
7.4 Net loans, advances and lease/investments		
Gross loans and advances	218,769,451,248	209,725,203,268
Less:		
Interest suspense	10,459,867,308	6,071,639,588
Provision for loans and advances	6,605,083,960	4,714,778,454
	17,064,951,268	10,786,418,042
	201,704,499,980	**198,938,785,226**
7.5 Significant concentration		
Advances to industries	103,892,254,569	102,402,047,046
Advances to customer groups	114,877,038,550	107,323,060,171
Advances to allied concerns of Directors	-	-
Advances to Chief Executive	158,129	96,051
	218,769,451,248	**209,725,203,268**
7.6 Advances to customers for more than 10% of Bank's total capital		
Total capital of the Bank	**30,640,391,090**	**28,332,822,072**
Number of clients	29	34
Amount of outstanding advances	81,708,700,000	74,749,500,000
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable
7.7 Industry-wise loans, advances and lease/investments		
Agriculture	3,116,265,264	2,058,247,212
Large and medium scale industry	64,053,600,000	64,732,262,241
Working capital	38,301,100,000	36,768,278,195
Export	3,722,200,000	921,400,000
Commercial lending	52,550,500,000	56,041,600,000
Small and cottage industry	1,537,400,000	901,506,610
Others	55,488,385,984	48,301,909,009
	218,769,451,248	**209,725,203,268**
7.8 Geographical location-wise (division) distribution		
In Bangladesh		
Urban Branches		
Dhaka	154,911,059,292	137,272,287,598
Chittagong	45,824,548,751	53,176,711,427
Khulna	4,787,526,569	5,155,594,729
Sylhet	2,083,030,726	2,288,244,147
Barisal	247,632,983	291,274,020
Rajshahi	3,637,345,158	4,055,184,742
Rangpur	3,903,431,024	3,807,632,601
Mymensingh	947,782,315	898,609,694
	216,342,356,818	**206,945,538,959**

	31.12.2016 Taka	31.12.2015 Taka
Rural Branches		
Dhaka	1,405,596,596	1,435,259,973
Chittagong	504,644,774	480,644,102
Khulna	-	-
Sylhet	47,546,256	66,005,026
Barisal	-	-
Rajshahi	-	-
Rangpur	-	-
Mymensingh	-	-
	1,957,787,626	1,981,909,101
Outside Bangladesh		
ABBL, Mumbai Branch	469,306,804	797,755,207
	218,769,451,248	**209,725,203,268**

7.9 Classification of loans, advances and lease/investments

In Bangladesh		
Unclassified		
Standard	191,153,443,332	194,703,648,060
Special Mention Account	15,903,500,316	7,715,500,000
	207,056,943,648	202,419,148,060
Classified		
Sub-Standard	1,236,200,000	266,500,000
Doubtful	1,175,345,000	241,200,000
Bad/Loss	8,831,655,796	6,000,600,000
	11,243,200,796	6,508,300,000
	218,300,144,444	**208,927,448,060**
Outside Bangladesh-Mumbai Branch		
Unclassified Loan	347,689,566	686,976,757
Classified Loan	121,617,238	110,778,451
	469,306,804	**797,755,207**
	218,769,451,248	**209,725,203,268**

7.10 Particulars of Loans, advances and lease/investments

(i)	Loans considered good in respect of which the Bank is fully secured	204,625,033,550	188,714,991,048
(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	14,144,417,698	21,010,212,219
(iv)	Loans adversely classified but provision not maintained there against	-	-
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,503,902,463	1,289,141,842
(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)]	1,503,902,463	1,292,195,879

		31.12.2016 Taka	31.12.2015 Taka
(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)	1,947,800,261	1,092,961,223
	(b) Amount of loan written off	3,039,972,301	1,830,740,429
	(c) Amount realised against loan previously written off	23,892,175	67,170,000
	(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	2,108,653,374	2,465,200,000
	(e) Interest creditable to interest suspense account	5,145,548,468	3,719,575,575
(xi)	Written off loan:		
	Openning written off loan	9,019,658,429	7,188,918,000
	Add: Written off during the year	3,039,972,301	1,830,740,429
	Cummulative Written off loans	12,059,630,730	9,019,658,429
	Less: Adjustments/ recoveries/ Settlement up to the period	3,062,264,760	2,899,594,000
	Closing Balance of Written off loan	8,997,365,970	6,120,064,429
	The amount of written off loans for which lawsuits have been filed for its recovery	8,989,538,956	6,113,171,556

7.10 (a) The amount represents loans Tk. 1,503,902,463 due by the employees of the Bank.

7.11 Securities wise Loans, advances and lease/investments

Nature of security

Collateral of movable/immovable assets	178,714,611,427	167,374,155,209
Cash collateral	4,374,830,636	5,830,295,248
Banks and financial institutions guarantee	632,913,831	1,160,082,188
Personal guarantee	10,167,850,166	10,499,990,839
Corporate guarantee	3,976,567,532	3,079,575,524
Other securities	20,902,677,657	21,781,104,259
	218,769,451,249	**209,725,203,267**

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

AB Bank Limited	218,136,406,416	208,565,121,079
AB Investment Limited	7,229,768,195	6,990,517,740
AB International Finance Limited	-	-
AB Securities Limited	957,742,708	990,300,833
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	226,323,917,319	**216,545,939,652**
Less: Inter company transaction	1,299,950,122	2,254,231,326
	225,023,967,197	**214,291,708,326**

7.12 Large Loan Restructuring

Bank has restructured some loans and advances by complying with the Bangladesh Bank, BRPD Circular No. 04, dated January 29, 2015. Restructured loan details of the Bank has given below:

Name of the Client	Loan Type	Expiry Date	Amount in Taka
Beximco Ltd.	Corp-Term	June 29, 2022	133,202,252
Abdul Monem Sugar	Corp-Term	December 22, 2021	499,974,836
Beximco Ltd.	Corp-Term	June 26, 2028	986,410,417
R & R Aviation Limited	Corp-Term	December 23, 2027	89,016,931
BEL Construction SDN BHD Ltd	SME-Term	September 30, 2021	511,433,309
BEL Construction SDN BHD Ltd	SME-Term	September 30, 2027	3,626,482,154
Bangladesh Export Import Co. Ltd	Corp-Term	June 29, 2022	546,673,143
International Knitwear & Apparels Ltd	Corp-Term	June 29, 2028	728,798,282
New Dacca Industries Ltd	Corp-Term	June 29, 2028	771,706,013
New Dacca Industries Ltd	Corp-Term	June 29, 2022	2,695,176,302
R & R Holdings	Corp-Term	December 22, 2027	2,644,554,796
			13,233,428,436

		31.12.2016 Taka	31.12.2015 Taka
8	**Bills purchased and discounted**		
	In Bangladesh	307,810,673	496,715,837
	Outside Bangladesh - ABBL, Mumbai Branch	325,234,158	663,366,351
		633,044,832	**1,160,082,188**
8 (a)	**Consolidated Bills purchased and discounted**		
	AB Bank Limited	633,044,832	1,160,082,188
	AB Investment Limited	-	-
	AB International Finance Limited	889,489,205	913,089,613
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
	AB Exchange (UK) Ltd.	-	-
		1,522,534,037	**2,073,171,801**
8.1	**Maturity grouping**		
	Repayable – within 1 month	273,275,308	280,039,913
	– over 1 month but within 3 months	173,851,736	602,134,186
	– over 3 months but within 6 months	138,487,586	277,908,089
	– over 6 months	47,430,201	-
		633,044,831	**1,160,082,188**
9.	**Fixed assets including premises, furniture and fixtures**		
	Cost:		
	Land and Building	3,341,682,082	3,341,682,082
	Furniture and fixtures	244,966,861	230,635,936
	Office appliances	60,825,847	62,729,842
	Electrical appliances	1,558,912,484	1,489,025,807
	Motor vehicles	680,140,745	581,049,757
	Intangible Assets	594,165,723	571,059,066
		6,480,693,743	6,276,182,491
	Less: Accumulated depreciation and amortization	2,400,316,308	2,075,309,724
		4,080,377,435	**4,200,872,767**

A schedule of fixed assets is given in **Annexure-C**

9(a)	**Consolidated Fixed assets including premises, furniture and fixtures**		
	Cost:		
	AB Bank Limited	6,480,693,743	6,276,182,491
	AB Investments Limited	683,616,541	682,564,941
	AB International Finance Limited	7,889,183	7,717,176
	AB Securities Limited	30,284,145	29,343,095
	Cashlink Bangladesh Limited (CBL)	81,471,360	81,471,358
	AB Exchange (UK) Ltd.	-	15,274,525
		7,283,954,972	7,092,553,586

	31.12.2016 Taka	31.12.2015 Taka
Accumulated depreciation:		
AB Bank Limited	2,400,316,308	2,075,309,724
AB Investments Limited	86,449,029	68,747,827
AB International Finance Limited	7,728,873	7,626,814
AB Securities Limited	27,126,913	25,826,906
Cashlink Bangladesh Limited (CBL)	81,366,850	81,294,170
AB Exchange (UK) Ltd.	-	14,204,328
	2,602,987,972	2,273,009,770
	4,680,967,000	**4,819,543,816**

10 Other Assets:

Income generating-Equity Investment

In Bangladesh:

AB Investment Limited (99.99% owned subsidiary company of ABBL)	5,811,431,750	2,800,000,000
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
	6,223,910,978	3,212,479,228

Outside Bangladesh:

AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
AB Exchange (UK) Limited (wholly owned subsidiary company of ABBL)	-	50,423,392
Investment in Amana Bank Limited as Associates	439,683,073	616,735,915
	444,887,018	672,363,251
	6,668,797,996	**3,884,842,479**

Non-income generating

Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Share Money Deposits - AB Investment Limited	-	2,199,999,000
Deferred Tax (Note:10.01)	2,312,064,286	1,428,252,732
Accounts receivable	889,650,552	1,058,534,763
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	805,559,950	644,563,195
Exchange for clearing	570,641,969	1,044,718,906
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	1,026,651,535	791,115,465
Security deposits	159,266,370	166,089,818
Advance rent and advertisement	246,555,630	233,138,317
Stationery, stamps, printing materials, etc.	28,476,396	25,237,828
Inter-branch adjustment	621,590	-
	6,059,408,278	**7,611,570,024**
	12,728,206,273	**11,496,412,503**

		31.12.2016 Taka	31.12.2015 Taka
10(a)	**Consolidated Other assets**		
	AB Bank Limited	12,728,206,273	11,496,412,503
	AB Investment Limited	56,699,559	34,254,324
	AB International Finance Limited	23,437,029	4,603,844
	AB Securities Limited	32,836,258	14,920,190
	Cashlink Bangladesh Limited (CBL)	30,917,320	30,222,875
	AB Exchange (UK) Ltd.	-	2,158,232
		12,872,096,439	**11,582,571,968**
	Less: Inter-group transaction	6,488,188,273	5,620,098,722
		6,383,908,169	**5,962,473,246**
10.01	**Deferred Tax Assets**		
	a) Deferred tax assets for specific provisions of loans and advances		
	Opening Deferred Tax (Assets)/Liabilities	**1,561,348,994**	**1,156,529,394**
	Add. Deferred Tax Income during the year (Tax @ 40% on Specific provision made during the year Tk. 2,180,414,736 & last year Tk. 1,012,049,000)	872,165,895	404,819,600
	Closing Deferred Tax Assets	**2,433,514,888**	**1,561,348,994**
	b) Deferred tax liabilities against Property, Plant & Equipment		
	Balance at 01 January	133,096,262	136,219,062
	Add/(less): Provision made during the year	(11,504,515)	(3,382,036)
	Add/(Less): Adjustment for Rate Fluctuation during the year	(141,145)	259,236
	Closing Deferred Tax Liabilities	**121,450,602**	**133,096,262**
	Net Deferred Tax Assets (a-b)	**2,312,064,286**	**1,428,252,732**
	Net Deferred Tax Income during the year	**883,670,410**	**407,942,400**
11.	**Borrowings from other banks, financial institutions and agents**		
	In Bangladesh (Note: 11.1)	9,941,690,524	14,281,704,120
	Outside Bangladesh (Note: 11.2)	5,512,731,619	9,411,640,189
		15,454,422,143	**23,693,344,309**
11.1	**In Bangladesh:**		
11.1.1	**Bangladesh Bank**		
	ADB loan	890,625	6,334,875
	Export Development Fund	2,961,842,309	-
	Islamic Investment Bond	-	-
	Refinance against IPFF	372,713,265	354,656,325
	Refinance against Women Entr., Small Enterprise, ETP & Others	321,659,394	117,366,398
		3,657,105,593	**478,357,598**
11.1.2	**Call & Term Borrowing from**		
	Basic Bank Limited	-	400,000,000
	Dutch Bangla Bank Limited	792,450,236	2,714,640,637
	CITI Bank NA	220,000,000	220,000,000
	Agrani Bank Limited	393,555,500	150,000,000
	Prime Bank Limited	800,000,000	700,000,000
	One Bank Limited	-	300,000,000
	HSBC	-	300,000,000
	Sonali Bank Limited	-	290,000,000
	Bank Asia Limited	-	1,400,000,000

	31.12.2016 Taka	31.12.2015 Taka
Call & Term Borrowing from (cont..)		
Mutual Trust Bank Limited	-	190,000,000
National Bank Limited	900,000,000	892,501,500
Premier Bank Limited	-	795,170,510
NCC Bank Limited	-	500,000,000
Uttara Bank Limited	-	892,501,500
Habib Bank Limited	79,236,934	79,010,552
Southeast Bank Limited	712,722,451	392,891,276
Bank Al Falah	196,777,750	157,000,600
Dhaka Bank Limited	1,187,290,259	392,501,500
Pubali Bank Limited	-	-
Trust Bank Limited	1,000,000,000	-
Brac Bank Limited	-	1,394,324,451
United Commercial Bank Limited	-	1,000,000,000
Commercial Bank of Ceylon	-	628,002,400
Accrued interest	1,447,372	14,801,596
Accrued Interest Repo Other Bank	1,104,429	-
	6,284,584,931	**13,803,346,522**
	9,941,690,524	**14,281,704,120**

11.2 Outside Bangladesh

Sonali Bank UK	495,452,954	598,215,467
ICICI BK LTD, HK	-	1,729,347,653
International Finance Corporation	-	2,752,715,811
Banca UBAE, Italy	395,436,258	-
Noor Bank Limited	3,940,519,398	4,331,361,258
RAK BANK	681,323,009	-
	5,512,731,619	**9,411,640,189**

Schedule of Borrowings from other banks, financial institutions and agents outside Bangladesh is given in **Annex - D.**

11.3 Analysis by security

Secured (assets pledge as security for liabilities)	-	-
Unsecured	15,454,422,143	23,693,344,309
	15,454,422,143	**23,693,344,309**

11.4 Repayment pattern

Repayable on demand		1,120,000,000	3,500,000,000
Repayable on maturity	(Note: 11.4.1)	14,334,422,143	20,193,344,309
		15,454,422,143	**23,693,344,309**

11.4.1 Repayable on maturity

Bangladesh Bank refinance:		
ADB loan	890,625	6,334,875
Export Development Fund	2,961,842,309	-
Refinance against IPFF	372,713,265	354,656,325
Refinance against Women Entr., Small Enterprise, ETP & Others	321,659,394	117,366,398
	3,657,105,593	**478,357,598**
Term borrowings:		
International Finance Corporation	-	2,752,715,811
Trust Bank Limited	1,000,000,000	-
Agrani Bank Limited	393,555,500	-
South East Bank Limited	712,722,451	-
First Gulf Bank	-	-
Commercial Bank of Ceylon	-	628,002,400
Uttara Bank Limited	-	892,501,500
Bank Al Falah	196,777,750	157,000,600
National Bank Limited		892,501,500

	31.12.2016 Taka	31.12.2015 Taka
Term borrowings (cont..):		
Dhaka Bank Limited	1,187,290,259	392,501,500
Bank Asia Limited	-	800,000,000
Premier Bank Limited	-	795,170,510
Prime Bank Limited	800,000,000	400,000,000
NCC Bank Limited	-	500,000,000
Habib Bank Limited	79,236,934	79,010,552
Southeast Bank Limited	-	392,891,276
Meghna Bank Limited	-	-
Brac Bank Limited	-	1,394,324,451
United Commercial Bank Limited	-	1,000,000,000
Dutch Bangla Bank Ltd	792,450,236	1,964,640,637
BANCA UBAE SPA	395,436,258	-
RAK Bank	681,323,009	-
Sonali Bank UK	495,452,954	598,215,467
ICICI BK LTD,HK	-	1,729,347,653
Al-Noor Bank Limited	3,940,519,398	4,331,361,258
Accrued interest	2,551,802	14,801,596
	10,677,316,550	**19,714,986,711**
	14,334,422,143	**20,193,344,309**

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

AB Bank Limited	15,454,422,143	23,693,344,309
AB Investment Limited	1,207,273,365	2,132,209,626
AB International Finance Limited	692,242,365	717,810,985
AB Securities Limited	253,621,766	284,303,246
Cashlink Bangladesh Limited (CBL)	-	106,741,029
AB Exchange (UK) Ltd.	-	-
	17,607,559,639	26,934,409,195
Less: Intercompany transactions	1,849,804,163	2,835,810,411
	15,757,755,476	**24,098,598,784**

