

AB Bank Limited

BCIC Bhaban

30-31 Dilkusha Commercial Area

Dhaka 1000

Un-Audited

AB Bank Limited and its Subsidiaries

Consolidated and separate financial statements
for the period ended September 30, 2017

AB Bank Limited & its Subsidiaries
Consolidated Balance Sheet
As at September 30, 2017

<u>PROPERTY AND ASSETS</u>	Notes	30.09.2017 Taka	31.12.2016 Taka
Cash	3(a)	17,858,065,615	19,707,725,976
In hand (including foreign currencies)	3.1(a)	1,759,012,303	1,536,407,693
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	16,099,053,313	18,171,318,283
Balance with other banks and financial institutions	4(a)	5,340,119,859	4,655,002,507
In Bangladesh		1,896,671,339	2,624,288,364
Outside Bangladesh		3,443,448,519	2,030,714,143
Money at call and on short notice	5(a)	564,710,768	7,633,213,824
Investments	6(a)	45,967,782,274	47,561,451,498
Government	6.1(a)	40,813,808,885	41,903,780,261
Others	6.2(a)	5,153,973,389	5,657,671,237
Loans, advances and lease/investments		236,877,892,501	226,546,501,234
Loans, cash credits, overdrafts, etc./Investments	7(a)	235,383,265,357	225,023,967,197
Bills purchased and discounted	8(a)	1,494,627,143	1,522,534,037
Fixed assets including premises, furniture and fixtures	9(a)	4,542,536,723	4,680,967,000
Other assets	10(a)	8,021,137,696	6,383,908,169
Non-banking assets		-	-
Total Assets		319,172,245,436	317,168,770,208
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	27,107,689,006	15,757,755,476
AB Bank Subordinated Bond	12	6,000,000,000	6,500,000,000
Deposits and other accounts	13(a)	229,003,874,201	245,394,404,421
Current account and other accounts		23,387,304,324	22,296,581,953
Bills payable		3,059,913,337	4,865,582,322
Savings bank deposits		28,738,674,135	28,024,691,434
Fixed deposits		122,624,181,691	122,034,379,371
Other deposits		51,193,800,715	68,173,169,341
Other liabilities	14(a)	32,580,300,850	25,182,491,365
Total Liabilities		294,691,864,057	292,834,651,262
Capital/Shareholders' Equity			
Equity attributable			
to equity holders of the parent company		24,470,250,851	24,324,206,960
Paid-up capital	15	6,738,936,140	6,738,936,140
Statutory reserve	16	6,536,373,914	6,495,637,440
Other reserve	17(a)	2,877,070,156	3,253,395,264
Retained earnings	18(a)	8,317,870,641	7,836,238,115
Minority interest	18(b)	10,130,527	9,911,986
Total Equity		24,480,381,378	24,334,118,946
Total Liabilities and Shareholders' Equity		319,172,245,436	317,168,770,208

	Notes	30.09.2017 Taka	31.12.2016 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	19	66,093,147,066	73,478,914,136
Acceptances and endorsements		26,959,209,741	29,034,996,366
Letters of guarantee	19.1	13,652,724,755	13,920,306,922
Irrevocable letters of credit		17,367,541,819	22,005,679,984
Bills for collection		8,067,833,770	8,517,930,863
Other contingent liabilities		45,836,980	-
Other commitments			
		-	-
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		66,093,147,066	73,478,914,136

-Sd-
Mahadev Sarker Sumon FCA
Chief Financial Officer

-Sd-
Anupam Kanti Debnath
Head of ICCD

-Sd-
Moshiur Rahman Chowdhury
President & Managing Director

-Sd-
Shishir Ranjan Bose FCA
Independent Director

-Sd-
M. Wahidul Haque
Chairman

Dhaka,
October 30, 2017

AB Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
For the period ended September 30, 2017

	Notes	Jan.'17- Sept.'17 Taka	Jan.'16-Sept.'16 Taka	July'17-Sept.'17 Taka	July'16-Sept.'16 Taka
OPERATING INCOME					
Interest income/profit on investments	21(a)	13,040,261,760	15,423,232,772	4,059,374,189	4,717,119,431
Interest/profit paid on deposits and borrowings, etc.	22(a)	(10,728,931,473)	(12,137,732,966)	(3,680,824,291)	(4,230,516,852)
Net interest income		2,311,330,287	3,285,499,805	378,549,898	486,602,579
Investment income	23(a)	3,585,215,215	3,287,184,139	1,066,818,002	1,774,575,269
Commission, exchange and brokerage	24(a)	2,251,344,071	2,109,102,627	680,002,107	641,175,518
Other operating income	25(a)	141,076,315	134,461,173	44,991,087	41,719,781
		5,977,635,601	5,530,747,939	1,791,811,196	2,457,470,568
Total operating income (a)		8,288,965,888	8,816,247,744	2,170,361,094	2,944,073,147
OPERATING EXPENSES					
Salary and allowances	26(a)	2,303,723,000	2,201,135,532	790,521,046	754,614,179
Rent, taxes, insurance, electricity, etc.	27(a)	535,286,965	513,278,320	175,067,952	185,549,139
Legal expenses	28(a)	5,137,995	17,307,630	3,200,814	1,774,802
Postage, stamps, telecommunication, etc.	29(a)	106,713,522	107,118,482	32,414,718	34,011,746
Stationery, printing, advertisement, etc.	30(a)	156,243,897	158,113,859	47,835,984	63,329,152
Chief executive's salary and fees		7,090,551	9,900,000	3,250,000	3,450,000
Directors' fees	31(a)	6,789,470	6,463,883	1,612,971	2,360,639
Auditors' fees	32(a)	1,652,788	3,322,306	1,299,449	263,209
Depreciation and repairs of Bank's assets	33(a)	404,133,639	423,405,713	126,811,576	138,345,702
Other expenses	34(a)	1,019,910,933	1,007,078,118	348,188,443	311,540,508
Total operating expenses (b)		4,546,682,761	4,447,123,841	1,530,202,953	1,495,239,076
Profit before provision (c = (a-b))		3,742,283,127	4,369,123,903	640,158,141	1,448,834,071
Provision against loans and advances	35(a)	3,369,412,970	1,971,006,800	991,993,473	920,197,045
Provision for diminution in value of investments	36(a)	2,050,000	4,758,000	500,000	1,586,000
Other provisions	37(a)	2,736,446	57,511,545	13,153,899	13,900,708
Total provision (d)		3,374,199,416	2,033,276,345	1,005,647,372	935,683,753
Profit before tax (c-d)		368,083,711	2,335,847,558	(365,489,231)	513,150,317
Provision for taxation		(113,902,143)	1,088,852,157	(250,303,412)	258,366,688
Current tax		1,250,100,712	1,695,714,703	177,600,137	558,770,647
Deferred tax		(1,364,002,855)	(606,862,546)	(427,903,549)	(300,403,959)
Net profit after tax		481,985,855	1,246,995,401	(115,185,819)	254,783,630
Appropriations					
Statutory reserve		24,974,722	20,947,347	(313,416)	332,686
General reserve		-	-	-	-
Dividends, etc.		-	-	-	-
		24,974,722	20,947,347	(313,416)	332,686
Retained surplus		457,011,133	1,226,048,054	(114,872,404)	254,450,944
Minority interest		241,892	9,333,349	72,557	3,012,766
Net Profit attributable to the shareholders of parent company		456,769,240	1,216,714,705	(114,944,961)	251,438,177
Consolidated Earnings Per Share (EPS)	38(a)	0.71	1.84	(0.17)	0.37

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Independent Director

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M. Wahidul Haque
Chairman

Dhaka,
October 30, 2017

AB Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the period ended September 30, 2017

