ANNUAL REPORT 2019









আপনার জীবনে নতুন মাত্রা যোগ করতে AB Height - এর মাধ্যমে উপভোগ করুন

- 🗪 ১০ লক্ষ টাকার বীমা সুবিধা
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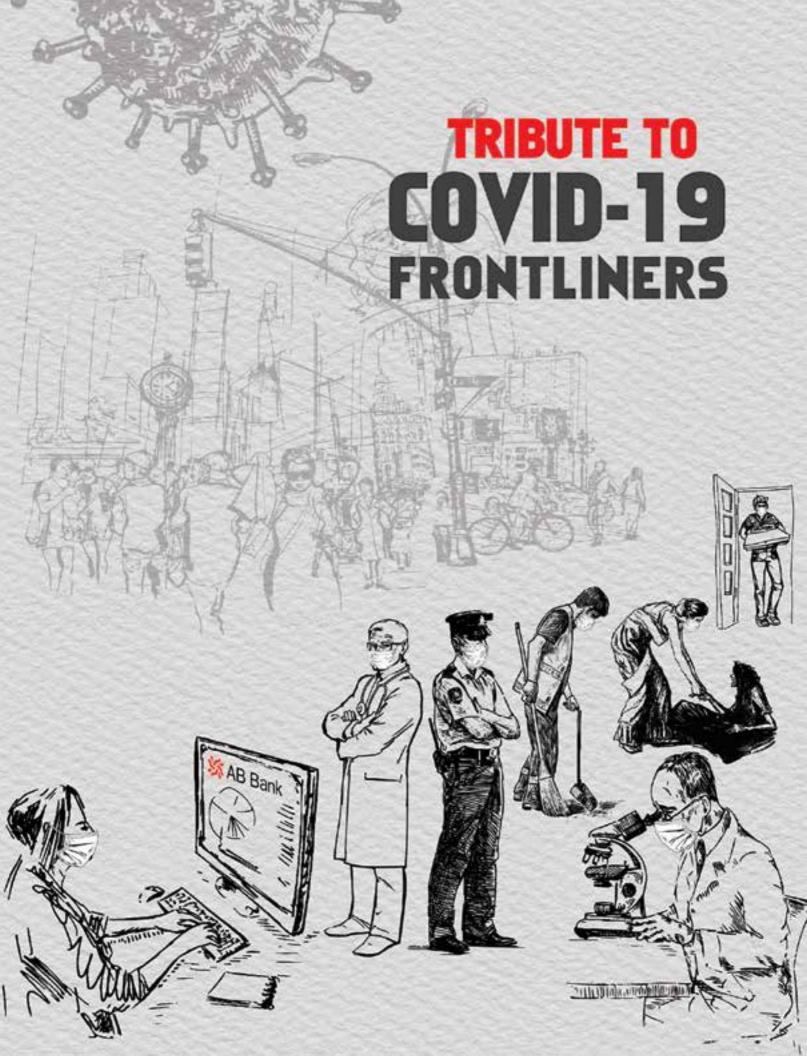
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- আকৰ্ষণীয় মুনাফা
- 🦯 ১৫০০+ মার্চেন্ট আউটলেটে আকর্ষণীয় ডিসকাউন্ট
- 🚤 🏻 ডুয়েল কারেন্সি ডেবিট কার্ড
- **্র** চিকিৎসা সেবায় বিশেষ ডিসকাউন্ট
- 🚄 বিভিনু ইমিগ্রেশন ও ভিসা প্রক্রিয়া কেন্দ্রে বিশেষ ডিসকাউন্ট

জীবন যাত্রার সকল প্রয়োজন মেটাতে AB Height আছে সব সময় আপনার সাথে

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Letter of Transmittal

August 10, 2020

All Shareholders of AB Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Dear Sir,

Annual Report 2019

We are pleased to enclose the Annual Report 2019 along with the Audited Financial Statements including consolidated and separate Balance Sheet as on December 31, 2019, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity for the year then ended, Liquidity Statement and a summary of significant accounting policies and other explanatory notes thereto of AB Bank Limited and its subsidiaries for your kind information and record.

Financial Statements of 'the Bank' comprise those of Conventional Branches, Islamic Banking Branch, one overseas Branch at Mumbai, India, and Offshore Banking Unit. While consolidated Financial Statements comprise Financial Statements of the Bank and its four subsidiaries namely - AB Investment Limited (ABIL), AB Securities Limited (ABSL), Cashlink Bangladesh Limited (CBL) and AB International Finance Limited (ABIFL), Hong Kong.

Thank you.

Yours Sincerely,

Manzurul Ahsan FCS Company Secretary



AB Bank encountered enormous challenges in 2019 due to increase in NPL which is prevalent in the overall Banking industry. The challenges have become more acute with the impact of COVID-19 pandemic. Amid all these with a revamped Board and Management, the Bank was able to bounce back in the direction of regaining its past glory.

This year, we will build an even stronger partnership with our loyal customers, shareholders and employees. Under the new leadership AB with its dedicated work force, is committed to excel in all spheres of banking e.g. Corporate, SME and Retail and march towards achieving our goals with a vision for future sustainability and the economic and overall development of the country.

AB Bank Limited

Introducing Bangladesh to its very first private sector bank; AB Bank Limited incorporated on December 31, 1981. Arab Bangladesh Bank as formerly known started its effective operation from April 12, 1982 with the mission to be the best performing bank of the country.

With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, AB has formulated a golden heritage and an envious legacy that may not be imitated by many. Achieving plenty of milestones and incorporating numerous changes over the last 38 years, AB has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel this new era of technological triumph, AB has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e-products.

AB has extensively widened its services over the last 38 years in both home and abroad. The bank opened its very first branch at Karwan Bazar on 12th April 1982 and now has a successful footprint of 105 branches including one overseas branch in Mumbai, India. The Bank has one Off-shore Banking Unit, Custodial Wing and 250 plus ATMs spread across the country. It has also extended its services through 5 subsidiary companies and a representative office at Yangon, Myanmar.

HIGHLIGHTS 2019

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2019 279,458 Million **2018** 235,445 Million

Loans & Advances

2019 BDT 256,512 Million **2018** BDT 241,070 Million

Total Assets

2019 BDT 365,569 Million **2018** BDT 322,526 Million

CRAR

2019 10.12% **2018** 10.03%

AD Ratio

2019 84.28% **2018** 91.09%

CL Ratio 2019 18.28% **2018** 33.07%

EPS

2019 BDT 0.22 **2018** BDT 0.02

Local Presence

103 Conventional Branch

01 Islami Banking Branch

52 Islami Banking Window

01 Off-shore Banking Unit

05 Subsidiaries

Manpower

555 Female **1,674** Male

2,210 Total

International Presence

01 Overseas Branch, Mumbai (India)

01 Foreign Subsidiary, ABIFL (Hong Kong)

Alternative Delivery Channel

11 SME Centre

64 Agent Banking Outlet

254 ATMs

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VISION, MISSION & CORE VALUES

VISION STATEMENT

To be the trendsetter for innovative banking with excellence and perfection

MISSION STATEMENT

To be the best performing bank in the country

CORE VALUES

Our Compliance

We consider adherence to national policies and objectives a priority for giving our customers the best financial support with corporate integrity, meaning a fully compliant bank along with involvement in social development.

Our Customers

We give the best priority on our customer demand and through our endless effort we assure the best satisfaction to our customers.

Our Shareholders

We assure the best return to our shareholders by commenced prudent performance.

Our Team Members

We provide secure, satisfying employment, ensuring the contribution of each individual to the success of ABBL.



STRATEGICPRIORITIES

Renewed focus on Asset Quality

Transformation into Digital Platform

Strict compliance to Rules and Regulations

Enhanced focus on SME and Retail Business

Improving Cost Efficiency

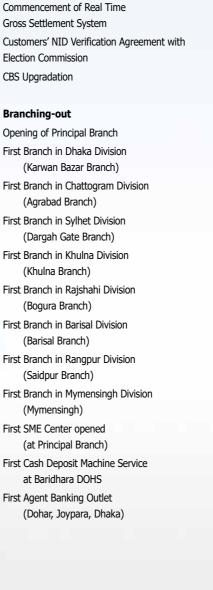
Maximum utilization of Human Resources

Consolidation of Balance Sheet



CHRONICLES

Certificate of Incorporation	December 31, 1981	Business Automation	
First meeting of the Board of Directors	February 05, 1982	Full Automation of Core Banking Solutions (CBS)	
Commencement of Business	February 27, 1982	Islamic Banking Software 'Ababil' Launched	
		Mumbai Branch connected with Central Network	
Opening of the First Branch (Karwan Bazar Branch)	Amril 12, 1002	Trade Innovation (TI) Module Roll Out (completed))
Opening of AB International Finance Limited (ABIF	April 12, 1982 FL)	Disaster Recovery Site (DR Site) starts operation	
-Subsidiary at Hong Kong	November, 1995	Automated Cheque Requisition System	
First Foreign Branch at Mumbai, India	April 06, 1996	Digitization of Authorized Signatories	
Opening of the Islamic Banking Branch	December 23, 2004	Centralized Fixed Asset Registration	[
		SMS Banking Services	
Listing with Dhaka Stock Exchange (DSE)	December 28, 1983	Cheque truncation & automated clearing process	
Publication of Prospectus for IPO	May 05, 1984		
Subscription for Share starts	June 25, 1984	Internet Banking Services	N
Listing with Chittagong Stock Exchange (CSE)	October 21, 1995	Electronic Fund Transfer (EFT)	
Online share transaction in CDS	May 07, 2006	Automation of Credit Information Bureau (CIB)	
Opening of Merchant Banking Wing (MBW)	November 02, 2002	Automation for Off-shore Banking	
Incorporation of Arab Bangladesh Bank Foundation		Anti-Money Laundering Solution	
Security Custodial Service License	January 22, 2007	Commencement of Real Time	
Incorporation of AB Investment Limited (ABIL)	December 24, 2009	Gross Settlement System	
,	,	Customers' NID Verification Agreement with	
Launching of ATM	April 12, 2002	Election Commission	Ν
Launching of Visa Card	December 23, 2004	CBS Upgradation	
First ATM Booth launched at Board Bazar			
(under CBL Network)	October 19, 2009	Branching-out	
May Lang Laureh	1	Opening of Principal Branch	
New Logo Launch	January 01, 2008	First Branch in Dhaka Division	
Opening of AB Bank Training Academy Customer Service Desk placed at Branches	October 07, 2008 November, 2008	(Karwan Bazar Branch)	
customer service best placed at branches	November, 2000	First Branch in Chattogram Division	
Primary Dealership License	December 08, 2009	(Agrabad Branch)	S
Off-shore Banking Unit	December 06, 2009	First Branch in Sylhet Division	
	,	(Dargah Gate Branch)	
Incorporation of Myanmar Rep. Office	December 10, 2010	First Branch in Khulna Division	
Launching of Internet Banking	October 24, 2011	(Khulna Branch)	
Launching of Mobile Apps "AB Direct"	August 31, 2017	First Branch in Rajshahi Division	
Lunching of Agent Banking	December 24, 2017	(Bogura Branch)	
	A -	First Branch in Barisal Division	
		(Barisal Branch)	
		First Branch in Rangpur Division	
9		(Saidpur Branch)	
		First Branch in Mymensingh Division	



March, 2007

July 13, 2008

April 20, 2009

April 27, 2009

April 28, 2009

May 04, 2009

October 17, 2009 December 14, 2009

August 10, 2010

October 07, 2010 November 25, 2010

February, 2011

August 25, 2011 December 06, 2012

January 01, 2013

October 29, 2015

November 24, 2015 August 06, 2019

January 16, 1986

September 19, 1982

April 12, 1982

May 27, 1983

March 15, 1984

July 25, 1984

July 19, 1986

May 20, 1999

March 29, 2009

October 15, 2017

December 24, 2017

October 07, 1986

PRODUCTS& SERVICES

CORPORATE & STRUCTURED FINANCE

- Term Loan
- Time Loan
- Trade Finance
- Trust Receipt
- Working Capital
- Bill Discounting
- Letter of Guarantee
- Syndication Arrangement
- Agency Function
- Syndication Participation
- Equity Financing & Arrangement
- Corporate Advisory Service

SMALL & MEDIUM ENTERPRISE (SME)

- Gati
- Proshar
- Diaun
- Sathi
- Progati
- Chhotopuji
- Awparajita
- Uddog
- Uttaran

TREASURY AND FOREIGN EXCHANGE PRODUCTS

Money Market

- Overnight (call)Repo
- SWAP
- Term
- Reverse Repo

Fixed Income Market

- Treasury Bill
- Treasury Bond

FX Market

- Spot
- Corporate
- Forward

RETAIL LOAN PRODUCTS

- Personal Loan (Unsecured)
- Personal Loan (Secured)
- Home Loan
- Auto Loan
- Credit Card

DEPOSIT ACCOUNTS

- AB Heights
- Profit First
- Savings Account
 - MaxSaver
 - SmartSaver
 - Student Account
 - Shampurna
 - Payroll Management
- Current Account
- Progati
- Special Notice Deposit (SND)
- Fixed Term Deposit
- Foreign Currency Account
- NFCD
- RFCD
- Family Savings Plan (FSP)
- Double Deposit Scheme (DDS)
- Monthly Savings Deposit Scheme (MSDS)
- Monthly Income Deposit Scheme (MIDS)
- Millionaire Savings Account (MSA)
- Deposit Double Installment Scheme (DDIS)

SERVICE PRODUCTS

- 24 hour ATM access
- Online Banking
- SMS Banking
- Internet Banking
- SWIFT
- Locker Service
- Custodian Service

ISLAMI BANKING

Deposit Products

- Profit First-Mudaraba Term Deposit
- Al-Wadiah Current Deposit
- Mudaraba Savings Deposit
- Mudaraba Special Notice Deposit
- Mudaraba Term Deposit
- Mudaraba Pension Deposit Scheme
- Mudaraba Quarterly Profit Paying Deposit Scheme
- Mudaraba Hajj Deposit Scheme
- Mudaraba Monthly Profit Paying Deposit Scheme
- Mudaraba Cash Waqf Deposit
- Mudaraba Marriage Savings Deposit Scheme

Investment Products

- Bai-Murabaha
- Bai-Muaijal
- Bai-Muajjal (TR)
- Hire-Purchase under Shirkatul Melk (HPSM)
- Murabaha Post-Import (MPI)
- Quard against MTDR



As-salamu alaikum,

Honourable Shareholders,

Before presenting the Bank's 2019 Annual Report, my colleagues and I pray to the Almighty that He blesses all our shareholders and their loved ones and grant them safety and security, during these unprecedented adverse conditions created worldwide by the COVID-19 pandemic.

At AB Bank we have strictly enforced all Bangladesh Government and WHO recommended health safety measures e.g. mandatory mask requirements, workplace sanitization on a daily basis, temperature check, hand sanitizers at all premises, social distancing requirements and have installed sanitizing tunnels at major branch and office locations.

I on behalf of all of us at AB Bank Limited would also urge you to follow all safety measures and stay safe during these troubled times.

Dear Shareholders,

On behalf of the Board, it is an honor and a privilege for me to present the Annual Report for the year 2019.

Last year I mentioned that the financial performance for 2018 of the Bank did not meet shareholders' expectations; the reason being growth of Non-performing loans and acute liquidity crunch in the market. But I am happy to say that since then some bold steps have been taken by

AB Bank Limited Message from the Chairman

the Bank to overcome these challenges and improve the performance as well as to restore the image of this great institution. I believe Management will continue to strive to place the Bank once again as a market leader.

I would like to touch on global and local economic environment and outlook briefly before providing a short synopsis of the financial performance of the Bank for 2019.

Global economy:

Global economy experienced considerable downturn in 2019. Slowdown in economic growth in the advanced as well as emerging market economies contributed adversely towards the global economy. Ongoing US-China trade tensions as well as geopolitical uncertainty weighed on global trade and industrial production. This caused disruption in global supply chain to a large extent. Yields on major 10-year government bonds were also on a declining trend globally indicating weak market sentiment about the growth outlook. Furthermore, the outbreak of COVID-19 pandemic towards the end of 2019, has created a bleak outlook of the global economy. Growth in the major industrial economies such as the US, Europe, and Japan have decelerated from 2.2% in 2018 to 1.7% in 2019. With COVID-19 outbreak increasingly overwhelming Europe and the US; economic activities are expected to fall even further. Growth in the major industrial economies is expected to contract by 0.3% in 2020 before recovering to 1.8% in 2021. However, Growth in developing Asia slowed to 5.2% in 2019 from 5.9% in 2018.

Bangladesh economy:

A real GDP growth of 8.15% was recorded in the fiscal year 2019 (FY19) aided by strong domestic demand. The Credit-to-GDP gap narrowed further signifying no excessive credit growth and thus no apparent threat to the stability of the financial system emanating therefrom. At end of December 2019, though food inflation declined, the annual average inflation increased marginally due to rise in non-food inflation. Export and wage-earners' remittance also recorded a notable increase while import growth declined in FY19, helping to improve the country's current account balance as well as the Balance of Payments (BoP) situation moderately. Net FDI inflow maintained the uptrend, which reflects increasing confidence of foreign investors towards Bangladesh. Accordingly, gross foreign exchange reserves stood at a sizeable amount of USD 32.7 billion at end of December 2019. The reserve appeared to be adequate to cover short-term foreign debt with ease while majority of the country's external debt was long-term in nature and considered to be of low risk. Pertinently, external debt to GDP ratio of 20 percent in December 2019 seems to be low both in comparison with major SAARC countries and international standard. Nevertheless, the economy may face some challenges due to implementation of mega projects, emergence of 4th industrial revolution globally and the country's graduation to middle income country. Moreover, the shattering effects of COVID-19 pandemic across the globe are likely to affect the domestic economy considerably in the coming days.

Financial performance of the Bank:

AB witnessed a significant progress in 2019 thanks to the commitment of a highly energised and motivated team of all our staff members ably led by the Managing Director and his Senior Management Team. This was due mainly to reduction of Non-Performing Loans by 14.79%. Operating profit registered a 110% growth to BDT 644.97 crore in 2019 as against BDT 307.52 crore in 2018. The Bank also experienced a significant growth of 12% in deposit during the period. Total Deposit of the Bank was BDT 27,946 crore as against BDT 23,544 crore in 2018. The Bank successfully maintained Advance Deposit Ratio (ADR) and all other liquidity parameters prudently in line with regulatory guidelines. We are hopeful that management will continue to strive to achieve even better results in 2020 despite the challenges of COVID-19 pandemic.

Going Forward

As part of our strategic transformation, we are building a strong management team, strengthening our relationship with our network of international correspondents, building



AB Bank Limited Message from the Chairman

a sustainable liquidity position, and investing in carefully considered opportunities that offer the opportunity for innovation, value addition, diversified risk and superior risk adjusted returns for our shareholders and investors.

Dear Shareholders,

Like 2019, this year also, we are taking strong steps towards reduction of NPL, building our capital base, increasing SME and Retail business, building a strong corporate culture, raising the bar for corporate governance and creating a world class financial institution. With a financially healthy balance sheet, strong corporate governance and robust risk management frameworks and a highly revamped and dedicated management team, we are on the path towards sustained long term profitability and growth. As we move towards success, we remain absolutely committed to adding value to our clients, shareholders and stakeholders, while positively impacting the society in which we operate. Besides addressing the basic social needs, promoting arts, culture and sports; we believe that CSR can be genuine platform to address growing environmental concerns also.

Honorable Shareholders, at the end, I would like to express my gratitude for your support and trust, which were the key driving forces behind all of our initiatives. It is your trust that gave us the strength to fulfill our pledge of a better performance in 2019. I hope you will continue to keep your faith on us which will enable us to regain our lost glory. On behalf of the Board of AB Bank Limited and I would like to take this opportunity to express our sincere appreciation for your cooperation, patience and incisive understanding about the challenging business position of the Bank.

Thank you all.

As-salamu alaikum

Muhammad A. (Rumee) Ali

Chairman



Dear Shareholders,

As-salamu alaikum

At AB Bank, our mission and culture, based on a quality commitment to our customers and shareholders and constant sustainable innovations, which enabled us to report a significant evolution in performance, the results of which I am honoured to share in the 2019 annual report. Before analyzing our results, I would like to express our heartfelt gratitude and appreciation to all the frontliners including bankers who are risking their lives during this pandemic. We greatly acknowledge their contribution.

In 2019, AB Bank has redefined its model and work processes, also the priorities were set to manage business more efficiently in the competitive context.

The change motivated the growth of revenue via active recovery and increased the profitability thorough greater integration and involvement of the related units at large.

We have finished the year with expected results, however, year 2019 was mostly a year of reform as several policy reforms were taken place from the regulators, beginning with Loan Deposit ratio, focus to improve the small-medium manufacturing sectors, development of Women Entrepreneurs and much more.

In the midst of such reform, for AB, as stated at the beginning of the year, it started with huge classified loan of 33.07% which came down to 18.28% by the prudent steps from the management of the Bank. In 2019, Operating profit of the Bank stood BDT 645 crore which registered 110% growth over the previous year 2018. Despite of higher loan classifications and strict regulatory constraints, on a high note, depositors did not lose their trust in AB. In 2019, total deposit of the Bank rose over 4,400 crore and stood at BDT 27,946 crore where in 2018 it was BDT 23,544 crore. AB was able to maintain Loan Deposit (LD) ratio within prescribed limit of Bangladesh Bank guidelines



AB Bank Limited

Message from the desk of President & Managing Director

(below 85%). Other liquidity parameters like Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the Bank were well ahead of regulatory requirements.

Stressed from country-specific weakness in large emerging market economies such as Brazil, India, Mexico, and by Russia, extensive bushfires in Australia, escalating geopolitical tensions between US and Iran, trade war between US and China etc. continued to exert pressure on global economic activity. Moreover, the ongoing outbreak of COVID-19 pandemic has become one of the biggest disruptors to the global economy and financial markets rocking the markets worldwide. Restrictions on movement of people, goods and services, and containment measures such as factory closures have cut manufacturing and domestic demand sharply. Market experts predict that the world may not fully recover from Coronavirus crisis even by the end of 2021. The IMF now expects the global economy to shrink by 3% in 2020 before growing 5.8% next year. On the local economy front, the two key monetary policy objectives (containing inflation within target and supporting attainment of targeted real GDP growth) were well achieved in FY19 (July 2018-June 2019). June 2019 CPI inflation was 5.47% (below the target of 5.60%) and real GDP growth was 8.15% (against target of 7.80%) and remittance saw a robust growth in the FY19.

While COVID-19 is taking an unprecedented toll around the globe, I would like to share our performance in a word- 'Bank is doing Good'. Being the first private sector bank in this country AB not only sets the quintessence for others to follow, but continues to be the 'first of many firsts' in the banking community in Bangladesh. In the entrepreneurial ecosystem, AB Bank offers a superb environment to implement banking solutions. The bank is committed to lead the transformation of conventional business projects accelerating the innovative nature of their talent, bringing together professionals, and creating national and global entrepreneurship promotion programs.