12. AB Bank Subordinated Bond

AB Bank Subordinated Bond-I	2,500,000,000	2,500,000,000
AB Bank Subordinated Bond-II	4,000,000,000	4,000,000,000
	6,500,000,000	**6,500,000,000**

AB Bank Subordinated Bonds

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

BRAC	1,000,000,000	1,000,000,000
Sonali Bank Limited	1,500,000,000	1,500,000,000
Agrani Bank Limited	1,000,000,000	1,000,000,000
Midland Bank Limited	200,000,000	200,000,000
BRAC Bank Limited	400,000,000	400,000,000
NRB Commercial Bank Limited	100,000,000	100,000,000
Mutual Trust Bank Limited	80,000,000	80,000,000
Grameen Capital Management Limited	20,000,000	20,000,000
Rupali Bank Limited	1,000,000,000	1,000,000,000
Janata Bank Limited	500,000,000	500,000,000
NRB Commercial Bank Limited	300,000,000	300,000,000
Uttara Bank Limited	300,000,000	300,000,000
National Life Insurance Co. Ltd.	100,000,000	100,000,000
	6,500,000,000	**6,500,000,000**

	31.12.2016 Taka	31.12.2015 Taka
13. Deposit and other accounts		
Inter-bank deposits	4,681,805,278	3,718,566,487
Other deposits	240,958,977,631	210,100,339,012
	245,640,782,909	**213,818,905,499**
13(a) Consolidated Deposit and other accounts		
AB Bank Limited	245,640,782,909	213,818,905,500
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	245,640,782,909	213,818,905,500
Less: Inter-group transaction	246,378,489	147,181,662
	245,394,404,421	**213,671,723,838**
13.1 Maturity analysis of inter-bank deposits		
Repayable – on demand	1,323,228,968	3,115,609,157
– within 1 month	3,338,175,477	568,375,673
– over 1 month but within 3 months	-	34,581,657
– over 3 months but within 1 period	20,400,833	-
– over 1 period but within 5 periods	-	-
– over 5 periods but within 10 periods	-	-
– over 10 periods	-	-
	4,681,805,278	**3,718,566,487**
13.2 Maturity analysis of other deposits		
Repayable – on demand	3,408,558,336	200,184,005
– within 1 month	23,157,287,099	19,180,421,571
– over 1 month but within 3 months	60,103,828,484	56,111,962,963
– over 3 months but within 1 period	89,682,914,421	77,983,565,999
– over 1 period but within 5 periods	62,520,054,989	54,567,155,889
– over 5 periods	2,086,334,302	2,057,048,586
	240,958,977,631	**210,100,339,013**
13.1 Demand and time deposits		
a) Demand Deposits	**29,685,925,468**	**25,799,137,379**
Current accounts and other accounts	22,298,120,917	20,067,587,921
Savings Deposits (9%)	2,522,222,229	2,031,576,071
Bills Payable	4,865,582,322	3,699,973,387
b) Time Deposits	**215,954,857,441**	**188,019,768,120**
Savings Deposits (91%)	25,502,469,205	20,541,491,386
Short Notice Deposits	49,236,728,682	37,757,866,523
Fixed Deposits	122,034,379,371	111,741,032,463
Other Deposits	19,181,280,183	17,979,377,748
Total Demand and Time Deposits	**245,640,782,909**	**213,818,905,499**
13.4 Sector-wise break up of deposits and other accounts		
Government	1,753,988,460	2,695,343,411
Deposit money Banks	4,681,805,278	3,718,566,487
Autonomous & Semi-Autonomous Bodies	4,667,196,517	3,717,509,300
Public Non-Financial Organisation	61,334,737,839	49,055,402,371
Other Public	3,394,084,791	3,811,432,586
Foreign Currency	6,805,419,728	6,902,166,758
Private	163,003,550,296	143,918,484,587
	245,640,782,909	**213,818,905,499**

		31.12.2016 Taka	31.12.2015 Taka
14. Other liabilities			
Accumulated provision against loans and advances	(Note 14.1)	6,605,083,960	4,714,778,454
Inter-branch adjustment		-	366,832
Provision for current tax (net of advance tax)	(Note 14.2)	2,561,589,337	2,739,993,532
Interest suspense account		10,459,867,308	6,071,639,588
Provision against other assets	(Note 14.3)	237,198,969	764,251,969
Provision for outstanding debit entries in NOSTRO accounts		-	200,000
Accounts payable - Bangladesh Bank		802,485,542	186,568,806
Accrued expenses		360,305,082	341,172,292
Provision for off balance sheet items	(Note 14.4)	860,000,000	860,000,000
Provision against investments	(Note 14.5)	1,550,053,000	1,875,053,000
Others (*)		689,642,580	651,755,094
		24,126,225,778	**18,205,779,567**

(*) 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			
Balance at 01 January		2,564,529,261	2,891,323,484
Fully provided debts written off during the year	(-)	(2,305,175,887)	(1,338,843,223)
Recovery of amounts previously written off	(+)	23,385,264	66,437,637
Specific provision made during the year	(+)	2,180,414,736	945,611,363
Transferred from provision for current tax	(+)		-
Transfer from general reserve	(+)		
Recoveries and provision no longer required	(-)	-	-
Net charge to Profit and Loss Account	(+)		
		(101,375,887)	(326,794,223)
Balance at December 31		**2,463,153,374**	**2,564,529,261**
Provision made by ABBL, Mumbai Branch		43,189,581	31,640,080
Total provision on classified loans and advances		**2,506,342,955**	**2,596,169,341**
On unclassified loans			
Balance at 01 January		2,115,067,313	1,925,867,313
Transfer from other assets provisions	(+)	100,000,000	-
Transfer from investment provisions	(+)	350,000,000	
Transfer from Other Assets		440,000,000	
Transferred from provision for current tax		350,000,000	
Transfer to general reserve during the year	(-)	-	(860,000,000)
General provision made during the year	(+)	740,200,000	1,049,200,000
		1,980,200,000	189,200,000
Balance at the year ended		4,095,267,313	2,115,067,313
Provision made by ABBL, Mumbai Branch		3,473,693	3,541,800
Total provision on un-classified loans and advances		**4,098,741,006**	**2,118,609,113**
Total provision on loans and advances		**6,605,083,960**	**4,714,778,454**

		31.12.2016	
Provision for	**Required**	**Maintained**	**Excess**
Un-classified loans and advances	4,080,365,693	4,098,741,006	18,375,313
Classified loans and advances	2,500,989,581	2,506,342,955	5,353,374
	6,581,355,273	**6,605,083,960**	**23,728,687**

In accordance with letter no. BRPD(P-1)/661/13/2017/2606 dated April 27, 2017 of Banking Regulations & Policy Department (BRPD) of Bangladesh Bank (BB), provision for Loans and Advances (against unclassified, writ cases & classified loans determined by Department of Banking Inspection-1 of BB) amounting Tk. 167.66 crore has been maintained in 2016 and rest amount is required to be maintained @ 30% from 2017-2019 amounting to Tk. 502.95 crore for each year.

14.1.1 Details of provision for loans and advances

	31.12.2016	
	Required	**Maintained**
General Provision	**4,080,365,693**	**4,098,741,006**
Standard	3,752,565,693	3,770,941,006
Special Mention Account	327,800,000	327,800,000
Specific Provision	**2,500,989,581**	**2,506,342,955**
Substandard	22,100,000	22,100,000
Doubtful	375,589,581	375,589,581
Bad/Loss	2,103,300,000	2,108,653,374
Surplus provision maintained at December 31, 2016		**23,728,687**

		31.12.2016 Taka	31.12.2015 Taka
14.2 Provision for current tax (net of advance tax)			
Current Tax	(note 14.2.1)	15,150,207,047	14,117,950,475
Advance Income Tax	(note 14.2.2)	12,588,617,710	11,377,956,943
Provision for current tax (net of advance tax)		**2,561,589,337**	**2,739,993,532**

14.2.1 Provision for current tax

Balance at 01 January	13,935,338,386	12,133,437,043
Add: Provision made during the year	1,495,394,805	1,801,901,343
Less: Transferred to General Provision of loans and advance	350,000,000	-
Balance at the year ended	15,080,733,191	13,935,338,386
Provision held by ABBL, Mumbai Branch	69,473,856	182,612,089
	15,150,207,047	**14,117,950,475**

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2013 (Assessment Year 2014-15). Corporate income tax return for the years 2014 & 2015 submitted under section 82BB corresponding to Assessment Years 2015-16 & 2016-17. Tax assessments for income years 1995, 1996, 1997, 2007, 2009, 2010, 2011 and 2012 were completed but these were referred to the Hon'ble High Court on the application made by the Bank for some disputed points.

14.2.2 Advance corporate income tax

In Bangladesh:

Balance at 01 January 2016	11,180,990,162	9,125,367,470
Add: Paid during the year	1,241,741,245	1,948,415,000
Tax withheld during the year	91,876,011	105,955,561
	1,333,617,256	2,054,370,561
Less: Transfer/Adjustment during the year	-	1,252,131
Balance at December 31	12,514,607,419	11,180,990,162
Advance tax of ABBL, Mumbai Branch	74,010,292	196,966,780
	12,588,617,710	**11,377,956,943**

14.3 Interest suspense account

Balance at 01 January		6,038,040,779	2,866,769,441
Transfer during the year	(+)	5,184,751,472	3,747,616,575
Recovery during the year	(-)	34,455,000	74,548,032
Waiver during the year		39,203,000	9,900,000
Write off during the year	(-)	734,796,414	491,897,206
Balance at December 31		10,414,337,836	6,038,040,779
Mumbai Branch		45,529,471	33,598,809
		10,459,867,307	**6,071,639,588**

14.4 Provision against other assets

Provision for		
Prepaid legal expenses	85,030,000	72,030,000
Protested bills	26,065,610	26,065,610
Others	126,103,359	666,156,359
	237,198,969	**764,251,969**

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

14.4.1 Calculation of Provision against other assets

	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	84,296,684	84,296,684	50% & 100%	42,148,342	85,030,000
Protested bills	23,743,304	23,743,304	100%	23,743,304	26,065,610
Others	93,589,571	93,589,571	100%	93,589,571	126,103,359
Required provision for other assets				**159,481,217**	**237,198,969**

Total provision requirement	159,481,217
Total provision maintained	237,198,969
Excess provision maintained at December 31, 2016	**77,717,752**

	31.12.2016 Taka	31.12.2015 Taka
14.5 Provision for off balance sheet items		
Balance at 01 January	860,000,000	1,010,000,000
Less. Transferred to general reserve	-	(200,000,000)
Add: Provision made during the year	-	50,000,000
Less: Adjustment during the year	-	-
	860,000,000	**860,000,000**

14.5.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	31.12.2016	31.12.2015
Acceptances and endorsements	28,966,637,831	1%	289,666,378	242,564,308
Letters of guarantee	13,920,306,922	1%	139,203,069	123,274,102
Irrevocable letters of credit	22,005,679,984	1%	220,056,800	236,507,242
Bills for collection	6,031,396,865	1%	60,313,969	61,096,751
Others	-	1%	-	-
Total Off Balance Sheet Items & required provision	**70,924,021,602**		709,240,216	663,442,402
Total provision maintained			860,000,000	860,000,000
Excess provision at December 31, 2016			**150,759,784**	**196,557,598**

No provision has been maintained against Off Balance Sheet items of Mumbai Branch amounting Tk. 2,554,892,533 as per Reserve Bank of India (RBI) guidelines.

	31.12.2016 Taka	31.12.2015 Taka
14.6 Provision against investments		
Balance at 01 January	1,875,053,000	1,995,053,000
Add: Provision made during the year	25,000,000	-
Less: Transferred to general provision for loans and advances	350,000,000	-
Less: Transferred to General Reserve	-	(120,000,000)
Balance at December 31	**1,550,053,000**	**1,875,053,000**
Total provision maintained for Investment	1,550,053,000	1,875,053,000
Total provision requirement for Investment	1,547,018,037	1,505,598,610
Excess provision at December 31	**3,034,963**	**369,454,390**
14(a) Consolidated Other liabilities		
AB Bank Limited	24,126,225,778	18,205,779,567
AB Investment Limited	613,737,751	460,347,151
AB International Finance Limited	55,835,113	53,011,430
AB Securities Limited	699,671,854	571,452,230
Cashlink Bangladesh Limited (CBL)	9,914,506	14,245,142
AB Exchange (UK) Ltd.	-	3,388,419
	25,505,385,002	19,308,223,938
Less: Inter-group transaction	322,893,637	213,467,908
	25,182,491,365	**19,094,756,031**
15. Share Capital	**6,738,936,140**	**5,990,165,460**
15.1 Authorised Capital		
1,500,000,000 ordinary shares of Tk. 10 each	**15,000,000,000**	**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 (Rights issue)	50,000,000	50,000,000
658,893,614 ordinary shares of Taka 10 each (Bonus shares)	6,588,936,140	5,840,165,460
	6,738,936,140	**5,990,165,460**

15.3 Percentage of shareholding

	As at December 31, 2016		As at December 31, 2015	
	No. of shares	%	No. of shares	%
Sponsors and public	670,030,788	99.43	595,582,922	99.43
Government	3,862,826	0.57	3,433,624	0.57
	673,893,614	**100.00**	**599,016,546**	**100.00**

15.4 Classification of shareholders by holding

Holding	No. of Shareholders		% of total Shareholding	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Upto 500	40,376	49,546	55.74	60.59
501 to 5,000	25,968	26,938	35.85	32.94
5,001 to 10,000	3,082	2,798	4.26	3.42
10,001 to 20,000	1,570	1,327	2.17	1.62
20,001 to 30,000	514	399	0.71	0.49
30,001 to 40,000	199	180	0.27	0.22
40,001 to 50,000	145	103	0.20	0.13
50,001 to 100,000	250	206	0.35	0.25
100,001 to 1,000,000	270	226	0.37	0.28
Over 1,000,000	58	56	0.08	0.07
	72,432	**81,779**	**100**	**100**

15.5 Names of the Directors and their shareholding as at December 31, 2016

Name of the Director	Status	No of Shareholding	
		31.12.2016	31.12.2015
Mr. M. Wahidul Haque	Chairman	145,793	129,595
Mr. Salim Ahmed	Vice-Chairman	15,917,596	14,148,975
Mr. Feroz Ahmed	Director	13,982,398	12,428,799
Mr. M. A. Awal	Director	4,222	3,753
Mr. Shishir Ranjan Bose FCA	Independent Director	-	-
Mr. Faheemul Huq, Barrister - at -Law	Director	578,201	513,957
Mr. Syed Afzal Hasan Uddin, Barrister - at -Law	Director	2,997	2,664
Mr. Md. Mesbahul Hoque	Director	2,997	2,664
Mr. Syed Golam Kibria	Director	1,000	
Mr. Asish Baran Sarkar	Director	1,000	
Prof. Dr. M. Imtiaz Hossain	Independent Director	-	-
Mr. Shamim Ahmed Chaudhury*	President & Managing Director	-	-

* Contract expired on February 22, 2017. Board in its 626th meeting held on April 19, 2017 appointed Mr. Moshiur Rahman Chowdhury as President & Managing Director & Bangladesh Bank approval is under process.