	Jan.'17- Sept.'17 Taka	Jan.'16-Sept.'16 Taka
Cash Flows from Operating Activities		
Interest receipts	11,429,423,512	15,083,723,236
Interest payments	(10,909,270,667)	(11,377,158,667)
Dividend receipts	104,262,827	119,989,794
Fee and commission receipts	1,411,381,936	1,457,014,386
Recoveries on loans previously written off	3,182,303	7,853,237
Payments to employees	(2,310,813,551)	(2,211,035,532)
Payments to suppliers	(156,243,897)	(158,113,859)
Income taxes paid	(502,442,482)	(1,264,025,648)
Receipts from other operating activities	4,430,537,824	3,945,890,522
Payments for other operating activities	(1,837,995,843)	(1,816,004,774)
Operating profit before changes in operating assets & liabilities	1,662,021,962	3,788,132,695
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(8,720,553,019)	(7,994,104,211)
Other assets	(274,804,588)	257,931,477
Deposits from other banks	(1,672,657,535)	3,543,315,063
Deposits from customers	(14,537,533,491)	36,901,388,851
Trading liabilities (short-term borrowings)	11,429,408,803	(10,107,408,403)
Other liabilities	3,340,807,217	3,573,936,498
	(10,435,332,613)	26,175,059,275
Net cash flow from operating act	(8,773,310,651)	29,963,191,969
Cash Flows from Investing Activities		
Purchase of government securities	716,335,693	(24,088,850,238)
(Purchase)/Sale of trading securities, shares, bonds, etc.	503,697,847	(64,744,173)
Purchase of property, plant and equipment	(100,605,909)	(191,731,792)
Net cash used in investing activities (b)	1,119,427,632	(24,345,326,203)
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(579,475,272)	59,289,685
Dividend paid	(139,476)	(137,987)
Net cash flow from financing activities (c)	(579,614,748)	59,151,698
Net (decrease)/increase in cash (a+b+c)	(8,233,497,768)	5,677,017,465
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	31,999,693,508	26,357,133,035
Cash and cash equivalents at end of the period (*)	23,766,195,742	32,034,150,501
(*) Cash and cash equivalents:		
Cash	1,759,012,303	1,517,853,534
Prize bonds	3,299,500	2,393,800
Money at call and on short notice	564,710,768	9,352,066,257
Balance with Bangladesh Bank and its agent bank(s)	16,099,053,313	17,298,421,322
Balance with other banks and financial institutions	5,340,119,859	3,863,415,587
	23,766,195,742	32,034,150,501
Net Operating Cash Flow Per Share (NOCFPS)	(13.02)	44.46

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Chairman

AB Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the period ended September 30, 2017

(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 2017	6,738,936,140	6,495,637,441	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
Net profit after taxation for the period	-	-	-	-	-	-	241,892	481,743,962	481,985,855
Addition/(Adjustment) made during the period	-	24,974,722	-	(2,669,317)	-	(373,179,725)	(23,352)	(36,441,242)	(387,338,914)
Foreign Exchange Rate Fluctuation	-	15,761,751	1,505,077	-	(1,981,143)	-	-	36,329,805	51,615,491
Balance at September 30, 2017	<u><u>6,738,936,140</u></u>	<u><u>6,536,373,914</u></u>	<u><u>1,300,415,018</u></u>	<u><u>1,301,091,463</u></u>	<u><u>2,545,616</u></u>	<u><u>273,018,059</u></u>	<u><u>10,130,527</u></u>	<u><u>8,317,870,641</u></u>	<u><u>24,480,381,378</u></u>
Balance at September 30, 2016	<u><u>6,738,936,140</u></u>	<u><u>6,132,339,351</u></u>	<u><u>1,298,660,454</u></u>	<u><u>1,305,535,181</u></u>	<u><u>(3,898,998)</u></u>	<u><u>1,053,231,703</u></u>	<u><u>7,085,909</u></u>	<u><u>7,728,666,786</u></u>	<u><u>24,260,556,526</u></u>

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M. Wahidul Haque
Chairman

Dhaka,
October 30, 2017

AB Bank Limited
Balance Sheet
As at September 30, 2017

<u>PROPERTY AND ASSETS</u>	Notes	30.09.2017 Taka	31.12.2016 Taka
Cash	3	17,857,962,920	19,707,650,776
In hand (including foreign currencies)	3.1	1,758,909,608	1,536,332,492
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	16,099,053,313	18,171,318,283
Balance with other banks and financial institutions	4	5,253,328,614	4,557,434,958
In Bangladesh		1,820,482,646	2,531,704,237
Outside Bangladesh		3,432,845,968	2,025,730,721
Money at call and on short notice	5	1,001,838,755	8,325,871,504
Investments	6	45,256,377,945	46,666,898,817
Government	6.1	40,813,808,885	41,903,780,261
Others	6.2	4,442,569,060	4,763,118,556
Loans, advances and lease/investments	7	229,223,318,899	218,769,451,248
Loans, cash credits, overdrafts, etc./Investments		228,317,444,254	218,136,406,416
Bills purchased and discounted	8	905,874,645	633,044,832
Fixed assets including premises, furniture and fixtures	9	3,954,432,414	4,080,377,435
Other assets	10	14,087,185,307	12,728,206,273
Non-banking assets		-	-
Total Assets		316,634,444,855	314,835,891,011
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	27,006,897,339	15,454,422,143
AB Bank Subordinated Bond	12	6,000,000,000	6,500,000,000
Deposits and other accounts	13	229,541,855,845	245,640,782,909
Current accounts and other accounts		23,392,068,267	22,298,120,917
Bills payable		3,059,913,337	4,865,582,322
Savings bank deposits		28,738,674,135	28,024,691,434
Fixed deposits		122,624,181,691	122,034,379,371
Other deposits		51,727,018,416	68,418,008,865
Other liabilities	14	31,163,677,957	24,126,225,778
Total Liabilities		293,712,431,141	291,721,430,830
Capital/Shareholders' Equity			
Total Shareholders' Equity		22,922,013,713	23,114,460,183
Paid-up capital	15	6,738,936,140	6,738,936,140
Statutory reserve	16	6,536,373,914	6,495,637,440
Other reserve	17	2,694,369,538	3,070,222,838
Retained earnings	18	6,952,334,122	6,809,663,765
Total Liabilities and Shareholders' Equity		316,634,444,855	314,835,891,011

	Notes	30.09.2017 Taka	31.12.2016 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	19	66,093,147,066	73,478,914,136
Acceptances and endorsements		26,959,209,741	29,034,996,366
Letters of guarantee	19.1	13,652,724,755	13,920,306,922
Irrevocable letters of credit		17,367,541,819	22,005,679,984
Bills for collection		8,067,833,770	8,517,930,863
Other contingent liabilities		45,836,980	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total		<u>66,093,147,066</u>	<u>73,478,914,136</u>