When I Joined AB in one and a half years back, one of the first things that struck me- the friendliness in its environment. The cohesiveness among the employees, enthusiasm of the management been the key driving forces for us to reform this great institution of 38 years. We can assure you that we will survive this tough time. Moreover, I do believe there is lot of opportunity for us to grow and enhance our market share.

We intended to get our winning mind-set back, re-claimed our growth momentum and get our fair share of business from our customers. Over the year, Core Banking Solutions have been upgraded, different technological platform reformed to easing services with enhanced security. We encouraged our customers to use alternative delivery channels than over the counter facilities. Our main focus was to ensure business

sustainable business growth and profitability. We reformed senior management team to formulate strategy and to execute those. We have reoriented the organizational structure that would enable us to streamline and simplify our functioning and bring in greater accountability, productivity and efficiencies. Cost consciousness was another thing that we made across the Board.

Based on the financials of 2019, the Board of Directors of the Bank, declared 5% stock dividend for 2019 which place the Bank at an acceptable category. Bank is committed to its vision and determined to create shareholders value. We feel that as we grow, our responsibility towards the society grows too. AB therefore, invests quite a considerable amount of time and money towards Corporate Social Responsibility. Our commitment is to contribute to the society for improving the lives of people, particularly the segment who are underprivileged and less fortunate in terms of basic needs and remain alongside as sincere benefactor of the country's rich heritage of arts, culture and sports.

Human resources continue to be the most important asset of AB. The quality of their output forms the basis of the institution's overall performance resulting in its goodwill. This year, we have invested substantially towards the professional development of our employees through imparting training, seminars and workshops held at home and abroad. The focus of training at AB in 2019 was not only to develop its experienced officers but also the Management Trainee Officers aiming to make them mission-critical for our institution. AB believes in diversity and therefore, we consciously employ talented, self-motivated and pro-active candidates from diverse backgrounds for ensuring creativity, innovation and value-addition in the banking industry.

My sincerest gratitude to our valued customers for their patronage, our shareholders and stakeholders for their continued support and trust in us, the regulators for their guidance and our Board of Directors for their pragmatic vision, valuable advice and leadership.

I take this opportunity to convey my sincere appreciation to our Senior Management Team as well as all members of AB family who have proven beyond doubt that they are our greatest asset. I feel honored to lead a team of professionals for their commitment, dedication and support. Together we as AB Family look forward to a better tomorrow which definitely will exceed your expectations.

Thank you.

Tarique Afzal

President & Managing Director



From left: Shajir Ahmed, Kaiser A. Chowdhury, Tarique Afzal, Muhammad A. (Rumee) Ali, Feroz Ahmed, Khairul Alam Choudhury and Md. Maqsudul Huq Khan

COMPOSITION OF THE BOARD AND COMMITTEES

BOARD OF DIRECTORS

Chairman

Muhammad A. (Rumee) Ali, Chairman

Directors

Feroz Ahmed Shajir Ahmed Khairul Alam Choudhury Md. Maqsudul Huq Khan

Independent Director

Kaiser A. Chowdhury

President and Managing Director

Tarique Afzal

AUDIT COMMITTEE

Chairman

Kaiser A. Chowdhury

RISK MANAGEMENT COMMITTEE

Chairman

Kaiser A. Chowdhury

Member

Shajir Ahmed

SHARIAH SUPERVISORY COMMITTEE

M. Azizul Huq, Chairman

Members

Md. Shouquat Ali, Vice Chairman
Tarique Afzal, President & Managing Director, ABBL
Muhammad Musa
Professor Dr. Mahfuzur Rahman
Dr. Mohd. Haroon Rashid, Member Secretary









Muhammad A. (Rumee) Ali

Chairman

Mr. Muhammad A. (Rumee) Ali is an iconic banker with extensive and wide-ranging experience as CEO, Board Member, and Chairman of several institutions.

He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his Masters in Economics from Dhaka University. In 1997, he was the first Bangladeshi to be appointed as the CEO of the Bank's Bangladesh operations. After acquisition of this bank by Standard Chartered Group in 2000, he was selected to be the first CEO of the combined operations of these two banks as Standard Chartered Bank.

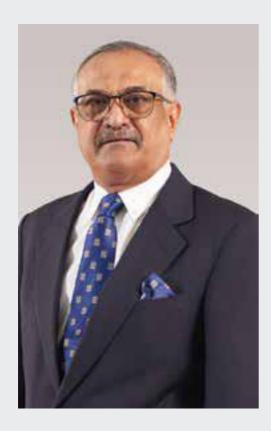
In November, 2002 he joined Bangladesh Bank as Deputy Governor and was responsible for driving the regulatory reforms in the country's banking sector, especially in the Risk Management and Corporate Governance areas. He, very successfully, worked as a central banker for four years.

He has repeatedly proven himself to be an eminently capable leader in a number of high profile executive appointments. Mr. Rumee Ali served as Managing Director, Enterprises & Investments at BRAC. During this period he was Chairman of BRAC Bank Ltd. and founder Chairman of bKash Limited the first mobile financial system in Bangladesh. He has also served as a member of the Board of BRAC and BRAC International.

In the past he served on the boards of Alliance for Bangladesh workers Safety (USA), Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/World Bank Washington, PKSF Bangladesh. He was made a Fellow of the Institute of Bankers, Bangladesh in 2001. In addition, he has participated in many international forums as key-note speaker and panelist.

Mr. Rumee Ali, is also currently the CEO of Bangladesh International Arbitration Centre.





Feroz Ahmed Director

Mr. Ahmed is the Chairman of Elite Paint & Chemical Industries Ltd., Hexagon Chemical Complex Ltd. and Managing Director of Elite International Ltd., Ahmed Securities Services Ltd. and FDN Energy Ltd. among others. Apart from business activities, Mr. Feroz is also involved with various Socio-Cultural, Philanthropic and Sports organizations. He was associated with the Bangladesh Cricket Board (BCB) as its AD-HOC Executive Committee Member. He is also a Member, Board of Trustees, Chittagong Independent University, life member of Chittagong Zila Krira Sangstha and member of the Chattogram Mohanagari Krira Sangstha. He is a life member of Red Crescent Society, Chattogram, Maa O Shishu Haspatal, Chattogram.

Shajir Ahmed Director

Mr. Shajir Ahmed completed his Bilingual Diploma degree on International Baccalaureate (IB) from United World College of South East Asia, Singapore. Following which, he graduated in Business Management from Kings College London under University of London in 2008. In 2009, he started his first job as a Central Accounts Officer in Habib Bank AG Zurich, Dubai.

Upon Mr. Ahmed's return to Bangladesh in 2010, he joined his family business as the Director of Elite Paint & Chemical Industries Limited, a pioneer manufacturer of different graded paints in Bangladesh. At present, Mr. Ahmed is the Managing Director of Super Silica Bangladesh Limited and the Director of Super Tel Limited, Super Sea Fish (Pvt.) Limited, Elite Super Plastic Ind. (Pvt.) Limited, Super Shares & Securities Limited., Elite Food Industries Limited, Broast Foods Ind. (Pvt.) Limited and Aurora Decor Limited.

Mr. Ahmed also holds the position of Deputy Managing Director of Super Refinery (Pvt.) Limited, the first Natural Gas Condensate Refinery in the private sector since June 01, 2006 till date.





Khairul Alam Choudhury

Director

Mr. Khairul Alam Choudhury, Barrister-at-Law is a Director of AB Bank Limited. He graduated from University of Wolver Hampton, UK in 2001. Thereafter, Mr. Choudhury obtained his post graduation from the City University, UK in 2002 and was also called to the Bar from Lincoln's Inn, London in 2002. Mr. Choudhury is a practicing lawyer of the Supreme Court of Bangladesh.

Md. Magsudul Hug Khan Director

Mr. Maqsudul H. Khan is a Supply Chain and Compliance professional. Currently he is working as General Manager, Supply Chain & Commercial Division of Millennium Automotive Group which deals with importation and/or assembling of brand new Nissan, Jaquar, Land Rover, Hyundai and SsangYong vehicles in Bangladesh. Prior to joining Millennium Automotive Group, he worked for Bureau Veritas, a renowned French multi-national conglomerate for a long time. He has a long professional career in Operations, Compliance and Legal Affairs. He also worked as Head of International Trade Division (ITD) of a multi-national organization which is the global leader in Quality Assurance, Health, Safety and Environmental Solutions.

He has achieved International Diploma in Supply Chain Management from ITC-UNCTAD/WTO, Geneva. He also completed Certified Supply Chain Professional (CSCP) course from American Production and Inventory Control Society (APICS). Before that he obtained Masters in Business Administration (MBA) and Bachelor of Laws (LLB).







Kaiser A. Chowdhury

Independent Director

Mr. Kaiser A. Chowdhury is a banking professional, with a work experience that spans four decades. Mr. Chowdhury started his career with ANZ Grindlays Bank (1975 - 1999), where he spent most of his time in the credit arena including a stint at Grindlays International Training Centre, Chennai, India as a Credit Instructor. He served ONE Bank Limited (1999 - 2005) as its Deputy Managing Director, AB Bank Limited (2005 – 2012) as its President & Managing Director and Meghna Bank Limited (2013 – 2014) as its founder Managing Director & CEO. He was also the Principal of Dhaka Bank Training Institute (2015-16).

Tarique Afzal President & Managing Director

Mr. Tarique Afzal joined AB Bank in 2018 as Deputy Managing Director - Head of Corporate, Legal & Regulatory Affairs. Subsequently he has been appointed as the President & Managing Director with effect from July 08, 2019.

Prior to joining AB Bank he was the Chief Executive Officer of Sonali Polaris Financial Technology Limited a joint venture of Sonali Bank and Polaris, India.

Mr. Tarique Afzal, to his credit, has impressive overseas work experiences and worked in London during the late 1980s and in Credit Union in Canada, later served in ANZ Grindlays Bank and Standard Chartered Bank in Bangladesh.

He also worked in Bank Alfalah, BRAC Bank and served as the CEO for Dun & Bradstreet Rating Agency in Bangladesh.

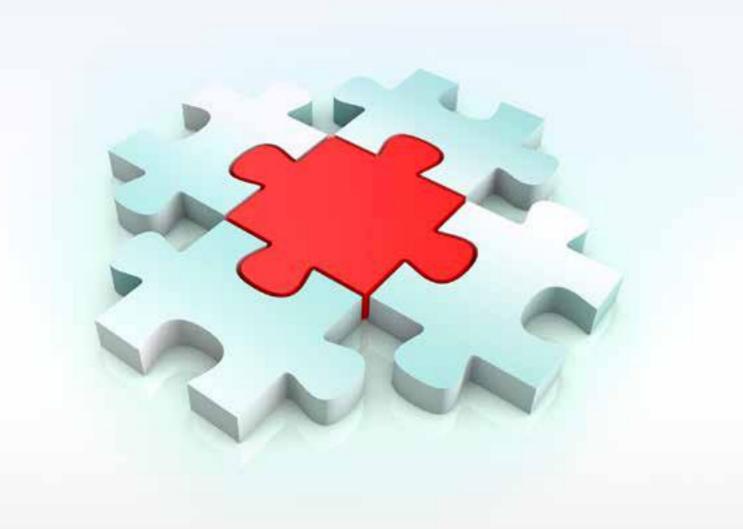
His core competencies are creating new business streams, operational efficiency, performance improvements and regulatory relationships.



AB Bank Limited Senior Management Team

Sajjad Hussain Additional Managing Director, Head of Operations & CRO Shamshia I. Mutasim DMD, Head of Human Resource Management & Development Member SevP, Chief Financial Officer Member SevP, Head of Relationship & Agent Banking Member SevP, Head of Special Asset Management Division Member Z M Babar Khan SEVP, Head of Credit Risk Management Member SEVP, Head of Credit Risk Management Member Member Member Member Member SevP, Head of General Banking Operations & Service Excellence Member SevP, Head of General Services, Security & Procurement Md. Jahangir Alam Member SevP, Deputy Chief Risk Officer Md. Ebtadul Islam SEVP, Head of Credit Risk Compliance Member SevP, Head of Credit Risk Management Member Member	01	Tarique Afzal President & Managing Director	Chairman
DMD, Head of Human Resource Management & Development Reazul Islam DMD, Information Technology & eBiz Member K. M. Mohiuddin Ahmed EVP, Chief Financial Officer Member Syed Mizanur Rahman SEVP, Head of Relationship & Agent Banking Member SEVP, Head of Special Asset Management Division Member Z M Babar Khan SEVP, Head of Credit Risk Management Mr. Iftekhar Enam Awal SEVP, Head of Corporate & SME Md. Aminur Rahman SEVP, Head of General Banking Operations & Service Excellence Member Golam Mahmud Rizvi SEVP, Head of General Services, Security & Procurement Md. Jahangir Alam SEVP, Deputy Chief Risk Officer Md. Ebtadul Islam SEVP, Head of Internal Control & Compliance Member Member	02		Member Secretary
DMD, Information Technology & eBiz Abdur Rahman DMD, Head of Retail Banking Division Mahmudul Alam DMD, Head of Credit K. M. Mohiuddin Ahmed EVP, Chief Financial Officer Syed Mizanur Rahman SEVP, Head of Relationship & Agent Banking Member Z M Babar Khan SEVP, Head of Special Asset Management Division Z M Babar Khan SEVP, Head of Credit Risk Management Mr. Iftekhar Enam Awal SEVP, Head of Corporate & SME Md. Aminur Rahman SEVP, Head of General Banking Operations & Service Excellence Golam Mahmud Rizvi SEVP, Head of General Services, Security & Procurement Md. Jahangir Alam SEVP, Deputy Chief Risk Officer Md. Ebtadul Islam SEVP, Head of Internal Control & Compliance Member Member	03		Member
DMD, Head of Retail Banking Division Mahmudul Alam DMD, Head of Credit K. M. Mohiuddin Ahmed EVP, Chief Financial Officer Syed Mizanur Rahman SEVP, Head of Relationship & Agent Banking Member SEVP, Head of Special Asset Management Division L. Mahadev Sarker Sumon, FCA SEVP, Head of Special Asset Management Division L. Mahadev Sarker Sumon, FCA SEVP, Head of Credit Risk Management Member SEVP, Head of Credit Risk Management Member Member Member Member Member SEVP, Head of General Banking Operations & Service Excellence Member SEVP, Head of General Services, Security & Procurement Member	04		Member
DMD, Head of Credit K. M. Mohiuddin Ahmed EVP, Chief Financial Officer Seyed Mizanur Rahman SEVP, Head of Relationship & Agent Banking Member SEVP, Head of Special Asset Management Division Lamber SEVP, Head of Credit Risk Management Member SEVP, Head of Credit Risk Management Member SEVP, Head of Corporate & SME Member SEVP, Head of General Banking Operations & Service Excellence Member SEVP, Head of General Services, Security & Procurement Mod. Jahangir Alam SEVP, Deputy Chief Risk Officer Member SEVP, Head of Internal Control & Compliance Member Member Member Member Member Member Member Member	05		Member
EVP, Chief Financial Officer Syed Mizanur Rahman SEVP, Head of Relationship & Agent Banking Member Member Member Member Member Member Z M Babar Khan SEVP, Head of Credit Risk Management Member	06		Member
SEVP, Head of Relationship & Agent Banking Mahadev Sarker Sumon, FCA SEVP, Head of Special Asset Management Division Z M Babar Khan SEVP, Head of Credit Risk Management Mr. Iftekhar Enam Awal SEVP, Head of Corporate & SME Member Member Member SEVP, Head of General Banking Operations & Service Excellence Golam Mahmud Rizvi SEVP, Head of General Services, Security & Procurement Md. Jahangir Alam SEVP, Deputy Chief Risk Officer Member Member Member Member SEVP, Head of Internal Control & Compliance Member	07		Member
SEVP, Head of Special Asset Management Division 2 M Babar Khan SEVP, Head of Credit Risk Management Mr. Iftekhar Enam Awal SEVP, Head of Corporate & SME Md. Aminur Rahman SEVP, Head of General Banking Operations & Service Excellence Golam Mahmud Rizvi SEVP, Head of General Services, Security & Procurement Md. Jahangir Alam SEVP, Deputy Chief Risk Officer Md. Ebtadul Islam SEVP, Head of Internal Control & Compliance Member Member	08	•	Member
SEVP, Head of Credit Risk Management Mr. Iftekhar Enam Awal SEVP, Head of Corporate & SME Md. Aminur Rahman SEVP, Head of General Banking Operations & Service Excellence Golam Mahmud Rizvi SEVP, Head of General Services, Security & Procurement Md. Jahangir Alam SEVP, Deputy Chief Risk Officer Md. Ebtadul Islam SEVP, Head of Internal Control & Compliance Member Member	09		Member
SEVP, Head of Corporate & SME 12 Md. Aminur Rahman SEVP, Head of General Banking Operations & Service Excellence 13 Golam Mahmud Rizvi SEVP, Head of General Services, Security & Procurement 14 Md. Jahangir Alam SEVP, Deputy Chief Risk Officer 15 Md. Ebtadul Islam SEVP, Head of Internal Control & Compliance 16 Ashfaque Hasan Jamilur Rahman Member	10		Member
SEVP, Head of General Banking Operations & Service Excellence 13 Golam Mahmud Rizvi	11		Member
SEVP, Head of General Services, Security & Procurement 14 Md. Jahangir Alam SEVP, Deputy Chief Risk Officer 15 Md. Ebtadul Islam SEVP, Head of Internal Control & Compliance 16 Ashfaque Hasan Jamilur Rahman Member	12		Member
SEVP, Deputy Chief Risk Officer 15 Md. Ebtadul Islam Member SEVP, Head of Internal Control & Compliance 16 Ashfaque Hasan Jamilur Rahman Member	13		Member
SEVP, Head of Internal Control & Compliance 16 Ashfaque Hasan Jamilur Rahman Member	14	· · · · · · · · · · · · · · · · · · ·	Member
	15		Member
	16		Member
17 M N Azim Member EVP, Head of Financial Institutions & Treasury	17		Member
18 Sheikh Md. Reajul Islam EVP, Head of Treasury Back Office	18		Member
19 Farid Ahmed Fakir Member VP, Head of Islamic Banking	19		Member

INVESTOR RELATIONS



FORWARD LOOKING STATEMENT

Annual Report for the year 2019 contains actual facts & where applicable statements based on assumptions, estimates, beliefs and future expectations. Such forward looking statements may include but not limited to future plan, performance, growth of business, profitability and cash flow of the Bank which are subject to known and unknown risks. Actual performance or results may materially differ from original plan, assumptions, estimates or expectations expressed or implied in forward looking statements. Therefore, undue reliance should not be placed on such statements for making any decisions, transactions or investments with the Bank.

Bank does not guarantee in anyway that the expressions made or implied in forward looking statements would be materialized.
Bank does not also take any responsibility to update, modify or revise any forward looking statements contained in this Annual Report irrespective of whether those are changed by any new events, information or future development or by any other factors.

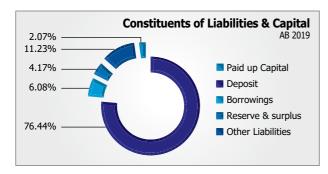


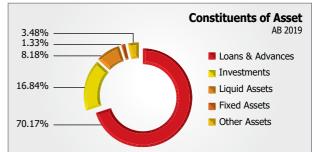
AB Bank Limited Shareholders' Information

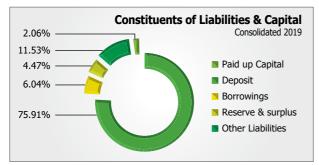
Financial Highlights - AB & Consolidated

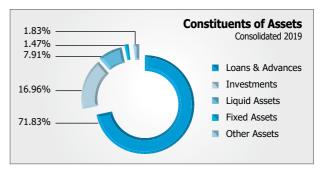
In Crore Taka

Particulars	АВ	Bank Limit	ted	Consolidated		d
Particulars	2019	2018	% Growth	2019	2018	% Growth
At the end of year						
Equity	2,284	2,265	1%	2,403	2,389	1%
Deposits	27,946	23,544	19%	27,939	23,538	19%
Loans & Advances	25,651	24,107	6%	26,439	24,919	6%
Investments	6,158	4,359	41%	6,2 4 2	4,435	41%
Fixed Assets	487	354	37%	5 4 3	411	32.0%
Total Assets	36,557	32,253	13.3%	36,808	32,515	13.20%
Performance during the year						
Interest Income	2,672	1,947	37%	2,695	1,981	36%
Operating Profit	645	308	110%	6 4 7	344	88%
Provision for Loans and others	514	252	104%	511	274	87%
Profit Before Tax	131	56	135%	136	70	94%
Provision for Tax	114	54	112%	124	66	88%
Profit After Tax	17	2	815%	12	4	185%
Statutory Ratios						
Liquid Assets	26.84%	20.71%		26.84%	20.71%	
Capital Adequacy Ratio	10.12%	10.03%		10.59%	10.48%	
Share information						
Earnings Per Share-EPS (Taka)	0.22	0.02	815%	0.16	0.06	185%
Stock Dividend (proposed)	5%	-				
Net Asset Value Per Share-NAVPS (Taka)	30.13	29.88	1%	31.69	31.51	1%
Ratios						
Classified Loan	18.28%	33.07%		17.74%	32.00%	
Return on Assets (ROA)	0.05%	0.01%		0.04%	0.01%	
Return on Equity (ROE)	0.74%	0.08%		0.51%	0.18%	