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

Consolidated - Capital Adequacy Ratio

In terms of section 13(2) of the Bank Company Act, 1991(amendment up to 2013) 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 December 2016 is Taka 30,515,446,584 as against available Total Common Equity Tier-I Capital of Taka 19,806,069,176 and Total Tier-2 Capital available of Taka 12,063,963,398 that is, a total of Taka 31,870,032,574 thereby showing surplus capital of Taka 1,354,585,990 at that date. Details are shown below:

	31.12.2016 Taka	31.12.2015 Taka
Tier I Capital (Going-Concern Capital)		
Common Equity Tier-I Capital		
Fully Paid-up Capital/Capital Deposited with BB	6,738,936,140	5,990,165,460
Statutory Reserve	6,495,637,440	6,111,203,545
Non-repayable share premium account	-	-
General Reserve	1,298,909,942	1,401,086,919
Retained earnings	7,836,238,115	7,435,241,593
Minority interest in Subsidiaries	9,911,986	(2,235,814)
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	22,379,633,623	**20,935,461,703**

	31.12.2016 Taka	31.12.2015 Taka
Regulatory Adjustment:		
Goodwill and all other Intangible Assets	238,275,824	322,958,427
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)	2,311,839,144	1,483,281,544
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	13,489,480	9,054,440
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		
	2,573,564,448	1,825,254,411
Total Common Equity Tier-I Capital	**19,806,069,176**	**19,110,207,292**
Additional Tier-I Capital	**-**	**-**
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	5,064,140,543	2,867,752,202
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)	6,500,000,000	6,500,000,000
Minority Interest		
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital		-
Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities & 10% of Equities)	849,638,093	849,638,093
Other (if any item approved by Bangladesh Bank)		
Sub-Total	**12,413,778,636**	**10,217,390,295**
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	339,855,237	169,927,619
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	**12,063,963,398**	**10,037,502,676**
Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	17,605,614,890	16,987,063,262
Excess amount over maximum limit of T 2	-	-
Total admissible Tier 2 Capital	**12,063,963,398**	**10,037,502,676**
Total Eligible Capital	**31,870,032,574**	**29,147,709,968**
Total assets including off-Balance Sheet items	390,647,684,343	355,587,988,835
Total risk-weighted assets (RWA)	287,204,203,147	258,013,752,529
B. Total required capital (10.625% of Total RWA)	30,515,446,584	25,801,375,253
Capital Surplus / (Shortfall) [A-B]	**1,354,585,990**	**3,346,334,716**
Capital to Risk Weighted Assets Ratio (CRAR)	**11.10%**	**11.30%**

Solo - Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13(2) of the Bank Company Act, 1991 (amendment up to 2013) 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 December 2016 is Taka 30,178,032,248 as against available Total Common Equity Tier-I Capital of Taka 18,702,832,098 and Total Tier-2 Capital available of Taka 11,937,558,993 that is, a total of Taka 30,640,391,090 thereby showing surplus capital of Taka 462,358,843 at that date. Details are shown below:

Tier I Capital (going-concern capital)	**31.12.2016 Taka**	**31.12.2015 Taka**
Common Equity Tier-I Capital		
Fully Paid-up Capital/Capital Deposited with BB	6,738,936,140	5,990,165,460
Statutory Reserve	6,495,637,440	6,111,203,545
Non-repayable share premium account		-
General Reserve	1,222,199,200	1,222,199,200
Retained earnings	6,809,663,765	6,830,946,921
Minority interest in Subsidiaries		
Non-Cumulative irredeemable Preferences shares		
Dividend Equalization Account		
	21,266,436,546	**20,154,515,126**
Regulatory Adjustment :		
Goodwill and all other Intangible Assets	238,275,824	322,958,427
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		-
Deferred Tax Assets (DTA)	2,311,839,144	1,483,281,544
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	13,489,480	9,054,440
Any investment exceeding the approved limit under section 26(2) of Bank Company		
Investments in subsidiaries which are not consolidated- 50% of Investment		
Other if any		
	2,563,604,448	1,815,294,411
Total Common Equity Tier-I Capital	**18,702,832,098**	**18,339,220,715**
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	4,958,741,006	2,855,177,375
All other preference shares		-
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria	6,500,000,000	6,500,000,000
Minority Interest		-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital		-
Revaluation Reserves as on 31 December, 2014(50% of Fixed Assets and Securities & 10% of Equities)	798,029,978	798,029,978
Other (if any item approved by Bangladesh Bank)		
Sub-Total	**12,256,770,984**	**10,153,207,353**
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	319,211,991	159,605,996
Investment in own T-2 Instruments/Shares		
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance		
Any investment exceeding the approved limit under section 26(2) of Bank Company		
Investments in subsidiaries which are not consolidated- 50% of Investment		
Other (if any)		
Total Tier-2 Capital Available	**11,937,558,993**	**9,993,601,357**
Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)	16,624,947,452	16,301,733,294
Excess amount over maximum limit of T 2	-	
Total admissible Tier 2 Capital	**11,937,558,993**	**9,993,601,357**
Total Eligible Capital	**30,640,391,090**	**28,332,822,072**

	31.12.2016 Taka	31.12.2015 Taka
Total assets including off-Balance Sheet items	388,314,805,147	353,659,413,585
Total risk-weighted assets (RWA)	284,028,538,801	255,525,397,235
B. Total required capital (10.625% of Total RWA)	**30,178,032,248**	**25,552,539,723**
Capital Surplus / (Shortfall) [A-B]	**462,358,843**	**2,780,282,349**
Capital to Risk Weighted Assets Ratio (CRAR)	**10.79%**	**11.09%**

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

16. Statutory reserve

In Bangladesh

Opening balance	5,888,708,849	5,384,130,846
Add: Addition during the year	368,185,215	504,578,003
Add./less Adjustment for Foreign Exchange Rate Fluctuation	-	-
	6,256,894,064	5,888,708,849

Outside Bangladesh - ABBL, Mumbai Branch

Opening balance	222,494,695	198,309,382
Add: Addition during the year	20,527,152	31,248,121
Add: Transferred from Investment fluctuation reserve	-	-
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation	(4,278,471)	(7,062,808)
	238,743,376	222,494,695
	6,495,637,440	**6,111,203,545**

17. Other reserve

General reserve	(Note-17.1)	1,222,199,200	1,222,199,200
Assets revaluation reserve	(Note-17.2)	1,303,760,781	1,305,535,182
Investment revaluation reserve	(Note-17.3)	544,262,857	1,332,175,037
Foreign exchange revaluation for investment in foreign operation		-	-
		3,070,222,838	**3,859,909,419**

17.1 General reserve

Opening balance	1,222,199,200	42,199,200
Add. Transferred from general provision of loans and advances	-	860,000,000
Add. Transferred from off balance sheet provisions	-	200,000,000
Add: Transferred from investment provisions	-	120,000,000
	1,222,199,200	**1,222,199,200**

17.2 Assets revaluation reserve

Opening balance	1,305,535,182	1,323,567,486
Add: Addition during the period	-	-
Less: Transferred to retained earnings	(1,774,401)	(18,032,304)
	1,303,760,781	**1,305,535,182**

17.3 Investment revaluation reserve (Treasury Bills & Treasury Bonds)

In Bangladesh

Revaluation Reserve for:

Held to Maturity (HTM)	Note (17.3.1)	2,227,349	2,176,484
Held for Trading (HFT)	Note (17.3.2)	542,035,508	1,329,998,553
		544,262,857	1,332,175,037

Outside Bangladesh

ABBL, Mumbai Branch	-	-
	544,262,857	**1,332,175,037**

17.3.1 Revaluation Reserve for Held to Maturity (HTM)

Opening balance	2,176,484	3,946,258
Add: Addition during the year	672,032	773,514
	2,848,516	4,719,772
Less: Adjustment during the year	621,167	2,543,288
	2,227,349	**2,176,484**

	31.12.2016 Taka	31.12.2015 Taka
17.3.2 Revaluation Reserve for Held for Trading (HFT)		
Opening balance	1,329,998,553	268,546,211
Add: Addition during the year	2,261,509,415	1,795,936,708
	3,591,507,968	2,064,482,919
Less: Adjustment during the year	3,049,472,459	734,484,366
	542,035,509	**1,329,998,553**
17(a) Consolidated Other reserve		
AB Bank Limited	3,070,222,838	3,859,909,419
AB Investment Limited	-	-
AB International Finance Limited	81,237,501	77,532,187
AB Securities Limited	101,934,926	101,934,926
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	3,253,395,264	**4,039,376,532**
18. Retained earnings		
Opening balance	6,830,946,921	6,768,352,063
Less. Adjustment for investment in Amana Bank	180,140,019	-
Add: Post-tax profit for the year	1,304,670,423	1,270,414,868
Less: Transfer to statutory reserve	388,712,367	535,826,124
Cash dividend	-	-
Bonus shares issued	748,770,680	665,573,940
	6,817,994,278	**6,837,366,867**
Add/(Less): Transferred from Assets Revaluation Reserve	1,774,401	18,032,304
Add/(Less): Retained earnings adjustment	-	(2,946,778)
Add/(Less): Foreign Exchange Translation gain/(loss)	(10,104,914)	(21,505,472)
	6,809,663,765	**6,830,946,921**
18(a) Consolidated Retained earnings		
AB Bank Limited	6,809,663,765	6,830,946,921
AB Investment Limited	635,065,186	544,469,448
AB International Finance Limited	84,608,098	80,719,490
AB Securities Limited	166,317,601	138,145,940
Cashlink Bangladesh Limited (CBL)	(185,493,381)	(306,731,436)
AB Exchange (UK) Ltd.	-	(45,308,187)
	7,510,161,269	7,242,242,176
Add./(Less): Adjustment made during the year	307,674,218	162,448,989
Minority Interest	(18,402,628)	(30,550,428)
	7,836,238,115	**7,435,241,593**
18(b) Minority Interest		
AB Investment Limited	9,797	10,498
AB Securities Limited	451,527	426,832
Cashlink Bangladesh Limited	9,450,662	(2,673,144)
	9,911,986	**(2,235,814)**
19. Contingent liabilities	**73,478,914,136**	**68,649,158,866**
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	126,303,800	118,800,000
Others	13,794,003,122	12,208,610,154
	13,920,306,922	**12,327,410,154**

	2016 Taka	2015 Taka
20. Profit and loss account		
Income:		
Interest, discount and similar income	22,941,335,413	23,664,997,552
Dividend income	192,687,562	180,634,136
Fee, commission and brokerage	1,872,192,713	1,855,689,669
Gains less losses arising from investment securities	96,492,875	2,996,773
Gains less losses arising from dealing in foreign currencies	844,901,183	973,066,129
Other operating income	115,809,979	118,591,269
Gains less losses arising from dealing securities	1,086,468,655	318,368,965
Income from non-banking assets	-	-
Loss on disposal of AB Exchange (UK) Limited	(54,787,885)	-
	27,095,100,496	27,114,344,493
Expenses:		
Interest, fee and commission	16,077,046,356	16,532,249,413
Administrative expenses	4,236,639,417	3,980,332,983
Other operating expenses	1,424,393,841	1,304,413,020
Depreciation and amortization on banking assets	337,585,289	343,596,380
Losses on loans and advances	-	-
	22,075,664,903	22,160,591,796
	5,019,435,593	**4,953,752,697**
21. Interest income/profit on investments		
Interest on loans and advances:		
Loans and advances	18,052,078,467	20,145,481,015
Bills purchased and discounted	361,618,093	298,078,258
	18,413,696,561	20,443,559,273
*Less. Incentive for good borrowers	13,655,184	63,960,816
	18,400,041,377	20,379,598,457
Interest on:		
Calls and placements	497,120,122	407,090,134
Balance with foreign banks	1,315,791	1,322,879
Reverse Repo	12,732,711	22,729,948
Balance with Bangladesh Bank	2,817,625	834,599
	513,986,250	431,977,559
	18,914,027,627	**20,811,576,016**

*Bank has maintained incentive for good borrowers in accordance with Bangladesh Bank, BRPD circular no. 06 dated March 19, 2015, BRPD circular letter no.16 dated December 30, 2015 and BRPD circular letter no. 03 dated February 16, 2016.

21(a). Consolidated Interest income/profit on investments		
AB Bank Limited	18,914,027,627	20,811,576,016
AB International Finance Limited	50,392,731	63,843,754
AB Investment Limited	412,045,652	393,372,052
AB Securities Limited	77,480,793	83,771,511
Cashlink Bangladesh Limited (CBL)	1,470,187	336,312
AB Exchange (UK) Ltd.	-	-
	19,455,416,990	21,352,899,645
Less: Intercompany Transactions	5,411,074	124,002,467
	19,450,005,916	**21,228,897,178**

	2016 Taka	2015 Taka
22. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	8,442,005,899	10,842,348,932
Savings deposits	769,587,124	694,118,806
Special notice deposits	2,981,596,605	1,912,833,661
Other deposits	1,932,860,542	1,781,765,032
	14,126,050,170	15,231,066,431
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	1,254,092,081	892,689,832
Subordinated Bond	696,904,106	408,493,151
	16,077,046,356	**16,532,249,413**
22(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	16,077,046,356	16,532,249,413
AB Investment Limited	36,372,222	144,722,697
AB International Finance Limited	5,774,974	5,765,028
AB Securities Limited	28,053,154	53,040,725
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	16,147,246,706	**16,735,777,862**
Less: Intercompany Transactions	8,089,228	126,930,120
	16,139,157,478	**16,608,847,742**
23. Investment income		
Capital gain on sale of shares	96,492,875	2,996,773
Interest on treasury bills	423,855,841	287,706,047
Dividend on shares	192,687,562	180,634,136
Income from Amana Bank Limited as Associates	3,087,178	-
Loss on disposal of ABEL	(54,787,885)	-
Interest on debentures	-	641,671
Interest on treasury bonds	3,590,641,483	2,548,036,366
Gain/(Loss) on treasury bills and treasury bonds	1,086,468,655	318,368,965
Interest on other bonds & others	9,723,285	17,037,452
	5,348,168,994	**3,355,421,410**
23(a). Consolidated Investment income		
AB Bank Limited	5,348,168,994	3,355,421,410
AB Investment Limited	7,902,899	252,437
AB International Finance Limited	-	-
AB Securities Limited	10,978,747	1,435,988
Cashlink Bangladesh Limited (CBL)	(182,616,310)	(756,799)
AB Exchange (UK) Ltd.	-	-
	5,184,434,330	3,356,353,037
Less: Intercompany Transactions (*)	78,569,034	74,365,853
	5,105,865,296	**3,281,987,184**

(*) Inter-company transactions includes dividend income from AB International Finance Limited.

24. Commission, exchange and brokerage		
Other fees, commission and service charges	1,039,395,834	989,906,895
Commission on letters of credit	657,804,855	694,088,952
Commission on letters of guarantee	174,992,024	171,693,822
Exchange gains less losses arising from dealings in foreign currencies	844,901,183	973,066,129
	2,717,093,896	**2,828,755,798**

	2016 Taka	2015 Taka
24(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	2,717,093,896	2,828,755,798
AB Investment Limited	42,541,797	44,140,728
AB International Finance Limited	51,446,422	41,853,467
AB Securities Limited	43,504,521	45,853,762
Cashlink Bangladesh Limited (CBL)	123,290,014	77,327,792
AB Exchange (UK) Ltd.	-	2,314,760
	2,977,876,650	**3,040,246,306**
Less: Intercompany Transactions	122,088,458	75,810,263
	2,855,788,192	**2,964,436,043**
25. Other income		
Locker rent, insurance claim and others	4,751,956	8,144,567
Recoveries on telex, telephone, fax, etc.	84,781,759	82,288,508
Recoveries on courier, postage, stamp, etc.	26,005,800	24,950,165
Non-operating income (*)	270,463	3,208,028
	115,809,979	**118,591,268**

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

25(a). Consolidated other income		
AB Bank Limited	115,809,979	185,028,906
AB Investment Limited	11,407,551	8,758,224
AB International Finance Limited	47,838,245	39,377,049
AB Securities Limited	2,087,087	2,962,552
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	177,142,862	236,126,731
Less: Inter company transactions	8,233,583	8,444,173
	168,909,279	**227,682,558**
26. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	2,603,883,283	2,557,134,869
Festival and incentive bonus	330,250,103	263,089,477
	2,934,133,386	**2,820,224,346**
26.1 Chief executive's salary and fees	**12,900,000**	**13,900,000**

In 2016, incentive bonus paid to Chief Executive Officer Taka 1,000,000 which was charged against salary and allowances in 2015. Thus, Chief Executive's salary and fees for the year 2015 has been restated by Taka 1,000,000 with salary and allowances.

26(a). Consolidated salary and allowances		
AB Bank Limited	2,934,133,386	2,820,224,346
AB Investment Limited	15,167,897	17,442,336
AB International Finance Limited	30,941,853	32,944,029
AB Securities Limited	30,607,697	29,251,154
Cashlink Bangladesh Limited (CBL)	230,714	219,204
AB Exchange (UK) Ltd.	-	4,424,417
	3,011,081,546	**2,904,505,487**

	2016 Taka	2015 Taka
27. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	430,192,895	355,383,641
Electricity, gas, water, etc.	170,375,310	145,062,566
Insurance	97,314,193	92,054,400
	697,882,398	**592,500,607**
27(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	697,882,398	592,500,607
AB Investment Limited	2,651,581	2,707,281
AB International Finance Limited	7,766,735	7,463,310
AB Securities Limited	8,382,409	8,045,943
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	1,308,211
	716,683,124	612,025,351
Less: Inter company transactions	5,516,520	5,516,520
	711,166,604	**606,508,831**
28. Legal expenses		
Legal expenses	**18,146,709**	**8,418,187**
28(a). Consolidated Legal expenses		
AB Bank Limited	18,146,709	8,418,187
AB Investment Limited	112,700	489,200
AB International Finance Limited	260,838	-
AB Securities Limited	-	95,500
Cashlink Bangladesh Limited (CBL)	51,750	172,500
AB Exchange (UK) Ltd.	-	116,988
	18,571,996	**9,292,376**
29. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	91,998,742	91,884,268
Telephone	10,731,635	11,806,021
Postage, stamp and shipping	33,170,694	31,550,746
	135,901,070	**135,241,035**
29(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	135,901,070	135,241,035
AB Investment Limited	891,607	922,449
AB International Finance Limited	7,466,800	5,936,778
AB Securities Limited	1,603,253	1,594,613
Cashlink Bangladesh Limited (CBL)	413	4,756
AB Exchange (UK) Ltd.	-	230,154
	145,863,143	**143,929,785**
Less: Inter company transactions	(2,088,458)	**(3,982,539)**
	143,774,685	**139,947,246**
30. Stationery, printing, advertisements, etc.		
Printing and stationery	152,711,368	129,704,906
Publicity, advertisement, etc.	43,456,291	37,805,709
	196,167,659	**167,510,614**

	2016 Taka	2015 Taka
30(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	196,167,659	167,510,614
AB Investment Limited	362,806	213,397
AB International Finance Limited	338,886	329,663
AB Securities Limited	492,926	563,922
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	197,362,277	**168,617,596**

31. Directors' fees

Directors' fees	2,718,600	2,129,100
Meeting expenses	6,867,943	5,856,247
	9,586,543	**7,985,347**

Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee and Shariah Council.