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Independent Director

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M. Wahidul Haque
Chairman

Dhaka,
October 30, 2017

AB Bank Limited
Profit and Loss Account
For the period ended September 30, 2017

	Notes	Jan.'17- Sept.'17 Taka	Jan.'16-Sept.'16 Taka	July'17-Sept.'17 Taka	July'16-Sept.'16 Taka
OPERATING INCOME					
Interest income/profit on investments	21	12,628,119,970	15,027,367,680	3,927,411,813	4,586,315,904
Interest paid/profit on deposits and borrowings, etc.	22	(10,694,854,977)	(12,090,587,313)	(3,671,111,199)	(4,215,701,770)
Net interest income		1,933,264,994	2,936,780,367	256,300,614	370,614,134
Investment income	23	3,555,513,671	3,273,850,188	1,062,953,538	1,770,683,226
Commission, exchange and brokerage	24	2,085,550,445	2,012,472,904	620,714,275	607,863,442
Other operating income	25	88,462,715	94,392,183	26,415,571	26,446,706
		5,729,526,832	5,380,715,274	1,710,083,384	2,404,993,374
Total operating income (a)		7,662,791,825	8,317,495,641	1,966,383,998	2,775,607,508
OPERATING EXPENSES					
Salary and allowances	26	2,249,952,247	2,146,623,211	770,406,116	732,945,909
Rent, taxes, insurance, electricity, etc.	27	525,822,996	501,277,419	171,693,213	180,990,292
Legal expenses	28	4,972,284	17,241,848	3,109,853	1,714,971
Postage, stamps, telecommunication, etc.	29	99,542,114	102,841,098	29,945,842	31,636,258
Stationery, printing, advertisement, etc.	30	155,517,513	157,467,340	47,579,725	63,179,427
Chief executive's salary and fees		7,090,551	9,900,000	3,250,000	3,450,000
Directors' fees	31	6,387,130	5,687,200	1,511,801	2,133,967
Auditors' fees	32	1,652,788	3,322,306	1,299,449	263,209
Depreciation and repairs of Bank's assets	33	388,572,395	406,098,573	121,662,955	132,455,908
Other expenses	34	1,001,196,757	1,083,928,270	341,397,784	337,547,944
Total operating expenses (b)		4,440,706,775	4,434,387,265	1,491,856,738	1,486,317,884
Profit before provision (c = (a-b))		3,222,085,050	3,883,108,376	474,527,260	1,289,289,623
Provision against loans and advances	35	3,363,162,970	1,971,006,800	989,493,473	920,197,045
Provision for diminution in value of investments	36	-	-	-	-
Other provisions	37	2,736,446	57,511,545	13,153,899	13,900,708
Total provision (d)		3,365,899,416	2,028,518,345	1,002,647,372	934,097,753
Profit before taxation (c-d)		(143,814,365)	1,854,590,031	(528,120,112)	355,191,870
Provision for taxation		(286,868,092)	958,043,833	(309,609,670)	214,055,451
Current tax		1,080,000,000	1,568,149,847	119,399,999	515,396,889
Deferred tax		(1,366,868,092)	(610,106,014)	(429,009,669)	(301,341,438)
Net profit after taxation		143,053,727	896,546,198	(218,510,442)	141,136,419
Appropriations					
Statutory reserve		24,974,722	20,947,347	(313,416)	332,686
General reserve		-	-	-	-
Dividends, etc.		-	-	-	-
		24,974,722	20,947,347	(313,416)	332,686
Retained surplus		118,079,005	875,598,851	(218,197,027)	140,803,733
Earnings Per Share (EPS)	38	0.21	1.33	(0.32)	0.21

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Independent Director

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M. Wahidul Haque
Chairman

Dhaka,
October 30, 2017

AB Bank Limited
Cash Flow Statement
For the period ended September 30, 2017

Notes	Jan.'17- Sept.'17 Taka	Jan.'16-Sept.'16 Taka
Cash flows from Operating Activities		
Interest receipts	11,017,281,723	14,687,858,143
Interest payments	(10,875,194,171)	(11,330,013,013)
Dividend receipts	84,604,308	102,862,507
Fees and commission receipts	1,249,001,978	1,362,912,043
Recoveries on loans previously written off	3,182,303	7,853,237
Payments to employees	(2,257,042,798)	(2,156,523,211)
Payments to suppliers	(155,517,513)	(157,467,340)
Income taxes paid	(337,123,876)	(1,173,062,106)
Receipts from other operating activities	4,382,546,260	3,907,087,487
Payments for other operating activities	(1,800,775,510)	(1,873,879,574)
	1,310,962,703	3,377,628,172
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(8,843,029,403)	(7,121,155,785)
Other assets	3,445,905	(452,339,884)
Deposits from other banks	(1,672,657,535)	3,543,315,063
Deposits from customers	(14,245,930,335)	37,061,759,859
Trading liabilities (short-term borrowings)	11,631,950,469	(10,004,653,928)
Other liabilities	2,980,315,017	3,318,219,776
	(10,145,905,882)	26,345,145,101
Net cash flow from operating activities	(8,834,943,179)	29,722,773,273
Cash Flows from Investing Activities		
Purchase of government securities	716,335,693	(24,088,850,238)
(Purchase)/Sale of trading securities, shares, bonds, etc.	320,549,496	(34,984,914)
Purchase of property, plant and equipment	(100,605,909)	(191,731,792)
Net cash used in investing activities (b)	936,279,280	(24,315,566,944)
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(579,475,272)	59,289,685
Dividend paid	(139,476)	(137,987)
Net cash flow from financing activities (c)	(579,614,748)	59,151,698
Net Increase/(decrease) in cash (a+b+c)	(8,478,278,648)	5,466,358,027
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	32,594,708,438	27,031,642,418
Cash and cash equivalents at end of the period (*)	24,116,429,789	32,498,000,447
(*) Cash and cash equivalents:		
Cash	1,758,909,608	1,517,767,802
Prize bonds	3,299,500	2,393,800
Money at call and on short notice	1,001,838,755	9,916,546,257
Balance with Bangladesh Bank and its agent bank(s)	16,099,053,313	17,298,421,322
Balance with other banks and financial institutions	5,253,328,614	3,762,871,266
	24,116,429,789	32,498,000,447
Net Operating Cash Flow Per Share (NOCFPS)	(13.11)	44.11

-Sd-
Mahadev Sarker Sumon FCA
Chief Financial Officer

-Sd-
Anupam Kanti Debnath
Head of ICCD

-Sd-
Moshiur Rahman Chowdhury
President & Managing Director

-Sd-
Shishir Ranjan Bose FCA
Independent Director

-Sd-
M. Wahidul Haque
Chairman

AB Bank Limited
Statement of Changes in Equity
For the period ended September 30, 2017

(Amount in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
Balance at 01 January 2017	6,738,936,140	6,495,637,441	1,222,199,200	1,303,760,781	544,262,857	6,809,663,765	23,114,460,182
Net profit after taxation for the period	-	-	-	-	-	143,053,727	143,053,727
Addition/(Adjustment) made during the period	-	24,974,722	-	(2,669,317)	(373,183,983)	(36,460,336)	(387,338,914)
Foreign Exchange Rate Fluctuation	-	15,761,751	-	-	-	36,076,965	51,838,717
Balance at September 30, 2017	6,738,936,140	6,536,373,914	1,222,199,200	1,301,091,464	171,078,874	6,952,334,122	22,922,013,713
Balance at September 30, 2016	6,738,936,140	6,132,339,351	1,222,199,200	1,305,535,182	951,296,776	6,777,991,610	23,128,298,259

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Independent Director

-Sd-
M. Wahidul Haque
Chairman

Dhaka,
October 30, 2017

AB Bank Limited & its Subsidiaries

Selective Notes to the Financial Statements for the period ended September 30, 2017

1 Accounting Policies:

Accounting policies have been followed in preparing these financial statements are same as applied in financial statements of the Bank of preceding financial year.

2(a) Provision:

i) Loans & Advances

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

ii) Investments

Provisions for diminution in value of investment is made for loss arising on diminution value of investment in quoted shares and is given effect in the accounts on properly as per Bangladesh Bank Guidelines.

iii) Taxation

Provision for income tax has been made on taxable income after necessary add back in accordance with the provisions of Finance Act 2017, the Income Tax Ordinance 1984 and other relevant legislation as applicable.

2(b) Earnings Per Share (EPS):

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of September 30, 2017 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended September 30, 2016 was restated for the issues of bonus share in 2016. For the period ended September 30, 2017 classified loans of the Bank have been increased which reduced the Net Interest Income (NII). In addition to that, required provisions have been maintained against those classified loans, which also reduced the EPS of the Bank compared to the same period of last year.

2(c) Net Operating Cash Flows Per Share (NOCFPS):

At the year ended December 31, 2016 Advance-Deposit (AD) ratio of the Bank was 83.67%. During the period ended September 30, 2017 AD ratio stood at 88.53%. Therefore, NOCFPS decreased compared to the same period of last year.

2(d) Others:

Figures relating to previous year/period included in this report have been rearranged, where ever considered necessary.