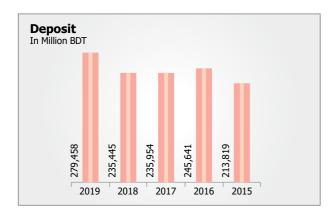


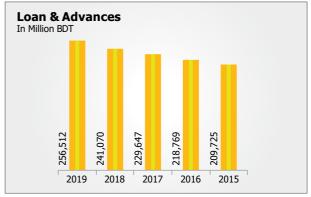


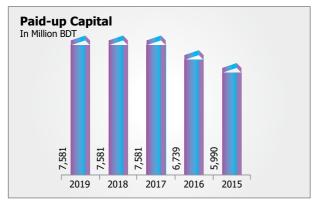


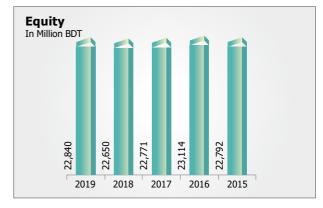


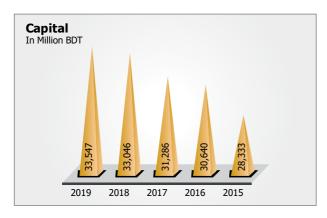
AB Bank Limited Graphical Presentation



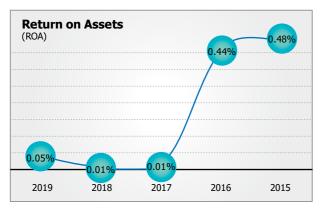


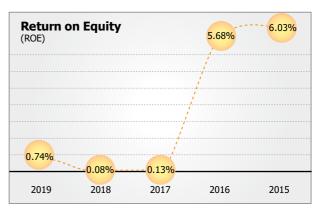






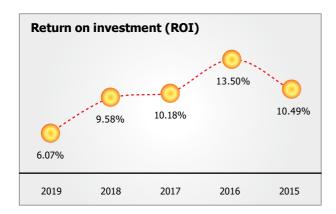


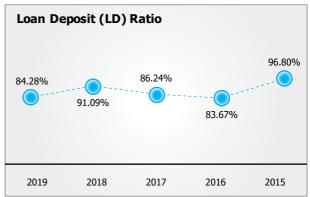


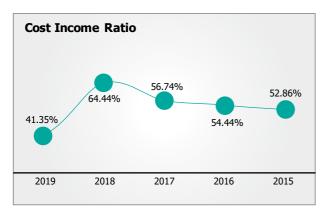


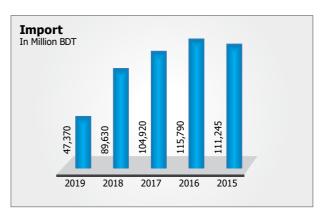


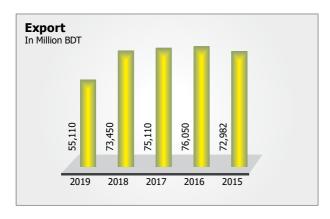
AB Bank Limited Graphical Presentation

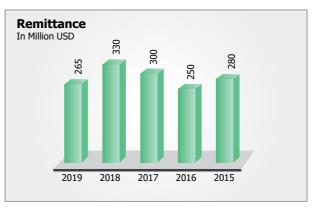


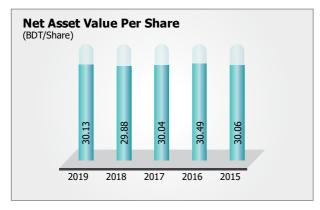


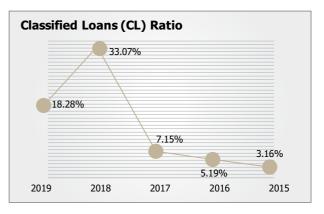




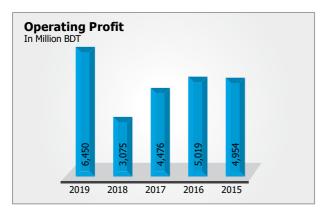


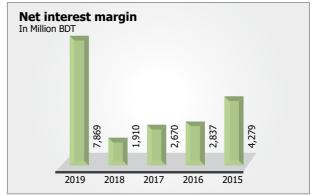


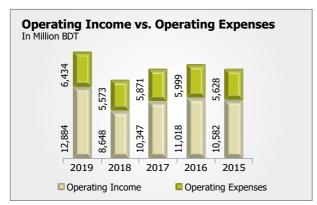


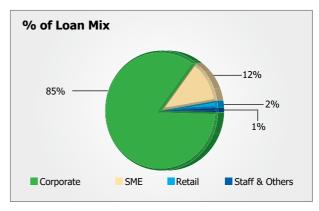


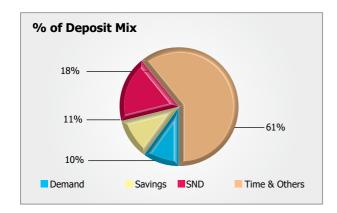
AB Bank Limited Graphical Presentation

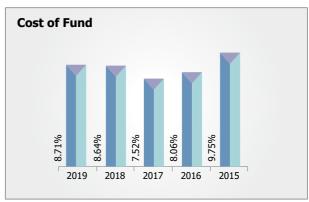


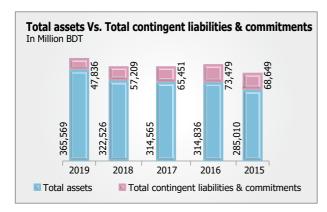


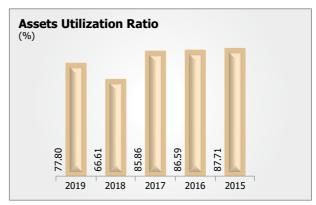














AB Bank Limited Last 10 years' performance

In Million Taka

Financial Position	2019	2018	2017	2016	2015
Cash & bank balances	25,121	19,611	21,768	24,265	21,744
Investments	61,579	43,594	45,749	48,187	32,559
Money at call and short notice	4,776	1,429	1,170	6,806	5,284
Loans & advances	256,512	241,070	229,647	218,769	209,725
Fixed assets	4,871	3,543	4,113	4,080	4,201
Other assets	12,366	12,936	12,117	12,728	11,496
Non-banking assets Total Assets	343 365,569	343 322,526	314,565	314,836	285,010
Borrowings	14,820	18,272	21,871	15,454	23,693
Subordinated Bond	7,400	8,700	6,000	6,500	6,500
Deposits	279,458	235,445	235,954	245,641	213,819
Other liabilities	41,051	37,458	27,968	24,126	18,206
Equity	22,840	22,650	22,771	23,114	22,792
Total Liabilities & Shareholders' Equity	365,569	322,526	314,565	314,836	285,010
Total contingent liabilities & commitments	47,836	57,209	65,451	73,479	68,649
Loan Deposit Ratio*	84.28%	91.09%	86.24%	83.67%	96.80%
Interest earning assets	284,417	214,825	270,093	272,625	249,985
Non-Interest earning assets Profitability	81,151	107,701	44,472	42,211	35,026
Net interest margin	7,869	1,910	2,670	2,837	4,279
Operating income	12,884	8,648	10,347	11,018	10,582
Operating income Operating expenses	6,434	5,573	5,871	5,999	5,628
Operating expenses Operating profit	6,450	3,075	4,476	5,019	4,954
Provision for loans and others	5,141	2,519	4,634	3,017	2,195
Profit before tax	1,309	556	(158)	2,002	2,759
Provision for tax	1,141	538	(188)	697	1,489
Profit after tax	168	18	30	1,305	1,270
Cost income ratio	41.35%	64.44%	56.74%	54.44%	52.86%
Return on investment (ROI)	6.07%	9.58%	10.18%	13.50%	10.49%
Return on assets (ROA)	0.05%	0.01%	0.01%	0.44%	0.48%
Return on equity (ROE)	0.74% 77.80%	0.08% 66.61%	0.13% 85.86%	5.68% 86.59%	6.03% 87.71%
Assets Utilization Ratio Cost of fund	8.71%	8.64%	7.52%	8.06%	9.75%
Earnings Per Share	0.22	0.02	0.04	1.72	1.68
Net income per share	0.22	0.02	0.04	1.72	1.68
Other Business	O.L.L	0.02	0.0 .	1., 2	1.00
Import	47,370	89,630	104,916	115,794	111,245
Export	55,110	73,450	75,109	76,052	72,982
Remittance (Million USD)	265	330	300	254	280
Equity Measures					
Authorized capital	15,000	15,000	15,000	15,000	6,000
Paid-up capital	7,581	7,581	7,581	6,739	5,990
Capital - Tier I Capital - Tier II	18,712 14,836	19,194	19,731	18,703	18,339 9,994
Total capital	33,547	13,852 33,046	11,556 31,286	11,938 30,640	28,333
Capital surplus/ (deficit)**	(7,875)	(6,092)	(1,310)	462	2,780
Statutory reserve	6,872	6,623	6,549	6,496	6,111
Retained earnings	5,817	5,905	6,012	6,810	6,831
Capital to Risk Weighted Assets Ratio	10.12%	10.03%	10.80%	10.79%	11.09%
Asset Quality					
Total loans & advances	256,512	241,070	229,647	218,769	209,725
Classified loans (CL)	46,890	79,728	16,409	11,365	6,619
% CL to total loans & advances	18.28%	33.07%	7.15%	5.19%	3.16%
Provision for unclassified loan	8,286	5,561	4,871	4,099	2,119
Provision for classified loan	6,994	5,079	3,862	2,506	2,596
Share Information Maylet Price pay share (DCF) (Take)	7.90	12.00	22.10	22.20	20.90
Market Price per share (DSE) (Taka) Dividend - %	7.90 5.0***	12.00	22.10	22.30 12.5	20.90 12.5
Bonus - %	5.0		_	12.5	12.5
Cash - %	5.0			12.5	12.5
Price earning ratio (times)	35.71	496.49	566.02	12.96	12.47
Net Asset Value per share (Taka)	30.13	29.88	30.04	30.49	30.06
Distribution Network					
Number of branches	105	105	105	104	101
Number of SME service center	11	11	11	11	11
Employee number	2,210	2,310	2,354	2,423	2,276
Number of Agent Banking Unit	64	34	5	-	-

AB Bank Limited

Last 10 years' performance

In Million Taka

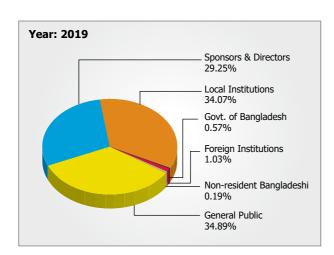
				TU	Million Taka
Financial Position	2014	2013	2012	2011	2010
Cash & bank balances	20,436	17,338	18,499	17,524	12,914
Investments	30,779	28,676	26,115	21,556	14,563
Money at call and short notice	3,863	2,251	3,672	666	380
Loans & advances	177,571	140,121	106,066	94,638	88,002
		4,173	4,230	3,854	
Fixed assets	4,405				3,926
Other assets	9,277	15,446	15,261	14,725	12,906
Non-banking assets	-	-	-	-	-
Total Assets	246,331	208,006	173,842	152,963	132,691
Borrowings	10,977	9,987	3,649	10,248	14,200
Subordinated Bond	2,500	-	-	-	-
Deposits	198,189	161,846	140,026	116,152	95,702
Other liabilities	15,351	19,232	14,133	11,710	8,922
Equity	19,314	16,940	16,034	14,853	13,867
Total Liabilities & Shareholders' Equity	246,331	208,006	173,842	152,963	132,691
Total contingent liabilities & commitments	77,069	83,217	59,590	52,595	44,485
Loan Deposit Ratio*	89.60%	86.58%	75.75%	81.48%	91.95%
Interest earning assets	215,691	175,978	144,167	125,049	110,453
Non-Interest earning assets	30,640	32,028	29,676	27,914	22,535
Profitability					
Net interest margin	6,079	3,780	3,123	2,394	3,481
Operating income	12,155	9,755	8,435	7,743	10,898
Operating expenses	5,230	4,465	4,072	3,431	3,489
Operating expenses Operating profit	6,925	5,290	4,363	4,312	7,409
					•
Provision for loans and others	2,946	2,305	1,173	1,355	1,052
Profit before tax	3,979	2,985	3,190	2,957	6,357
Provision for tax	2,719	1,974	1,752	1,629	2,661
Profit after tax	1,260	1,011	1,439	1,328	3,696
Cost income ratio	43.03%	45.78%	48.27%	44.31%	32.01%
Return on investment (ROI)	9.68%	10.37%	11.39%	14.62%	32.72%
Return on assets (ROA)	0.54%	0.53%	0.88%	0.93%	3.08%
Return on equity (ROE)	6.95%	6.13%	9.31%	9.25%	30.77%
Assets Utilization Ratio	87.56%	84.60%	82.93%	81.75%	83.24%
	10.63%	11.82%	12.07%	11.19%	9.89%
Cost of fund					
Earnings Per Share	1.66	1.33	1.90	1.75	4.88
Net income per share	1.66	1.33	1.90	1.75	4.88
Other Business					
Import	112,220	125,383	100,373	79,463	90,751
Export	77,252	72,571	65,782	57,592	41,686
Remittance (Million USD)	299	237	217	250	210
Equity Measures					
Authorized capital	6,000	6,000	6,000	6,000	6,000
Paid-up capital	5,325	4,976	4,423	3,686	3,205
				13,410	
Capital - Tier I	16,561	15,570	14,630		12,411
Capital - Tier II	6,238	3,203	2,552	2,534	2,249
Total capital	22,799	18,772	17,181	15,943	14,660
Capital surplus/ (deficit)	712	1,385	2,532	1,920	1,345
Statutory reserve	5,582	5,565	5,005	4,390	4,396
Retained earnings	6,768	4,986	5,159	5,291	4,768
Capital to Risk Weighted Assets Ratio	10.32%	10.80%	11.73%	11.37%	9.91%
Asset Quality					
Total loans & advances	177,571	140,121	106,066	94,638	88,002
Classified loans (CL)	6,856	4,720	3,522	2,672	1,852
	3.86%				
% CL to total loans & advances		3.37%	3.32%	2.82%	2.11%
Provision for unclassified loan	1,930	1,707	1,270	1,317	1,041
Provision for classified loan	2,924	2,273	1,049	1,031	921
Share Information					
Market Price per share (DSE) (Taka)	29.90	26.20	33.70	68.30	158.05
Dividend - %	12.5	12.0	12.5	25.0	25.0
Bonus - %	12.5	7.0	12.5	20.0	15.0
Cash - %	-	5.0		5.0	10.0
Price earning ratio (times)	17.99	19.65	17.76	38.99	32.42
	25.48				
Net Asset Value per share (Taka)	25.48	22.34	21.15	19.59	18.29
Distribution Network	0.5	0.5	0=	0.5	0.5
Number of branches	93	89	87	86	82
Number of SME service center	11	11	11	11	11
Employee number	2,220	2,179	2,070	2,096	2,008
Number of Agent Banking Unit	-	-	-		-

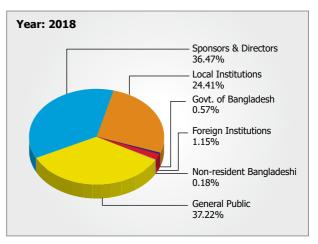


AB Bank Limited Shareholders Pattern

Particulars	Number o	of Shares	% of Shares		
Particulars	2019	2018	2019	2018	
Sponsors & Directors	221,739,099	276,469,154	*29.25%	36.47%	
Local Institutions	258,280,728	185,081,922	34.07%	24.41%	
Govt. of Bangladesh	4,345,678	4,345,678	0.57%	0.57%	
Foreign Institutions	7,838,226	8,696,766	1.03%	1.15%	
Non-resident Bangladeshi	1,447,475	1,358,031	0.19%	0.18%	
General Public	264,479,109	282,178,764	34.89%	37.22%	
Total	758,130,315	758,130,315	100%	100%	

^{*} Sponsor & Directors present shareholding as of June 28, 2020 – 31.29%





Name of Director	Status	No. of Shareholding including nominating institution/individual		
		31.12.2019	31.12.2018	
Muhammad A. (Rumee) Ali Nominated by Pacific Traders Limited	Chairman	75,696,901	75,696,901	
Feroz Ahmed	Director	15,730,196	15,730,196	
Shajir Ahmed Nominated by Mr. Salim Ahmed	Director	17,907,293	17,907,293	
Khairul Alam Choudhury Nominated by Pacific Industries Limited	Director	74,157,802	74,157,802	
Kaiser A. Chowdhury	Independent Director	-	-	
Tarique Afzal	President & Managing Director	-	-	

AB Bank Limited Financial Calendar

Financial Results 2019 Announcement	
Unaudited results for the 1st Quarter ended 30th March 2019	April 30, 2019
Unaudited result for the 2 nd quarter and half-year ended 30 th June 2019	July 30, 2019
Unaudited results for the 3 rd Quarter ended 30 th September 2019	October 19, 2019
Audited consolidated results for the year ended 31st December 2019	June 29, 2020

37 [™] AGM Information	
Price Sensitive Information	April 30, 2019
Record Date	May 29, 2019
AGM	June 26, 2019
Publication of 37 th AGM Notice	May 27, 2019
Annual Report-2018 Dispatch	June 10, 2019
Stock Dividend Credited	N/A
Cash Dividend Distribution	N/A

38 [™] AGM	
Publication of Price Sensitive Information	June 29, 2020
Record Date	August 10, 2020
Publication of notice of the 38 th AGM	August 10, 2020
Date of 38 th AGM – at 04:00 pm through Digital Platform	September 2, 2020

Stock Details			
Particulars		DSE	CSE
Stock Symbol		ABBANK	ABBNK
Listing Year		28 th December, 1983	21st October, 1995
Market Category		Z	Z
Electronic Share		YES	YES
Face Value (Taka)		10	10
Paid-up Capital		7,581,303,150	7,581,303,150
Market Lot		1	1
Total Number of Securities		758,130,315	758,130,315

Availability of Information about Annual Report

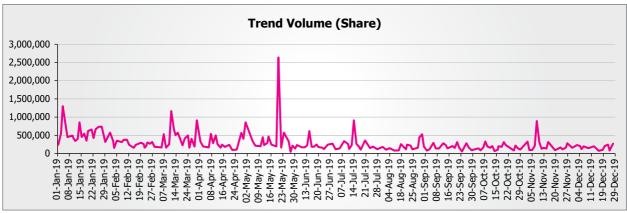
Annual Report 2019 and other information is available at http://abbl.com/investor-relations/

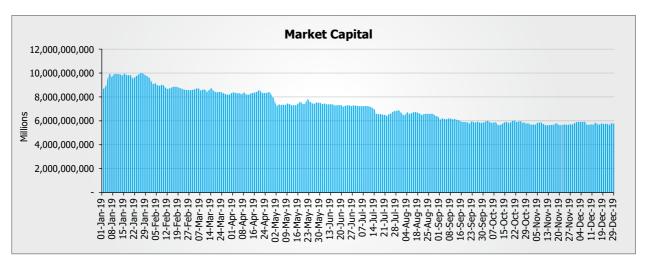


AB Bank Limited Price Trend of AB Bank Share

Period	January to December 2019	
Year End closing	Tk. 7.90	
Year High	Tk. 13.90	
Year Low	Tk. 7.60	
Average Trade Volume (Per Day)	248,005 shares	
Total Trade Volume	58,777,144 shares	







AB BANK LIMITED

Head Office: BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka.

NOTICE OF THE 38TH (THIRTY-EIGHTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 38th (thirty-eighth) Annual General Meeting (AGM) of AB Bank Limited will be held on September 02, 2020 (Wednesday) at 04:00 p.m. through Digital Platform to transact the following business:

AGENDA

Ordinary Business:

- To receive, consider and adopt Financial Statements for the year ended 31st December 2019, and the Reports of the Directors and the Auditors thereon.
- To approve the Dividend for the year ended 31st December 2019.
- 3. To elect / re-elect Directors.
- To appoint Auditor for the year 2020 and to fix their remunerations.
- To appoint auditor for certification on the compliance on conditions of Corporate Governance Code for the year 2020 and to fix their remuneration.

Special Business:

Amendment of Articles of Association of the Bank-Article no. 121 (Quorum):

Existing Article	Proposed Amendment
121- Quorum:	121- Quorum:
The quorum for the meeting of the	The quorum for the meeting of the Board of Directors shall be four (4) Directors.
Board of Directors shall be five (5) Directors actually present. In case of emergency, the meeting of the Directors	In case of emergency, the meeting of the Directors may be held with a quorum of three (3) Directors.
may be held with a quorum of three (3) Directors present. Provided, however, there shall be no quorum in any meeting unless at least one Director (other than the Managing Director) from Group-A shareholders representing the interest of the Sponsors shall be present thereat.	Provided, however, there shall be no quorum in any meeting unless at least one Director/ nominated director (other than the Managing Director) from Group-A shareholders representing the interest of the sponsor-shareholders shall be present thereat. For the purpose of this Article 'sponsors-shareholders' means any person including any company, who subscribed to Memorandum of Association of the Bank or who inherits or acquires shares of original subscribers to the Memorandum of Association or who inherits or acquires shares of direct allotment other than the shares issued by way of Initial Public Offerings.

Proposed Special Resolution:

RESOLVED THAT existing Article no. 121 (Quorum) amended as below:

"The quorum for the meeting of the Board of Directors shall be four (4) Directors. In case of emergency, the meeting of the Directors may be held with a quorum of three (3) Directors.

Provided, however, there shall be no quorum in any meeting unless at least one Director/nominated director (other than the Managing Director) from Group-A shareholders representing the interest of the sponsor-shareholders shall be present thereat. For the purpose of this Article 'sponsors-shareholders' means any person including any company, who subscribed to Memorandum of Association of the Bank or who inherits or acquires shares of original subscribers to the Memorandum of Association or who inherits or acquires shares of direct allotment other than the shares issued by way of Initial Public Offerings."

> By order of the Board Sd/-

Manzurul Ahsan FCS Company Secretary

Dated: August 9, 2020

Record Date: August 10, 2020 (Monday).

Shareholders whose names appeared in the Register of Members the Company or in the Depository Register on the Record Date shall be eligible to attend the AGM of the Company and to receive the Dividend.

- The Board recommended 5.00% Stock Dividend to all the shareholders.
- Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04-231/25 dated 08 July 2020, the AGM will be virtual meeting of the Members, which will be conducted using digital platform.
- Link for joining in AGM through Digital Platform and details login process will be notified to the respective Members.
- Annual Report 2019 soft copy will be sent to the email addresses of the Members. Annual Report 2019 will also be available at Bank's website: http://abbl.com/investor-relations/
- A Member entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and on a poll to vote on his/ her behalf. Proxy Form duly stamped must be deposited at the Bank's Registered Office or through email: cs@abbl.com at least 48 (forty eight) hours before the time fixed for the meeting otherwise Proxy Form will not be treated as valid. Signature of the Shareholder(s) should agree with the specimen signature.
- Members are requested to notify change of address, if any, well ahead. For BO Accountholders, the same to be rectified through their respective Depository Participants.