31(a). Consolidated Directors' fees

AB Bank Limited	9,586,543	7,985,347
AB Investment Limited	373,352	340,340
AB International Finance Limited	-	-
AB Securities Limited	480,001	317,330
Cashlink Bangladesh Limited (CBL)	260,000	140,000
AB Exchange (UK) Ltd.	-	-
	10,699,895	**8,783,017**

32. Auditors' fees

Statutory	1,213,141	911,950
Others	3,799,649	3,433,950
	5,012,790	**4,345,900**

32(a). Consolidated Auditors' fees

AB Bank Limited	5,012,790	4,345,900
AB Investment Limited	138,000	126,500
AB International Finance Limited	353,849	331,830
AB Securities Limited	85,000	95,000
Cashlink Bangladesh Limited (CBL)	172,500	172,500
AB Exchange (UK) Ltd.	-	214,220
	5,762,139	**5,285,950**

33. Depreciation and repairs of Bank's assets

Depreciation :

Electrical appliances	135,030,950	147,802,949
Furniture and fixtures	13,762,881	12,886,364
Office appliances	2,359,829	2,438,742
Building	19,070,730	19,552,271
Motor vehicles	59,394,125	52,688,093
	229,618,514	235,368,419

	2016 Taka	2015 Taka
Repairs:		
Motor vehicles	40,955,249	32,274,445
Electrical appliances	75,952,267	82,357,927
Office premises and others	102,485,767	107,939,444
Furniture and fixtures	2,769,995	2,493,771
Office appliances	4,745,584	5,141,359
	226,908,863	230,206,946
	456,527,377	465,575,365
Amortization of Intangible Assets	107,966,775	108,227,961
	564,494,152	**573,803,326**

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

AB Bank Limited	564,494,152	573,803,327
AB Investment Limited	18,916,434	18,432,970
AB International Finance Limited	351,140	350,615
AB Securities Limited	2,036,397	4,927,888
Cashlink Bangladesh Limited (CBL)	72,683	72,683
AB Exchange (UK) Ltd.	-	2,619,044
	585,870,806	**600,206,526**

34. Other expenses

Contractual service	582,616,075	477,627,551
Petrol, oil and lubricant	74,903,921	71,402,998
Software expenses	145,829,727	142,300,110
Entertainment	49,906,193	64,040,138
Travelling	28,945,241	32,338,978
Subscription, membership and sponsorship	79,105,129	78,285,480
Training, seminar and workshop	37,369,497	40,526,503
Local conveyance	9,659,008	9,306,348
Professional charges	55,930,874	89,875,491
Books, newspapers and periodicals	1,611,813	1,580,622
Branch opening expenses	311,994	404,204
Bank Charges	73,070,673	24,052,653
Sundry expenses (*)	285,133,696	272,671,945
	1,424,393,841	**1,304,413,020**

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

34(a). Consolidated other expenses

AB Bank Limited	1,424,393,841	1,304,413,020
AB Investment Limited	7,294,724	7,943,640
AB International Finance Limited	2,520,695	2,928,650
AB Securities Limited	9,743,783	10,739,868
Cashlink Bangladesh Limited (CBL)	23,045	437,803
AB Exchange (UK) Ltd.	-	876,443
	1,443,976,088	**1,327,339,425**
Less: Inter company transactions	120,038,909	71,827,724
	1,323,937,179	**1,255,511,701**

35. Provision against loans and advances

On un-classified loans	740,200,000	1,049,200,000
On classified loans	2,192,572,661	945,611,363
	2,932,772,661	**1,994,811,363**

	2016 Taka	2015 Taka
35(a). Consolidated provision against loans and advances		
AB Bank Limited	2,932,772,661	2,061,249,000
AB Investment Limited	-	3,864,130
AB International Finance Limited	-	-
AB Securities Limited	6,212,275	1,414,059
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	2,938,984,936	**2,066,527,189**
36. Provisions for diminution in value of investments		
In quoted shares	25,000,000	-
36(a). Consolidated provisions for diminution in value of investments		
AB Bank Limited	25,000,000	-
AB Investment Limited	-	40,000,000
AB International Finance Limited	-	-
AB Securities Limited	1,287,725	1,585,941
Cashlink Bangladesh Limited (CBL)	(4,307,246)	3,324,850
AB Exchange (UK) Ltd.	-	-
	21,980,479	**44,910,791**
37. Other provision		
Provision for off balance sheet items	-	50,000,000
Provision for Other assets	59,558,484	150,000,000
	59,558,484	**200,000,000**

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	59,558,484	200,000,000
AB Investment Limited	-	-
AB International Finance Limited	-	66,450
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	-
	59,558,484	**200,066,450**
38. Appropriations		
Retained earnings - brought forward	6,830,946,921	6,768,352,063
Less. Adjustment for investment in Amana Bank	180,140,019	-
Add: Post-tax profit for the year	1,304,670,423	1,270,414,868
	7,955,477,324	8,038,766,931
Less: Dividend-		
Cash dividend	-	-
Bonus shares issued	748,770,680	665,573,940
	7,206,706,644	7,373,192,991

	2016 Taka	2015 Taka
Appropriations (cont..)		
Transferred to		
Statutory reserve	388,712,367	535,826,124
General reserve	-	-
Proposed dividend	-	-
	388,712,367	535,826,124
Retained earnings	**6,817,994,277**	**6,837,366,867**
Add: Transferred from Assets Revaluation Reserve	1,774,401	18,032,304
Less: Adjustment during the year	-	(2,946,778)
Add: Foreign Exchange translation gain/(Loss)	(10,104,914)	(21,505,472)
	6,809,663,765	**6,830,946,921**

39. Earnings Per Share (EPS)

Profit after taxation	1,304,670,423	1,270,414,868
Number of ordinary shares outstanding	673,893,614	673,893,614
Earnings Per Share	**1.94**	**1.89**

39.(a) Consolidated Earnings Per Share

Net Profit attributable to the shareholders of parent company	1,514,736,427	1,450,091,898
Number of ordinary shares outstanding	673,893,614	673,893,614
Earnings Per Share	**2.25**	**2.15**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2016 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended December 31, 2015 was restated for the issues of bonus share in 2015.

40. Receipts from other operating activities

Interest on treasury bills, bonds, debenture and others	5,207,182,139	3,174,787,275
Exchange earnings	844,901,183	973,066,129
Recoveries on telex, telephone, fax, etc.	84,781,759	82,288,508
Recoveries on courier, postage, stamp, etc.	26,005,800	24,950,165
Non-operating income	270,463	3,208,028
Others	4,751,956	8,144,567
	6,167,893,301	**4,266,444,672**

41. Payments for other operating activities

Rent, taxes, insurance, electricity, etc.	697,882,398	592,500,607
Postage, stamps, telecommunication, etc.	135,901,070	135,241,035
Repairs of Bank's assets	226,908,863	230,204,974
Legal expenses	18,146,709	8,418,187
Auditor's fees	5,012,790	4,345,900
Directors' fees	9,586,543	7,985,347
Other Expenses	1,424,393,841	1,304,413,020
	2,517,832,213	**2,283,109,070**

	2016 Taka	2015 Taka
42. Decrease in other assets		
Investment in Subsidiaries	6,229,114,922	5,468,105,565
Advance rent and advertisement	246,555,630	233,138,317
Stationery, stamps, printing materials, etc.	28,476,396	25,237,828
Security deposits	159,266,370	166,089,818
Commission and brokerage receivable on shares	-	-
and debentures, and other income receivables	1,026,651,535	791,115,465
Accounts receivable	889,650,552	1,058,534,763
Preliminary, formation, organizational, renovation, development and prepaid expenses	805,559,950	644,563,195
Exchange for clearing	570,641,969	1,044,718,906
Arab Bangladesh Bank Foundation	19,920,000	19,920,000
Inter-branch adjustment	621,590	-
	9,976,458,914	9,451,423,856
Add. Adjustment during the year	50,423,392	-
	10,026,882,306	9,451,423,856
Net Decrease	**575,458,450**	**1,194,431,447**
43. Increase/(decrease) in other liabilities		
Accumulated provision against loans and advances	6,605,083,960	4,714,778,454
Provision for current tax	2,561,589,337	2,739,993,532
Interest suspense account	10,459,867,308	6,071,639,588
Accounts payable - Bangladesh Bank	802,485,542	186,568,806
Provision against other assets	237,198,969	764,251,969
Accrued expenses	360,305,082	341,172,292
Provision against investments	1,550,053,000	1,875,053,000
Provision against off balance sheet items	860,000,000	860,000,000
Provision for outstanding debit entries in NOSTRO accounts	-	200,000
Others	689,642,580	651,755,094
	24,126,225,778	18,205,412,735
Less: Adjustment for provision & others	11,703,765,438	11,559,227,467
	12,422,460,340	6,646,185,268
Net Increase/(Decrease)	**5,776,275,074**	**3,846,295,697**

44. Conversion Rates

Assets and liabilities as at December 31, 2016 denominated in foreign currencies have been converted to local currency Bangladesh Taka (BDT) at the following exchange rates:

Currency	Abbreviation	Unit	Equivalent to BDT
British Pound Sterling	GBP	1.00	96.59
European Currency	EURO	1.00	82.31
Indian Rupee	INR	1.00	1.16
Japanese Yen	JPY	1.00	0.67
US Dollar	USD	1.00	78.71
Honkong Dollar	HKD	1.00	10.14
U.A.E Dirham	DIRHAM	1.00	21.43

45. Highlights of the overall activities of the Bank

Sl #	Particulars	2016 Taka	2015 Taka
1	Paid-up capital	6,738,936,140	5,990,165,460
2	Total capital	30,640,391,090	28,332,822,072
3	Capital surplus	462,358,843	2,780,282,349
4	Total assets	314,835,891,011	285,010,254,719
5	Total deposits	245,640,782,909	213,818,905,499
6	Total loans and advances	218,769,451,248	209,725,203,267
7	Total contingent liabilities and commitments	73,478,914,136	68,649,158,866
8	Credit-deposit ratio*	83.67%	96.80%
9	Ratio of classified loans against total loans and advances	5.19%	3.16%
10	Profit after tax and provision	1,304,670,423	1,270,414,868
11	Loans Classified during the year	7,785,711,884	1,593,869,499
12	Provision kept against classified loans	2,506,342,955	2,596,169,341
13	Provision surplus	23,728,687	151,696,574
14	Cost of fund	8.06%	9.75%
15	Interest earning assets	272,624,556,302	249,984,680,535
16	Non-interest earning assets	42,211,334,710	35,025,574,184
17	Return on investments (ROI)	13.50%	10.49%
18	Return on assets (ROA)	0.44%	0.48%
19	Income from investments	5,348,168,994	3,355,421,410
20	Earnings per share	1.94	1.89
21	Net Income per share	1.94	1.89
22	Price-earnings ratio (Times)	11.52	11.09

* Credit-deposit ratio calculation has been done as per Bangladesh Bank guidelines.

-Sd-	-Sd-	-Sd-	-Sd-
Moshiur Rahman Chowdhury	**Shishir Ranjan Bose, FCA**	**M. A. Awal**	**M. Wahidul Haque**
President & Managing Director	**Independent Director**	**Director**	**Chairman**
(Current Charge)			

Dhaka,
April 29, 2017

Annexure-A

AB Bank Limited
Currency wise Balances
As at December 31, 2016

Name of the bank	Location	Name of currency	As at December 31, 2016		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka
The Bank of Tokyo Mitsubishi Ltd.	Japan	JPY	2,263,761.00	0.67	1,517,399.00
JP Morgan Chase Bank	USA	USD	846,210.52	78.71	66,606,160.86
Sonali Bank (Kolkata)	India	ACU	56,142.55	78.71	4,419,041.87
Sonali Bank (UK)	UK,London	USD	440,240.91	78.71	34,651,846.29
Sonali Bank (UK)	UK,London	GBP	148.33	96.59	14,326.66
Myanmar Economic Bank	Myanmar	ACU	410.00	78.71	32,271.55
Citibank NA	USA	USD	202,887.88	78.71	15,969,528.21
Hatton National Bank Ltd.	Srilanka	ACU	45,513.52	78.71	3,582,419.22
Commerz Bank AG	Germany	USD	350,204.31	78.71	27,564,966.46
NIB Bank Ltd.	Pakistan	ACU	94,878.29	78.71	7,467,974.57
Mashreq Bank Psc	USA	USD	718,611.32	78.71	56,562,687.47
Nepal Bangladesh Bank Ltd.	Nepal	ACU	18,012.25	78.71	1,417,764.01
Bank of Bhutan	Bhutan	ACU	94,131.69	78.71	7,409,208.86
HABIB Zuric	Germany	EUR	12,295.50	82.31	1,012,020.47
Wachovia Bank/Wells Fargo N.A	USA	USD	2,956,748.23	78.71	232,728,905.61
Habib America Bank	USA	USD	443,331.81	78.71	34,895,134.43
Commerz Bank AG	Germany	EUR	133,669.22	82.31	11,002,072.89
Hypovereins Bank	Germany	EUR	195,429.15	82.31	16,085,421.56
Habib Metro Bank	Pakistan	ACU	374,700.25	78.71	29,493,068.85
Habib Bank AG	Dubai	AED	13,809.42	21.43	295,963.49
COMMERZ BK CAD	Germany	CAD	62,344.66	57.98	3,614,893.01
COMMERZ BK CHF	Germany	CHF	54,835.55	76.56	4,198,198.74
Commerz Bank (R)-OBU	Germany	EUR	236.66	82.31	19,479.06
JPMC NY-OBU	USA	USD	1,305,120.84	78.71	102,727,496.95
Reserve Bank of India	Mumbai	INR	22,309,182.57	1.16	25,831,748.99
HDFC Bank Ltd.	Mumbai	INR	35,530,576.33	1.16	41,140,769.11
HABIB BANK	Newyork	EUR	35,999.31	82.31	2,963,103.21
HABIB BANK ACU	Newyork	EUR	21,192.15	82.31	1,744,325.87
JP MORGAN CHASE	Newyork	USD	578,651.34	78.71	45,546,283.49
HABIB AMERICAN	Newyork	USD	41,973.81	78.71	3,303,804.76
HABIBSONS BANK	London	USD	20,248.30	78.71	1,593,765.97
JP CHASE ACU	Newyork	USD	13,819,502.28	78.71	1,087,748,225.91
Kotak Mahindra Bank	India	INR	53,160,367.92	1.16	61,554,262.51
Standard Chartered Bank	New York	USD	474,494.01	78.71	37,347,945.47
Standard Chartered Bank	Singapore	SGD	31,710.23	54.30	1,721,935.25
Standard Chartered Bank,UK	UK,London	GBP	46,500.45	96.59	4,491,311.06
HABIB,UK	UK,London	GBP	15,868.14	96.59	1,532,646.52
HABIB,UK	UK,London	USD	583,429.07	78.71	45,922,343.87
Total					**2,025,730,722.10**

Annexure-B

AB Bank Limited

Investment in Shares as at 31 December 2016

Amount in Taka

Particulars	Number of shares	Market price per share	Total market price	Cost per Share	Total cost
National Bank Limited	1,391,500	10.20	14,193,300	33.43	46,512,852
City Bank Limited	2,220,000	27.20	60,384,000	26.21	58,180,067
AB Bank 1st Mutual Fund	41,714,127	5.90	246,113,349	7.19	300,000,004
LR Global Bangladesh Mutual Fund One	10,369,343	7.10	73,622,335	9.64	100,000,001
Popular Life First Mutual Fund	2,600,799	5.40	14,044,315	5.78	15,041,003
Pragati Insurance Limited	1,054,416	27.10	28,574,674	119.10	125,579,298
Dhaka Electric Supply Company Limited	7,023,760	46.30	325,200,088	87.73	616,189,388
Jamuna Oil Company Limited	207,598	181.60	37,699,797	196.49	40,791,122
Khulna Power Company Limited	3,868,584	62.50	241,786,500	97.34	376,579,625
Linde Bangladesh Limited	13,869	1296.00	17,974,224	1386.09	19,223,714
Meghna Petroleum Limited	72,442	170.40	12,344,117	197.55	14,310,988
Padma Oil Company Limited	305,000	180.20	54,961,000	306.07	93,352,670
Powergrid Company of Bangladesh Limited	3,366,500	54.00	181,791,000	81.61	274,723,472
United Power Generation & Distribution Company Ltd.	843,983	141.60	119,507,993	154.83	130,672,135
Beacon Pharmaceuticals Limited	6,642,500	22.00	146,135,000	73.96	491,289,694
Beximco Pharmaceuticals Limited	613,083	80.80	49,537,106	62.14	38,096,239
Orion Pharma Limited	1,200,000	42.10	50,520,000	83.33	100,000,001
The ACME Laboratories Limited	20,000	99.00	1,980,000	112.75	2,255,095
Fu Wang Food Limited	629,096	16.00	10,065,536	24.90	15,666,130
Heidelberg Cement Bangladesh Limited	116,816	552.30	64,517,477	552.86	64,582,844
Lafarge Surma Cement Limited	125,000	82.10	10,262,500	134.50	16,812,600
BSRM Steels Limited	3,330,801	92.80	309,098,333	108.16	360,249,532
GPH Ispat Limited	3,970,000	34.30	136,171,000	31.17	123,761,020
Union Capital Limited	2,011,963	20.50	41,245,242	74.08	149,037,206
Bangladesh Export Import Company Limited	4,044,138	26.00	105,147,588	83.35	337,094,017
Shinepukur Ceramics Limited	1,143,962	10.40	11,897,205	58.13	66,501,146
Argon Denims Limited	1,656,000	31.10	51,501,600	41.09	68,052,981
			2,416,275,278		**4,044,554,844**