AB Bank Limited
Notes to the financial statements for the period ended September 30, 2017

	30.09.2017	31.12.2016
	Taka	Taka
3. Cash		
Cash in hand (Note: 3.1)	1,758,909,608	1,536,332,492
Balance with Bangladesh Bank and its agent bank(s) (Note: 3.2)	16,099,053,313	18,171,318,283
	17,857,962,920	19,707,650,776
3(a) Consolidated Cash		
AB Bank Limited	17,857,962,920	19,707,650,776
AB Investments Limited	25,000	25,000
AB International Finance Limited	35,396	10,117
AB Securities Limited	35,000	2,245
Cashlink Bangladesh Limited (CBL)	7,299	37,839
	17,858,065,615	19,707,725,976
3.1 Cash in hand		
In local currency	1,725,098,590	1,505,667,616
In foreign currency	33,811,018	30,664,876
	1,758,909,608	1,536,332,492
3.1(a) Consolidated Cash in hand		
AB Bank Limited	1,758,909,608	1,536,332,492
AB Investments Limited	25,000	25,000
AB International Finance Limited	35,396	10,117
AB Securities Limited	35,000	2,245
Cashlink Bangladesh Limited (CBL)	7,299	37,839
	1,759,012,303	1,536,407,693
3.2 Balance with Bangladesh Bank and its agent bank(s)		
Balance with Bangladesh Bank		
In local currency	15,764,871,507	17,465,080,869
In foreign currency	129,334,242	298,117,635
	15,894,205,749	17,763,198,503
Sonali Bank Limited (as an agent bank of Bangladesh Bank) - local currency	204,847,563	408,119,780
	16,099,053,313	18,171,318,283
3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)		
AB Bank Limited	16,099,053,313	18,171,318,283
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	16,099,053,313	18,171,318,283
4. Balance with other banks and financial institutions		
In Bangladesh	1,820,482,646	2,531,704,237
Outside Bangladesh	3,432,845,968	2,025,730,721
	5,253,328,614	4,557,434,958
4(a) Consolidated balance with other banks and financial institutions		
In Bangladesh (Note: 4.1.a)	1,896,671,339	2,624,288,364
Outside Bangladesh (Nostro Accounts) (Note: 4.1.b)	3,443,448,519	2,030,714,143
	5,340,119,859	4,655,002,507
4.1.a Consolidated In Bangladesh		
AB Bank Limited	1,820,482,646	2,531,704,237
AB Investment Limited	795,862	589,394
AB International Finance Limited	-	-
AB Securities Limited	573,962,358	301,781,150
Cashlink Bangladesh Limited (CBL)	34,724,309	35,129,817
	2,429,965,174	2,869,204,598
Less: Inter company transaction	533,293,835	244,916,234
	1,896,671,339	2,624,288,364
4.1.b Consolidated Outside Bangladesh (Nostro Accounts)		
AB Bank Limited	3,432,845,968	2,025,730,721
AB Investment Limited	-	-
AB International Finance Limited	17,030,376	6,443,952
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	3,449,876,344	2,032,174,673
Less: Inter company transactions	6,427,825	1,460,530
	3,443,448,519	2,030,714,143

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	30.09.2017	31.12.2016
	Taka	Taka
5. Money at call and on short notice		
In Bangladesh	884,080,300	5,636,133,300
Outside Bangladesh	117,758,455	2,689,738,204
	1,001,838,755	8,325,871,504
5(a) Consolidated money at call and on short notice		
AB Bank Limited	1,001,838,755	8,325,871,504
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	1,001,838,755	8,325,871,504
Less: Inter-group transaction	(437,127,987)	(692,657,680)
	564,710,768	7,633,213,824
6. Investments	45,256,377,945	46,666,898,817
6 (a) Consolidated investments		
AB Bank Limited	45,256,377,945	46,666,898,817
AB International Finance Limited	-	-
AB Investment Limited	532,852,603	721,255,054
AB Securities Limited	178,120,087	172,865,988
Cashlink Bangladesh Limited (CBL)	431,639	431,639
	45,967,782,274	47,561,451,497
6.1 Government securities		
Treasury bills	496,324,503	3,099,601,719
Treasury bonds	40,043,184,882	38,551,927,342
Bangladesh Bank Islami Investment bonds	271,000,000	248,500,000
Prize bonds	3,299,500	3,751,200
	40,813,808,885	41,903,780,261
6.1(a) Consolidated Government securities		
AB Bank Limited	40,813,808,885	41,903,780,261
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	40,813,808,885	41,903,780,261
6.2 Other investments		
Shares	4,008,014,761	4,275,825,774
Bond	20,000,000	65,000,000
	4,028,014,761	4,340,825,774
Investments -ABBL, Mumbai Branch		
Treasury bills	414,554,299	422,292,782
Debentures and Bonds	-	-
	414,554,299	422,292,782
Total Other investments	4,442,569,060	4,763,118,556

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	30.09.2017	31.12.2016
	Taka	Taka
6.2 (a) Consolidated other investments		
AB Bank Limited	4,442,569,060	4,763,118,556
AB Investment Limited	532,852,603	721,255,054
AB International Finance Limited	-	-
AB Securities Limited	178,120,087	172,865,988
Cashlink Bangladesh Limited (CBL)	431,639	431,639
	5,153,973,389	5,657,671,236
6.2.1 Investments in shares		
Quoted (Publicly Traded)	3,776,743,831	4,044,554,844
Unquoted	231,270,930	231,270,930
	4,008,014,761	4,275,825,774
6.2.2 Investment in subordinated bonds		
Prime Bank Limited	-	45,000,000
Trust Bank Limited	20,000,000	20,000,000
	20,000,000	65,000,000
7. Loans, advances and lease/investments	229,223,318,899	218,769,451,248
7.1 Net loans, advances and lease/investments		
Gross loans and advances	229,223,318,899	218,769,451,248
Less:		
Interest suspense	13,500,651,606	10,459,867,308
Provision for loans and advances	9,971,327,623	6,605,083,960
	23,471,979,228	17,064,951,268
	205,751,339,671	201,704,499,980
7(a) Consolidated Loans, advances and lease/investments		
AB Bank Limited	228,317,444,254	218,136,406,416
AB Investment Limited	6,986,044,129	7,229,768,195
AB International Finance Limited	-	-
AB Securities Limited	937,978,790	957,742,708
Cashlink Bangladesh Limited (CBL)	-	-
	236,241,467,172	226,323,917,319
Less: Inter company transaction	858,201,815	1,299,950,122
	235,383,265,357	225,023,967,197
8 Bills purchased and discounted		
In Bangladesh	298,598,720	307,810,673
Outside Bangladesh - ABBL, Mumbai Branch	607,275,926	325,234,158
	905,874,645	633,044,832
8 (a) Consolidated Bills purchased and discounted		
AB Bank Limited	905,874,645	633,044,832
AB Investment Limited	-	-
AB International Finance Limited	588,752,498	889,489,205
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	1,494,627,143	1,522,534,037

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

9. Fixed assets including premises, furniture and fixtures

Cost:

	30.09.2017 Taka	31.12.2016 Taka
Land and Building	3,334,695,982	3,341,682,082
Furniture and fixtures	249,297,896	244,966,861
Office appliances	62,017,455	60,825,847
Electrical appliances	1,643,073,372	1,558,912,484
Motor vehicles	682,832,948	680,140,745
Intangible Assets	598,571,417	594,165,723
	6,570,489,069	6,480,693,743
Less: Accumulated depreciation and amortization	2,616,056,656	2,400,316,308
	3,954,432,414	4,080,377,435

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

Cost:

AB Bank Limited	6,570,489,069	6,480,693,743
AB Investments Limited	685,366,541	683,616,541
AB International Finance Limited	8,064,450	7,889,183
AB Securities Limited	30,284,145	30,284,145
Cashlink Bangladesh Limited (CBL)	726,804	81,471,360
	7,294,931,009	7,283,954,972

Accumulated depreciation:

AB Bank Limited	2,616,056,656	2,400,316,308
AB Investments Limited	99,836,141	86,449,029
AB International Finance Limited	7,952,616	7,728,873
AB Securities Limited	27,872,063	27,126,913
Cashlink Bangladesh Limited (CBL)	676,811	81,366,850
	2,752,394,286	2,602,987,972
	4,542,536,723	4,680,967,000

10 Other Assets:

Income generating-Equity Investment

In Bangladesh:

AB Investment Limited (99.99% owned subsidiary company of ABBL)	5,811,431,750	5,811,431,750
AB Securities Limited (99.91% owned subsidiary company of ABBL)	199,898,000	199,898,000
Cashlink Bangladesh Limited (CBL) (90% owned subsidiary company of ABBL)	212,581,228	212,581,228
	6,223,910,978	6,223,910,978

Outside Bangladesh:

AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
Investment in Amana Bank Limited as Associates	435,720,126	439,683,073
	440,924,070	444,887,018
	6,664,835,048	6,668,797,996

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	30.09.2017 Taka	31.12.2016 Taka
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	-	-
Deferred Tax (Note:10.01)	3,678,452,173	2,312,064,286
Accounts receivable	1,178,466,708	889,650,552
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	1,036,357,864	805,559,950
Exchange for clearing	163,320,425	570,641,969
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	865,635,586	1,026,651,535
Security deposits	169,597,210	159,266,370
Advance rent and advertisement	234,697,639	246,555,630
Stationery, stamps, printing materials, etc.	75,902,655	28,476,396
Inter-branch adjustment	-	621,590
	7,422,350,259	6,059,408,278
	14,087,185,307	12,728,206,273
10(a) Consolidated Other assets		
AB Bank Limited	14,087,185,307	12,728,206,273
AB Investment Limited	209,333,178	56,699,559
AB International Finance Limited	46,354,229	23,437,029
AB Securities Limited	193,730,236	32,836,258
Cashlink Bangladesh Limited (CBL)	33,262,505	30,917,320
	14,569,865,456	12,872,096,439
Less: Inter-group transaction	6,548,727,762	6,488,188,273
	8,021,137,696	6,383,908,169
10.01 Deferred Tax Assets		
a) Deferred tax assets for specific provisions of loans and advances		
Opening Deferred Tax (Assets)/Liabilities	2,433,514,889	1,561,348,994
Add. Deferred Tax Income during the period (Tax @ 40% on Specific provision made during the period Tk. 3,340,400,000)	1,336,160,000	872,165,895
Closing Deferred Tax Assets	3,769,674,889	2,433,514,889
b) Deferred tax liabilities against Property, Plant & Equipment		
Balance at 01 January	121,450,602	133,096,262
Add/(less): Provision made during the period	(30,708,092)	(11,504,515)
Add/(Less): Adjustment for Rate Fluctuation during the period	480,206	(141,145)
Closing Deferred Tax Liabilities	91,222,716	121,450,602
Net Deferred Tax Assets (a-b)	3,678,452,173	2,312,064,287
Net Deferred Tax Income during the period	1,366,868,092	883,670,410
11. Borrowings from other banks, financial institutions and agents		
In Bangladesh (Note: 11.1)	21,726,638,369	9,941,690,524
Outside Bangladesh (Note: 11.2)	5,280,258,970	5,512,731,619
	27,006,897,339	15,454,422,143

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

11.1 In Bangladesh:

11.1.1 Bangladesh Bank

ADB loan	
Export Development Fund	
Islamic Investment Bond	
Refinance against IPFF	
Refinance against Women Entr., Small Enterprise, ETP & Others	

30.09.2017 Taka	31.12.2016 Taka
-	890,625
2,355,220,597	2,961,842,309
501,757,230	-
354,161,426	372,713,265
261,626,585	321,659,394
3,472,765,838	3,657,105,593

11.1.2 Call & Term Borrowing from

IFIC Bank Limited	
Dutch Bangla Bank Limited	
CITI Bank NA	
Agrani Bank Limited	
Prime Bank Limited	
UCBL	
One Bank Limited	
Janata Bank	
National Bank Limited	
Bank Asia Limited	
Meghna Bank Ltd	
Uttara Bank Limited	
Habib Bank Limited	
Southeast Bank Limited	
Bank Al Falah	
Dhaka Bank Limited	
NCC Bank Limited	
Rupali Bank Limited	
Basic Bank Limited	
Agrani Bank Limited	
Dutch Bangla Bank Limited	
Sonali Bank Limited	
BD Krishi Bank Limited-FC	
Trust Bank Limited	
National Bank Ltd-OBU	
Rupali Bank Ltd	
South-East Bank Ltd	
Basic Bank Ltd	
Bank Asia Ltd-OBU	
Modhumoti Bank	
Bank Alfalah	
Accrued interest	
Accrued Interest Repo Other Bank	

600,000,000	-
-	792,450,236
-	220,000,000
-	393,555,500
-	800,000,000
300,000,000	-
200,000,000	-
1,000,000,000	-
150,000,000	900,000,000
2,500,000,000	-
500,000,000	-
2,000,000,000	-
-	79,236,934
-	712,722,451
-	196,777,750
-	1,187,290,259
500,000,000	-
2,484,800,000	-
1,000,000,000	-
1,200,000,000	-
1,500,000,000	-
1,500,000,000	-
161,600,000	-
-	1,000,000,000
323,348,124	-
727,497,979	-
80,817,504	-
161,639,049	-
811,243,224	-
283,356,002	-
161,640,395	-
107,930,254	1,447,372
-	1,104,429
18,253,872,532	6,284,584,931
21,726,638,369	9,941,690,524

11.2 Outside Bangladesh

Sonali Bank UK	
ICICI Bank	
Banca UBAE, Italy	
Al-Noor Bank Limited	
RAK BANK	

-	495,452,954
1,234,684,392	-
-	395,436,258
4,045,574,577	3,940,519,398
-	681,323,009
5,280,258,970	5,512,731,619

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	30.09.2017	31.12.2016
	Taka	Taka
11(a) Consolidated Borrowings from other banks, financial institutions and agents		
AB Bank Limited	27,006,897,339	15,454,422,143
AB Investment Limited	726,071,081	1,207,273,365
AB International Finance Limited	434,482,965	692,242,365
AB Securities Limited	232,922,401	253,621,766
Cashlink Bangladesh Limited (CBL)	-	-
	28,400,373,786	17,607,559,639
Less: Intercompany transactions	1,292,684,780	1,849,804,163
	27,107,689,006	15,757,755,476
12. AB Bank Subordinated Bond		
AB Bank Subordinated Bond-I	2,000,000,000	2,500,000,000
AB Bank Subordinated Bond-II	4,000,000,000	4,000,000,000
	6,000,000,000	6,500,000,000
13. Deposit and other accounts		
Inter-bank deposits	3,009,147,743	4,681,805,278
Other deposits	226,532,708,101	240,958,977,631
	229,541,855,844	245,640,782,909
13(a) Consolidated Deposit and other accounts		
AB Bank Limited	229,541,855,844	245,640,782,909
AB Investment Limited	-	-
AB International Finance Limited	1,791,272	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	229,543,647,116	245,640,782,909
Less: Inter-group transaction	539,772,916	246,378,489
	229,003,874,200	245,394,404,420
13.1 Demand and time deposits		
a) Demand Deposits	29,038,462,275	29,685,925,468
Current accounts and other accounts	23,392,068,267	22,298,120,917
Savings Deposits (9%)	2,586,480,672	2,522,222,229
Bills Payable	3,059,913,337	4,865,582,322
b) Time Deposits	200,503,393,569	215,954,857,441
Savings Deposits (91%)	26,152,193,463	25,502,469,205
Short Notice Deposits	32,215,836,564	49,236,728,682
Fixed Deposits	122,624,181,691	122,034,379,371
Other Deposits	19,511,181,851	19,181,280,183
Total Demand and Time Deposits	229,541,855,845	245,640,782,909
14. Other liabilities		
Accumulated provision against loans and advances (Note 14.1)	9,971,327,623	6,605,083,960
Inter-branch adjustment	123,566	-
Provision for current tax (net of advance tax) (Note 14.2)	3,294,865,352	2,561,589,337
Interest suspense account	13,500,651,606	10,459,867,308
Provision against other assets (Note 14.3)	252,198,969	237,198,969
Accounts payable - Bangladesh Bank	1,126,401,519	802,485,542
Accrued expenses	267,727,449	360,305,082
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	1,550,053,000
Others (*)	340,328,875	689,642,580
	31,163,677,957	24,126,225,778

(*) Others includes provision for audit fee, excise duty, income tax and VAT deducted at source, unclaimed dividend, accounts payable for safe keeping, earnest and security money, etc.