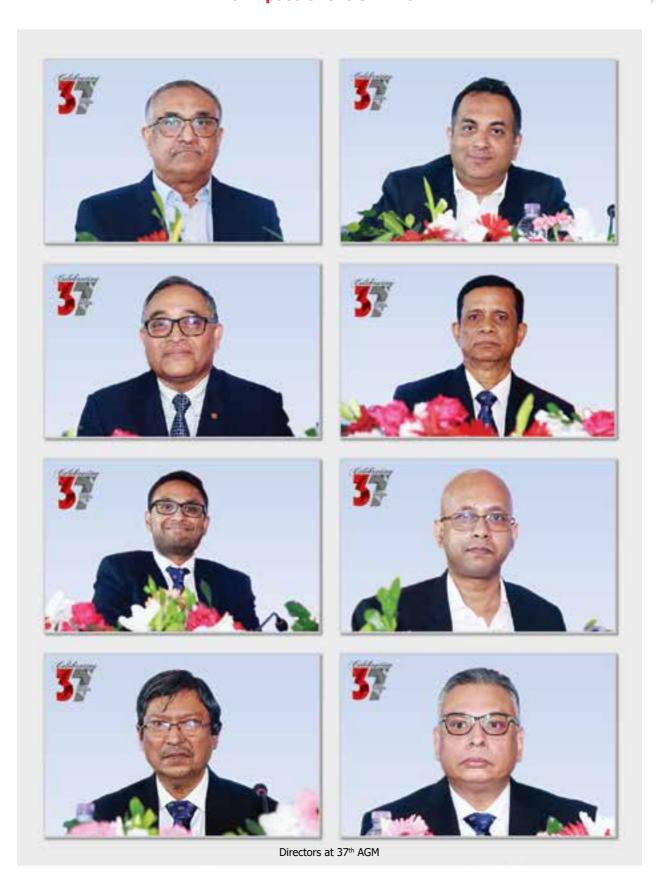


AB Bank Limited Glimpses of the 37th AGM





AB Bank Limited Glimpses of the 37th AGM





AB Bank Limited Glimpses of the 37th AGM





AB Bank Limited Glimpses of the 37th AGM







AB Bank Limited Events



Mujib Borsho-Celebration



AB Bank Mastercard client won $\mathbf{1}^{\text{st}}$ prize Magical Barcelona

AB Bank Limited Events



 29^{th} President Cup Golf Tournament-sponsored by the Bank



Town Hall Meeting



AB Bank Limited Events



Womens day celebration

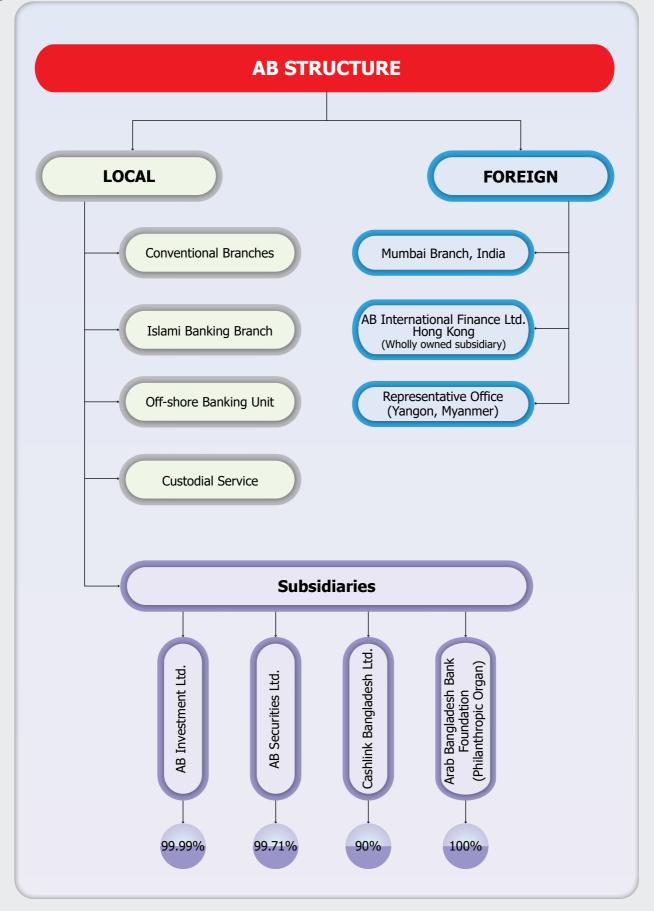


AB Bank signs agreement with MetLife

CORPORATEGOVERNANCE







Corporate Governance

Corporate Governance policies and practices of the Bank are focused on ensuring fairness, transparency and accountability in the organization as a whole. Bank is structured and systems and processes organized aligned with accepted Corporate Governance practices and also in line with guidelines of Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) in this regard. While pursuing the goal of Shareholders value addition, Bank attached utmost importance to setting up of well-defined compliance oriented organization and business structure.

Board of Directors of AB comprises of 7 (seven) Members including President & Managing Director. Board of Directors of AB is a professionally run forum having Members from various backgrounds and professions.

Board is the apex body for strategy and policy formulations and for taking decisions on business, operational and financial matters besides ensuring compliance and risk management of the Bank. This is run professionally following the guidelines of Bangladesh Bank and within the authorities of the Memorandum and Articles of Associations of the Bank. Management of the Bank operates within the policies, guidance and limits approved by the Board.

During 2019, Board Meeting held at least once in a month.

Audit Committee comprises of 3 (three) Members. Chairman of the Audit Committee is the Independent Director of the Board. Company Secretary acts as the Secretary of the Committee while other Members of the Management attend the Committee Meeting on invitation only. Audit Committee works within scope of Bangladesh Bank guidelines and Corporate Governance Codes.

Risk Management Committee (RMC) of the Bank has been formed in compliance of Bank Company Act, 1991 as amended up to 2018, under section 15 Kha, and subsequent BRPD Circular # 11 Dated October 27, 2013. At present, RMC comprises of 2 (two) Board Members and the Chairman of the Audit Committee is also the Chairman of the RMC. Function of the RMC is to minimize risk regarding Strategic planning & implementation and to accomplish Board functions accurately related to risk.

Shariah Supervisory Committee of the Bank has 6 (six) Members for overseeing and strategic guidance of the Islamic Banking business. The Committee comprises of scholarly persons and operates as per the assigned responsibilities.

Regulatory Compliance Disclosure

Bank has been following related guidelines on submission of Quarterly, Half-yearly and Yearly Financial Statements and other statutory reports. Any significant development in the business is forth-with disclosed through the adherence of proper rules/guidelines/directives in the form of Price Sensitive Declarations.

Bank also ensures submission of returns to Regulatory Bodies in full-compliance of the requirements and appropriate disclosures ensuring transparency and accountability.

Board of Directors ensures adequate disclosures for the Shareholders and other stakeholders through the Annual Report or other specific disclosures if required.

Delegation of Power

Management empowered with appropriate finance and business decision making authorities as per the guidelines of Bangladesh Bank.

Credit Committee delegated with the authority for credit approval up to a given limit. Board has approved a Procurement Manual to cover the purchase of goods and services and other procurements of the Bank. Limited formal delegation in this respect has also been given to the Management.

Besides, various manuals, policies and guidelines were approved by the Board from time to time with levels of authority and process delegation varied across the Bank.

Bank also has well empowered ALCO to deal with funding and treasury matters.

President & Managing Director is the Executive Head of the Bank. Bank has approved Organizational Structure (Organogram) up to the Unit Level with clear functional segregation and segregation of processing functioning (Front and Back office) authorities. This ensures Core Risk Management compliance across the Bank. Bank's functions and plans also consider various regulatory limits and restrictions to be risk compliant, as well.

Risk Management Division (RMD) formed in compliance with the relevant guidelines of Bangladesh Bank. Bank also has a strong Supervisory Review Process (SRP) Team in place.



In the overall, Bank is governed by the rules, regulations, codes, directions, and policies as applicable for the Banking business and operation. Different control aspects based on need are in place, which includes capital adequacy, risk management, market, liquidity, anti-money laundering compliance, prudential guidelines, reporting standards among others.

Other operations of AB like AB International Finance Limited (ABIFL) at Hong Kong, and the Branch in Mumbai, India, governed by the rules and regulations of the respective countries. While the three local subsidiaries - AB Investment Limited (ABIL) and AB Securities Limited (ABSL), Cashlink Bangladesh Limited (CBL) governed by rules and regulations of the Bangladesh Securities and Exchange Commission (BSEC) mostly. Arab Bangladesh Bank Foundation, philanthropic entity of the Bank is being conducted under the Society Registration Act.

Business Plan vs Achievements in 2019

Business Plan of the Bank provides for the Working Platform embodying the growth aspect, profitability, risk appetite, capital management etc. It also embodies accountability in terms of set KPI's and acts as a roadmap for Shareholders value addition.

Overall performance of the Bank in 2019 with respect to Business Plan Target are given below:

Amount in Crore Tk.

/						
Particulars	BGT	ACT	Varian	ce		
Pai ticulai S	2019	2019	Amount	%		
Operating Profit	644	645	1	0		
Provisions for loans and others	429	514	85	20		
Profit Before Tax (PBT)	215	131	(84)	(39)		
Provision for Tax	201	114	(87)	(43)		
Net Profit After Tax (PAT)	14	17	3	21		
Loans and Advances	23,002	25,651	2,650	12		
Deposits	26,693	27,946	1,253	5		
Import	8,544	4,737	(3,807)	(45)		
Export	7,276	5,511	(1,765)	(24)		
Guarantee	1,228	1,061	(167)	(14)		
Inward Remittance (USD)	30	27	(4)	(12)		

Inspection by Bangladesh Bank

Bangladesh Bank conducted comprehensive inspection for the year ended December 31, 2019. Tripartite meeting among Bangladesh Bank, External Auditors and Management of AB held for finalization of Annual Financial Statements.

External Audit

External Auditors covered 11 (eleven) Branches and Head Office as part of the Annual Audit Program. Auditors covered 83% of the risk assets.

Auditors submitted a Management Report with a Special Section on the "Internal Control & Compliance" and "Money Laundering Prevention Risk Management" of the Bank. The Report was discussed in the Audit Committee.

Department of Internal Control and Compliance (DICC)

Bank has a separate Department for Internal Control & Compliance. This Department operates independently in line with the Bangladesh Bank guidelines. Head of Audit is accountable to the Audit Committee of the Board.

Credit Rating

AB rated by ARGUS Credit Rating Services Limited (ACRSL) based on the financials of the Bank up to December 31, 2018 (audited), for the period ended September 30, 2019 (unaudited) and other relevant quantitative as well as qualitative information up to the date of rating declaration i.e. December 19, 2019. The summary of their ratings are given below:

Surveillance Baking (2010)	Long Term	Short Term		
Surveillance Rating (2019)	A+	ST-2		
Date of Rating	December 19, 2019			
Validity Date	December 19, 2020			

Long Term: Commercial Banks rated 'A+' have High Credit Quality and low expectation of credit risk. It indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.

Short Term: Commercial Banks rated ST-2 category are considered to have high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Compliance

Bangladesh Securities and Exchange Commission (BSEC) issued Corporate Governance Code-2018 (Notification dated June 3, 2018) for the companies listed with the Stock Exchanges. Certification on Compliance status is enclosed herewith:

ACNABIN

Chartered Accountants BDBL Bhaban (Level-13 & 14) 12 Kawran Bazar Commercial Area Dhaka 1215, Bangladesh

Phone: +88 02 8144347-52

+88 02 8189428-29

Facsimile: +88 02 8144353 Email: acnabin@bangla.net Website: www.acnabin.com

Certificate on Compliance on the Corporate Governance Code

[Issued under condition #1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by AB Bank Limited ("the Company") for the year ended 31 December 2019. This Code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission; except condition no. 1(2)(a), 1(2)(d), 4(ii) and 6 as stated in ANNEXURE-A;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company as required under the Companies Act, 1994, the (c) securities laws and other relevant laws; and
- (d) The Governance of the Company is satisfactory.

Dhaka, 16 July 2020 M. Moniruzzaman, FCA

Partner

ACNABIN, Chartered Accountants



Annexure: A

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No (SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No	Title		tus ("√" has been ropriate column)	Remarks (if any)
		Complied Not Comp	Not Complied	
1	Board of Directors (BoD)			
1(1)	Size of the Board of Directors (BoD) The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (I/5) of the total number of Directors in the Company's Board shall be Independent Directors;		√	According to the provision of 1(1) of the Corporate G o v e r n a n c e guidelines of BSEC the Board of AB Bank Limited has been constituted as per section 15(9) of Bank Company Act 1991 (Amended up to 2018) and as there is one independent director which is less than the requirement
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	V		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		

Corporate Governance

Condition No	Title		tus ("√" has been ropriate column)	Remarks
		Complied	Not Complied	(if any)
1(2)(b)(viii)	who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);			Not Applicable
1(2(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;			Not Applicable
1(2)(c)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;		√	The post of independent director remained vacant for more than 90 days.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1(3)(b)(i)	Independent Director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not Applicable
1(3)(b)(ii)	Independent Director should be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Independent Director should be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			Not Applicable
1(3)(b)(iv)	Independent Director should be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable
1(3)(b)(v)	Independent Director should be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		



Condition No	Title	Compliance Status ("√" has been put in the appropriate column)	Remarks	
	113.0	Complied	Not Complied	(if any)
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of Commission.			Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Man	aging Direct	or or Chief Ex	ecutive Officer
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		Discussion on interest income, expense and net profit provided
1(5)(v)	A discussion on continuity of any extraordinary gain or loss;			Not Applicable
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any other instrument;			Not Applicable
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by Management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement of Proper books of account have been maintained;	√		

Corporate Governance

Condition No	Title		tus ("√" has been ropriate column)	Remarks
		Complied	Not Complied	(if any)
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS)/ International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	V		
1(5)(xv)	A statement that the system of Internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement the minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	Highlight and explain significant deviations from the last year's operating results;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	Reason for non-declaration of Dividend;			Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Not Applicable
1(5)(xxii)	The total number of Board Meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the ag wise details where stated below) held by	gregate nur	mber of shares	(along with name
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties;	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details); Explanation: For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance;	√		Nil
1(5) (xxiv)	The appointment or reappointment of a director, a disshareholders	sclosure on	the following i	information to the
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		



		Compliance Sta	tus ("√" has been	
Condition No	Title		ropriate column)	Remarks
		Complied	Not Complied	(if any)
1(5) (xxv)	A Management's Discussion and Analysis signed by CE company's position and operations along with a brief disc among others, focusing on	O or MD pro cussion of ch	esenting deta anges in the f	iled analysis of the inancial statements,
1(5) (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5) (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5) (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A ; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed as per Annexure-B and Annexure-C .	√		
1(6)	The company conducted its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members	ers and Chie	f Executive Of	ficer
1(7)(a)	The Board laid down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does
1(7)(b)	The code of conduct as determined by the NRC posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency.		√	not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management C o m m i t t e e . Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.

Corporate Governance

Condition No	Title		tus ("√" has been ropriate column)	Remarks
contaction No	The	Complied	Not Complied	(if any)
2	Governance of Board of Directors of Subsidiary Company		•	
2(a)	Provisions relating to the composition of the Board of the holding company made applicable to the composition of the Board of the subsidiary company;	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		AB Bank Limited has five (05 subsidiaries namely AB Investment Ltd (ABIL), AB Securities Ltd. (ABSL), AE International Finance Ltd. (ABIFL) Cashlink Bangladesh Ltd. (CBL), Arat Bangladesh Bank Foundation (ABBF).
2(c)	The minutes of the Board meeting of the subsidiary company placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company stated that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company also reviewed the financial statements, in particular the investments made by the subsidiary company;	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Audit and Compliance (HIAC) and Company Secretary (C		cial Officer (CF	O), Head of Interna
3(1)	Appointment			
3(1)(a)	The Board appointed a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company did not hold any executive position in any other company at the same time;	√		
3(1) (d)	The Board clearly defined respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC not removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s);	√		
3(2)	The MD or CEO, CS, CFO and HIAC of the company attended the meetings of the Board;	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Offi	cer (CEO) ar	nd Chief Finan	cial Officer (CFO)
3(3)(a)(i)	The MD or CEO and CFO certified to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		



Condition No	Title		itus ("√" has been ropriate column)	Remarks
Condition No	ritte	Complied	Not Complied	(if any)
3(3) (a)(ii)	These statements together presented a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO also certified that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3) (c)	The certification of the MD or CEO and CFO disclosed in the Annual Report.	√		
4	Board of Directors Committee			
4(i)	Audit Committee;	√		
5	Audit Committee		√	Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does not permit any bank ir Bangladesh form any other committees except three committees namely. Executive Committee Audit Committee and Risk Management C o m m i t t e e Accordingly, the Bank has not formed NRC and as such it could not comply with this condition.
5(1)	Responsibility to the Board of Directors The Audit Committee is the sub-committee of the BoD:	√		
5(1)(a) 5(1)(b)	The Audit Committee is the sub-committee of the BoD, The Audit Committee assisted the BoD in ensuring that the financial statements reflected true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√ √		
5(1)(c)	The Audit Committee is responsible to the BoD; The duties of the Audit Committee is clearly set forth in writing;	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee is composed of at least 3 members;	√		
5(2)(b)	The BoD appointed members of the Audit Committee who is the directors of the company and included at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the audit committee is "financially literate" and at least 1 (one) member has accounting or related financial management experience;	√		

Condition No	Title		tus ("√" has been ropriate column)	Remarks
		Complied	Not Complied (If any)	(if any)
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The Company Secretary acted as the secretary of the Audit Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting is not constituted without at least 1(one) independent director;	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The BoD selected the Chairman of the Audit Committee, who is an Independent Director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
5(3)(c)	Chairman of the audit committee remained present in the AGM;	√		
5(4)	Meeting of the Audit Committee	,		
5(4)(a)	The Audit Committee conducted at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee is constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must;	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Control Risk Management process;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors;	√		
5(5)(f)	Review the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5(h)	Review the adequacy of internal audit function;	√		
5(5(i))	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of significant related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors;	√		



Condition No	Title		ntus ("√" has been ropriate column)	Remarks
		Complied	Not Complied	(if any)
5(5)(I)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus;			Not Applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6(a)(i)	Reporting to BoD on the activities of the Audit Committee;	√		
5(6)(a)(ii)(a)	Reporting to BoD on conflicts of interests;			No such incidence arose.
5(6)(a)(ii)(b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system;			No such incidence arose.
5(6)(a)(ii)(c)	Reporting to BoD on suspected infringement of laws;			No such incidence arose.
5(6)(a)(ii)(d)	Reporting to BoD on any other matter;			No such incidence arose.
5(6)(b)	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management);			No such reportable incidence arose.
5(7)	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;		√	Clause # 5 of BRPD Circular no. 11 dated
6(1)(b)	The NRC assisted the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		√	27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh form any
6(1)(c)	The Terms of Reference (ToR) of the NRC is clearly set forth in writing covering the areas stated at the condition No. 6(5(b).		√	other committees except three committees namely, Executive Committee, Audit Committee and Risk Management C o m m i t t e e . Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.

Corporate Governance

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks		
Contraction		Complied	Not Complied	(if any)		
6(2)	Constitution of the NRC					
6(2)(a)	The Committee is comprised of at least three members including an independent director;		√	Clause # 5 of BRPD Circular no. 11 dated		
6(2(b)	All members of the Committee is non-executive directors;		√	27 October 2013		
6(2)(c)	Members of the Committee is nominated and appointed by the Board;			issued by Banglades Bank does no		
6(2)(d)	The Board has authority to remove and appoint any member of the Committee;		√	permit any bank in Bangladesh form any other committees		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board has filled the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		√	except three committees namely, Executive Committee,		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		√	Audit Committee and Risk Management C o m m i t t e e . Accordingly, the Bank has not formed NRC and as such it could not comply with		
6(2)(g)	The company secretary acted as the secretary of the Committee;		√	these conditions.		
6(2)(h)	The quorum of the NRC meeting is not constituted without attendance of at least an independent director;		√			
6(2)(i)	No member of the NRC has received, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;		√			
6(3)	Chairperson of the NRC	•	'			
6(3(a)	The Board has selected 1 (one) member of the NRC to be Chairperson of the Committee, who is an independent director;		√	Clause # 5 of BRPD Circular no. 11 dated		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members elected one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson is duly recorded in the minutes;		√	27 October 2013 issued by Bangladesh Bank does not permit any bank in		
6(3)(c)	The Chairperson of the NRC attended the annual general meeting (AGM) to answer the queries of the shareholders;		√	Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management C o m m i t t e e . Accordingly, the Bank has not formed NRC and as such it could not comply with		
6(4)	Meeting of the NRC			these conditions.		



				Annexure: A	
Condition No	Title	Compliance Status (" $\sqrt{"}$ has been put in the appropriate column)		Remarks (if any)	
		Complied	Not Complied	(if any)	
6(4)(a)	The NRC has conducted at least one meeting in a financial year;		√	Clause # 5 of BRPD	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		√	Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does	
6(4)(c)	The quorum of the meeting of the NRC is constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);		√	not permit any bank in Bangladesh form any other committees except three committees namely,	
6(4)(d)	The proceedings of each meeting of the NRC is duly recorded in the minutes and such minutes is confirmed in the next meeting of the NRC;		√	Executive Committee, Audit Committee and Risk Management C o m m i t t e e . Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.	
6(5)	Role of the NRC				
6(5)(a)	NRC is independent and responsible or accountable to the Board and to the shareholders;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management C o m m i t t e e . Accordingly, The Bank has not formed NRC and as such it could not comply with this condition.	
6(5)(b)	NRC oversees, among others, the following matters and m	ake report v	vith recomme	ndation to the Board	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	_	√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh	
6(5)(b)(i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		√	Bank does not permit any bank in Bangladesh form any other committees	
6(5)(b)(i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;		√	except three committees namely,	
6(5)(b)(i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		√	Executive Committee, Audit Committee and Risk Management C o m m i t t e e . Accordingly, the Bank	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		√	has not formed NRC and as such it could	
6(5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		√	not comply with these conditions.	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;		√		

Corporate Governance

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks
		Complied	Not Complied	(if any)
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;		√	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;		√	
6(5(c)	The company has disclosed the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	
7	External / Statutory Auditors			
7(1)	The issuer company shall not engage its external or statut of the Company, namely:	tory auditors	to perform the	e following services
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1(ii)	Financial Information Systems design and implementation;	√		
7(1(iii)	Book Keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any services that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest;	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their assignment of that Company; his or her family members also shall not hold any shares in the said Company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall kept the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The Company shall Obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The Directors of the company shall state, in accordance with the Annexure-C attached, in the Director's report whether the Company has complied with these conditions or not.	√		



AB Bank Limited Directors' Statement of Responsibilities

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders,

The Directors are required to present the Annual Report together with Directors' Report and the Financial Statements in accordance with the Companies Act, 1994, Rules and Regulations of the Institute of Chartered Accountants of Bangladesh (ICAB), Rules and Regulations of Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC) Rules, 1987, the Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015 and BSEC's notification on Financial Reporting and Disclosure dated June 20, 2018.

The Financial Statements are required by law and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by ICAB to present fairly the financial position of the Company and the performance for the period. Proper accounting records should be kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act, 1994 and Bank Company Act, 1991 (as amendment up to 2018).

The Directors' report of AB Bank Limited confirm that Directors' Report together with the Financial Statements in the Annual Report for the year 2019 have been prepared in compliance with laws, rules and regulatory guidelines as per the Companies Act, 1994; The Bank Company Act, 1991 (as amendment up to 2018), guidelines issued by Bangladesh Bank and BSEC Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

Board through its Audit Committee established appropriate and adequate Internal Control System in the Bank to attain business objectives in short-term and sustainability in long-term. Board acknowledges its responsibility for establishing Internal Control Systems' efficiency, effectiveness, reliability, timeliness, completeness and compliance with applicable laws and regulations.

Board of Directors of AB Bank Limited meets regularly to consider Bank's policies, procedures, risk management and business plan among others. During the year 2019, nineteen (19) meetings of the Board of Directors took place. This report should be read in conjunction with Auditors' Report to the Shareholders of AB Bank Limited. Compliances of BSEC Corporate Governance Code-2018 are given separately.

Some of the information in this Annual Report may contain projections or other forward-looking statements regarding the Bank. These statements are based on our expectations and assumptions. Statements of such nature are not be construed as guarantee of future performance. Therefore, future results and trends may differ materially from what is in our forward-looking statements.

On behalf of the Board,

Muhammad A. (Rumee) Ali

Chairman

AB Bank Limited **Report of the Audit Committee**

Audit Committee works according to the codes issued by Bangladesh Securities and Exchange Commission and guidelines of Bangladesh Bank. The Board set out the overall Business Plan & formulates Policies that the Management is responsible for implementation. The Audit Committee, on behalf of the Board ensures effective implementation of the process and procedures set out in the Business Plans and Policies. The Audit Committee also reviews the Internal Control administration and compliance status of the Bank as a whole.