Shares/Bond (unquoted)

Particulars	Number of shares	Cost per Share	Book Value/Cost
CDBL	5,000,000	2.00	10,000,002
CDBL (Placement)	711,804	8.00	5,694,428
IIDFCL	105,765	100.00	10,576,500
Bangladesh Fund	2,000,000	100.00	200,000,000
Stock Market Stablization Fund	500,000	10.00	5,000,000
			231,270,930

Annexure-C

AB Bank Limited

Schedule of Fixed Assets

As of December 31, 2016

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 2016	3,341,682,082	230,635,936	62,729,842	1,489,025,808	581,049,757	571,059,065	6,276,182,491
Addition during the year	-	16,079,027	1,511,000	78,427,967	99,166,700	23,444,498	218,629,192
Less: Disposal/Adjustment during the year	-	1,688,397	3,261,262	8,152,572	-	-	13,102,231
Less: Adjustment for FX Rate Fluctuation	-	59,705	153,733	388,719	75,712	337,840	1,015,709
At 31 December 2016	**3,341,682,082**	**244,966,861**	**60,825,847**	**1,558,912,484**	**680,140,745**	**594,165,723**	**6,480,693,743**
Accumulated Depreciation							
Balance at 01 January 2016	112,276,012	114,611,104	51,894,820	1,082,791,942	465,635,206	248,100,640	2,075,309,724
Addition during the year	19,070,729	13,762,881	2,359,829	135,030,949	59,394,124	107,966,775	337,585,287
Less: Disposal/Adjustment during the year	-	1,453,168	3,250,571	7,150,998	-	-	11,854,737
Less: Adjustment for FX Rate Fluctuation	-	44,491	147,470	293,793	60,696	177,516	723,966
At 31 December 2016	**131,346,741**	**126,876,326**	**50,856,608**	**1,210,378,100**	**524,968,634**	**355,889,899**	**2,400,316,308**
Net Book Value							
At 31 December 2016	**3,210,335,341**	**118,090,535**	**9,969,239**	**348,534,384**	**155,172,112**	**238,275,824**	**4,080,377,435**
At 31 December 2015	**3,229,406,070**	**116,024,832**	**10,835,021**	**406,233,865**	**115,414,552**	**322,958,426**	**4,200,872,766**

Annexure-D

AB Bank Limited

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

Name of the bank	Location	Currency	At December 31 2016			At December 31, 2015		
			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	6,294,575	78.7111	495,452,954	7,620,550	78.5003	598,215,461
ICICI BK LTD	HK	USD	-	78.7111	-	22,029,822	78.5003	1,729,347,639
Noor Bank Limited	UAE	USD	50,063,071	78.7111	3,940,519,398	55,176,366	78.5003	4,331,361,309
International Finance Corporation	USA	USD	-	78.7111	-	35,066,309	78.5003	2,752,715,780
RAK Bank	UAE	USD	8,655,997	78.7111	681,323,009	-	-	-
BANCA UBAE SPA	Italy	USD	5,023,894	78.7111	395,436,258	-	-	-
					5,512,731,619			**9,411,640,189**

Annexure-E

AB Bank Limited

Detailed of Risk Weighted Assets under Basel III at 31 December 2016

Amount in Taka

Risk Weighted Assets (RWA) for	31.12.2016		31.12.2015	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit Risk				
On- Balance sheet (as shown below)	292,818,157,041	218,150,288,581	278,342,180,617	200,964,390,233
Off-Balance sheet (as shown below)	42,739,092,226	34,969,765,767	36,720,306,577	27,449,799,774
B. Market Risk		8,767,854,108		7,796,149,895
C. Operational Risk		22,140,630,345		19,315,057,333
Total RWA (A+B+C)	**335,557,249,267**	**284,028,538,801**	**315,062,487,194**	**255,525,397,235**

Credit Risk - On Balance Sheet

Sl.	Exposure Type	31.12.2016		31.12.2015	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and Cash Equivalents	1,540,083,692	-	1,207,173,916	-
b)	Claims on Bangladesh Government and Bangladesh Bank	45,170,375,416	-	34,651,501,799	-
c)	Claims on other Sovereigns & Central Banks*	422,292,782	211,146,391	406,787,241	203,393,621
d)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-	-	-	-
e)	Claims on Multilateral Development Banks (MDBs)	-	-	-	-
f)	Claims on Public Sector Entities (other than Government) in Bangladesh	28,021,152	14,010,576	55,892,214	27,946,107
	Claims on Banks and Non-bank Financial Institution (NBFI)				
g)	i) Original maturity over 3 months	2,365,363,255	618,679,356	1,570,782,197	494,881,132
	ii) Maturity less than 3 months	14,589,166,314	2,917,833,263	14,993,279,001	2,998,655,800
h)	Claims on Corporate (excluding equity exposure)	125,278,972,963	116,520,195,230	123,252,283,275	113,999,929,922
hi)	Claims on SME	36,418,048,526	28,403,178,039	36,260,300,864	30,024,518,347
i)	Claims under Credit Risk Mitigation	5,504,105,664	1,074,326,375	4,806,284,250	1,315,810,291
	Fixed Risk Weight Groups:				
j)	Claims categorized as retail portfolio (excluding consumer loan)	2,544,276,130	1,908,207,097	2,981,961,393	2,236,471,045
k)	Consumer Loan	1,053,460,558	1,053,460,558	935,140,862	935,140,862
l)	Claims fully secured by residential property	1,335,088,529	667,544,264	1,380,482,151	690,241,075
m)	Claims fully secured by commercial real estate	6,779,256,684	6,779,256,684	5,585,188,457	5,585,188,457
n)	Past Due Claims (Risk weights are to be assigned net of specific provision)	24,783,786,556	36,238,413,591	11,739,283,667	16,381,305,806
o)	Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	14,256,000	14,256,000	-	-
p)	Investments in venture capital	468,976,102	703,464,154	1,085,712,017	1,628,568,026
q)	Claim on Capital Market Exposure	1,597,244,871	1,996,556,089	4,211,649,696	5,264,562,121
r)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	6,011,329,750	7,514,162,188	3,050,321,392	3,812,901,740
s)	Investments in premises, plant and equipment and all other fixed assets	3,842,101,611	3,842,101,611	3,877,914,340	3,877,914,340
t)	Claims on all fixed assets under operating lease	-	-	-	-
u)	All other assets	13,071,950,486	7,673,497,117	26,290,241,883	11,486,961,542
	Total	**292,818,157,041**	**218,150,288,581**	**278,342,180,617**	**200,964,390,233**

Annexure-E

AB Bank Limited

Detailed of Risk Weighted Assets under Basel III at 31 December 2016

Credit Risk - Off Balance Sheet

Sl.	Exposure Type	31.12.2016		31.12.2015	
		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 Monetary Fund and European Central Bank	-	-	-	-
d)	Claims on Multilateral Development Banks (MDBs):	-	-	-	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-	-	-	-
f)	Claims on Banks:	-	-	-	-
	i) Maturity over 3 months	-	-	-	-
	ii) Maturity less than 3 months	63,151,900	12,630,380	59,400,000	11,880,000
g)	Claims on Corporate (excluding equity exposure)	39,482,534,916	32,311,550,491	32,179,285,626	24,115,523,628
h)	Against retail portfolio (excluding consumer loan)	222,061,902	166,546,427	193,101,302	144,825,977
hi)	Claims on SME	2,925,630,204	2,433,325,165	4,258,567,346	3,147,617,867
i)	Consumer Loan	45,713,304	45,713,304	29,952,302	29,952,302
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	**42,739,092,226**	**34,969,765,767**	**36,720,306,577**	**27,449,799,774**

Annexure: E-1

AB Bank Limited
Disclosures on Risk Based Capital (Basel III) based on 31 December 2016

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 Act, 1991 (amendment up to 2013) .

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

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
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%	10.625%	11.25%	11.875%	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%
5.75%	80%
6.375%	60%
>6.375% - 7.0%	40%
>7.0%	0%

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.

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.

11. Disclosure under Pillar III

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

A) Scope of Application

Qualitative Disclosure

(a)	The name of the top corporate entity in the group to which this guidelines applies.	**AB Bank Limited**
(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).	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: **AB Bank Limited (ABBL)** 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 101 Branches including 1 Islami Banking Branch, 1 Overseas Branch in Mumbai, India. The Bank has six (06) subsidiary companies, AB Investment Limited (ABIL), AB Securities Limited (ABSL), CashLink Bangladesh Limited (CBL), AB International Finance Limited (ABIFL), incorporated in Hong Kong, AB Exchange (UK) Limited (ABEL) and Arab Bangladesh Bank Foundation (ABBF).

(b)	Continued..	**AB Investment Limited** 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 unparallel 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 Agrabad, Chittagong and Chowhatta, Sylhet. **AB Securities Limited** 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 it's operation independently on 02 August 2010, before that it was operated under the ABBF License. **Cashlink Bangladesh Limited** 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. **AB International Finance Limited** 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. **AB Exchange (UK) Limited** 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 was fully owned (100%) Subsidiary of AB Bank Limited. The Board of Directors of AB Bank Limited has decided to close-down the AB Exchange (UK) Limited, UK in its 607th Board Meeting held on July 12, 2016. Accordingly, after completing all the formalities, Management of AB Exchange (UK) applied to Companies House (UK) on July 25, 2016 for striking off the company and on November 15, 2016 the Company was dissolved through official gazette. **Arab Bangladesh Bank Foundation** 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.
(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.	Aggregate amount of Capital: Tk. 20,000,000 Name of Subsidiary: Arab Bangladesh Bank Foundation (ABBF)

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.	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: Common Equity Tier 1 capital instruments 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. 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. General reserve: Any reserve created through Profit and Loss Appropriation Account for fulfilling any purpose. Retained Earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations. **In this respect, Bank is complied.** **Additional Tier 1 Capital** Bank has no any type of Additional Tier I Capital. **Tier 2 Capital** a) General Provisions; 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;

		Taka in Crore			
		31.12.2016		31.12.2015	
		Solo	Conso	Solo	Conso
(b) The amount of Regulatory capital, with separate disclosure of: CET 1 Capital	> Paid up Capital	674	674	599	599
	> Non- repayable share premium account	-	-	-	-
	> Statutory reserve	650	650	611	611
	> General reserve	122	130	122	140
	> Retained earnings	681	784	683	744
	> Minority Interest in Subsidiaries	-	1	-	(0.22)
	> Non- cumulative irredeemable preference sha	-	-	-	-
	> Dividend equalization account	-	-	-	-
		2,127	**2,238**	**2,015**	**2,094**
Additional Tier 1 Capital		**-**	**-**	**-**	**-**
Total Tier 1 Capital		**2,127**	**2,238**	**2,015**	**2,094**
Tier 2 Capital		1,194	1,206	999	1,004
(c) Regulatory Adjustments/Deductions from capital		256	257	182	183
(d) Total eligible capital		**3,064**	**3,187**	**2,833**	**2,915**

C) Capital Adequacy

Qualitative Disclosure

(a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	Capital Adequacy is the cushion required to be maintained for covering the Credit risk, Market risk and Operational risk so as to protect the depositors and general creditors interest against such losses. In line with BRPD Circular No. 18 dated 21 December, 2014, the Bank has adopted Standardized Approach for Credit Risk, Standardized (Rule Based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing Capital Adequacy.

	Taka in Crore			
	31.12.2016		31.12.2015	
	Solo	Conso	Solo	Conso
(b) Capital requirement for Credit Risk:	2,531	2,546	2,284	2,294
(C) Capital requirement for Market Risk:	88	98	78	86
(d) Capital requirement for Operational Risk:	221	228	193	200
(e) Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:				
> For the Bank alone	69.41%	-	71.13%	-
> For the consolidated group	-	70.22%	-	71.83%
(f) Capital Conservation Buffer	N/A	N/A	N/A	N/A
(g) Available Capital under Pillar 2 Requirement	1,194	1,206	999	1,004

D) Credit Risk

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including:	
> Definitions of past due and impaired (for accounting purposes)	Bank classifies loans and advances (loans and bill discount in the nature of an advance) into performing and non-performing loans (NPL) in accordance with the Bangladesh Bank guidelines in this respect. An NPA (impaired) is defined as a loan or an advance where interest and/ or installment of principal remain overdue for more than 90 days in respect of a Continuous credit, Demand loan or a Term Loan etc. Classified loan is categorized under following 03 (three) categories: > Sub-standard > Doubtful > Bad & Loss Any continuous loan will be classified as: > 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. Any Demand Loan will be classified as: > 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. 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'.

> Definitions of past due and impaired (for accounting purposes)	i. In case of Fixed Term Loans : > 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". 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.

> Description of approaches followed for specific and general allowances and statistical methods

Particulars		Short Term Agri Credit	Consumer Financing			SMEF	Loans to BHs/MBs/SDs	All other Credit	Off Balance Sheet Exposures
			Other than HF, LP	HF	LP				
UC	Standard	2.50%	5%	2%	2%	0.25%	2%	1%	1%
	SMA	-	5%	2%	2%	0.25%	2%	1%	
Classified	SS	5%	20%	20%	20%	20%	20%	20%	
	DF	5%	50%	50%	50%	50%	50%	50%	
	BL	100%	100%	100%	100%	100%	100%	100%	

> Discussion of the Bank's credit risk management policy	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 Administration Management 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 focus on monitoring of Top 30 Loans, Sectoral exposures etc. among others limit.

Quantitative Disclosure

Taka in Crore

		31.12.2016		31.12.2015	
		In %	Taka	In %	Taka
(b) Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	10.01%	2,190	10.46%	2,193
	Cash Credit	0.01%	1	0.01%	2
	Time loan	26.43%	5,782	29.91%	6,272
	Term loan	54.75%	11,978	50.29%	10,548
	Blc	0.09%	21	0.11%	24
	TR	4.19%	916	4.84%	1,016
	Packing credit	0.10%	21	0.21%	44
	Loan-accp bills	1.34%	293	2.35%	492
	Loan-EDF	1.47%	321	-	-
	Consumer Loan	0.64%	140	0.65%	137
	Staff Loan	0.69%	150	0.61%	129
	Bills Purchased & Discounted	0.29%	63	0.55%	116
	Total	**100%**	**21,877**	**100%**	**20,973**

Qualitative Disclosure: credit risk (cont..)		31.12.2016		31.12.2015	
		In %	Taka	In %	Taka
(C) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	**Urban Branches**				
	Dhaka	71.60%	15,491	66.46%	13,630
	Chittagong	21.18%	4,582	25.93%	5,318
	Khulna	2.21%	479	2.51%	516
	Sylhet	0.96%	208	1.12%	229
	Barisal	0.11%	25	0.14%	29
	Rajshahi	1.68%	364	1.98%	406
	Rangpur	1.80%	390	1.86%	381
	Mymensingh	0.44%	95	-	-
		100%	21,634	100%	20,508
	Rural Branches				
	Dhaka	71.80%	141	85.80%	330
	Chittagong	25.78%	50	12.48%	48
	Khulna	0.00%	-	0.00%	-
	Sylhet	2.43%	5	1.71%	7
	Barisal	0.00%	-	0.00%	-
	Rajshahi	0.00%	-	0.00%	-
	Rangpur	0.00%	-	0.00%	-
		100%	196	100%	385
	Outside Bangladesh				
	ABBL, Mumbai Branch	0.21%	47	0.38%	80
		100%	21,877	100%	20,973
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.42%	312	0.98%	206
	Large and medium scale industry	29.28%	6,405	30.87%	6,473
	Working capital	17.51%	3,830	17.53%	3,677
	Export	1.70%	372	0.44%	92
	Commercial lending	24.02%	5,255	26.72%	5,604
	Small and cottage industry	0.70%	154	0.43%	90
	Others	25.36%	5,549	23.03%	4,830
		100%	21,877	100%	20,973
(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	3.42%	748	1.95%	410
	– upto 3 months	34.87%	7,629	40.72%	8,539
	– over 3 months but below 1 year	43.69%	9,557	39.97%	8,382
	– over 1 year but below 5 years	15.68%	3,430	16.51%	3,463
	– over 5 years	2.35%	513	0.85%	178
		100%	21,877	100%	20,973
(f) By major industry or counterparty type:					
i. Amount of impaired loans and if available, past due loans, provided separately		5.19%	1,136	3.16%	662
ii. Specific and general provisions			661		471
iii. Charges for specific allowances and charge-offs during the period			451		235
(g) Gross Non Performing Assets (NPAs)				**2016**	**2015**
Non Performing Assets (NPAs) to Outstanding Loans & advances	Non Performing Assets (NPAs)			**1,136**	**662**
	Non Performing Assets (NPAs) to Outstnading Loans & Advances			**5.19%**	**3.16%**
	Movement of Non Performing Assets (NPAs)-Bangladesh Operations:				
	Opening Balance			**650.83**	**675.46**
	Additions			854.51	398.99
	Reductions			381.02	423.62
	Closing balance			**1,124.3**	**650.83**
	Movement of Specific Provision for Non Performing Assets (NPAs)				
	Opening Balance			256.45	289.13
	Provision made during the period			220.38	101.20
	Write-off			230.52	133.88
	Closing balance			**246.32**	**256.45**
	Provision held by Mumbai Branch			4.32	3.16
	Provision made during the period			**250.63**	**259.62**

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
(C)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period (2016)	**Taka in Crore** 9.65
(d)	> Total unrealized gains (losses) > Total latent revaluation gains (losses) > Any amounts of the above included in Tier 2 capital	(162.83) Nil 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.	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. 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%.