AB Bank Limited
Notes to the financial statements for the period ended September 30, 2017

	30.09.2017 Taka	31.12.2016 Taka
14.1 Accumulated provision against loans and advances		
<u>The movement in specific provision for bad and doubtful debts</u>		
Balance at 01 January	2,463,153,374	2,564,529,261
Fully provided debts written off during the period/year	(-) -	(2,305,175,887)
Recovery of amounts previously written off	(+)	23,385,264
Specific provision made during the period/year	(+)	2,180,414,736
	3,340,400,000	(101,375,887)
Balance at the period/year ended	5,803,553,374	2,463,153,374
Provision made by ABBL, Mumbai Branch	86,403,911	43,189,581
Total provision on classified loans and advances	5,889,957,285	2,506,342,955

On unclassified loans

Balance at 01 January		4,095,267,313	2,115,067,313
Transfer from other assets provisions	(+)	-	100,000,000
Transfer from investment provisions	(+)	-	350,000,000
Transfer from other assets	(+)	-	440,000,000
Transferred from provisions for current tax	(+)	-	350,000,000
General provision made during the period	(+)	(17,600,000)	740,200,000
		(17,600,000)	1,980,200,000
Balance at the period/year ended		4,077,667,313	4,095,267,313
Provision made by ABBL, Mumbai Branch		3,703,025	3,473,693
Total provision on un-classified loans and advances		4,081,370,338	4,098,741,006
Total provision on loans and advances		9,971,327,623	6,605,083,960

	<u>Required</u>	30.09.2017	
		Maintained	Excess
Un-classified loans and advances	4,065,003,025	4,081,370,338	16,367,313
Classified loans and advances	5,881,103,911	5,889,957,285	8,853,374
	9,946,106,936	9,971,327,623	25,220,687

14.1.1 Details of provision for loans and advances

	30.09.2017	
	Required	Maintained
General Provision	4,065,003,025	4,081,370,338
Standard	3,555,403,025	3,571,770,338
Special Mention Account	509,600,000	509,600,000
Specific Provision	5,881,103,911	5,889,957,285
Substandard	247,300,000	247,300,000
Doubtful	437,603,911	437,603,911
Bad/Loss	5,196,200,000	5,205,053,374

Excess provision maintained at September 30, 2017

25,220,687

14.2 Provision for current tax (net of advance tax)

Current Tax	(Note 14.2.1)	16,224,426,495	15,150,207,047
Advance Income Tax	(Note 14.2.2)	12,929,561,145	12,588,617,710
Provision for current tax (net of advance tax)		3,294,865,351	2,561,589,337

14.2.1 Provision for current tax

Balance at 01 January	15,080,733,191	13,935,338,386
Add: Provision made during the period	1,012,108,417	1,495,394,805
Less: Adjustment during the period	-	350,000,000
Balance at the period/year ended	16,092,841,609	15,080,733,191
Provision held by ABBL, Mumbai Branch	131,584,887	69,473,856
	16,224,426,495	15,150,207,047

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2012 (Assessment Year 2013-14). Assessment of 2014-2015 corresponding to income year 2013 is in final stage. 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.

AB Bank Limited
Notes to the financial statements for the period ended September 30, 2017

30.09.2017 Taka	31.12.2016 Taka
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14.2.2 Advance corporate income tax

In Bangladesh:

Balance at 01 January 2017	12,514,607,419	11,180,990,162
Add: Paid during the period	269,937,507	1,333,617,256
Less: Transfer/Adjustment during the year/Period	-	-
Balance at September 30	12,784,544,926	12,514,607,419
Advance tax of ABBL, Mumbai Branch	145,016,218	74,010,292
	12,929,561,144	12,588,617,711

14.3 Provision against other assets

Provision for

Prepaid legal expenses	90,030,000	85,030,000
Protested bills	26,065,610	26,065,610
Others	136,103,359	126,103,359
	252,198,969	237,198,969

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

14.3.1 Calculation of Provision against other assets

	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	89,464,117	89,464,117	50% & 100%	44,732,058	90,030,000
Protested bills	23,499,034	23,499,034	100%	23,499,034	26,065,610
Others	87,552,571	87,552,571	100%	87,552,571	136,103,359
Required provision for other assets				155,783,664	252,198,969
Total provision requirement					155,783,664
Total provision maintained					252,198,969
Excess provision maintained at September 30, 2017					96,415,305

14.4 Provision for off balance sheet items

Balance at 01 January	860,000,000	860,000,000
Less: Transferred to general reserve	-	-
Add: Provision made during the period	-	-
Less: Adjustment during the year	-	-
	860,000,000	860,000,000

14.4.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	30.09.2017	31.12.2016
Acceptances and endorsements	26,824,924,058	1%	268,249,241	289,666,378
Letters of guarantee	13,652,724,755	1%	136,527,248	139,203,069
Irrevocable letters of credit	17,367,541,819	1%	173,675,418	220,056,800
Bills for collection	5,187,487,737	1%	51,874,877	60,313,969
Others	45,836,980	1%	458,370	-
Total Off Balance Sheet Items & required provision	63,078,515,349		630,785,153	709,240,216
Total provision maintained			860,000,000	860,000,000
Excess provision at June 30, 2017			229,214,847	150,759,784

No provision has been maintained against Off Balance Sheet items of Mumbai Branch amounting Tk. 3,014,631,716 as per Reserve Bank of India (RBI) guidelines.

AB Bank Limited
Notes to the financial statements for the period ended September 30, 2017

	30.09.2017 Taka	31.12.2016 Taka
14.5 Provision against investments		
Balance at 01 January	1,550,053,000	1,875,053,000
Add: Provision made during the period	-	25,000,000
Less: Transferred to general provision for loans and advances	-	350,000,000
Less: Transferred to General Reserve	-	-
Closing Balance	1,550,053,000	1,550,053,000
Total provision maintained for Investment	1,550,053,000	1,550,053,000
Total provision requirement for Investment	1,508,122,115	1,547,018,037
Excess provision	41,930,885	3,034,963
14(a) Consolidated Other liabilities		
AB Bank Limited	31,163,677,957	24,126,225,778
AB Investment Limited	583,371,638	613,737,751
AB International Finance Limited	49,230,658	55,835,113
AB Securities Limited	1,093,892,434	699,671,854
Cashlink Bangladesh Limited (CBL)	9,742,000	9,914,506
	32,899,914,687	25,505,385,002
Less: Inter-group transaction	319,613,838	322,893,637
	32,580,300,850	25,182,491,365
15. Share Capital	6,738,936,140	6,738,936,140
15.1 Authorised Capital		
1,500,000,000 ordinary shares of Tk. 10 each	15,000,000,000	15,000,000,000
15.2 Issued, Subscribed and Paid-up Capital		
10,000,000 ordinary shares of Taka 10 each issued for cash	100,000,000	100,000,000
5,000,000 ordinary shares of Taka 10 each issued for rights	50,000,000	50,000,000
658,893,614 ordinary shares of Taka 10 each issued as bonus shares	6,588,936,140	6,588,936,140
	6,738,936,140	6,738,936,140
16. Statutory reserve		
In Bangladesh		
Opening balance	6,256,894,064	5,888,708,849
Add: Addition during the period	-	368,185,215
Add./less Adjustment for Foreign Exchange Rate Fluctuation	-	-
	6,256,894,064	6,256,894,064
Outside Bangladesh - ABBL, Mumbai Branch		
Opening balance	238,743,376	222,494,695
Add: Addition during the period	25,288,138	20,527,152
Add: Transferred from Investment fluctuation reserve	-	-
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation	18,955,615	(4,278,471)
	279,479,849	238,743,376
	6,536,373,914	6,495,637,440
17. Other reserve		
General reserve	1,222,199,200	1,222,199,200
Assets revaluation reserve	1,301,091,464	1,303,760,781
Investment revaluation reserve	171,078,874	544,262,857
Foreign exchange revaluation for investment in foreign operation	-	-
	2,694,369,538	3,070,222,838