Functions of the Audit Committee

The key function of the Audit Committee is to facilitate the Board to execute its oversight responsibilities. The main responsibilities of the Audit Committee, among others, are as below:

- Review adequacy of Internal Control System.
- Review Financial Reporting Process & Financial Statements.
- Review Internal Audit Report & External Audit Report (Management Report).
- Monitor Accounting Polices & Principles, Internal Control Risk Management Process.
- Monitor Compliance Culture.
- Recommendation for appointment of external auditor,
- Compliance of rules and regulations, etc.

Composition of the Audit Committee

1. Kaiser A. Chowdhury Chairman 2. Khairul Alam Choudhury Member Shajir Ahmed Member

Company Secretary acts as the Secretary of the Audit Committee. Senior Officials of the Bank attend the Meetings on invitation.

Meetings of the Audit Committee

Audit Committee held 06 (six) Meetings during the year 2019.

During the year under review, the Audit Committee, inter alia, focused on the following activities (not an exhaustive list):

- Reviewed the Internal Audit Plan for the year 2019.
- Reviewed the Draft Financial Statements and following discussions with the External Auditor recommended it to the Board for their consideration.
- Reviewed the Management Letter issued by the External Auditor, Management responses thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Recommended to the Board for appointment of Statutory Auditor of the Bank.
- Reviewed the Financial Statements of Subsidiary Companies.
- Reviewed Quarterly and Half Yearly Financial Statements and recommended to the Board for adoption.
- Reviewed half yearly Self-Assessment of Anti-Fraud Internal Controls (SAAFIC) Reports and recommended its submission to Bangladesh Bank.
- Reviewed annual 'Health Report' of the Bank and recommended its submission to Bangladesh Bank.
- Reviewed Comprehensive Inspection Report of Bangladesh Bank including status of compliance thereof.
- Reviewed Branch Inspection Reports and Head Office functions conducted by the Department of Internal Control & Compliance (DICC).

Recommendation of Financial Statements

Audit Committee reviewed and examined the Annual Financial Statements for the year 2019 prepared by the Management and audited by the External Auditor S.F. Ahmed & Co., Chartered Accountants, and recommended the same to the Board for consideration.

Acknowledgement

Audit Committee expresses its sincere thanks to the Members of the Board and the Management of AB for their excellent support in carrying out the duties and responsibilities of the committee during the period under review.

Kaiser A. Chowdhury Chairman, Audit Committee



Report of AB Bank Shariah Supervisory Committee for the year 2019

In the name of Allah, the Beneficent, the Merciful

Shariah Supervisory Committee provides independent opinion and necessary guidelines by observing and reviewing the activities of Islamic Banking Operation of the Bank and to make the clients aware of Shariah Principles. On the other hand, the responsibility of the Bank Management is to ensure that the Bank Services it's Business under Islamic Banking Operation in accordance with the rules and principles of Islamic Shariah.

During the Year 2019, AB Bank Shariah Supervisory Committee met in 03 (three) meetings and reviewed different operational issues including those referred to it by the Management of the Bank and gave opinion and decisions related to Islamic Shariah.

The important issues attended by the AB Bank Shariah Supervisory Committee during the year 2019 were:

- 1. Reviewed the Yearly Shariah Audit Report 2018 of Islami Banking Branch.
- 2. Approved the Final Accounts 2018 of Islami Banking Branch.
- 3. Approved the Annual Report of Shariah Supervisory Committee for the year 2018 on Islamic Banking.
- 4. Reviewed the Half-yearly Shariah Audit Report (January-June, 2019) of Islami Banking Branch.
- 5. Approved new deposit Products (a) "Profit First" Mudaraba Term Deposit` (PFMTD). (b) "Mudaraba Student Savings Account" (MSSA) and (c) "Mudaraba Student Monthly Deposit Skim" (MSMDS).
- 6. Compensation Fund Policy for Islami Banking Branch.

The Committee, after reviewing the Shariah Inspection Reports, Balance Sheet as on December 31, 2018 and Profit & Loss Account of Islamic banking operation of the Bank for the Year 2018, gave the following opinion:

- 1. In Bai Murabaha/Muajjal mode, buying and selling are being done by ensuring physical/constructive possession of the goods.
- 2. The agreements for investment and transactions entered into by Islami Banking Branch during the period concerned have been made in accordance with the Principles of Islamic Shariah.
- 3. Profit distributed to Mudaraba Depositors has been made as Per Weightage System basis.
- 4. The officials of Islami Banking Branch are committed to comply with the Shariah direction.

To the best of our knowledge no gross violation and lapses in the Islamic Banking Operations of the Bank have been detected.

May Allah (SWT) grant success to our sincere efforts and bless us with His Rahmah and Barakah and guide us all to His right path.

M. Azizul Hug

Chairman, AB Bank Shariah Supervisory Committee

ECONOMIC IMPACT REPORT





AB being a responsible corporate citizen and a dynamic financial institution has created value in line with its mission "To be the best performing bank in the country". Toward this value creation AB has put in place an organizational and operational framework which is based on transparent and ethical conduct of business. Bank has systems, processes, and procedures to create value with appropriate risk management (validation) system in order to ensure sustainable value addition to stakeholders. It has not been a case of bottom line enhancement alone but creation of value conducive to socio- economic development.

Savings, Investment, production, distribution, consumption of goods and service, and employment generation are essential parts of an Economic System. As a financial intermediary Bank plays an important catalytical role in the mobilization of resources like saving and allocation thereof in productive investments, consumptions and development of trading activities locally and internationally.

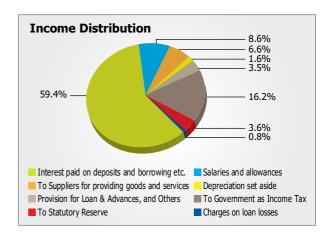
Economic impact related to a bank as an institution and ordained activities of a bank extends beyond the boundaries of any single organization and is linked to both environmental and social development. By analyzing economic impact we seek to understand how a company adds value to society. Bank's direct contributions to the economy would comprise of creation of employment opportunities, collection of taxes on behalf of the government etc. including harnessing the savings habits among the members of the community and improvement of socio- economic and environmental performance in client organizations through banking services could be considered as indirect contributions.

Income Sources 84% 9.8% 6.0% 0.2% Interest income Investment income Commission, exchange and brokerage
Other operating income Bank as an institution is woven in to the socioeconomic fabric involving numerous sector of the society which together are identified as stakeholders of a bank. Shareholders provide much needed capital depositors and investors invest money, borrowers obtain credit facility, employees put their effort for the bank to serve customers and government provides financial infrastructure by way of regulatory, systems, supervisions etc. Financial services thus provided lead to creation of wealth which is bound to be distributed among stakeholders in different forms of distribution like Dividend, Interest, Tax, Salaries etc.

(Amount in crore Taka)

Source of Income	2019	%	2018	%
Interest income	2,672	84%	1,947	74%
Investment income	319	10%	428	16%
Commission, exchange and brokerage	175	6%	233	9%
Other operating income	7	0.2%	13	0.5%
Total	3,173	100%	2,621	100%

Distribution of Income	2019	%	2018	%
Interest paid on deposits and borrowing etc.	1,885	59%	1,756	67%
Salaries and allowances	274	9%	283	11%
To Suppliers for providing goods and services	208	7%	245	9%
Charges on loan losses	111	3%	-	0%
Depreciation set aside	51	2%	29	1%
Provision for Loan & Advances, and Others	514	16%	252	10%
To Government as Income Tax	114	4%	54	2%
To Statutory Reserve	25	1%	10	0%
To Retained Earnings	-8.33	0%	-7.70	0%
Total	3,173	100%	2,621	100%



AB has taken following measures to create, sustain and deliver value which are as follows:

A. Maintaining adequate capital

Capital adequacy is the measure of the financial strength and sustainability of a bank. Capital to Risk Weighted Assets Ratio (CRAR) determines the capacity of the Bank in terms of meeting the time liabilities and other risks such as credit risks, market risks, operational risks, etc. It is the policy of AB to maintain adequate capital as a cushion for potential losses to absorb unforeseen eventualities/ shocks, to ensure long term sustainability and growth of the Bank to endure and enhance shareholders value.

At the end of 2019, Bank's total capital reached at BDT 3,355 Crore as against BDT 3,305 Crore on December 31, 2018.

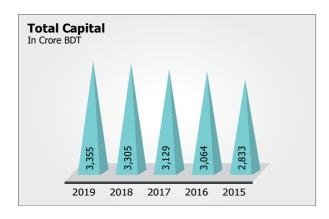
Summary of total capital and capital adequacy ratio of the Bank under Basel III is as follows:

Taka in Crore

	Taka iii Ci Ci C		
	2019	2018	
Common Equity Tier-I Capital	1,871	1,919	
Tier-2 Capital	1,484	1,385	
Total Capital	3,355	3,305	
Risk weighted assets	33,138	32,958	
CRAR against			
Common Equity Tier-I Capital	5.65%	5.82%	
Tier-2 Capital	4.47%	4.20%	
Total Capital	10.12%	10.03%	

B. Risk Management

Risk management covering credit risks, market risks and operational risks is at the heart of all business operations and transactions of AB. Risk management system has been designed and implemented to ensure quality and value



of assets and smooth banking operations and services in a sustainable way to protect interest of shareholders, depositors and all the stakeholders. Risk management systems also comply with Bangladesh Bank's core risk management guidelines.

C. Dividend policy

AB's dividend policy aims at ensuring long term sustainable growth maintaining capital adequacy requirements which ultimately leads to shareholders value creation.

AB Bank declared 5% Stock Dividend for the year 2019 according to Bangladesh Bank letter no. DBI-1/101/2020-1573 dated 18 June 2020.

D. Maintenance of Liquidity

Bank maintains liquid assets to carry out the day-today operations and fulfill the statutory requirements in relation to business as imposed by the regulator from time to time. Asset & Liabilities Committee (ALCO) of the Bank monitors the evolving business situation and provides direction to maintain an optimum trade- off between liquidity and profitability.

AB maintains positive mismatch in interest earning assets and interest bearing liabilities. Bank has detailed laid down plan for business inflow- outflow to manage liquidity profile and also ensure generation of profitability.

E. Utilization of resources

Bank follows a well defined strategy and plan to mobilize resources such as deposits and borrowings besides the capital, cost effective market responsive measures of fund mobilization





are adopted for the purpose with due consideration for of profitable investments for bottom line growth.

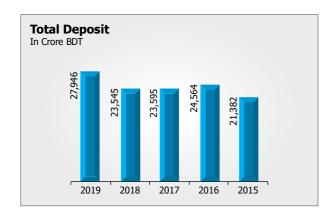
Resource allocation at competitive rate follows the productive sectors including export oriented sectors shipbreaking etc. Sectors like SME, Women Entrepreneur and Agriculture are also in the resource mobilization scheme.

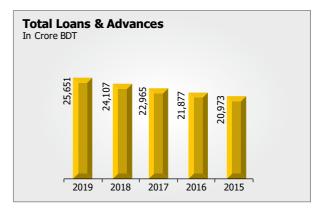
Bank maintained Credit-Deposit ratio to ensure resource utilization in proper. This has contributed towards

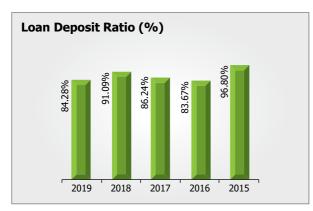
improvement of assets quality and generation of income in the overall. Further, the cost-income ratio of the Bank signifies the optimum utilization of resources.

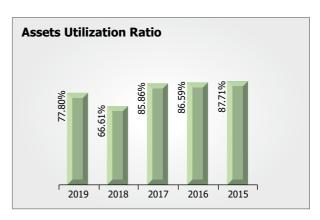
F. Contribution to the National Exchequer

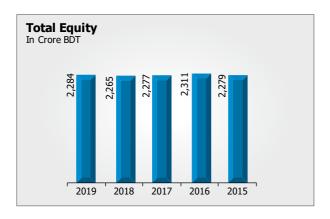
AB Bank contributed Taka 351.53 crore into the national exchequer in the form of VAT, Income Tax and Excise Duty.

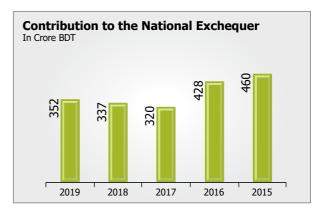












G. VALUE ADDED STATEMENT

Value Added Statement (VAS) for the year ended 31 December 2019

The Value Added Statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank.

Income from Banking Services/Total Income

Less: Cost of services & supplies:

Interest paid on deposits and borrowings, etc Total operating expenses excluding salary and allowances, loan loss charges and depreciation & amortization

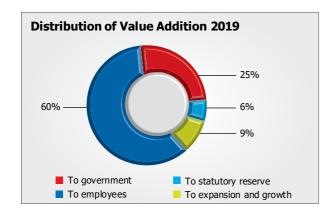
Less: Loan loss charge, provision and other provisions

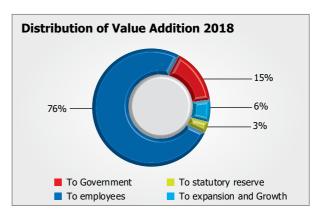
Total value added

Distribution of added value

To Government To employees To statutory reserve To expansion and Growth Retained earning Depreciation & amortization

In			
2019		2018	
3,173.08		2,620.52	
1,884.68		1,755.73	
207.84		244.99	
2,092.52		2,000.72	
624.77		251.91	
455.79		367.88	
114.14	25%	53.77	15%
273.85	60%	283.49	77%
25.11	6%	9.53	3%
42.69	9%	21.09	6%
-8.33		-7.70	
51.02		28.79	
455.79		367.88	





H. ECONOMIC VALUE ADDED STATEMENT

EVA Statement for the year ended December 31, 2019

Economic Value Added (EVA) is a key performance indicator to measure profitability of a Bank as compared to cost of equity capital. It indicates how much additional value has been created by the Bank for its shareholders after deducting the minimum rate of return required by the shareholders i.e. cost of equity.



	III CIOIC DD I		
	2019	2018	2017
Shareholder's equity	2,284	2,265	2,277
Add: Cumulative provisions	1,854	1,366	1,140
Total Invested fund by shareholders	4,138	3,631	3,418
Average Shareholder's equity [A]	3,884	3,524	3,327
Earnings for the year			
Profit after taxation	17	2	3
Add: Total provisions excluding taxation	514	252	463
Earning for the year [B]	531	254	466
Average Cost of Equity (based on highest rate of Shanchay			
Patra issued by the Government of Bangladesh) plus 2% risk premium [C]			
	13.76%	13.76%	13.76%
Cost of average equity [D=A X C]	534	485	458
Economic Value Added [B-D]	-3.6	-231.2	8.6
Growth over last year	98%	-2,802%	125%

I. MARKET VALUE ADDED (MVA)

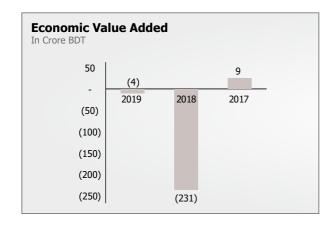
Market Value Added (MVA) Statement for the year ended December 31, 2019

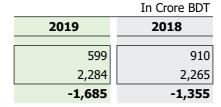
Market Value Added (MVA) is the difference between the current market value (based on the quoted price in the main bourse) of a company and the capital contributed by investors. A high MVA indicates the company has created substantial wealth for the shareholders.

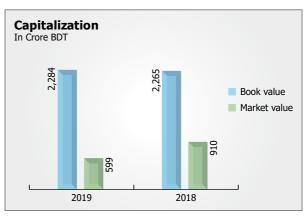
The share market value of AB stood at Taka 599 crore whereas the book value of the Shareholder's Equity stood at Taka 2,284 crore, resulting in a negative Market Value of Taka 1,685 crore as on December 31, 2019. The calculation of Market Value is given below:

Total market value of the equity Less: Total book value of the equity

Market Value Added

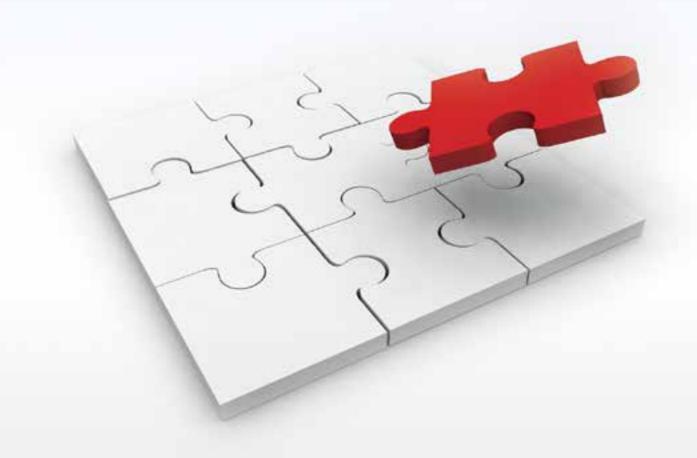






In Crore BDT

RISK MANAGEMENT REPORT





AB Bank Limited Risk Management Report

Introduction

Risk Management refers to the practice of identifying potential risks in advance, analyzing them and taking necessary precautionary measures to reduce the risk. Efficient tradeoff between risk and reward are compulsory for any financial institution to maximize risk-adjusted returns within stipulated boundaries. AB Bank Limited is thus running a dedicated functional unit in the Bank to take care of the Bank's Risk Management. The Bank has established a strong, disciplined and inclusive risk management culture, where risk management is a responsibility shared by all the employees of the Bank and involving all functions.

2. **Risks Areas in Banking**

Risks in Banking Sector					
SI	Core Risk Areas	SI	Other material risk		
1.	Credit risk	1.	Business risk		
2.	Market risk	2.	Reputational risk		
3.	Operational risk	3.	Residual risk		
4.	Liquidity risk	4.	Settlement risk		
5.	Money laundering risk	5.	Strategic risk		
6.	ICT risk	6.	Human Resources		
0.	ICT IISK		Turnover Risk		
			Environmental and		
	All I	7.	climate change risk		
RISK					

Risk Culture in AB Bank

To gain competitive advantages in the industry, a robust risk culture is one of the crucial elements. Building and maintaining a robust risk culture is critical to ensure the success of risk functions. Thus the Board of Directors and the Bank Management promotes a culture of accountability to adhere to Risk Management issues. The responsibility for risk management in the Bank is vested upon the Board of Directors, which is cascaded down to Senior Management and then further down the line. The Bank has relevant policies, guidelines and manuals for different functional areas of its business operations in line with Central Bank's guidelines and regulations.

4. **Management Strategies of the Bank**

AB Bank has always taken cognizance of the risks associated at various steps in its operational activities. The Bank is consciously ensuring Risk Return optimization based on its approved Risk Appetite, coupled with the necessary checks and control systems to continuously detect, assess and mitigate risks as well as following transparent policies and procedures to follow up on breaches and deviations.

a. **Risk Appetite Framework**

Risk Appetite framework plays a core instrumental role for better alignment of overall corporate strategy, risk mitigation and capital allocation. Therefore, Business Strategy, Risk Appetite and Management Action Trigger are interlinked with each other.

In terms of Bangladesh Bank instructions vide DOS Circular Letter No. 13 dated September 09, 2015, DOS letter No. DOS (RMMS) 1154/1/2018-847 dated February 28, 2018 and subsequent DOS Circular No. 04 dated October 08, 2018, the Bank has a Board approved Risk Appetite statement for the year-2019.

b. **Policies & Guidelines**

AB Bank Limited has duly approved policies, guidelines and manuals covering all functional area to cover up all possible risk triggering areas of business operations and possible precautions therefrom. The Bank ensures regular review of all policies, guidelines and manuals taking into consideration of all Central Bank guidelines as well as addressing the macro economical changes, technological advancement and other operating issues as befitted.

AB Bank Limited **Risk Management Report**

Assigning Responsibilities

Responsibility for risk management resides at all levels within the Bank including each business managers and risk analysts. The Bank allocates the responsibilities accordingly so that risk/return decisions are taken at the most appropriate level.

The Risk Management procedures are approved, monitored and mitigated at different stages within the Bank both at Board level as well as the management level. The Bank has its approved directives through the decisions from the meetings of the Board of Directors, Board Risk Management Committee (BRMC) and Audit Committee.

The Management team of the Bank follows the decisions and guidance from the Board level Committees and implement the directives through various management level Committees like Supervisory Review Process (SRP) Team, Senior Management Team (SMT), Executive Risk Management Committee (ERMC), Assets Liability Committees (ALCO), Credit Risk Management Committee (CRMC), etc. The Department of Internal Control & Compliance Division (DICC) and Risk Management Department (RMD) also plays vital roles in the risk management monitoring process of the Bank.

Risk Management

Credit Risk Management

Credit risk is, perhaps, the most obvious of the risks that can arise from the Banking business. AB Bank Limited therefore always do the best to ensure the likelihood that customers will pay back the Bank's due in a timely manner. Bank has dedicated credit team at branches, business division and Head Office for proper analysis of prospective borrower's financial health, business status, cashflow trends as well as market reputation, experience in the relevant business line, etc. Other risk mitigating tools of the Bank include - Credit Rating of the customers, centralized credit limit activation, software based credit monitoring system, etc.

Market Risk Management

Managing market risk is essential for all the Banks due to the volatile nature of the current markets. AB Bank limited has the dedicated ALCO (Asset Liability Committee) comprising Treasury and other Senior Management to decide upon the mitigation of the risk that emanates from adverse movement of interest rate, foreign exchange rates, equity prices, commodity prices, etc. the ALCO takes into consideration the present and anticipated future market trend and takes appropriate decisions on interest rates and investments. The Bank has segregated Front Office, Mid Office and Back Office to ensure 'check and balance' between Treasury functions.

Operational Risk Management

The Bank is always cautious about the Operational risk, as this is the risk that comes from the within. To avoid direct or indirect operational losses, Bank applies adequate internal controls and employee accountability. The Bank is committed to alleviate this type of risk through duly approved thorough operational guidelines, strong dedicated team to implement policies at all levels through meticulous check and balance, frequent audits as well as adequate trainings, meetings for increased awareness at all levels.

Liquidity Risk Management

This is a risk that Bank is unable to stay resilient. Banks face this risk, when the cushion provided by the liquid assets of the Bank are not sufficient to meet maturing obligations. AB Bank has dedicated Asset Liability Committee (ALCO) for taking necessary precautions to restrain the risks that can arouse from liquidity issue:

- Bank is always highly cautious about maintaining the parameters that are set by Central Bank
- To counter maturity gaps, a balanced mix of short and long terms deposits are ensured



AB Bank Limited Risk Management Report

- Business growth in assets viz-a-viz liabilities are formulated well ahead in the annual budget maintaining a proper balance
- The Bank has attractive deposit based products to capture depositors from various segments

Combating Money Laundering & Financing of Terrorism

AB Bank Limited always emphasizes on Combating Money Laundering & Financing of Terrorism through robustness in awareness programs and trainings among all officials round the year. To avoid all sorts of risks that are directly associated with 'money' & to safeguard the Bank from all possible threats, AB Bank Limited has taken the following steps:

- Dedicated Unit naming 'Central Compliance Department (CCD)' is in process round the year under supervision of Bank's Chief Anti Money Laundering Compliance Officer (CAMLCO)
- AB Bank guidelines on Anti Money Laundering (AML) and Combating the Financing of Terrorism (CFT) have been formulated and disseminated to all employees of the Bank
- Software based monitoring has been implemented for monitoring account activities and for Auto reporting of Cash Transaction Reports (CTR)
- Internal audit team regularly reviewing AML & CFT compliance status of branches

6. Capital Plan and Management

The Bank is keen on maintaining strong capital base to support its business growth as well as to comply with all regulatory requirements and obtain good Credit Rating and CAMELS rating. To have a cushion to absorb any unforeseen shock, the capital adequacy position and assessment is reported to the Board of Directors and to the Risk Committee periodically.