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**	
		31.12.16	**31.12.15**
	Market Value of Assets	32,012	29,001
	Market Value of Liability	29,296	27,011
	Weighted Avg. Duration GAP	0.98	0.79
	CRAR after different level of Shocks:		
	Minor Level	9.87%	10.36%
	Moderate Level	8.93%	9.61%
	Major Level	7.96%	8.85%

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'.
	> 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	
	31.12.16	**31.12.15**
Interest rate risk	37.53	30.33
Equity position risk	48.33	44.49
Foreign exchange risk	1.82	3.14
Commodity risk	-	-
	87.68	**77.96**

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 reports 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

	Taka in Crore	
(b) The capital requirements for Operational Risk	**31.12.16**	**31.12.15**
	221.41	193.15

I) Liquidity Ratio

Qualitative Disclosure

(a) > Views of BOD on system to reduce liquidity Risk	Liquidity risk is the potential for loss to the bank arising from either its inability to meet its obligations of depositors as they fall due or to fund in increased assets as per commitment. To mitigate liquidity Risk bank asses its risk appetite and manage the risk within a structured frame work. Professional resources are deployed to set the limits and procedures and get them approved by the Board. To reduce the liquidity Risk in a structured way, Bank monitors various indicators like regulatory indicators(CRR, SLR, MTFR, MCO, ADR, LCR, NSFR) and uses internal monitoring tools (WBG, CLP and MAT)
> Methods used to measure Liquidity risk	Liquidity measurement involves forecasting the bank's cash inflows against its outflows to identify the potential for any net shortfalls going forward. For measuring Bank uses some simple techniques as mentioned below: >Bank prepares Structural Liquidity Profile (SLP) on monthly basis. SLP is used to estimate the Bank's cash inflows and outflows and thus net deficit or surplus (GAP) over a series of specified time periods. Bank focuses on the maturity of its assets and liabilities in different tenors. Excessive longer tenor lending against shorter-term borrowing is monitored as this can put the Bank's balance sheet in a very critical and risky position. > Bank has a Contingency Funding Plan (CFP) in place. Contingency Funding Plan (CFP)is a set of policies and procedures that serves as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost. Bank maintains sufficient High Quality Liquid Assets to meet the liquidity crisis period. > Bank estimates the funding requirement both is normal and stress conditions arising from on and off balance sheet exposures. Bank monitors its products which are interest rate sensitive. Those are taken care of at the time of interest rate movement in the market based on behavior of clients and other competitors. > Bank monitors liability concentration level. Highly concentrated deposits means bank is relying on too few providers or funding sources. Bank has to be ready for arranging fund if concentrated deposits are withdrawn at a time or Bank place this fund for short term lending. > Bank uses variety of ratios to quantify the liquidity and interpret them taking into account the qualitative factors.
> Liquidity risk management system	The Management of the Bank measures the liquidity risk and manage them under the Board approved guidelines and policies. Bank prepares extensive reports for monitoring the balance sheet movement on daily basis. Bank also monitors the Market information of the country and global market. Bank has an Asset Liability Committee (ALCO). ALCO is a senior management level committee responsible for supervision and management of liquidity and other risks using different monitoring tools. They monitor the limit for indicators set by Bangladesh Bank as well as Bank's Board. Key elements of an effective liquidity risk management process include an efficient MIS to measure, monitor and control existing as well as future liquidity risks and reporting them to senior management and the Board. Bank is therefore working for continuous improvement of MIS.

>	Policies and processes for mitigating liquidity risk	Bank has set of policies duly approved by the Board for mitigating liquidity risk. These policies are supported by effective procedures to measure, achieve and maintain liquidity. The ALCO recommends the policies for liquidity risk which is reviewed and approved by the Board. Operating liquidity is managed by the Bank for day to day fund requirements. And for managing the crisis period Bank follows the CFP approved by the Board. For regulatory purposes the Bank maintains specific amount of assets classed as "liquid", based on its liabilities. In addition, the Bank has to maintain excess liquid assets as per CFP.

Quantitative Disclosure

(b)	Taka in Crore
	31.12.2016
Liquidity Coverage Ratio	123.00%
Net Stable Funding Ratio (NSFR)	106.61%
Stock of High quality liquid assets	6,123.50
Total net cash outflows over the next 30 calendar days	4,978.33
Available amount of stable funding	24,531.07
Required amount of stable funding	23,010.39

J) Leverage Ratio

Qualitative Disclosure

(a)	> Views of BOD on system to reduce excessive leverage	For reducing the leverage up to an optimum level, the Board of Directors of the Bank always keen to focus on the capital strength and the quality of the assets. Board is always concern to maximise the core capital portion and keep the growth of on and off balance sheet exposures at a favourable level. Key initiatives of the Board: • Emphasized to keep LD ratio at the optimal level/budgeted level • Stressed to keep the interest rate spread at the optimal level for ensuring the profitability of the Bank • Market competitive Cost of Fund must be maintained • Non-funded business i.e. import, export and bank guarantee to be expedited as per budget • Operational expenses must be reduced at rational level • Decentralization of portfolio in SME and Retail business • Special Mentioned Account (SMA) and classified loans are to be closely monitored for ensuring asset quality, and • Recovery cell must ensure the monitoring of risk assets frequently to maintain the asset quality.
	> Policies and processes for managing excessive on and off-balance sheet leverage	Primary principle of the Board is to enhance the core capital of the Bank. To keep the leverage at a reduced level, Board emphasised Management to build strong internal control system specifically in the risk points by putting dual control in each phase. Apart from this, by the instruction of the Board, Management formed different Committees to work under specific Terms of Reference (ToR) and to report to the Board. All these above measures as a whole, helps the Management to keep the exposures at sound level.
	> Approach for calculating exposure	The exposure calculation for the leverage ratio is generally followed the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following is applied by the bank: i. On balance sheet and non-derivative exposures are net of specific provisions and valuation adjustments (e.g. surplus/ deficit on Available for sale (AFS)/ Held-for-trading (HFT) positions). ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. iii. Netting of loans and deposits is not allowed.

> Approach for calculating exposure (Continued…)

On-Balance Sheet Items

Bank included items using their accounting balance sheet for the purposes of the leverage ratio. In addition, the exposure measure is included the following treatments for Securities Financing Transactions (e.g. repo, reverse repo etc.):

Repurchase Agreements and Securities Financing:

Securities Financing Transactions (SFT) are a form of secured funding and therefore an important source of balance sheet leverage that included in the leverage ratio. Therefore Banks calculate SFT for the purposes of leverage ratio by applying:

• The accounting measure of exposure; and

• Without netting various long and short positions with the same counterparty

Off-Balance Sheet Items

Bank calculates the Off-Balance Sheet (OBS) items specified in Risk based Capital Adequacy Guidelines issued by Bangladesh Bank vide BRPD Circular No. 18 dated December 21, 2014. OBS exposures calculation is given below for considering Leverage Ratio of the Bank:

Exposures Types	CCF	Notional Amount (In Taka)	Exposure (In Taka)
Direct credit substitutes	100%	29,753,575,932	29,753,575,932
Performance related contingencies	50%	11,168,754,914	5,584,377,457
Short-term self-liquidating trade letters of credit	20%	21,714,674,152	4,342,934,830
Lending of securities or posting of securities as collateral	100%	-	-
Other commitments with certain drawdown	100%	-	-
Commitments with original maturity of one year or less	20%	15,291,020,036	3,058,204,007
Commitments with original maturity of over one year	50%	-	-
Other commitments that can be unconditionally cancelled by any time	10%	16,445,900,000	1,644,590,000
Market related Off-Balance sheet exposure		-	-
Total		**94,373,925,034**	**44,383,682,227**

Quantitative Disclosure

		Taka in Crore
(b)		**31.12.2016**
	Leverage Ratio	**5.28%**
	On balance sheet exposure	31,232.95
	Off balance sheet exposure	4,438.37
	Total exposure	**35,414.96**

K) Remuneration

Qualitative Disclosure

(a)	**Information relating to the bodies that oversees remuneration.**	
	> Name of the bodies that oversees remuneration	The primary body that currently oversees remuneration practices includes: In-charge of remuneration & payroll, Head of HR, and Managing Director of the bank.
	> Name, composition and mandate of the main body overseeing remuneration.	Board of Directors of the bank is the main body which approves the remuneration proposals/changes as when needed based on the recommendation of the primary body
	> External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Periodically services of external consultants are sought in the process of remuneration update/survey in every 2/3 years to ensure competitive effectiveness of remuneration structure. Survey focuses on gross remuneration package in each job grade i.e. Minimum, Mid Point & Maximum in the given scale. Gross salary includes different elements like Basic pay and other admissible emoluments.
	> A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	Key objective of the remuneration policy is to offer competitive remuneration package to employees in each job grade commensurate with job responsibilities irrespective of any location/region. It is done through periodical remuneration survey with local comparators engaging consultant. Similarly, for foreign subsidiaries, it is done in context of specific country remuneration market status to remain competitive in the foreign market that ensures attracting and retention of the best performers.
	> A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.	Divisional Heads, Departmental Heads, Senior Members of Management, Head of Branches/Business Units supported by MANCOM are the material risk takers in business.
(b)	**Information relating to the design and structure of remuneration processes.**	
	> An overview of the key features and objectives of remuneration policy.	#A scale of salary structure with a minimum – mid point and maximum package for each job grade is available #The package includes: Basic pay, Housing, Medical, conveyance (when car is not allowed), Utilities, Maintenance, Leave fare assistance, Personal pay (in appropriate cases) etc. #Salary progression in the form of annual merit pay linked to individual performance within the scale etc. #Service benefits like Provident Fund, Gratuity, Group term insurance, festival bonus, car facilities and related cost as per bank,s service rules are components of total compensation. #Objective of remuneration policy is to pay competitively within industry norms in order to attract & retain good employees, #Pay for performance link to merit measured in terms of delivery of set KPI annually (annual merit pay) #Bank's service rules stands as a guide besides instructions & guidance from the Board from time to time
	> Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.	Remuneration structure is updated periodically usually in an interval of 2/3 years to remain competitive in the market with the approval of the Board of Directors of the bank. No major change made in the recent past

	> A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.	Risks & compliance employees carry out their job independently as per terms of reference. In respect of remuneration, they are treated equally in line with other regular employees
(c)	**Description of the ways in which current and future risks are taken into account in the remuneration processes.**	
	> An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risks including credit/default risk, compliance & reputational risk, financial and liquidity risk are considered while implementing remuneration measures for each employee/group of employees.
	> An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure	Different set of measures are in practice based on nature of business lines/segments etc. these measures are primarily focused on the business targets/goals set for each area of operation, branch vis-à-vis actual results achieved as of the reporting date. The most important tools & indicators used for measuring the risks are asset quality (NPL ration), LD ratio, Net Interest Margin (NIM), provision coverage ratio, cost income ratio, cost of fund, growth of net profit as well as non-financial indicators i.e. compliance status with regulatory norms/instructions, service delivery etc. are brought to all concerned of the bank from time to time.
	> A discussion of the ways in which these measures affect remuneration.	Individual employee's performance standards are set in term of financial & non-financial indicators (KPI) early each year which are expected to be delivered by them individually. Performance evaluation at the end of year results in variation in performance outcome (KPI fully achieved, partially achieved & not achieved) leading to variation in performance reward (annual merit pay) thus affects in remuneration.
	> A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	Based on differentiating performance outcome employees are rewarded annually. Differentiating reward i.e. good, better & best impact on competitive motivation at work as usual. No material change in remuneration package.
(d)	**Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.**	
	> An overview of main performance metrics for bank, top-level business lines and individuals.	Performance matrix in terms of broad KPI is set by the Board for the Management covering business lines/different segments of businesses each year. The Management in turn develops strategies and set performance KPI for individual employees across functions/business to activate and achieve the set targets/KPI in delivering business results. The most common KPIs are loan deposit ratio, cost of fund, cost income ratio, yield on loan, quality of asset, profit target, provision coverage ration, capital to risk weighted ratio, ROE, ROA, Liquidity position, naintenance of CRR and SLR etc. beside non-financial KPI.
	> A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	Annual merit pay i.e. merit increment of employees are linked to performance outcome based on individual performance criteria (KPI). Merit increase is also liked to other elements of remuneration package, so aggregate of all employees has reasonable impact on the remuneration package and not insignificant.
	> A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak	No documented criteria as such is available to adjust remuneration of employees in the event of weak business performance matrix. If profit target is not met in a given year, generally annual merit increment is lower.

(e)	**Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.**	
	> A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	The concept of variable remuneration or for that matter deferred payment system is not in practice. A share of profit in the form of incentive bonus is allowed to employees as approved by the board when profit target is favorably met.
	> A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.	Not applicable

(f)	**Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.**	
	> An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms	Not applicable
	> A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	Not applicable

Quantitative Disclosure

(g)	**Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.**	The main body that oversees remunerations organizes meeting as & when needed to discuss issues arising in the process of administration.
	> Number of employees having received a variable remuneration award during the financial year.	Not applicable (Variable remuneration practice is not available)
	> Number and total amount of guaranteed bonuses awarded during the financial year.	Bank has disbursed 02(two) festival bonus among the employees amounting to taka **183,209,903** during the year 2016.
	> Number and total amount of sign-on awards made during the financial year.	Not applicable
	> Number and total amount of severance payments made during the financial year	None during the financial year
	> Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other	Not applicable
	> Total amount of deferred remuneration paid out in the financial year.	Not applicable

(j)	**Breakdown of amount of remuneration awards for the financial year to show:**	
	Fixed and variable.	BDT 294.70 crore (Fixed including annual merit pay)
	Deferred and non-deferred.	Not applicable
	Different forms used (cash, shares and share linked instruments, other forms).	Not applicable
	Quantitative information about employees' exposure to implicit and explicit adjustments of deferred remuneration and retained remuneration:	
	> Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	Not applicable
	> Total amount of reductions during the financial year due to ex post explicit adjustments.	Not applicable
	> Total amount of reductions during the financial year due to ex post implicit adjustments.	Not applicable

Annexure-F

AB BANK LIMITED
Mumbai Branch
Balance Sheet
As at 31 December 2016

PROPERTY AND ASSETS	31.12.2016 INR	31.12.2015 INR
Cash	**29,802,230**	**19,763,748**
In hand (including foreign currencies)	7,493,047	3,496,567
Balance with Reserve Bank India (including foreign currencies)	22,309,183	16,267,181
Balance with other banks and financial institutions	**1,075,082,608**	**1,138,205,504**
In India	88,690,944	94,640,996
Outside India	986,391,664	1,043,564,508
Money at call and on short notice	**411,757,031**	**240,835,815**
Investments	**364,706,500**	**344,559,750**
Government	364,706,500	344,559,750
Others	-	-
Loans and advances	**405,309,419**	**673,914,433**
Loans, cash credits, overdrafts, etc.	124,426,068	113,830,982
Bills purchased and discounted	280,883,351	560,083,451
Fixed assets including premises, furniture and fixtures	**10,288,025**	**15,224,667**
Other assets	**267,229,419**	**334,754,336**
Non-banking assets	-	-
Total Assets	**2,564,175,232**	**2,767,258,253**
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**-**	**-**
Deposits and other accounts	**1,367,943,715**	**1,609,578,899**
Current deposits	1,155,747,445	1,406,647,806
Demand deposits	586,287	644,915
Bills payable	626,723	718,815
Savings deposits	9,100,177	9,572,472
Fixed deposits	201,883,083	191,994,891
Other deposits	-	-
Other liabilities	**189,063,895**	**214,195,396**
Total Liabilities	**1,557,007,610**	**1,823,774,295**
Capital/Shareholders' Equity		
Total Shareholders' Equity	**1,007,167,621**	**943,483,958**
Paid-up capital	369,822,602	369,822,602
Statutory reserve	206,186,951	188,459,000
Other reserve	-	-
Retained earnings	431,158,067	385,202,356
Total Liabilities and Shareholders' Equity	**2,564,175,232**	**2,767,258,253**

Annexure-F-1

AB BANK LIMITED
Mumbai Branch
Profit and Loss Account
For the year ended 31 December 2016