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	30.09.2017 Taka	31.12.2016 Taka
17(a) Consolidated Other reserve		
AB Bank Limited	2,694,369,538	3,070,222,838
AB Investment Limited	-	-
AB International Finance Limited	80,761,434	81,237,501
AB Securities Limited	101,939,185	101,934,926
Cashlink Bangladesh Limited (CBL)	-	-
	2,877,070,156	3,253,395,264
18. Retained earnings		
Opening balance	6,809,663,765	6,830,946,921
Add./ (Less) Adjustment for investment in Amana Bank	(14,154,931)	(180,140,019)
Add: Post-tax profit for the period	143,053,727	1,304,670,423
Less: Transfer to statutory reserve	24,974,722	388,712,367
Cash dividend	-	-
Bonus shares issued	-	748,770,680
	6,913,587,839	6,817,994,278
Add/ (Less): Transferred from Assets Revaluation Reserve	2,669,317	1,774,401
Add/ (Less): Foreign Exchange Translation gain/ (loss)	36,076,965	(10,104,914)
	6,952,334,122	6,809,663,765
18(a) Consolidated Retained earnings		
AB Bank Limited	6,952,334,122	6,809,663,765
AB Investment Limited	855,710,043	635,065,186
AB International Finance Limited	78,220,292	84,608,098
AB Securities Limited	198,311,858	166,317,601
Cashlink Bangladesh Limited (CBL)	(183,466,255)	(185,493,381)
	7,901,110,060	7,510,161,269
Add./ (Less): Adjustment made during the year	398,580,752	307,674,218
Minority Interest	(18,179,829)	(18,402,628)
	8,317,870,641	7,836,238,115
18(b) Minority Interest		
AB Investment Limited	10,116	9,797
AB Securities Limited	467,037	451,527
Cashlink Bangladesh Limited	9,653,375	9,450,662
	10,130,527	9,911,986
19. Contingent liabilities	66,093,147,066	73,478,914,136
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	124,239,440	126,303,800
Others	13,528,485,315	13,794,003,122
	13,652,724,755	13,920,306,922

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
20. Profit and loss account		
<u>Income:</u>		
Interest, discount and similar income	15,494,330,049	17,905,974,052
Dividend income	84,604,308	102,862,507
Fee, commission and brokerage	1,249,001,978	1,362,912,043
Gains less losses arising from investment securities	142,145,070	73,838,453
Gains less losses arising from dealing in foreign currencies	836,548,467	649,560,861
Other operating income	88,462,715	94,392,183
Gains less losses arising from dealing securities	462,554,214	218,542,855
Income from non-banking assets	-	-
Profit less losses on interest rate changes	-	-
	18,357,646,802	20,408,082,954
<u>Expenses:</u>		
Interest, fee and commission	10,694,854,977	12,090,587,313
Administrative expenses	3,212,139,063	3,103,943,827
Other operating expenses	1,001,196,757	1,083,928,270
Depreciation and amortization on banking assets	227,370,954	246,515,167
Losses on loans and advances	-	-
	15,135,561,751	16,524,974,577
	3,222,085,050	3,883,108,376
21. Interest income/profit on investments		
Interest on loans and advances:		
Loans and advances	12,210,251,554	14,305,782,111
Bills purchased and discounted	195,399,724	308,365,495
	12,405,651,279	14,614,147,606
*Less. Incentive for good borrowers	-	-
	12,405,651,279	14,614,147,606
Interest on:		
Calls and placements	215,479,915	399,554,689
Balance with foreign banks	3,825,561	700,654
Reverse Repo	542,680	11,288,661
Balance with Bangladesh Bank	2,620,535	1,676,070
	222,468,692	413,220,073
	12,628,119,970	15,027,367,680
21(a). Consolidated Interest income/profit on investments		
AB Bank Limited	12,628,119,970	15,027,367,680
AB International Finance Limited	36,525,812	38,799,428
AB Investment Limited	323,507,204	306,523,006
AB Securities Limited	53,815,431	54,005,235
Cashlink Bangladesh Limited (CBL)	2,358,092	612,718
	13,044,326,509	15,427,308,066
Less: Intercompany Transactions	4,064,749	4,075,294
	13,040,261,760	15,423,232,772

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
22. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	5,354,436,319	6,436,706,198
Savings deposits	589,601,951	576,989,348
Special notice deposits	1,762,949,738	2,235,372,023
Other deposits	1,456,207,186	1,460,056,119
	9,163,195,194	10,709,123,687
Interest on borrowings:		
Local banks, financial institutions including Bangladesh Bank	1,017,262,523	859,737,602
Subordinated Bond	514,397,260	521,726,024
	10,694,854,977	12,090,587,313
22(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	10,694,854,977	12,090,587,313
AB Investment Limited	15,449,307	27,872,222
AB International Finance Limited	4,316,939	4,317,476
AB Securities Limited	20,372,639	21,036,207
Cashlink Bangladesh Limited (CBL)	-	-
	10,734,993,861	12,143,813,218
Less: Intercompany Transactions	6,062,388	6,080,251
	10,728,931,473	12,137,732,966
23. Investment income		
Capital gain on sale of shares	142,145,070	73,838,453
Interest on treasury bills	47,005,971	317,247,559
Dividend on shares	84,604,308	102,862,507
Income from Amana Bank Limited as Associates	10,191,983	7,358,375
Interest on treasury bonds	2,804,937,087	2,546,541,733
Gain/(Loss) on treasury bills and treasury bonds	462,554,214	218,542,855
Interest on other bonds & others	4,075,038	7,458,705
	3,555,513,671	3,273,850,188
23(a). Consolidated Investment income		
AB Bank Limited	3,555,513,671	3,273,850,188
AB Investment Limited	19,550,285	2,513,937
AB International Finance Limited	-	-
AB Securities Limited	10,151,258	10,820,015
Cashlink Bangladesh Limited (CBL)	-	-
	3,585,215,215	3,287,184,139
(*) Inter-company transactions includes dividend income from AB International Finance Limited.		
24. Commission, exchange and brokerage		
Other fees, commission and service charges	694,795,648	751,747,899
Commission on letters of credit	461,004,806	493,893,891
Commission on letters of guarantee	93,201,523	117,270,253
Exchange gains less losses arising from dealings in foreign currencies	836,548,467	649,560,861
	2,085,550,445	2,012,472,904

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
24(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	2,085,550,445	2,012,472,904
AB Investment Limited	54,049,000	27,513,829
AB International Finance Limited	41,868,849	38,975,512
AB Securities Limited	69,875,778	28,938,826
Cashlink Bangladesh Limited (CBL)	-	93,290,014
	2,251,344,071	2,201,191,085
Less: Intercompany Transactions	-	92,088,458
	2,251,344,071	2,109,102,627
25. Other income		
Locker rent, insurance claim and others	5,797,136	3,231,458
Recoveries on loans previously written off	3,182,303	7,853,237
Recoveries on telex, telephone, fax, etc.	56,864,114	63,685,662
Recoveries on courier, postage, stamp, etc.	21,955,088	19,407,728
Gain on sale of Bank property	-	-
Non-operating income (*)	664,074	214,098
	88,462,715	94,392,183
(*) Non-operating income includes sale of scrap items.		
25(a). Consolidated other income		
AB Bank Limited	88,462,715	94,392,183
AB Investment Limited	9,303,945	8,445,159
AB International Finance Limited	48,244,394	35,896,309
AB Securities Limited	1,200,290	1,903,403
Cashlink Bangladesh Limited (CBL)	-	-
	147,211,344	140,637,054
Less: Inter company transactions	6,135,029	6,175,881
	141,076,315	134,461,173
26. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	2,054,599,100	1,943,615,521
Festival and incentive bonus	195,353,147	203,007,690
	2,249,952,247	2,146,623,211
26(a). Consolidated salary and allowances		
AB Bank Limited	2,249,952,247	2,146,623,211
AB Investment Limited	12,307,194	11,204,359
AB International Finance Limited	22,289,642	20,894,664
AB Securities Limited	18,974,153	21,371,042
Cashlink Bangladesh Limited (CBL)	199,764	173,036
AB Exchange (UK) Ltd.	-	869,220
	2,303,723,000	2,201,135,532