Capital Maintenance

Following important issues are considered for capital maintenance:

- Increased capital requirement for sustainable business growth
- Keeping sufficient cushion to absorb unforeseen shock or stress
- Cost effective options for raising Tier I and Tier II capital as per Basel-III Accord
- Improving Credit Rating and CAMELS rating of the Bank
- Meeting regulatory requirements
- Meeting covenants of lenders

The Bank is always cautious about ensuring satisfactory return to shareholders as well as sustainable growth of the Bank along with strong Capital Adequacy Ratio (CAR) to protect greater interest of the depositors and shareholders.

7. **Stress Testing**

AB Bank conducts stress testing exercise and prepares Stress Testing Report on Quarterly basis in accordance with Bangladesh Bank Guidelines considering the following risk factors:

- Credit Risk
- b) Interest Rate Risk
- Exchange Rate Risk
- d) Equity Price Risk
- Liquidity Risk

Latest Stress Testing Report based on December 31, 2019 has been approved by the Board of the Bank and submitted to Bangladesh Bank accordingly.

Supervisory Review Process (SRP) **Supervisory Review Evaluation Process** (SREP) on Internal Capital Adequacy **Assessment Process (ICAAP)**

Supervisory Review Process (SRP) gives emphasis to the value that Banks have a process for assessing

AB Bank Limited **Risk Management Report**

overall capital adequacy in relation to risk profile and strategy for maintaining their capital at a satisfactory level. The process involves constitution of two teams viz SRP Team at the Bank level and SREP Team at Bangladesh Bank. Accordingly, AB Bank Limited has formed its SRP team duly approved by the Board.

Supervisory Review Evaluation Team (SREP) of central bank reviews and evaluates the Bank's ICAAP and strategies, as well as its ability to monitor and ensure compliance with economic Capital Adequacy Ratio (CAR). Under this process, Bank has to maintain 'Adequate Capital' in addition to Minimum Capital Requirement (MCR) under Section 13 of Bank Company Act, 1991 (Amendment up to 2018).

The document for ICAAP-2019 is under process. After its completion, necessary approval from the Board will be obtained and be submitted to central bank for their further review and for holding the SRP-SREP dialogue thereon.

Basel III & its implementation

Bangladesh Bank has declared the Roadmap for implementation of BASEL III in Banking sector in parallel with Basel II. Starting from June 2014, it has come into full force already.

10. Risk Management Department

The Bank has an established Risk Management Department (RMD) in accordance with Bangladesh Bank guidelines. The department follows Bangladesh Bank's risk related directives and works closely with core risks dealing divisions to address and mitigate

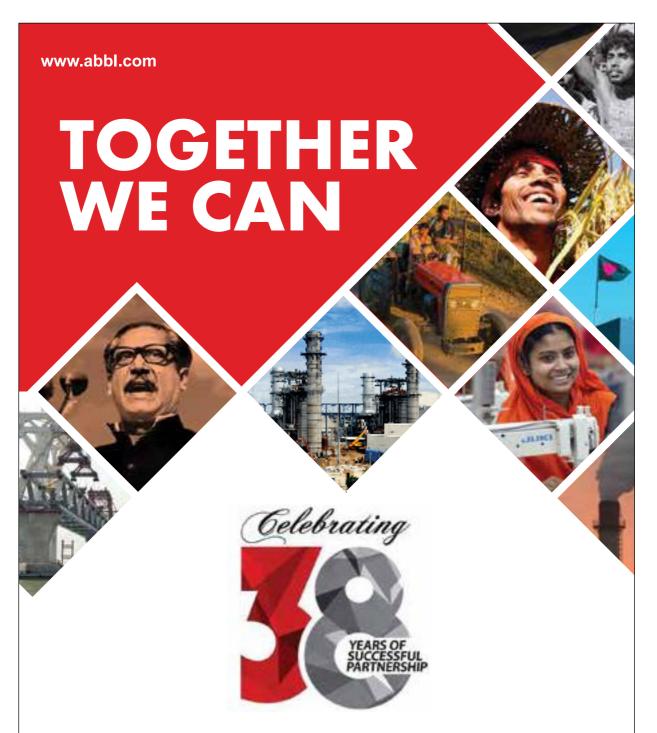
the risks properly. RMD has a continuous focus on the core risk areas. The department plays a key role in providing suggestions where mitigating factors require some added expertise and need to undertake required initiatives. Mentionable that, the Board's Risk Management Committee has authorized the Management to implement all the directives of the Central Bank timely and properly. RMD is working in line with the directives.

11. Conclusion

This is an era of change, thus era of Risk Management. With the constant change of macro factors in the economics, along with the change of technology and trends in international business, risks in Banking area are ever changing all the time. Thus to stay safe and to succeed in Banking operation, Risk Management has to ensure through revised operating model, process management, IT/ Data infrastructure as well as efficient talent pool inside the organization in a continuous manner. To uphold the reputation that AB Bank is holding in the Banking Industry of the country for long 38 years, AB Bank Limited is considering Risk Management as core part of Bank's strategic planning. Along with the business growth and profit maximization, the Bank will continue to grow at an optimum level through customer satisfaction as well as effective risk management.

Saiiad Hussain

AMD & Chief Risk Officer



On April 12, 1982, we began our journey as the first private commercial bank of Bangladesh. Since then we have proudly served you for the last 38 years. During this period, we encountered many challenging times. We withstood the test of time and will continue to do so- now and far into the future.

AB Bank Limited



DIRECTORS' REPORT





Bismillahir Rahmanir Rahim

Honorable Shareholders

As-salamu alaikum,

Banks play a pivotal role in the economy and the social uplift of a country. Initiatives taken by Banks and its partnership with entrepreneurs contribute positively towards the economy, business environment, creation of job opportunities, technological innovations and thereby the society as a whole.

The Board of Directors of AB, the first Private Sector Bank, welcomes you all to its 38th Annual General Meeting (AGM) of the Bank and presents before you the Annual Report and the Audited Financial Statements for the year 2019.

Dear Shareholders

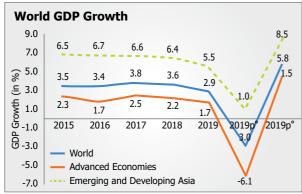
The Directors' Report 2019 is prepared in accordance with Section 184 of Companies Act, 1994 and Bangladesh Securities and Exchange Commission's Notification BSEC/ CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. We are pleased to place the Audited Financial Statements of the Bank for the year ended 31 December 2019 along with the Auditor's Report. Financial Statements of the Bank have been prepared with a view to provide maximum possible coverage in terms of compliance with applicable regulatory requirements and financial standards and to give a true and objective view of the business affairs in a transparent manner as far as possible to our Shareholders and regulators alike. All the

subsidiaries and other independent activities of the Bank have been given separate representation in this year's Financial Statements.

Starting in 1982, today after 38 years, we are an eponymous banking institution facing the challenges of the changing business environment - a testament to a trailblazing partnership with our Shareholders, Directors, Customers, Regulators and well-wishers. To honour and in recognition of the bondage, we have designed our 38th year mnemonic to read - 38 Years of Successful Partnership.

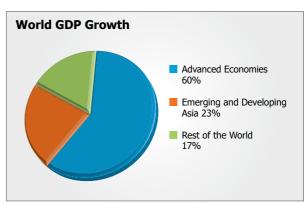
Global Economy

Global output growth has been witnessing a downward trend since 2017 and is likely to continue the same for an extended period. In 2019, the slowdown in some emerging economies along with worldwide trade and geopolitical tensions further reduced the global economic growth to 2.9 percent. Economic growth of advanced economies and Emerging Asia fell to 1.7 percent and 5.5 percent respectively. As the global economy is enduring some strain and supposed to remain subdued in the near term, developing economies may face some headwinds from external sectors in the short-term. Pertinently, global growth has both supply-side and demand-side implications for Bangladesh economy.



Note: p° - Projection

Source: World economic outlook, April 2020



Note: Data as of October 2019

Source: Data from IMF; FSD Staff Calculation

The yields of all the major international 10-year government bonds had downward trends until August 2019 which started to rise thereafter. Noticeably, yearend yield rates of these bonds were much lower than the yield rates of earlier months of 2019, except the Chinese government bond. Falling interest rates make bond prices to rise and bond yields to fall. Hence, the downtrend in the yield rate may induce bondholders to sell the bond and those investors may be tempted to opt for alternative risky investments expecting higher returns.

Global crude oil price movement in the last five years which seems somewhat stable with a few exceptions. After a sharp decline near the end of 2018, the oil price started creeping up slowly in 2019 from USD 51.4 per barrel at first January to USD 63.9 per barrel in first day of April; then after little ups and downs it ended the year with a price of USD 57.5 per barrel. With the onset of COVID-19 since the early 2020, the price has been in sharp declining trend.

Apart from above, Central Banks of different countries revised down the policy rate to stimulate growth. US Federal Reserve cut its policy rate three times by 0.25 percentage point since the middle of 2019. Low global interest rates make the debt more sustainable and help to contain the rise in macroeconomic risks and market volatility.

Bangladesh Economy

Considering the dynamics of the global supply chain and increasing interconnectedness, the external sector has become a significant and integral part of the sustained economic growth and development of Bangladesh. Growing exports, substantial wage-earners' remittance, and improving the environment for foreign direct investments have been the key drivers of the economy for a long time. Therefore, any risks or externalities associated with its Balance of Payment (BoP) may eventually affect the domestic economic activities, and the overall financial stability, in general.

Bangladesh sustained a well-paced GDP growth, ending up with 8.15 percent in FY19 on the back of strong domestic demand. Domestic demand, comprising of consumption and investment, increased by 11 percent, and export and remittance rose by 10.5 percent and 9.6 percent respectively in FY19. In 2019, the private sector credit growth edged down considerably, while the growth in the public sector was prominent. The public sector credit rose by 54.3 percent as opposed to 9.8 percent growth recorded in private sector credit.

Inflation

During the period, the annual average food inflation declined to 5.56 percent from 6.21 percent of 2018 driven by a good harvest of boro rice and waning in the prices of vegetables and fish. However, annual average non-food inflation rose to 5.64 percent at end of 2019 from 4.51 percent of 2018 largely due to strong domestic demand.

Export and Import

The aggregate export of the country grew by 7.5 percent on average in the last ten years. Bangladesh's export is largely dominated by Ready-Made Garments (RMG), which comprises woven garments and knitwear garments. The share of RMG in the total export was 84.2 percent in FY19. A combination of government policy support, flexible labor supply, technical skill development, and provision of preferential market access by the buyer groups contributed to the thriving of this sector. On the other hand, over the year import payment of goods and services increased by 8.94%.

Remittance

The country experienced continuous high growth momentum in wage earners' remittance. Despite weak global growth, inward wage earners' remittance soared up again, recording a rise of 18 percent in FY19 compared to the preceding year. Remittance from Saudi Arabia, UAE, and Kuwait, maintained an uptrend; specifically, Saudi Arabia remained a major driver in remittance source in 2019.

Banking Sector

The Banking Sector recorded a notable asset growth in 2019 backed by a significant rise in deposit growth. Private Commercial Banks (PCBs) held the major portion of earning assets of the industry. Gross Non-Performing Loan (NPL) ratio of the Banking Sector declined notably from 10.3% in 2018 to 9.3 % in 2019. At the end of December 2019, CRAR of the Banking Industry stood at



11.6 percent against the regulatory requirement of 10 percent. The aggregate Advance-to-Deposit Ratio (ADR) of the Banking Industry decreased to 77.3 percent in 2019 from 77.6 percent in 2018. However, call money borrowing rate experienced a rising trend in the second half of the year.

BUSINESS OVERVIEW 2019

Corporate Banking

Based on experience and practical knowledge, AB Bank provides Corporate Banking solutions to the growing Corporate Sectors of the country. To meet the diverse financial needs of the corporates, the Bank provides a broad spectrum of products and services. With expertise, innovation and customization, the Bank simplifies the complexities of the financial world for the clients and helps them attaining their desired objectives. The prime focus is on building and maintaining long-term mutually beneficial relationship with the clients, and being a part of their journey towards development and growth. The Corporate Products and Services of AB Bank Limited are extended to the Corporate Clients of its various Branches through Head Office Corporate Finance Division. AB Bank has always been supporting the Corporates through a wide range of conventional Corporate and Islamic Banking Products and Services along with cutting edge solutions through a focused approach. On many occasions, AB's innovative and insightful support has transformed corporate customers into market leaders. AB Bank Limited has a proven track record as a book runner, mandated lead arranger and underwriter of Syndicated loans. Due to the long experience and flexible handling, the Bank can offer clients tailored loans and facilities as well as a complete service for complex transactions through Syndication. As an unwavering financial partner with substantial underwriting capacity, the Bank offers clients the necessary services to raise capital and debt from the market.

Business Highlight in 2019

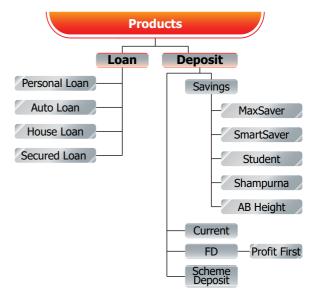
Textile and RMG: RMG accounts for the largest export revenue generating sector of the country. In continuation of its financial support to this most important economic sector, the Bank provided credit facilities to a number of clients in this sector which is going to further consolidate Bangladesh's capabilities in Textiles.

- Steel Manufacturing **Industry:** Steel manufacturing industry is growing as one of the dominant economic sectors of the country.
- Medical Education and Health Service: The Bank has extended financing to the capacity building of the Health sector.
- Home Appliances: In recent times, home appliances manufacturing has become one of the most important sector in the economy of Bangladesh. As part of the investment of the Bank, AB Bank Limited extended credit facility to various home appliances company of the country.
- Fast Moving Consumer Goods (FMCG): AB contributed to the FMCG sector of the country by extending various sort of credit facilities to its FMCG clients to support their business.

Retail Banking

AB Bank, the first private sector commercial bank of Bangladesh, has been continuously developing flexible and customized retail products on modern technology platform for all generations. The Bank with its expanded branch network, efficient workforce, Direct Sales Executives and Alternative Delivery Channels (ADCs) is facilitating the banking services at the doorstep of the customers.

AB Bank Retail Product Line



Business Overview of Retail Banking in 2019

The year 2019 was a remarkable year in the context of deposit growth. The overall deposit growth was Tk.3,588 crore (15.24%) over 2018. It was achieved due to introduction of new deposit product along with growth in FD and Scheme deposit.

Agent Banking

AB Bank commenced its Agent Banking Operation from January 17, 2018 with the first the agent point located at Meghula Bazar, Dohar, Dhaka. The major goal of Agent Banking is to bring the large segments of unbanked population into banking network, as well as, to contribute to the sustainable growth of the economy.

By the end of 2019, the bank has established 59 number of agent outlets in 26 districts. During 2019, Agent Banking contributed a total of Tk.42.64 crore growth over 2018.

School Banking

In order to boost the savings of students AB has a very attractive product titled "AB Minor".

AB Bank Chaumuhani Branch, as the lead bank nominated by Bangladesh Bank, has successfully organized school banking conference in Noakhali district on November 02, 2019 to impart financial literacy among the students and parents and to encourage the habit of savings for future. Moreover, almost all the branches of the Bank have conducted school banking campaign in different schools throughout the country and booked significant numbers of student accounts. By the end of 2019, the aggregate deposit in student account stands at Tk.31.09 crore with an increase of 28.15% over the year 2018.

The bank also participated in school baking conference organized by other banks in different regions.



Opening Agent Banking outlet at Uttar Sonaichari, Kumira, Sitakunda, Chattogram

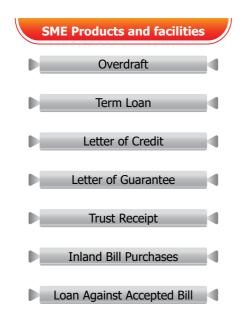


SME Banking

SME has already emerged as a powerful and sustainable pillar of the Bangladesh Economy. SME financing is now at the focal point of the Banking sector for its significant role in socio-economic development. Financing the SMEs has opened a door for the banks to channel their

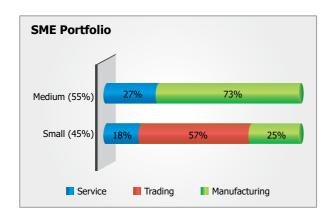
investments in a socially desirable as well as profitable business segment. In line with the Banks' greater intention to contribute to the economic development, AB Bank is relentlessly strengthening Bank's disbursements to the SME sector. AB is one of the top ranked Banks of the country appreciated for its strong footage in SME Banking/Financing.

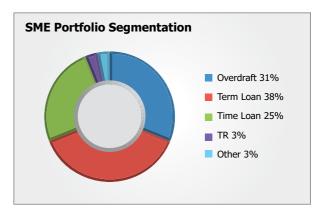
SME Products and facilities:



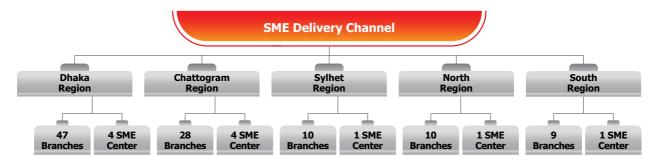


SME Portfolio Mix:





SME Delivery Channels:



SME Events & Training Programs:

AB participated in several SME Events as organized in national level and also arranged Training Programs on own initiatives for SME Clients awareness building.



AB Bank Limited has organized a workshop on "Skill Development on Business Operation & Financial Inclusion of Women Entrepreneurs in Banking" on August 04, 2019.

AB Bank Alternate Delivery Channel

In a row of 38 years of banking excellence, AB Bank Limited is a splendid name in the banking arena with a country wide network of ATMs located at urban and rural areas. At present, the Bank's Electronic Business (eBiz) Division is enriched with Visa Debit Cards, MasterCard Credit Cards, ATMs, SMS Banking, Branch POS and Internet Banking Mobile App with a 24-hour call center.

International Debit Cards-First-time in Bangladesh

AB Bank proudly introduced, for the first time in Bangladesh, International Debit Cards (under the VISA network). Using this card, customers can use their saving account tagged with their debit cards (after proper endorsement) outside the country just like credit cards. This brings in the convenience of using one's own account balance for foreign travel without resorting to applying for credit cards and the hassle associated with them.



Debit Cards

With the opening of any personal account, the customer is issued with a Debit Card. At all the AB Bank ATMs, this card can be used without any transaction fee. This card is also accepted at all ATMs under the NPSB network across the country with nominal transaction fees. AB Bank Debit cardholders can also use their cards at all Visa labeled POS terminals around the country for purchasing goods and services. AB Bank account holders can withdraw up to BDT 300,000 from branches without cheque, using their VISA Debit cards from Branch POS terminals.

Automated Teller Machines (ATMs)

AB Bank now has the fourth largest ATM network with 254 ATMs located across the country. The increase of ATMs is changing the conventional banking trend. For cash withdrawal and some other banking services, the customers are using AB Bank ATMs as their banking channel of choice. Bank already implemented the Online Bills Collection of DESCO & Mobile Top-up using AB Bank Visa debit cards in ATM. Customers presently can avail various types of services in these ATM Booths like:

- Cash Withdrawal
- **Balance Inquiry**
- PIN Change
- Mini Statement
- NPSB Fund Transfer

Any Visa or MasterCard cardholder around the globe can enjoy the AB Bank ATM facilities too. AB Bank has also joined in the National Payment Switch of Bangladesh (NPSB) which is operated by Bangladesh Bank. Through this arrangement, any member bank's cardholder can withdraw money from AB Bank's ATMs as well as AB Bank's cardholders can withdraw money from other NPSB member banks' ATMs. Nearly 3.87 million transactions



were made via AB Bank ATMs last year. Interestingly, other banks' cardholders use AB Bank's ATMs more due to high availability and consistent uptime.

Credit Cards

AB Bank, in partnership with MasterCard, launched the World MasterCard line of credit cards in 2014. The World card is in the highest tier of the MasterCard's portfolio and comes with an array of exclusive benefits specifically focused on premium travelers. In addition to the World MasterCard, AB Bank also launched MasterCard Titanium and MasterCard Gold credit cards.

Discount and EMI Programs

AB Bank, in partnership with leading merchants and Service Providers, have introduced discount & 0%-interest EMI programs in the fields of Health Care, Hotels & Resorts, Airlines & Tourism, Electronics, Life Style, Dining etc. The discount programs are available in both Visa Debit and MasterCard Credit Cards whereas EMI programs are available via Credit Cards.

SMS Banking

AB Bank SMS Banking allows day to day banking on the mobile 24 hours a day. An SMS Banking customer needs to send a text message to AB Bank short code (16207) and for their desired service requirement – no hassle, no queue and easy to use.

The AB Bank SMS service comes with the following facilities:

- **Balance Inquiry**
- Mini Statement
- PIN Change
- **Fund Transfer**
- Mobile Top Up
- Bill Payment

Internet Banking & Mobile App

To facilitate modern banking services, AB Bank revamped its Internet Banking offering and introduced Mobile App



under the umbrella of AB Direct. Internet Banking is browser and device independent and the Mobile App is available for Android and Apple iOS.

"Banking everywhere, never at a bank" – believing in this mantra, AB Bank brings its new Internet Banking with following benefits:

- Instant access to account information and account balance
- Print or electronically save transaction history
- Transfer funds to any Bank account within Bangladesh through EFT & Instant Transfer
- Pay utility bills (e.g. Dhaka WASA, DESCO, DPDC, and others)

Corporate Internet Banking

As its 2nd phase of AB Direct initiative, AB Bank has introduced Internet Banking services for its corporate customers as well. Company and business customers can use a highly specialized version of the Internet Banking solution for real time access to their accounts for balance information and making payments using various channels i.e. BEFTN, RTGS, pay utility bills etc.

This version has a strong multi-layer authentication workflow for payments with payment delegation hierarchy. This version also supports bulk payment processing for salary disbursements, etc. Customers can also view transaction histories and download them in Excel format for further automated consumption at their end.

Branch POS (Chequeless Transaction)

AB Bank introduced Branch POS (Point of Sale) Services to consolidate its position in the market in terms of technology based retail banking product offers. This service was introduced to facilitate AB Bank Visa Debit cardholders for the higher cash withdrawal facility through POS terminals in any AB Bank Branches.