	2016 INR	2015 INR
OPERATING INCOME		
Interest income	52,470,472	57,796,620
Interest paid on deposits and borrowings, etc.	(16,866,394)	(15,895,873)
Net interest income	**35,604,078**	**41,900,747**
Investment income	23,643,631	25,329,482
Commission, exchange and brokerage	276,706,121	276,779,051
Other operating income	2,048,641	2,303,184
	302,398,392	**304,411,717**
Total operating income (a)	**338,002,470**	**346,312,464**
OPERATING EXPENSES		
Salary and allowances	13,190,755	15,355,626
Rent, taxes, insurance, electricity, etc.	15,980,320	14,945,599
Legal expenses	65,687	251,400
Postage, stamps, telecommunication, etc.	9,100,531	10,518,225
Stationery, printing, advertisement, etc.	2,514,864	2,132,236
Auditors' fees	573,080	641,381
Depreciation and repairs of Bank's assets	6,275,591	7,991,578
Other expenses	101,760,381	100,131,516
Total operating expenses (b)	**149,461,208**	**151,967,560**
Profit before provision (c = a-b)	**188,541,263**	**194,344,904**
Provision against loans and advances	10,500,000	-
Other provisions	40,209,500	-
Total provision (d)	**50,709,500**	**-**
Profit before taxation (c-d)	**137,831,763**	**194,344,904**
Provision for taxation	**74,148,100**	**80,101,240**
Current tax	74,212,703	80,372,664
Deferred tax	(64,603)	(271,425)
Net profit after taxation	**63,683,663**	**114,243,664**

Annexure-G

AB BANK LIMITED
Islami Banking Branch
Balance Sheet
As at 31 December 2016

	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS		
Cash in hand	**270,140,394**	**304,786,207**
Cash in Hand (Including foreign currencies)	4,300,384	5,204,533
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	265,840,010	299,581,674
Balance with Other Banks and Financial Institutions	**2,415,566,470**	**2,021,892,911**
In Bangladesh	2,415,566,470	2,021,892,911
Outside Bangladesh		-
Placement with other Banks & Financial Institutions	**-**	**-**
Investment in shares & other financial institutions	**248,500,000**	**240,000,000**
Government (BGIIB For SLR)	248,500,000	240,000,000
Others	-	-
Investments	**4,422,979,996**	**3,818,966,701**
General Investments etc.	4,422,979,996	3,812,021,764
Bills Purchased & Discounted	-	6,944,937
Fixed Assets	**9,251,533**	**10,524,959**
Other Assets	**26,517,395**	**46,338,286**
Non-Banking Assets	**-**	**-**
	7,392,955,787	**6,442,509,063**
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks (BGIIB)& Other Financial Institutions	**-**	**-**
Deposits and Other Accounts	**7,311,296,055**	**6,386,950,395**
Mudaraba Savings Deposits	106,811,149	90,687,440
Mudaraba Term Deposits	4,081,262,744	3,627,855,408
Other Mudaraba Deposits	3,000,929,470	2,589,538,328
Al-Wadeeah Current and Other Deposit Accounts	116,562,265	74,753,543
Bills Payable	5,730,426	4,115,676
Other Liabilities	**81,659,732**	**55,558,668**
Deferred Tax Liabilities/(Assets)	**-**	**-**
Total Liabilities	**7,392,955,787**	**6,442,509,063**

	31.12.2016 Taka	31.12.2015 Taka
Contingent Liabilities		
Acceptances & Endorsements	380,418,216	-
Letter of Guarantee	130,000,000	319,340,442
Irrevocable Letters of Credit (including Back to Back Bills)	332,550,279	230,995,056
Inland Bills for collection	-	-
Other Contingent Liabilities	-	-
Total	**842,968,495**	**550,335,498**
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	**842,968,495**	**550,335,498**

Annexure-G-1

AB BANK LIMITED
Islami Banking Branch
Profit and Loss Account
For the year ended 31 December 2016

	2016 Taka	2015 Taka
Investment Income	583,877,086	672,381,561
Profit paid on Deposits	385,240,147	507,677,489
Net Investment Income	**198,636,940**	**164,704,072**
Income from Investments in Shares/Securities	475,476	1,896,353
Commission, Exchange and Brokerage	34,601,038	24,202,361
Other Operating Income	695,741	3,655,032
Total Operating Income	**234,409,194**	**194,457,818**
Operating Expenses		
Salaries and Allowances	33,161,266	31,913,422
Rent, Taxes, Insurance, Electricity etc.	1,491,079	1,345,771
Legal Expenses	-	-
Postage, Stamps, Telecommunication etc.	556,819	408,694
Stationeries, Printing and Advertisement etc.	473,596	766,043
Directors' Fees & Expenses	-	-
Shariah Supervisory Committee's Fees & Expenses	155,087	137,963
Auditors' Fees	-	-
Charges on investment Losses	-	-
Depreciation and repair to Bank's Assets	2,938,660	2,902,387
Zakat Expenses	-	-
Other Expenses	7,456,303	8,209,179
Total Operating Expenses	**46,232,809**	**45,683,460**
Operating Profit	**188,176,385**	**148,774,358**

Annexure-H

AB Bank Limited
Islami Banking Branch
Profit paid on deposits

Profit and loss of Islami Banking Branch is calculated annually as at 31 December in every year. More than 60% of investment income is distributed among the different types of Mudaraba depositors following weightage system and the remaining portion is retained by the bank to meet administrative expenses and investment loss offsetting reserve. Provisional profit rates are applied to the different types of deposit A/Cs as decided by the Bank from time to time commensurate with weightage taking into consideration of the industry trend and that of the rates of other Islamic banks in the Country.

In the year 2016 final profit has been paid to the depositors as per following weightage and rates:

Types of Deposit	Weightage	Rate of Profit (%)
1. Mudaraba Savings Deposits	0.29 - 0.33	3.50 - 4.00
2. Mudaraba Special Notice Deposits		
a. General	0.25	3
b. Inter - Bank	0.25 - 0.33	3.00 - 4.00
3. Mudaraba Term Deposits		
a. General		
· 24 Months	0.50 - 1.00	6.00 - 12.00
· 12 Months	0.50 - 0.79	6.00 - 9.50
· 6 Months	0.48 - 0.73	5.75 - 8.75
· 3 Months	0.46 - 0.60	5.50 - 7.25
· 1 Month	0.33 - 0.35	4.00 - 4.25
b. Inter - Bank		
· 1 Month	0.39	4.75
4. Mudaraba Probable Millionaire Scheme	1.04 - 1.11	12.50 - 13.34
5. Mudaraba Quarterly Profit Paying Scheme	0.81	9.75
6. Mudaraba Hajj Deposit Scheme	0.75 - 1.11	9.00 - 13.34
7. Mudaraba Pension Deposit Scheme	0.66 - 1.04	8.00 - 12.50
8. Mudaraba Monthly Profit Payment Scheme	0.58 - 1.11	7.00 - 13.34
9. Mudaraba Cash WAQF Deposit	0.66 - 1.04	8.00 - 12.50

A competent Shariah Supervisory Committee consisting of Islamic scholars, Ulema, Fuqaha and Islamic bankers headed by Mr. M. Azizul Huq, a prominent Islamic scholar and banker guides the Islamic banking operations of the Bank. During the year 2016, Shariah Supervisory Committee met in 05 (Five) meetings (Full Committee 03+Sub-Committee 02) and reviewed different operational issues. The Committee also audited the branch through it's Muraquib and reviewed the audit report in it's regular meeting. Shariah Supervisory Committee observed that both the officials and clients of the Branch became more cautious about the compliance of Shariah Principles.

Annexure- I

AB Bank Limited
Custodian Wing
Balance Sheet
As at 31 December 2016

	31.12.2016 Taka	31.12.2015 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	26,375	36,925
Intangible Assets	-	-
Total Non Current Assets	26,375	36,925
Current Assets		
Cash and Bank Balances	-	-
Advance, Deposit and Prepayments	-	-
Accounts Receivables	30,975,447	17,159,327
Total Current Assets	30,975,447	17,159,327
Total Assets	**31,001,822**	**17,196,252**
LIABILITIES		
Non-Current Liabilities	-	-
Current Liabilities		
Payable to AB Bank	13,505,085	13,515,635
Accounts Payable	17,470,287	3,654,167
Provision for Audit Fees	26,450	26,450
Total Current Liabilities	31,001,822	17,196,252
Total Liabilities	**31,001,822**	**17,196,252**

Annexure- I-1

AB Bank Limited
Custodian Wing
Profit and Loss Account
For the year ended 31 December 2016

	2016 Taka	2015 Taka
Operating Income		
Commission, exchange and brokerage	937,500	937,500
Total Operating Income (a)	**937,500**	**937,500**
Operating Expenses		
Rent, taxes and insurance	16,500	16,400
Auditor's fees	26,450	26,450
Depreciation and repair of bank's assets	10,550	10,550
Other expenses	347,891	12,430
Total operating expenses (b)	**401,391**	**65,830**
Operating Profit	**536,109**	**871,670**

Annexure-J

AB Bank Limited
Off-Shore Banking Unit (OBU)

Balance Sheet
As at 31 December 2016

PROPERTY AND ASSETS	31.12.2016 Taka	31.12.2016 USD	31.12.2015 Taka	31.12.2015 USD
Cash	-	-	-	-
Balance with Other Banks and FIs'	**103,481,273**	**1,314,697**	**15,624,068**	**199,032**
In Bangladesh	734,297	9,329	221,870	2,826
Outside Bangladesh	102,746,976	1,305,368	15,402,198	196,206
Money at call and on short notice (Placement)	**2,212,965,725**	**28,115,040**	**2,287,498,742**	**29,140,000**
Loans and Advances:	**11,361,144,011**	**144,339,795**	**14,696,619,255**	**187,217,364**
Loans & Advances - Regular	11,361,144,011	144,339,795	14,696,619,255	187,217,364
Bills Purchased & Discounted	-	-	-	-
Premises and Fixed Assets (WDV)	**1,842,866**	**23,413**	**3,243,127**	**41,314**
Other Assets:	**30,308,004**	**385,054**	**47,192,181**	**601,172**
Accrued Interest	416,408	5,290	242,607	3,091
Pre-paid Advances	165,957	2,108	204,019	2,599
Miscellaneous	29,725,640	377,655	46,745,555	595,482
Total Assets	**13,709,741,880**	**174,177,999**	**17,050,177,372**	**217,198,882**
LIABILITIES AND CAPITAL				
Liabilities:				
Borrowing from Bank & FIs'	**13,351,236,403**	**169,623,298**	**15,676,272,977**	**199,696,982**
In Bangladesh	7,838,504,785	99,585,761	6,264,632,788	79,803,934
Outside Bangladesh	5,512,731,619	70,037,538	9,411,640,189	119,893,047
Deposits and Other Accounts	**71,688,147**	**910,776**	**1,283,381,876**	**16,348,751**
Demand Deposits	21,473,619	272,816	1,219,275,859	15,532,117
Demand Deposits - Others	50,214,528	637,960	64,106,017	816,634
Other Deposits	-	-	-	-
Other Liabilities	101,454,560	1,288,949	-	-
Total Liabilities	**13,524,379,110**	**171,823,023**	**16,959,654,853**	**216,045,733**
Capital and Shareholders' Equity				
Retained Earnings	185,362,770	2,354,976	90,522,520	1,153,149
Total Shareholders' Equity	**185,362,770**	**2,354,976**	**90,522,520**	**1,153,149**
Total Liabilities and Shareholders' Equity	**13,709,741,880**	**174,177,999**	**17,050,177,372**	**217,198,882**

Annexure-J-1

AB Bank Limited
Off-Shore Banking Unit (OBU)
Profit and Loss Account
For the year ended 31 December 2016

	2016 Taka	2016 USD	2015 Taka	2015 USD
Interest income	713,013,393	9,095,495	551,864,037	7,068,271
Interest paid on deposits and borrowing etc.	511,963,149	6,530,814	452,733,405	5,798,607
Net Interest income	**201,050,244**	**2,564,680**	**99,130,632**	**1,269,665**
Commission, exchange and brokerage	2,811,089	35,859	1,379,529	17,669
Other operating income	53,727	685	198,445	2,542
Total operating income (A)	**203,915,059**	**2,601,225**	**100,708,606**	**1,289,875**
Salaries and allowances	5,786,944	73,821	7,410,975	94,920
Rent, taxes, insurance, electricity etc.	42,927	548	67,054	859
Legal expenses	62,961	803	-	-
Postage, stamps, telecommunication etc.	321,596	4,102	254,565	3,260
Stationeries, printing, advertisement etc.	46,442	592	11,673	150
Depreciation and repair of bank's assets	757,294	9,660	1,356,248	17,371
Other expenses	12,285,761	156,722	1,574,577	20,167
Total operating expenses (A)	**19,303,925**	**246,249**	**10,675,092**	**136,727**
Operating Profit	**184,611,134**	**2,354,976**	**90,033,514**	**1,153,149**

Annexure-K

AMANA BANK PLC (PB 3618 PQ)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

RUPEES IN THOUSAND

	AS AT 31.12.2016	AS AT 31.12.2015
Assets		
Cash and Cash Equivalents	5,686,924	5,016,459
Balances with Central Bank of Sri Lanka	2,816,770	2,292,888
Derivative Financial Assets	59,483	61,037
Placements with Banks	4,662,466	3,624,929
Placements with Licensed Finance Companies	21	954,528
Financial Investments-Held for Trading	45,182	59,474
Financing and Receivables to Others Customers	38,451,662	33,073,596
Financial Investments-Available for Sale	394,775	432,056
Financial Investments-Held to Maturity	-	-
Other Financial Assets	307,322	315,749
Other Non Financial Assets	227,059	257,217
Property, Plant and Equipment	1,247,591	1,271,732
Intangible Assets	269,376	236,503
Differed Tax Assets	146,356	145,703
Total Assets	**54,314,987**	**47,741,871**
Liabilities		
Due to Banks	751,964	2,955,278
Derivative Financial Liabilities	98,341	67,405
Due to Other Customers	46,915,290	38,467,461
Other Financial Liabilities	566,565	341,598
Other Non Financial Liabilities	112,175	113,063
Retirement Benefit Liability	82,606	74,071
Total Liabilities	**48,526,943**	**42,018,875**
Shareholder's Funds		
Stated Capital	5,866,808	5,866,808
Statutory Reserve Fund	17,258	15,231
Revaluations Reserves	527,800	527,800
Other Reserves	(243,795)	(261,525)
Retained Earnings	(380,027)	(425,318)
Total Equity	**5,788,044**	**5,722,996**
Total Liabilities and Shareholder's Equity	**54,314,987**	**47,741,871**

Annexure-K-1

AMANA BANK PLC (PB 3618 PQ)
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016

RUPEES IN THOUSANDS

	2016	2015
Financing Income	4,039,624	2,885,932
Financing Expenses	(2,115,335)	(1,405,259)
Net Financing Income	**1,924,289**	**1,480,673**
Net Fee and Commission Income	246,568	168,556
Net Gain/(Loss) from Trading	257,455	390,235
Net Other Operating Income	4,961	27,659
Total Operating Income	**2,433,273**	**2,067,123**
Impairment Revesal / (Charge) for Financing and Receivables to Other Customer and Other Losses		
Individual Impairment	(40,156)	255
Collective Impairment	(27,830)	(3,073)
Others	(149,192)	-
Net Operating Income	**2,216,095**	**2,064,305**
Personal Expenses	1,025,032	908,237
Depreciation of Property, Plant and Equipment	162,621	150,818
Amortisation of Intangible Assets	78,635	40,881
Other Operating Expenses	678,729	593,404
Total Operating Expenses	**1,945,017**	**1,693,340**
Operating Profit Before Value Added Tax & Nation Building Tax	**271,077**	**370,964**
value Added Tax on Financial Services & Nation Building Tax	(168,266)	(152,248)
Profit Before Tax	**102,811**	**218,716**
Tax (Expenses)/ Reversal	(62,171)	(60,087)
Profit for the Period	**40,640**	**158,629**

Annexure-L

AB Investment Limited
(A Subsidiary of AB Bank Limited)

Statement of Financial Position (Balance Sheet)
As at 31 December 2016

	31.12.2016 BDT	31.12.2015 BDT
Assets		
Non- current assets		
Property, plant and equipment	597,167,511	613,817,114
Investment in shares	721,255,054	686,571,505
Office renovation	-	320,882
Total non- current assets	**1,318,422,565**	**1,300,709,501**
Current assets		
Loans to clients	7,229,768,195	6,990,517,740
Advances, deposits and prepayments	23,461,147	21,168,843
Receivable from brokers	33,238,412	12,764,599
Advance income tax	235,957,025	216,951,177
Cash and cash equivalents	614,394	432,792
Total current assets	**7,523,039,173**	**7,241,835,151**
Total assets	**8,841,461,738**	**8,542,544,652**
Equity and Liabilities		
Capital and reserve		
Share capital	6,149,428,410	2,988,568,250
Share money deposit	-	2,199,999,000
Retained earnings	635,065,186	544,469,448
Total capital and reserve	**6,784,493,596**	**5,733,036,698**
Non-current liabilities		
Provident fund, gratuity fund and recreation club fund	7,794,251	7,207,993
Deferred tax	23,681,668	18,945,456
Total non-current liabilities	**31,475,919**	**26,153,449**
Current liabilities		
Borrowing from banks, etc.	1,203,940,032	2,127,542,960
Liabilities for expenses	4,264,012	5,420,218
Payable against sale proceeds of shares	33,238,412	11,896,586
Provision for taxation	348,436,278	267,770,486
Provision for unclassified loans and investment	338,145,182	338,145,182
Credit balance with clients' accounts	97,468,307	32,579,073
Total current liabilities	2,025,492,223	2,783,354,505
Total liabilities	**2,056,968,142**	**2,809,507,954**
Total shareholders' equity and liability	**8,841,461,738**	**8,542,544,652**