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
27. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	327,247,700	307,190,683
Electricity, gas, water, etc.	128,578,937	122,666,663
Insurance	69,996,360	71,420,073
	525,822,996	501,277,419
27(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	525,822,996	501,277,419
AB Investment Limited	1,551,139	1,917,238
AB International Finance Limited	5,791,584	5,637,237
AB Securities Limited	6,258,636	6,148,087
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Ltd.	-	2,435,728
	539,424,355	517,415,710
Less: Inter company transactions	4,137,390	4,137,390
	535,286,965	513,278,320
28. Legal expenses		
Legal expenses	4,972,284	17,241,848
28(a). Consolidated Legal expenses		
AB Bank Limited	4,972,284	17,241,848
AB Investment Limited	74,750	-
AB International Finance Limited	90,961	8,082
AB Securities Limited	-	5,950
Cashlink Bangladesh Limited (CBL)	-	51,750
	5,137,995	17,307,630
29. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	65,124,061	69,203,305
Telephone	6,939,152	8,080,317
Postage, stamp and shipping	27,478,901	25,557,476
	99,542,114	102,841,098
29(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	99,542,114	102,841,098
AB Investment Limited	595,589	559,376
AB International Finance Limited	5,438,597	4,503,737
AB Securities Limited	1,137,222	1,189,286
Cashlink Bangladesh Limited (CBL)	-	281
AB Exchange (UK) Ltd.	-	113,162
	106,713,522	109,206,940
Less: Inter company transactions	-	(2,088,458)
	106,713,522	107,118,482

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
30. Stationery, printing, advertisements, etc.		
Printing and stationery	129,384,271	123,557,927
Publicity, advertisement, etc.	26,133,243	33,909,413
	155,517,513	157,467,340
30(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	155,517,513	157,467,340
AB Investment Limited	174,826	162,884
AB International Finance Limited	94,604	105,155
AB Securities Limited	456,954	378,479
Cashlink Bangladesh Limited (CBL)	-	-
	156,243,897	158,113,859
31. Directors' fees		
Directors' fees	1,389,200	1,826,200
Meeting expenses	4,997,930	3,861,000
	6,387,130	5,687,200
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	6,387,130	5,687,200
AB Investment Limited	133,340	320,016
AB International Finance Limited	-	-
AB Securities Limited	200,000	266,667
Cashlink Bangladesh Limited (CBL)	69,000	190,000
	6,789,470	6,463,883
32. Auditors' fees		
Statutory	-	267,177
Others	1,652,788	3,055,129
	1,652,788	3,322,306
32(a). Consolidated Auditors' fees		
AB Bank Limited	1,652,788	3,322,306
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	1,652,788	3,322,306

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
33. Depreciation and repairs of Bank's assets		
<u>Depreciation :</u>		
Electrical appliances	80,268,237	96,220,681
Furniture and fixtures	9,898,597	10,286,276
Office appliances	1,639,367	1,751,477
Building	13,889,123	14,303,047
Motor vehicles	43,266,263	42,893,198
	148,961,587	165,454,679
<u>Repairs:</u>		
Motor vehicles	33,732,532	31,001,654
Electrical appliances	55,460,204	57,651,112
Office premises and others	66,083,626	65,784,073
Furniture and fixtures	1,825,651	1,970,732
Office appliances	4,099,427	3,175,833
	161,201,441	159,583,405
	310,163,027	325,038,085
Amortization of Intangible Assets	78,409,367	81,060,488
	388,572,395	406,098,573
33(a). Consolidated Depreciation and repairs of Bank's assets		
AB Bank Limited	388,572,395	406,098,573
AB Investment Limited	13,866,913	14,394,807
AB International Finance Limited	228,641	276,051
AB Securities Limited	1,411,181	1,584,039
Cashlink Bangladesh Limited (CBL)	54,510	54,510
AB Exchange (UK) Ltd.	-	997,733
	404,133,639	423,405,713
34. Other expenses		
Contractual service	376,249,899	432,972,597
Petrol, oil and lubricant	56,952,881	56,278,330
Software expenses	100,528,827	107,841,581
Entertainment	43,088,770	36,833,345
Travelling	26,583,741	14,787,042
Subscription, membership and sponsorship	15,891,535	73,894,169
Training, seminar and workshop	22,849,942	19,673,931
Local conveyance	8,327,077	6,650,344
Professional charges	33,949,283	41,249,692
Books, newspapers and periodicals	1,490,484	1,281,881
Branch opening expenses	262,389	165,539
Bank Charges	44,537,914	52,656,997
Sundry expenses (*)	270,484,015	239,642,823
	1,001,196,757	1,083,928,270

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

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
34(a). Consolidated other expenses		
AB Bank Limited	1,001,196,757	1,083,928,270
AB Investment Limited	9,225,606	4,811,236
AB International Finance Limited	2,155,552	1,353,258
AB Securities Limited	7,325,328	6,422,942
Cashlink Bangladesh Limited (CBL)	7,690	4,970
AB Exchange (UK) Ltd.	-	590,976
	1,019,910,933	1,097,111,652
Less: Inter company transactions	-	90,033,534
	1,019,910,933	1,007,078,118
35. Provision against loans and advances		
On un-classified loans	(29,079,377)	452,900,000
On classified loans	3,392,242,346	1,518,106,800
	3,363,162,970	1,971,006,800
35(a). Consolidated provision against loans and advances		
AB Bank Limited	3,363,162,970	1,971,006,800
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	6,250,000	-
Cashlink Bangladesh Limited (CBL)	-	-
	3,369,412,970	1,971,006,800
36. Provisions for diminution in value of investments		
In quoted shares	-	-
36(a). Consolidated provisions for diminution in value of investments		
AB Bank Limited	-	-
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	2,050,000	4,758,000
Cashlink Bangladesh Limited (CBL)	-	-
	2,050,000	4,758,000
37. Other provision		
Provision for off balance sheet items	-	-
Provision for Other assets	2,736,446	57,511,545
	2,736,446	57,511,545
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	2,736,446	57,511,545
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	2,736,446	57,511,545

AB Bank Limited

Notes to the financial statements for the period ended September 30, 2017

	Jan'17- Sept'17 Taka	Jan'16- Sept'16 Taka
38. Earnings Per Share (EPS)		
Profit after taxation	143,053,727	896,546,198
Number of ordinary shares outstanding	673,893,614	673,893,614
Earnings Per Share	0.21	1.33
38.(a) Consolidated Earnings Per Share		
Net Profit attributable to the shareholders of parent company	481,743,962	1,237,662,052
Number of ordinary shares outstanding	673,893,614	673,893,614
Earnings Per Share	0.71	1.84
<p>Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of September 30, 2017 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended September , 2016 was restated for the issues of bonus share in 2016.</p>		
39. Receipts from other operating activities		
Interest on treasury bills, bonds, debenture and others	3,460,717,380	3,170,987,680
Exchange earnings	836,548,467	649,560,861
Recoveries on telex, telephone, fax, etc.	56,864,114	63,685,662
Recoveries on courier, postage, stamp, etc.	21,955,088	19,407,728
Non-operating income	664,074	214,098
Others	5,797,136	3,231,458
	4,382,546,260	3,907,087,487
40. Payments for other operating activities		
Rent, taxes, insurance, electricity, etc.	525,822,996	501,277,419
Postage, stamps, telecommunication, etc.	99,542,114	102,841,098
Repairs of Bank's assets	161,201,441	159,581,433
Legal expenses	4,972,284	17,241,848
Auditor's fees	1,652,788	3,322,306
Directors' fees	6,387,130	5,687,200
Other Expenses	1,001,196,757	1,083,928,270
	1,800,775,510	1,873,879,574