Utility Payments

AB Bank collecting following utility bills via Branch, SMS Banking and Internet Banking:

- Dhaka Water and Swearage Authority (DHAKA WASA)
- Dhaka Electricity Supply Company Limited (DESCO)
- Dhaka Power Distribution Company Limited (DPDC)
- Bangladesh Telecommunications Company Limited (BTCL)
- Titas Gas Sales and Distribution Company Limited (TITAS GAS)
- Chittagong Water and Swerage Authority (CTG WASA)

AB Bank customers are also able to pay these utility bills from Internet Banking and SMS Banking.

Call Center

The Call Center accessed through the short code 16207 established by IT & eBiz Division is serving a high number of ABBL customers for any electronic banking related queries.

Social Media Presence

AB Bank has a Facebook Page to promote its products and services. It is also used to respond to various customer enquiries on different types of AB Bank products and services e.g. Internet Banking, ATM Locations, and branch locations. Any customer or a potential customer can access AB Bank's Social media site using the URL-

https://www.facebook.com/abbanklimited/

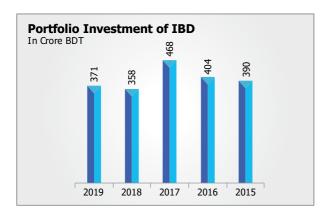


Information Technology (IT)

During the year IT has undertaken various major upgradation initiatives which includes core banking software and associated hardware. This will enable the Bank to offer state of the art product and services to its customers under a more secured environment.

Investment Banking Department (IBD)

Investment Banking Department (IBD) was established in 2006 to manage the Bank's investments in the capital market. There is also a Custodian Unit which operates under IBD which provides one-stop services to NRB's and Foreign Investors interested to invest in Capital Market in Bangladesh. Besides IBD also plays a monitoring and supervisory role to oversee AB Investment Limited and AB Securities Limited. AB's last five years portfolio investments (Quoted shares) are shown below:



Keeping in pace with AB's vision of innovative banking, IBD focuses on diversifying service horizons from that of conventional Merchant Banking services. IBD also extends services for the Portfolio Management needs of Non-Resident Bangladeshi (NRBs) and foreign investors and also facilitates remittance in the local capital market through NRB-IDA, FC and NITA account. As a value-added option IBD also has a Custodian Wing under a separate license.

1st Mutual Fund

At the end of 2019, the "AB Bank 1st Mutual Fund" has reported Net Asset Value (NAV) of Tk. 9.98 per unit on the basis of current market price and Tk. 11.40 per unit on the basis of cost price against face value of Tk. 10.00. The total Net Assets of the Fund stood at Tk. 2,385.62 million on the basis of market price and Tk. 2,725.20 million on the basis of cost price after considering all assets and liabilities of the Fund.

Anti-Money Laundering and Combating The Financing Of Terrorism (AML & CFT)

One of the most important areas of compliance for financial institutions today is Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT). The importance of combating Money Laundering and Terrorism is increasing day by day. The regulators worldwide are also taking new initiatives and implementing new laws, regulations etc. to counter and prevent these crimes. Financial institutions across the world are being used as conduits for channeling these criminal activities and therefore, governments, regulators and law enforcement agencies depend on financial institutions like ours to identify and prevent these from occurring.

In recent times, Bangladesh has been experiencing crimes related to drug smuggling, human trafficking and terrorism. Criminals associated with these crimes are employing new and advanced methods to avoid detection.

Money Laundering and Terrorism has far reaching consequences for any country. Bangladesh's growing economic activity, increasing imports and exports, increasing remittances from Bangladeshi working abroad etc. make it a prime target for criminals to commit ML & TF related crimes. Therefore, we need to be vigilant to counter the efforts of these criminals.

AB Bank's firm commitment for prevention of money laundering and combating financing terrorism is driven by its desire to uphold the integrity of the financial system, to protect its reputation and to safeguard the interests of all its stakeholders as well as shareholders.

AB has formulated a clear policy and guidelines on Anti-Money Laundering & Combating Financing of Terrorism (AML & CFT) which must be complied with by employees of the Bank. We have recently reviewed and revised our AML & CFT Policies to be more current and in line with 5 (Five) new guidelines introduced by BFIU [viz. Guidelines on Suspicious Transaction Report (STR), Politically Exposed Person (PEP) s, Beneficial Owner (BO), Terrorist Financing (TF) & Proliferation of Financing (PF), of WMD (Weapon of Mass Destruction) and Prevention of Trade Based Money Laundering (TBML)].

Awareness programs for its Senior Executives were arranged by AB Bank Training Academy. Senior Officials

from Bangladesh Financial Intelligence Unit (BFIU) conducted sessions and discussed weaknesses of the Bank on AML & CFT so that Bank could initiate corrective measures. A number of actions were taken by the Bank as a result of which AB is now in a much stronger position to counter Money Laundering and Terrorism Financing (ML & TF) risks.

AB is committed to not to establish or maintained correspondent relationships with any Shell Bank/ Company or any Bank which allows transactions in "payable through" accounts. Special attention given while establishing and maintaining Correspondent Banking business. Adequate measures implemented as per AML & CFT Policy and BFIU instructions. Special safeguards taken for business relationships with customers from non-cooperative jurisdictions countries or other financial institutions deemed high risk. Reviewed all the KYC by applying due diligence of Correspondent Bank to identify the existence of any Shell Bank.

Awareness of officials of AB is essential to combat money laundering & terrorist financing threats. Training to all employees on these areas is mandatory as per AML & CFT Policy and BFIU instructions. In 2019 we imparted trainings and refresher trainings to 509 employees of the Bank. We are committed to carry on employee training programs so that employees have adequate knowledge and remain updated on AML & CFT procedures as well as any changes/amendments. These trainings will recap employees' knowledge and responsibilities in prevention of money laundering and combating terrorist financing. Our plan is to hold fresh and refresher Job Specific Training for AB officials in 2020 as well.

We have given sufficient emphasis on prevention of Trade Based Money Laundering (TBML). As a result of that we have reviewed and revised the chapter in our AML & CFT Policy in accordance with the Guidelines for Prevention of Trade Based Money Laundering (TBML) as issued by BFIU on December 10, 2019. We arranged 02(two) separate training programs on Prevention of Trade Based Money Laundering (TBML) for employees of our Authorized Dealer (AD) Branches, Financial Institution (FI) Division and Department of Internal Control & Compliance.

AB has special focus over its border territory branches. Because, these Branches have threats to be alert against routing transactions related to drug and human trafficking and smuggling and also terrorist financing. During 2019 AML & CFT Compliance Division has reviewed transactions, KYC and documentations of 1638 accounts of border territory Branch have been updated. In addition, CAMLCO and Deputy CAMLCO visited several border territory branches during 2019 to practically see the awareness among officials and update them with latest knowledge of circular and guidance on AML/CFT.

Significant number of Suspicious Transactions Report (STR)/ Suspicious Activity Report (SAR) was filed with the regulatory authority (BFIU) during this year (2019). Diversified areas were covered while filing STR/SAR with BFIU. That indicates the intensity of monitoring and analysis of customers' transactions.

Off-shore Banking Unit (OBU)

AB Bank introduced OBU operation located in EPZ Branch, CEPZ, Chattogram. Since inception in April 28, 2010 OBU has been able to finance many foreign owned companies as well as corporate resident customers with due permission from the regulatory body. In May 31, 2016 OBU was declared as a separate branch. Afterwards, an Offshore Banking Division has been created during this year for the purpose of supervising Offshore Banking Operations of the Bank. A dedicated Branch Anti Money Laundering Compliance Officer (BAMCLO) has been assigned to OBU to comply with Anti Money Laundering Policies and relevant regulations. Enhanced screening mechanism has been established for screening customers and transactions of OBU in compliance with OFAC, UN, EU and UK provided sanctions lists. Total Deposit and LDOs of OBU as of 31 December, 2019 was USD194,423 and USD73,761,249 respectively.

Department of Internal Control & Compliance (DICC)

The Department of Internal Control & Compliance (DICC) is comprised of the following Divisions:

- Audit & Inspection Division i)
- ii) Monitoring Division and
- Compliance Division

Audit & Inspection Division conducts Risk-Based Audit and Annual Comprehensive Audit on the Branches



& Departments/Divisions/Subsidiaries/Units of Head Office. Special Audits on some specific issues like yearend Branches Cash Position, Security Stock Verification, SME Division & Card Division are also conducted by the Department. It prepares the Integrated Annual Health Report of the Bank.

Monitoring Division monitors operational activities of branches through internal control tools e.g. DCFCL, LDCL & OOR and summarizes the findings and reports them to the Board Audit Committee along with the updated status. It also summarizes the decisions of Board Audit Committee (BAC) Meetings quarterly and submits the same to the Board of Directors along with the compliance.

Compliance Division ensures compliance of internal, external and Bangladesh Bank Inspection Reports on Head Office, Branches & Core Risks Areas. It arranges special Board Meeting for review & discussion of the BB comprehensive inspection report and maintains constant liaison with the Central Bank regarding compliance issues.

The DICC conducted the following audit and inspections during 2019:

Risk-Based Audit on Branches : 105 Branches Annual Comprehensive Audit on Branches : 105 Branches

Annual Comprehensive Audit on Div./Dept. : 11 Divisions/Departments

Annual Comprehensive Audit on Subsidiaries: 02 Subsidiaries Special Investigation : 16 Numbers Special Audit : 02 Divisions Surprise Visit : 22 Branches

Operations Department

General Banking Operations is dedicated to overall backoffice operations management of the Bank. It ensures service standard, quality improvement, improves process flow through re-engineering, simplifying & standardizing processes and also continuously monitors Branch activities to mitigate risks, improves operational controls, regulatory compliance, internal and external compliances and other functions.

In addition, to the routine functions the Division has successfully supervised and monitored other different events.

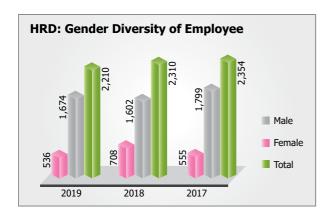
The key initiatives completed by this Division during 2019 were as follows:

- Arranged trainings and workshops on major operational processes like Account Opening, Effective Cash Management and Customer Service Excellence for different Branch officials.
- Conducted Mystery Shoppers Survey and Customer Satisfaction Survey in selected branches.
- Arranged Customer Awareness Program in different branches to familiarize our customers with AB Products and Services as well as banking norms and practices and to mitigate information and communication gap between the customers and the Bank.
- Prepared guidelines on Operational process for releasing funds of Deceased Accounts, procedure for activation of Dormant Accounts, efficient Cash Management and detection and disposal of Forged Notes.
- Preventive measures have been introduced to all branches as precaution against fraud risk related to banking operations.
- Introduced Revised Locker Break Open Policy.
- Visited branches to monitor banking operations, branding, cleanliness and general banking activities and took necessary steps to improve Branch operations, service quality and branding issues.
- To create awareness of fake notes among general public, displayed actual bank notes and their special security features through videos at different important public places and road intersections, and installed Fake Note Detection Booths at cattle markets during Eid-ul-Adha.
- Taken initiative to introduce green banking by sending e-statements to the customers.
- To save cost and ensure green banking, introduced digital forms and registers for different banking services also discontinued some forms and registers.

Department of Human Resource Management & Development

The Human Resources (HR) Department provides an overall policy direction on its employee management. It does so by providing policies and processes that attract,

develop, retain, and engage a well-trained and diverse workforce by providing a secure and equal opportunity work environment for all its employees.



HR continuously works with other departments to develop and align organizational goals through performance management processes, maintenance of healthy employee relations and ensuring systematic, internal communications among employees across all the 105 branches in order to keep the employees informed on all pertinent matters.

Treasury Functions

Strategic function of Treasury is risk management such as Liquidity Risk, Interest Rate Risk and Foreign Exchange Risk. Being an integrated unit, AB Bank Treasury is engaged in managing these risks within the laid down internal policies and guidelines of Bangladesh Bank. Functions of Treasury Division are divided among ALM Desk, Fixed Income Desk, Money Market Desk, Foreign Exchange Desk and Primary Dealership Desk. Core responsibility of Treasury Operations is maintenance of statutory requirements i.e. CRR, SLR and NOP limits. In the process of liquidity risk management Treasury arranges fund both in Local Currency and Foreign Currency. As an interest rate risk manager, Treasury focuses on maturity management of both Loans and Deposits in line with banks risk appetite. As a primary dealer, AB Bank underwrites Govt. securities. AB Bank Treasury is capable of providing all possible treasury solutions through an array of treasury products at better prices and superior services with a dynamic and innovative work force. Treasury has been performing consistently well over last couple of years with respect to contribution to bank's profitability. Prudent Money

Market, Foreign Exchange and Primary Dealership operations contribute significantly in interest, exchange and investment earnings of the Bank.

Highlights of 2019:

- Interest income on Money Market Product stood at BDT 287.00 million in 2019 compared to BDT 449.10 million in 2018.
- Investment income decreased to BDT 2,484.80 million in 2019 compared to BDT 3,721.90 million in 2018.
- Income from Foreign exchange decreased to BDT 467.30 million in 2019 compared to BDT 649.90 million in 2018.

Financial Institutions

AB Bank's Financial Institutions (FI) Division is mainly engaged in expanding and maintaining correspondent banking relationships with local and foreign Banks, Financial Institutions and Exchange Houses. AB's foreign correspondent relationship covers most of the important Banks and Financial Institutions in the world. AB Bank's Correspondent Banking Platform is comprised of 360 correspondents. This strong platform helps expanding international trade business of AB Bank Limited and providing better customer service to its customers.

International Trade

During 2019, Import and export business of AB Bank has experienced negative growth compared to previous year.

Import Business has decreased by 47.08% to Taka 4,737 Crore in 2019 from Taka 8,952 Crore in 2018. Import business of AB covers areas like industrial raw materials, food items, chemicals, medicines, textiles, capital machineries etc.

Export Business has also experienced a negative growth of 24.97% in the year 2019 compared to the previous year. Total Export was Taka 5,511 Crore at the end of the year 2019 which was Taka 7,345 Crore in 2018. Export business was concentrated in frozen fish, readymade garments, knitwear and other indigenous products.



FI Marketing

FI Marketing Team facilitates trade business activities originating from the different Banks in Bangladesh. FI Marketing Team procures foreign trade related business i.e. Reimbursement Authorities/Payment Instructions, advising of documentary credits and confirmation to L/ Cs of different Banks in Bangladesh on behalf of ABIFL, Hong Kong and AB Mumbai Branch. During the year 2019, our FI Marketing Team has collected a good number of Reimbursement Authorities/Payment Instructions and provided support in advising a significant number of L/ Cs from different Commercial Banks in Bangladesh to our Mumbai Branch India and ABIFL, Hong Kong.

Remittance Initiative

AB has introduced state-of-the-earth API enabled remittance software for excellence in remittance operation of the Bank. AB has strengthened its existing remittance relationship with various exchange houses in 2019. AB is focusing on excellence in customer service through the existing Branch network and agents. A dedicated "Remittance Hub" backed by advanced technology platform helps expanding the Bank's service to the doorstep of the customers. Corporate clients of AB remained another major source of foreign currency. Bank is also trying to broaden its base through solicitation of indigenous export clients. Total remittance at the end of the year 2019 was USD 270 million compared to USD 330 million in 2018.

Overseas Operations

Mumbai Branch

AB Bank Limited, Mumbai Branch is the only Bangladeshi Bank's Branch in Mumbai to cater Indo-Bangla Trade. Since its inception in the year 1996, it is engaged in handling of Letter of Credit and document of export from India to Bangladesh in addition to retail banking activities. The branch also provides confirmation, negotiation and discounting services to its customers.

At present, our Mumbai Branch is maintaining VOSTRO accounts of 43 Bangladeshi Banks. Mumbai Branch's Operating Profit at the year-end of 2019 was INR 159.28 million.

Highlights of Mumbai Branch Business

Indian Rupee in Million

Particulars	2019	2018	2017
Total Assets	2576.59	2,548.48	2,346.11
Total Loans and Advances	566.93	750.24	593.14
Total Deposits	1451.26	1,437.48	1,189.18
CRAR – Overall	36.51%	33.05%	36.52%
CRAR – Tier I	36.30%	32.76%	36.22%
CRAR – Tier II	0.21%	0.28%	0.30%
Fee based income to Total income	82.73%	82.99%	81.54%
Return on Total Assets	3.60%	3.86%	3.34%

Operating results of Mumbai Branch in 2019

Indian Rupee in Million

Particulars	2019	2018	2017
Operating Profit	159.28	178.67	156.24
Profit After Tax (PAT)	92.15	87.65	78.33
Return on Assets (%)	3.60	3.86	3.34
Return on Equity (%)	9.59	9.30	8.94

Credit Risk Management (CRM)

CRM Division manages the credit risks of the Bank as per the CRM Policy formulated in accordance with guidelines, manuals and other related circulars issued by Bangladesh Bank from time to time. The Division implements specific risk mitigating tools that include understanding customers [KYC], their past track record, financial soundness, management ability, outlook of business and industry, collateral arrangement etc. AB has diversified its credit portfolio into Corporate, SME and Retail. There are separate policies for each such sector with clearly defined tools for risk management in line with exposure, purpose, types, industry etc. A uniform Credit processing matrix is in place which is disseminated to the Branch level also. Clear segregation of Credit Relationship and Credit Administration streams across the Bank has been established to ensure effective credit risk management. This setup has also ensured sound practices in overall credit management viz. credit processing/appraisal, approval, documentation, disbursement, monitoring and control. The Division regularly reviews and updates Credit Risk Management Policy and Lending Guidelines in line with the regulatory guidelines.

Credit Administration Management (CAM)

Credit Administration Management (CAM) Division of the Bank engages in credit administration, monitoring and handling of classified loans. The Division is subdivided

into a number of Units such as Credit Limit Authorization, Credit Compliance & Returns, CIB, Monitoring & Recovery and Legal & Real Estate. The Core activities of the Division are to supervise new Loan disbursement, overview the loan documentation, monitoring and controlling of loan delinquency and reporting the status to the Board of Directors, Senior Management, Business Divisions and Branches to take remedial steps and initiate appropriate actions to control the delinquency. CAM Division also supervises the legal matters of the Bank related to Artha Rin Ain- 2003, Writs and Apex Court issues through a coordinated process with the Branches and along with engaged dealing lawyers all over the Country.

Department of Accounts & Finance (A&F)

Department of Accounts & Finance works towards achieving high standards as befitting for the institution. It also ensures operations of the Bank within the compliance framework.

The Department primarily focuses on developing and maintaining a service-oriented culture. It performs the key roles of controllership, budgeting, forecasting, financial analysis, business performance monitoring, decision support, procurement (Payment Cell) and provides support for effective risk management. In addition, the Department also provides relevant MIS to Management and the Board for facilitating strategic decisions.

Corporate Social Responsibly (CSR)

AB believes Corporate Social Responsibility (CSR) is the first and foremost meant to contribute to the society for improving the quality of lives of people, particularly for that segment of the people who are underprivileged and less fortunate in terms of basic needs such as food, health, education etc. CSR is a self-regulating business model that helps a company be socially accountable - to itself, its stakeholders, and the public. AB Bank feels obligated towards the community in which it operates. It has long been active in a wide range socially responsible initiatives. The Bank promotes the country's rich heritage of arts, culture and sports. The Bank always responds to the crying needs of the society and to stand beside the affected ones in times of national crisis. Besides addressing the basic social needs of the under privileged people of the country, AB believes that CSR can be a genuine platform to address growing environmental concerns also.

Risk Management Division (RMD)

Risk Management acts as one of the main operational activities in every sphere of operations for any bank. It also serves as essential auxiliary tools to board strategic plans towards achieving bank's overall objectives. As per Bangladesh Bank guidelines, AB Bank is having effective Risk Management Division (RMD) equipped with adequate resources and infrastructure. The fundamental objective of this Department is to protect the organization from unexpected losses caused by unfavorable downgrade in



AB Bank's Dengue Prevention and Environment Protection Program



financial areas and reputational issues through early flag rising, and there-by to ensure sustainability in growth. The RMD is constantly considering and applying efforts to develop organization wide Risk Management structure and processes to rip out its outcomes in all areas of the Bank in compliance with Bangladesh Bank's risk related directives and procedures.

RMD has been performing an effective role in leading the Supervisory Review Process and holding SRP-SREP dialogue on ICAAP. RMD also provides the Bank's Risk Appetite Framework in the light of Bank's strategic plan comprising Key Risk Indicators (KRIs) from different segments of the Bank. It also provides training to AB Bank officials on Risk Management issues focusing on Management Action Triger (MAT), Comprehensive Risk Rating (CRR) with a view to enhance the level of understanding on risk management, its importance and its application.

AB Subsidiaries

AB International Finance Limited (ABIFL), Hong Kong, a wholly owned subsidiary of AB Bank Limited has started its operation in the year of 1995. ABIFL is primarily engaged in advising, adding confirmation to documentary credits, negotiation and discounting of bills under Letter of Credit. ABIFL's performance in 2019 is presented below:

Particulars	2019	2018	2017
Profit After Tax (PAT)-HKD Million	10.18	9.569	7.803
Return on Assets (%)	9.82	10.22	8.89
Return on Equity (%)	53.56	53.72	46.13
Earnings Per Share (EPS)-HKD	101.76	95.69	78.03

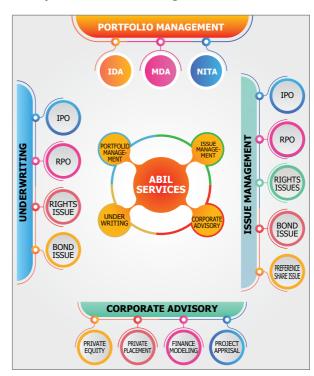
AB Investment Limited

After incorporation on 24th day of December 2009 AB Investment Limited (ABIL), a wholly owned subsidiary company of AB Bank Limited, started its operation on the 10th day of March, 2010.

The number of clients of AB Investment Limited is about 2,388 and it comprises of Local Individual & Institutional clients along with NRBs and Foreign Individuals. ABIL has 7 (seven) panel brokers to perform trading of its clients and of own portfolio. Total portfolio of ABIL was more than Tk. 7.11 billion in 2018 which is 0.18% of the total market

capitalization. Currently, ABIL operates from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet.

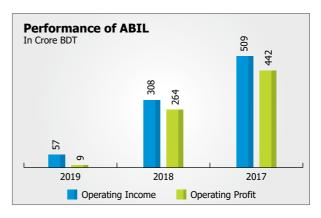
ABIL provides the following services:



Performance of ABIL

Particulars	2019	2018	2017
Number of Clients (in number)	2349	2388	2425
Margin Loan provided to Clients (mn)	6752	6781	6670
Operating Income (mn)	57	308	509
Operating Profit (mn)	9	264	442
Net Profit (mn)	(57.5)	17	3
Earnings Per Share-EPS (Tk.)	(0.089)	0.027	*.004
Face Value (Tk.)	10	10	10

*Restated EPS



AB Securities Limited (ABSL)

After incorporation on 24th day of December 2009, AB Securities Limited (ABSL), a wholly owned subsidiary company of AB Bank Limited, started its operation on the 2nd day of August, 2010. ABSL is a corporate TREC Holder of both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The number of clients of ABSL is around 3,000 and it comprises of local individual & institutional along with NRBs and foreign individuals. ABSL also acts as Agent Broker of AB Investment Limited.