Annexure-L-1

AB Investment Limited
(A Subsidiary of AB Bank Limited)

Statement of Profit or Loss and Other Comprehensive Income
(Profit and Loss Statement)
For the year ended 31 December 2016

	2016 BDT	2015 BDT
Operating income		
Interest income	412,045,652	393,372,052
Management fee	16,349,835	17,941,568
Transaction/ settlement fee	26,191,962	26,199,160
Investment income	7,902,899	252,437
Other operating income	11,407,551	8,758,224
Total operating income (A)	**473,897,899**	**446,523,441**
Operating expenses		
Salary and allowances	15,160,710	17,278,034
Audit and consultancy fees	250,700	615,700
Administrative expenses	30,474,024	30,724,379
Financial expenses	36,395,889	144,722,697
Total operating expenses (B)	**82,281,323**	**193,340,810**
Net operating income (C=A-B)	**391,616,576**	**253,182,631**
Profit before provision for loans and investment	**391,616,576**	**253,182,631**
Provision for loan	-	3,864,130
Provision for investment	**-**	40,000,000
Net profit before tax for the year	**391,616,576**	**209,318,501**
Income tax expense	**151,592,428**	**94,943,487**
Current tax	146,856,216	89,292,367
Deferred tax	4,736,212	5,651,120
Net profit after tax for the year	**240,024,148**	**114,375,014**
Earnings per share (EPS)	**0.69**	**0.36**

Annexure-M

AB Securities Limited
Statement of Financial Position
As at 31 December 2016

	31.12.2016 Taka	31.12.2015 Taka
I. Sources of Fund		
A) Shareholders' Equity	**515,091,961**	**486,920,300**
Share Capital	246,750,000	246,750,000
Revaluation Reserve	102,024,360	102,024,360
Retained Earnings	166,317,601	138,145,940
B) Non Current Liabilities	**384,579,863**	**382,988,078**
Liabilities for Other Finance	370,263,485	370,263,485
Deferred Liability-Gratuity	5,147,975	4,755,802
Provision for Provident Fund	9,168,403	7,968,791
Total Source of Fund (A+B)	**899,671,824**	**869,908,378**
II. Application of Fund		
A) Non Current Assets	**5,868,249**	**6,041,058**
Property, Plant & Equipment	3,157,231	3,516,188
Deferred Tax Assets	2,711,018	2,524,870
B) Investments	**172,865,988**	**168,598,202**
C) Current Assets	**1,341,210,825**	**1,203,834,593**
Cash and Cash Equivalents	301,783,395	165,340,364
Advance, Deposit & Prepayment	3,301,145	2,522,241
Advance Income Tax	48,848,463	33,273,206
Accounts Receivable	29,535,114	12,397,949
Margin Loan	957,742,708	990,300,833
D) Current Liabilities and Provisions	**620,273,237**	**508,565,474**
Accounts Payable	233,669,082	120,530,747
Bank Overdraft	253,621,766	284,303,246
Liabilities for Expense	4,956,087	1,251,195
Provision for Income Tax	58,629,199	41,548,183
Other Liabilities	69,397,103	60,932,103
E) Net Current Assets (C-D)	**720,937,587**	**695,269,118**
F) Total Application of Fund (A+B+E)	**899,671,824**	**869,908,378**

Annexure-M-1

AB Securities Limited
Statement of Comprehensive Income
For the Year Ended 31 December 2016

		2016 Taka	2015 Taka
A)	**OPERATING INCOME**	**105,997,994**	**80,983,089**
	Brokerage Commission	43,504,521	45,853,762
	Interest Income	49,427,639	30,730,786
	Investment Income	10,978,747	1,435,989
	Other Operating Income	2,087,087	2,962,552
B)	**OPERATING & OTHER EXPENSE**	**53,431,466**	**55,631,218**
	Operating Expenses	51,327,321	50,536,793
	Other Financial Expenses	804,138	935,196
	Depreciation on Property, Plant & Equipment	1,300,007	4,159,229
C)	**Profit Before Provision (A-B)**	**52,566,529**	**25,351,871**
D)	**Provision**	**7,500,000**	**3,000,000**
	For Diminution in Value of Investments	1,287,725	1,585,941
	For Diminution in Value of Loan	6,212,275	1,414,059
E)	**Profit Before Taxation (C-D)**	**45,066,529**	**22,351,871**
F)	**Provision for Taxation**	**16,894,868**	**14,486,961**
	Current Tax	17,081,016	15,136,821
	Deferred Tax	(186,148)	(649,860)
	Net Profit After Taxation (E-F)	**28,171,661**	**7,864,910**
	Earnings Per Share (EPS)	**1.14**	**0.32**

Annexure-N

Cashlink Bangladesh Limited

Statement of Financial Position

As at 31 December 2016

	31.12.2016 Taka	31.12.2015 Taka
ASSETS		
Non Current Assets		
Property, Plant and Equipment	104,508	177,188
Investment in ETN	-	101,600,000
	104,508	**101,777,188**
Current Assets		
Cash and Bank Balances	2,667,656	1,166,305
Investment in FDR	32,500,000	-
Investment in Share	431,639	23,506,275
Current Account with ETN	-	71,566,239
Advance, Deposit & Prepayment	37,794,461	30,746,918
Accounts Receivable	-	491,217
Other Receivable	214,030	60,000
	73,607,785	**127,536,954**
Total Assets	**73,712,293**	**229,314,146**
EQUITY AND LIABILITIES		
Equity		
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Profit/(Loss)	(185,493,383)	(125,801,178)
	56,706,617	**116,398,822**
Liabilities		
Non-current Liabilities		
Long term loan	9,742,006	-
Current Liabilities		
Accrued Expenses	172,500	115,000
Provision for Taxation	7,091,170	1,728,657
Short Term Loan	-	106,741,029
Provision for decrease in market value of investment in Share	-	4,307,246
VAT Deducted at Source	-	23,392
	7,263,670	**112,915,323**
Total Liabilities	**17,005,676**	**112,915,323**
Total Equity and Liabilities	**73,712,293**	**229,314,146**

Annexure-N-1

Cashlink Bangladesh Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2016

	2016 Taka	2015 Taka
Revenue	123,290,014	77,327,792
Less: Operating Expenses	-	13,715
General and Administration Expenses	613,081	1,067,708
Net Operating Profit	**122,676,933**	**76,246,369**
Add: Other Income	1,470,187	336,312
Non-Operating Loss	(182,813,810)	(756,799)
	(58,666,690)	**75,825,883**
Less: Other Expenses	525	520
Profit Before Provision	**(58,667,215)**	**75,825,363**
Provision for Decrease in Market Value of Investment in Share	(4,307,246)	3,324,850
Profit Before Taxation	**(54,359,970)**	**72,500,513**
Income Tax Expenses	5,332,235	230,722
Net Profit After Tax	**(59,692,205)**	**72,269,791**
Other Comprehensive Income	-	-
Total Comprehensive Income	**(59,692,205)**	**72,269,791**

Annexure-O

AB International Finance Limited

Balance Sheet
As at 31 December 2016

	31.12.2016 HK$	31.12.2015 HK$
NON-CURRENT ASSETS		
Property, plant and equipment	**15,803**	**8,922**
CURRENT ASSETS		
Discounted bills receivable	87,683,696	90,154,751
Deposits, prepayments and other receivable	2,310,366	454,565
Cash and bank balances	636,227	2,021,503
	90,630,289	**92,630,819**
CURRENT LIABILITIES		
Accrued liabilities and other payables	4,134,050	3,819,557
Deferred interest income	818,675	772,063
Provision for long service payments	520,256	516,050
Due to ultimate holding company	68,200,000	70,835,000
Tax payable	70,689	165,197
	73,743,670	**76,107,867**
NET CURRENT ASSETS	16,886,619	16,522,952
	16,902,422	**16,531,874**
EQUITY		
Share capital	1,000,000	1,000,000
Retained earnings	563,904	563,904
Proposed final dividend	7,776,559	7,406,011
Capital Reserve	7,561,960	7,561,960
	16,902,422	**16,531,874**

Annexure-O-1

AB International Finance Limited

Profit and Loss Account
For the year ended 31 December 2016

	2016 HK$	2015 HK$
Interest income	4,721,731	6,120,785
Interest expenses	(571,215)	(573,322)
Net interest income	**4,150,516**	**5,547,463**
Other operating income	10,083,178	8,306,621
Total operating income	**14,233,694**	**13,854,084**
Staff costs	(2,538,848)	(2,787,988)
Depreciation	(8,853)	(11,310)
Provision for long service payments	(4,206)	(6,561)
Other operating expenses	(2,393,778)	(2,201,453)
Total operating expenses	**(4,945,685)**	**(5,007,312)**
Profit before taxation	9,288,009	8,846,772
Income tax	(1,511,450)	(1,440,761)
Profit for the year	**7,776,559**	**7,406,011**
Retained earnings at start of the year	563,904	563,904
Dividends	(7,776,559)	(7,406,011)
Retained earnings at the end of the year	**563,904**	**563,904**

Annexure-P

AB Exchange (UK) Limited (ABEL)

Balance Sheet

As at 15 November 2016

	15.11.2016 GBP	31.12.2015 GBP
FIXED ASSETS		
Tangible Assets	-	9,203
	-	**9,203**
Current Assets		
Debtors	359	18,559
Cash at Bank and in Hand	67	11,763
	426	**30,322**
Creditors		
Amounts falling due within one year	45,793	23,638
Net Current Assets/(Liabilities)	**(45,367)**	**6,684**
Total Assets less Current Liabilities	**(45,367)**	**15,887**
CREDITORS		
Amounts falling due after more than one year	-	5,500
Net Assets	**(45,367)**	**10,387**
CAPITAL AND RESERVES	**(45,367)**	**10,387**
Called up share capital	400,000	400,000
Profit and loss account	(445,367)	(389,613)
(DEFICIT)/SHAREHOLDERS' FUND	**(45,367)**	**10,387**

Annexure-P-1

AB Exchange (UK) Limited (ABEL)

Profit and Loss Statement

For the period from 01 January 2016 to 15 November 2016

	2016 GBP	2015 GBP
Turnover	-	19,450
Administrative expenses	54,021	82,257
Operating Loss	**(54,021)**	**(62,807)**
Interest payable and similar charges	1,733	-
Loss on ordinary activities before taxation	**(55,754)**	**(62,807)**
Tax on loss on ordinary activities	-	-
Operating loss for the financial year	**(55,754)**	**(62,807)**

Annexure- Q

Arab Bangladesh Bank Foundation (ABBF)
Statement of Financial Position

As at 31 December 2016

	31.12.2016 Taka	31.12.2015 Taka
ASSETS		
Non Current Assets	**40,488,576**	**41,179,450**
Property, Plant & Equipment	40,487,576	13,543,492
Investment at cost in equity share of ABIL	1,000	1,000
Advances to Police Plaza Concord	-	27,634,958
Current Assets	**565,679,203**	**547,618,044**
Loan to ABSL	350,000,000	350,000,000
Investment in FDR	34,541,836	32,596,376
Accrued income	12,725,169	37,668
Advance Tax	114,829,710	114,384,675
Cash and Cash equivalents	53,582,488	50,599,325
TOTAL ASSETS	**606,167,779**	**588,797,494**
EQUITY AND LIABILITIES		
Shareholders' Equity	**488,794,866**	**476,488,783**
Share Capital	20,000,000	20,000,000
Retained Earnings	468,794,866	456,488,783
Non-Current Liabilities		
Advance Rent	1,145,400	1,597,426
Current Liabilities	**116,227,510**	**110,711,285**
Provision for Income Tax	115,522,482	110,012,157
Advance Rent	452,028	452,028
Provision for expenses	253,000	247,100
TOTAL EQUITY AND LIABILITIES	**606,167,779**	**588,797,494**

Annexure -Q-1

Arab Bangladesh Bank Foundation (ABBF)

Statement of Comprehensive Income
For the year ended 31 December 2016

	2016 Taka	2015 Taka
Income		
Operating Income	**30,475,881**	**36,671,887**
Interest Income	29,571,829	36,370,536
Rental Income	904,052	301,351
Non Operating Income	-	**468,656**
Other Income	-	468,656
Less : Operating & Other Expenses	**12,659,472**	**9,793,397**
Operating expenses	3,087,272	496,497
Other expenses	9,572,200	9,296,900
Profit / (Loss) before Tax	**17,816,409**	**27,347,146**
Less: Provision for Tax	5,510,325	9,571,501
Profit / (Loss) carried forward	**12,306,083**	**17,775,645**

Name of the Directors and entities in which had interest
As at December 31, 2016

Sl. No.	Name	Status	Name of Firms / Companies in which interested as pro-proprietor/partner/director/managing agent/guarantor/employees etc.
1	Mr. M. Wahidul Haque	Chairman	**Chairman:** 1. AB Bank Limited 2. AB Investment Limited 3. AB Securities Limited 4. Cashlink Bangladesh Limited 5. AB Exchange (UK) Limited, London, UK **Managing Director:** 6. Deundi Tea Company (UK) Ltd. 7. Noyapara Tea Co. Limited.
2	Mr. Salim Ahmed	Vice-Chairman	1. AB Bank Limited 2. Super Refinery (Pvt.) Ltd. 3. Super Sea Fish (Pvt.) Ltd. 4. Super Share & Securities Ltd. 5. Supertel Ltd. 6. Super Silica Bangladesh Ltd. 7. Elite Super Plastic Ind.(Pvt.) Ltd. 8. Elite Properties Management Ltd. 9. Elite Paint & Chemical Industries Ltd. 10. Elite International Ltd. 11. Hexagon Chemical Complex Ltd. **<u>Nominated by AB Bank Limited in the Board of:</u>** 12. AB Securities Ltd, Director 13. AB Investment Ltd, Director 14. CashLink Bangladesh Ltd, Director
3	Mr. Feroz Ahmed	Director	1. AB Bank Limited **Chairman:** 2. AB Internaltonal Finance Ltd., Hong Kong, Nomnated by AB Bank Ltd. 3. Hexagaon Chemical Complex Ltd. 4. Elite Paint & Chemical Ind. Ltd. **Managing Director:** 5. Elite International Ltd. 6. FDN Energy Ltd. 7. Ahemd Securities Services Ltd. **Managing Partner:** 8. Universal Shipping & Trawling Company **Shareholder:** 9. Bangladesh Generel Insurance Company Ltd. 10. Holy Crescent Hospital
4	Mr. M. A. Awal	Director	1. AB Bank Limited 2. AB International Finance Ltd., Hong Kong, Director, nominated by AB Bank Ltd.
5	Mr. Faheemul Huq, Barrister-at-Law	Director	1. AB Bank Limited 2. Amana Bank PLC, Colombo, SriLanka, nominated by AB Bank Limited.

Name of the Directors and entities in which had interest
As at December 31, 2016

Sl. No.	Name	Status	Name of Firms / Companies in which interested as pro-proprietor/partner/director/managing agent/guarantor/employees etc.
6	Mr. Syed Afzal Hasan Uddin, Barrister-at-Law	Director	1. AB Bank Limited 2. AB Exchange (UK) Ltd, Director, nominated by AB Bank Ltd. 3. Syed Ishtiaq Ahmed & Associates, Partner 4. Square Textiles Ltd, Independent Director 5. Color City Ltd, Independent Director 6. Managewell Media Ltd, Nominee Director 7. Forward Air Avation Ltd, Nominee Director 8. Managewell Holdings Ltd. 9. Managewell Investment Ltd. 10. Managewell Service Ltd.
7	Mr. Shishir Ranjan Bose, FCA	Independent Director	1. S .R. Bose & Co., Chartered Accountants, Proprietor 2. Therapeutics (Bangladesh) Ltd, Independent Director **Nominated by AB Bank Limited in the Board of :** 3. AB Securities Ltd, Independant Director 4. Cashlink Bangladesh Ltd, Independent Director 5. AB Exchange (UK) Ltd, Independent Director 6. AB International Finance Limited (ABIFL), Hong Kong
8	Mr. Md. Mesbahul Hoque	Director	1. AB Bank Limited 2. Therapeutics (BD) Ltd, Managing Director 3. GlaxoSmithKline Bangladesh Limited, Independent Director
9	Prof. Dr. M. Imtiaz Hossain	Independent Director	1. AB Investment Ltd, Indepandant Director, nominated by AB Bank Ltd. 2. Professor, Bangladesh University of Engineering and Technology (BUET)
10	Mr. Syed Golam Kibria	Director	1. AB Bank Limited 2. North East University Bangladesh, Telihaor, Sheikhghat, Sylhet-3100 – Director Finance & Registrar (Acting)
11	Mr. Asish Baran Sarkar	Director	1. AB Bank Limited 2. Pacific Bangladesh Telecom Ltd
12	Mr. Shamim Ahmed Chaudhury	President & Managing Director	1. AB Securities Ltd, Director 2. Cashlink Bangladesh Ltd, Director, nominated by AB Bank Ltd