Currently, ABSL is operating from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet. In the year 2019, total turnover of ABSL was around Tk. 18.32 billion.

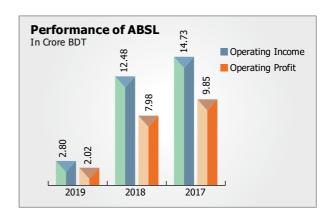
Services of ABSL



For Foreign Nationals and Non-Resident Bangladeshis, ABSL provides one stop stock broking services including assistance in opening Foreign Currency (FC) Account & Non-Resident Investor's Taka Account (NITA), BO Account opening and trading at DSE and CSE.

Performance of ABSL

Particulars	2019	2018	2017
Number of Clients	2,942	3,385	3,238
Margin Loan Disbursed (Million Tk.)	930.53	881.89	926.45
Operating Income (Million Tk.)	27.59	124.75	147.39
Operating Profit (Million Tk.)	(20.21)	79.76	98.48
Earnings Per Share (Tk.)	0.01	.15	.25
Total Turnover –Trade (Billion Tk.)	18.32	20.07	38.86



Cashlink Bangladesh Limited (CBL)

CBL is a subsidiary of AB Bank Limited. CBL incorporated on 24th September 2008 with the following objectives:

- To carry on the business of providing integrated electronic financial payment to AB and other member Banks
- To do Transaction Processing solutions in Bangladesh, including coordination and deployment of independent branded automated teller machines (ATM)
- To facilitate Electronic Fund Transfer through Points of Sale (EFT POS) and provide pre-paid Card
- Debit Card, Credit Card processing services, etc.
- To facilitate E-commerce facility to our clients

Amount in Lac Taka

Particulars	2019	2018	2017
Total Operating Income	135.55	36.89	33.19
Total Operating Expense	4.53	5.08	5.49
Profit After Tax (PAT)	127.37	31.82	18.41
Total Shareholder's Equity	744.66	617.29	585.48
Total Asset	823.94	791.88	763.33

Arab Bangladesh Bank Foundation (ABBF)

Arab Bangladesh Bank Foundation (ABBF) is a platform for philanthropic activities of the Bank.



Financial Performance Highlights:

As one of the most highly regulated industries in the world, investors have some level of assurance in the soundness of the banking system. As a result, investors can focus most of their efforts on how a bank will perform in different economic environments. In 2019, the banking sector witnessed some unsavory developments through major indicators such as rise of non-performing loans, lower capital adequacy and the overall lack of stable policy in the sector. Amid a challenging economic and business environment, which prevailed throughout 2019, AB registered following financials:

BDT in crore

Particulars	Consol	idated	Change	Solo		Change	
Particulars	2019	2018	%	2019	2018	%	
Interest Income/Profit on Investments	2,695.42	1,981.09	36%	2,671.55	1,946.75	37%	
Interest paid/profit on deposits and borrowings, etc.	1,886.85	1,758.04	7%	1,884.68	1,755.74	7%	
Net Interest Income	808.57	223.04	263%	786.87	191.01	312%	
Other Income	496.84	692.29	-28%	501.53	673.77	-26%	
Operating Expenses	658.29	571.40	15%	643.43	557.27	15%	
Operating Profit	647.11	343.94	88%	644.97	307.51	110%	
Provisions for loans & others	510.85	273.63	87%	514.05	251.91	104%	
Profit Before Taxation	136.26	70.31	94%	130.92	55.60	135%	
Provisions for Tax	123.93	65.99	88%	114.14	53.77	112%	
Profit After Tax	12.33	4.32	185%	16.77	1.83	817%	
Earnings Per Share-EPS (BDT)	0.16	0.06	0.10	0.22	0.02	0.20	

Net interest income of the Bank increased in both consolidated and solo basis. Interest paid on deposits and borrowings have 7% growth in 2019. Operating expense increased by 15% mainly for loan loss charges BDT 111 crore in 2019 but fee based income reduced by 26% in 2019. In 2019, Bank was able to maintain Profit after Tax of BDT 12.33 crore and BDT 16.77 crore only on consolidated and solo basis respectively.

Asset Quality:

BDT in crore

Particulars	Consolidated		Change	Solo		Change
Particulars	2019	2018	%	2019	2018	%
Total Loans and Advances	26,438.50	24,918.53	6.10%	25,651.25	24,107.01	6.41%
Unclassified	21,749.45	16,945.75	28.35%	20,962.20	16,134.23	29.92%
Standard	20,185.80	13,952.23	44.68%	19,398.55	13,140.71	47.62%
Special Mention Account	1,563.65	2,993.52	-47.77%	1,563.65	2,993.52	-47.77%
Classified	4,689.05	7,972.78	-41.19%	4,689.05	7,972.78	-41.19%
Sub-standard	221.97	414.56	-46.46%	221.97	414.56	-46.46%
Doubtful	325.47	380.91	-14.56%	325.47	380.91	-14.56%
Bad Loss	4,141.61	7,177.31	-42.30%	4,141.61	7,177.31	-42.30%

Main challenge of the Bank is to maintain its quality of assets. At the end of 2019 Bank reduced 41% classified loan through recovery/rescheduling. 2020's prime focus has been set by the Board to improve the asset quality, recovering classified and written off loans, restructuring loan portfolio in order to improve the profitability.

Capital Position:

BDT in crore

Pauliaulaus	Conso	lidated	Change Solo		olo	Change
Particulars	2019	2018	%	2019	2018	%
Risk Weighted Assets (RWA)	33,421.14	33,303.67	0.35%	33,137.52	32,958.30	0.54%
Credit Risk	30,292.97	30,039.36	0.84%	30,131.81	29,860.81	0.91%
Market Risk	806.09	696.53	15.73%	692.12	611.65	13.16%
Operational Risk	2,322.09	2,567.78	-9.57%	2,313.59	2,485.85	-6.93%
Regulatory Requirement	12.50%	11.875%		12.50%	11.875%	
Capital Requirement	4,177.64	3,954.81		4,142.19	3,913.80	
Capital Maintained	3,539.83	3,490.93	1.40%	3,354.71	3,304.61	1.52%
Tier-I	1,981.36	2,033.81	-2.58%	1,871.16	1,919.42	-2.51%
Tier-II	1,558.48	1,457.13	6.96%	1,483.55	1,385.20	7.10%
Capital Surplus/ (deficit)	(637.81)	(463.88)		(787.48)	(609.19)	
Capital to Risk Weighted Asset Ratio (CRAR)	10.59%	10.48%		10.12%	10.03%	
Tier-I	5.93%	6.11%		5.65%	5.82%	
Tier-II	4.66%	4.38%		4.47%	4.20%	

At the end of 2019 Bank was able to maintain CRAR @10.59% and 10.12% on consolidated and solo basis respectively against 12.50% (10% minimum and 2.50% capital conservation buffer) regulatory requirement. Risk Weighted Assets (RWA) of the Bank increased near about 1%, where capital increased approximately 2%. Bank is trying to increase its capital by issuing Tier-I and Tier-II equivalent instruments and as well by reducing RWA.

Cash Flow Position:

BDT in crore

Particulars	Consolidated		Change So		lo	Change
	2019	2018	%	2019	2018	%
Net Cash Flow from/(used in) Operating Activities	2,864.75	(692.67)	513.58%	2,870.27	(683.09)	520.19%
Net Cash Flow from/(used in) Operating Activities	(1,855.22)	214.15	-966.32%	(1,846.35)	226.47	-915.27%
Net Cash Flow from/(used in) Financing Activities	(139.92)	264.90	-152.82%	(139.92)	264.90	152.82%
Net Increase/Decrease in cash	869.60	(213.63)	-507.08%	884.00	(191.72)	561.09%
Net Operating Cash Flow Per Share (NOCFPS) (BDT)	37.79	(9.14)	46.92	37.86	(9.01)	46.87

Major component of net cash flow from operating activities was operating profit after elimination of the effect of depreciation and provision and non cash items in Profit and Loss Account. Changes in operating assets and liabilities i.e. changes in loans, deposits and short term borrowing mainly affected the cash flow from operating activities. Net Operating Cash Flow Per Share increased compare to the corresponding previous year.

Key Ratio

Particulars	2019	2018
Capital to Risk Weighted Assets Ratio (CRAR)	10.12%	10.03%
Loan Deposit Ratio (LDR)	84.28%	91.09%
Cost Income Ratio	41.35%	64.44%
CL Ratio	18.28%	33.07%
Return on Investment (ROI)	6.07%	9.58%
Return on Assets (ROA)	0.05%	0.01%
Return on Equity (ROE)	0.74%	0.08%
Assets Utilization Ratio	77.80%	66.61%
Operating Profit Per Employee (Lac/Taka)	29.18	13.31



Shareholding Pattern

Shareholding pattern of the Bank is disclosed as below following the requirements of Section 1.5 (xxiii) of BSEC Corporate Governance Code No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018:

- Parent / Subsidiary / Associated Companies and other related parties: Not Applicable
- Shares held by Directors including nominating Individual and Institutions, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and their Spouses and Minor Children are as follows: status as of December 31, 2019

Name of the Directors, CEO, CS, CFO and HIAC	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
Mr. Muhammad A. (Rumee) Ali Nominated by Pacific Traders Ltd.	Chairman	75,696,901	9.9845%	Ms. Tamara R. Ali	ı	-
Mr. Feroz Ahmed	Director	15,730,196	2.0749%	Ms. Salvana Ahmed	310,497	0.0410%
Mr. Shajir Ahmed Nominated by Mr. Salim Ahmed	Director	17,907,293	2.3620%	Ms. Fahmida Islam	-	-
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Ltd.	Director	74,157,802	9.7817%	Ms. Mariya Rakhi Chowdhury	-	-
Mr. Kaiser A. Chowdhury	Independent Director	-	-	Ms. Nadira Chowdhury	-	-
Mr. Tarique Afzal	President & Managing Director	-	-	Ms. Ornita Afzal	-	-
Mr. Manzurul Ahsan FCS	Company Secretary	-	-	Ms. Indrani Joan Ahmed	-	-
Mr. K.M. Mohiuddin Ahmed	Chief Financial Officer	-	-	Dr. Khairun Nessa	-	-
Mr. Md. Ebtadul Islam	Head of Internal Control and Compliance	-	-	Ms. Selima Begum	-	-

- Bangladesh Bank on June 28, 2020 approved appointment of Mr. Md. Maqsudul Huq Khan, Director, nominated by Emkay Holdings Limited.
- As on June 28, 2020 Sponsor & Directors total shareholding 31.29% of the total shares of the Bank.
- Shares held by top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, c) Chief Financial Officer, and Head of Internal Audit.

SI.	Name	Status	No. of Shares
1	Mr. Sajjad Hussain	Additional Managing Director	-
2	Mr. Reazul Islam	Deputy Managing Director	-
3	Mr. Mahmudul Alam	Deputy Managing Director	-
4	Mr. Abdur Rahman	Deputy Managing Director	-
5	Mr. Syed Mizanur Rahman	Sr. Executive Vice President	-

Shareholders holding ten percent or more voting interest in the company: NIL d)

Dividend

Board in its 691st Meeting held on June 29, 2020 recommended 5.00% Stock Dividend to all the Shareholders which is subject to Shareholders approval in the 38th Annual General Meeting scheduled to be held on September 2, 2020, Wednesday through Digital Platform. August 10, 2020, Monday, set as Record Date.

Board recommended Stock Dividend to strengthen capital base of the Bank to support business growth and compliance of Bangladesh Bank DOS circular no:03 dated May 11, 2020 on Dividend Policy for Banks for the year 2019.

In compliance with Code no:1.5 (XXI) of the Corporate Governance Code -2018 issued by Bangladesh Securities and Exchange Commission, Board confirms that no bonus share or stock dividend has been declared as interim dividend.

Board of Directors

At present, AB Board comprises 7 (seven) members including President and Managing Director. Board also has two Committees in operation viz. Audit Committee and Risk Management Committee in compliance with Bangladesh Bank BRPD circular no: 11 dated October 27, 2013 on Formation & Responsibilities of Board of Directors of a Bank Company. Respective Committees operate following their given TOR set by the Board or Bangladesh Bank as the case may be.

Present composition of the Board is as below:

- Mr. Muhammad A. (Rumee) Ali, Chairman, nominated by Pacific Traders Limited
- 2. Mr. Feroz Ahmed, Director
- Mr. Shajir Ahmed, Director, nominated by Mr. Salim
- Mr. Khairul Alam Choudhury, Director, nominated by Pacific Industries Limited
- Mr. Kaiser A. Chowdhury, Independent Director
- 6. Mr. Md. Magsudul Huq Khan, Director, nominated by Emkay Holdings Limited*

7. Mr. Tarique Afzal, President and Managing Director

*Bangladesh Bank by letter no: BRPD(R-2)651/9(1) DL/2020-4377 dated June 28, 2020 approved appointment of Mr. Md. Magsudul Hug Khan and we enclose below his brief resume:

Magsudul H. Khan is a Supply Chain and Compliance professional. Currently he is working as General Manager, Supply Chain & Commercial Division of Millennium Automotive Group which deals with importation and/or assembling of brand new Nissan, Jaguar, Land Rover, Hyundai and Ssangyong vehicles in Bangladesh. Prior to joining Millennium Automotive Group, he worked for Bureau Veritas, a renowned French multi-national conglomerate for a long time. He has a long professional career in Operations, Compliance and Legal Affairs. He also worked as Head of International Trade Division (ITD) of a multinational organization which is the global leader in Quality Assurance, Health, Safety and Environmental Solutions. He has achieved International Diploma in Supply Chain Management from ITC-UNCTAD/WTO, Geneva. He also completed Certified Supply Chain Professional (CSCP) course from American Production and Inventory Control Society (APICS). Before that he obtained Masters in Business Administration (MBA) and Bachelor of Laws (LLB).

Mr. Md. Magsudul Hug Khan has not been included in any Committee of the Board. Also he does not hold directorship in any other company.

After 37th Annual General Meeting, Mr. Ziaul Hasan Siddiqui, Independent Director, resigned from the Board on personal ground and Board approved the same on August 21, 2019.

Board Meeting/Committees Meeting and Attendance

Board Meeting

19 (nineteen) Board Meeting held during the year 2019. Below is the table of Directors' attendance in the meeting based on their tenure (appointment, retirement and resignation):



Name of Directors	Decignation	Number of Meeting		
name of Directors	Designation	Held	Attended	
Mr. Muhammad A. (Rumee) Ali (From 07.03.2019 to 26.06.2019 and from 04.08.2019 to onward)	Chairman	14	14	
Mr. Feroz Ahmed	Director	19	16	
Mr. Shajir Ahmed	Director	19	13	
Mr. Khairul Alam Choudhury	Director	19	17	
Mr. Kaiser A. Chowdhury	Independent Director	19	19	
Mr. Asish Baran Sarkar (Up to 26.06.2019)	Ex-Director	11	11	
Mr. Syed Golam Kibria (Up to 27.02.2019)	Ex-Director	04	03	
Mr. Shishir Ranjan Bose FCA (Up to 27.02.2019)	Ex-Independent Director	04	02	
Mr. Moshtaque Ahmed Chowdhury (Up to 26.06.2019)	Ex-Director	11	10	
Mr. Syed Afzal Hasan Uddin (Up to 29.07.2019)	Ex-Director	12	07	
Mr. Ziaul Hasan Siddiqui (From 30.05.2019 to 21.08.2019)	Ex-Independent Director	04	02	
Mr. Tarique Afzal	President and Managing Director	19	16	

Audit Committee Meeting

Six Meeting of the Audit Committee were held during the year 2019. Below is the table of directors' attendance in the meeting based on their tenure (appointment, retirement, and resignation):

Name of Directors	Status	Number of Meeting		
		Held	Attended	
Mr. Kaiser A. Chowdhury (From 20.04.2019)	Chairman	04	04	
Mr. Shajir Ahmed (From 15.09.2019)	Member	01	01	
Mr. Khairul Alam Choudhury	Member	06	06	
Mr. Shishir Ranjan Bose, FCA (Up to 27.02.2019)	Ex-Chairman	02	02	
Mr. Syed Golam Kibria (Up to 27.02.2019)	Ex-Member	02	02	
Mr. Moshtaque Ahmed Chowdhury (From 20.04.2019 to 26.06.2019)	Ex-Member	02	02	

Risk Management Committee Meeting

Three Meeting of the Risk Management Committee were held during the year 2019. Below is the table of directors' attendance in the meeting based on their tenure (appointment, retirement, and resignation):

Name of Directors	Status	Number of Meeting		
		Held	Attended	
Mr. Kaiser A. Chowdhury	Chairman	03	03	
Mr. Shajir Ahmed	Member	03	03	
Mr. Syed Afzal Hasan Uddin (Up to 29.07.2019)	Ex-Member	01	01	

Remuneration paid to Directors

During the year 2019 total remuneration paid to the Directors including Independent Director was Tk.12,73,200.00 (Taka twelve lakh seventy-three thousand two hundred). In 2018 it was Tk.19,84,800.00 (Taka nineteen lakh eighty-four thousand eight hundred).

Election of Directors

Bangladesh Bank on June 28, 2020 approved appointment of Mr. Md. Maqsudul Huq Khan, Director nominated by Emkay Holdings Limited who will retire in the ensuing 38th Annual General Meeting in compliance with regulation 86 of Schedule-I of the Company Act 1994. Mr. Khan is also eligible for reappointment if nominated by Emkay Holdings Limited.

According to the articles of the Articles of Association of the Bank and regulation 79 of Schedule-I of the Company

Act 1994, at each Annual General Meeting, at least one third of the Directors other than the President & Managing Director to retire. Mr. Shajir Ahmed, Director nominated by Mr. Salim Ahmed will retire in the ensuing 38th Annual General Meeting and eligible for reappointment. Hexagon Chemical Complex Ltd, [BOID no:1204860014961430, holding 2.74% shares of the Bank] nominated Mr. Shajir Ahmed as their representative to be appointed as Director in the 38th Annual General Meeting of the Bank.

Resignation of Director

Shareholders in the 37th Annual General Meeting held on June 26, 2019 approved appointment of Mr. Ziaul Hasan Siddiqui, Independent Director. Subsequently on August 21, 2020 Mr. Siddique resigned from the Board on personal purpose.

Protection to Minority Shareholders

AB Bank operates in accordance with the Articles of Association of the Bank and all applicable laws and regulations of the land, to ensure the best interest of all shareholders including minor shareholders. Bank is committed to ensure sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders. The Bank strongly believes in equitable treatment of every shareholder. Any complaint received at the AGM or through the year from any shareholder is resolved on a priority basis, even as we are committed to address grievances/queries within the timeframe.

Related Party Transaction Disclosure

A party is related to the company if:

- 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;
- the party is a joint venture;
- the party is a member of the key management personnel of the Company or its parent;

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

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

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Elite	Common	0.000	2 404 000
International Ltd.	Director	Office Rent	2,484,000

Loans/placement given to subsidiary of the Bank:

SI.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	737,042,618
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	174,502,576
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	849,000,000
	Total loans/p	ubsidiary	1,760,545,194	

Credit Rating

AB Bank Limited rated by ARGUS Credit Rating Services Limited (ACRSL) based on the financials of the Bank up to December 31, 2018 (audited), Q3FY19 (unaudited) and other relevant quantitative as well as qualitative



information up to the date of rating declaration i.e. December 19, 2019. The summary of their ratings are given below:

Survoillance Pating	Long Term	Short Term		
Surveillance Rating	A+	ST-2		
Date of Reporting	December 19, 2019			
Validity of Reporting	December 19, 2020			

Long Term: Commercial Banks rated 'A+' have High Credit Quality and low expectation of credit risk. It indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.

Short Term: Commercial Banks rated ST-2 category are considered to have High Certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

38th Annual General Meeting

Shareholders whose names appeared in the Register of Members of the Bank or the Depository System on the Record Date i.e. August 10, 2020, Monday, shall be eligible to attend the AGM and the Dividend.

The 38th Annual General Meeting will be held on September 2, 2020 (Wednesday) through Digital Platform at 04:00 pm.

A Member entitled to attend and vote at the Annual General Meeting, can appoint a proxy to attend and on a poll to vote on it/his/her behalf. Proxy Form duly stamped must be deposited at the Bank's Registered Office or through email at cs@abbl.com at least forty-eight hours before the time fixed for the meeting otherwise Proxy Form will not be treated as valid.

Country Outlook

The economy is likely to have contracted in the second half of FY 2020 (July 2019-June 2020) as strict domestic containment measures in MarchMay curtailed business activity and suppressed private consumption. Furthermore, tepid external demand-particularly for garments and textilesresulted in tumbling exports in the same period, with unemployment set to spike markedly. More recently, following the easing of the nationwide lockdown at the end of May, conditions appear to be upgrading. Exports for June were only marginally lower than in the year prior. However, flooding as a result of heavy rains in the north of the country is causing significant damage to infrastructure and displacing millions of people. However, government and Bangladesh Bank trying to overcome the overall situation by launching several stimuli packages for exporters and local businesses.

Gratitude

It is the privilege of the Members of the Board of Directors of the Bank, to express appreciation and gratitude to all the valued Shareholders, Clients, Patrons and well-wishers for their unwavering support and co-operations extended over the years. The Board is also indebted to the Government of Bangladesh, Bangladesh Bank, BSEC, DSE, CSE, Registrar of Joint Stock Companies and Firms and other related entities for their continued guidance and support. The Board also takes this opportunity to recognize and appreciate the effort and dedication of the frontliners including bankers who are risking their lives for a greater cause during this pandemic.

AB will remain committed to its vision and also towards creation of Shareholders' value. The Bank will also continue its efforts in improving the lot of the teeming millions and accelerating its contribution towards economic and social development of the country.

Muhammad A. (Rumee) Ali

Chairman

AB Bank Limited Management Discussion & Analysis

For the year ended December 31, 2019

Economic perspective

Throughout the year 2019, a gloomy growth prospect was observed in the global economy. Almost all the nations were adversely affected by the COVID-19 pandemic which caused an unprecedented loss to the health of the global economy. In fact, the pandemic has already damaged the economic and business activities in almost all jurisdictions as well as disrupted the global supply chain of international trade and business.

Prior to COVID-19 outbreak, macroeconomic outlook of our country was largely stable. Real GDP experienced robust growth of 8.15% in FY19 compared to 7.86 percent in FY18. At end of December 2019, average annual food inflation registered a moderate decline; though general inflation recorded marginal increase due to rise in non-food inflation. Forex reserve stood at USD 32.7 billion, equivalent to nearly seven months of import payment. Wage earners' remittance registered a notable growth of 18%. Asset quality of the Banking Industry considerably improved as the gross NPL ratio reduced from 10.3% in 2018 to 9.3% in 2019.

The government has already announced various stimulus packages of more than BDT 1,031.17 billion, nearly 3.7% of gross domestic product of the country. Bangladesh Bank (BB) has responded to these stimulus packages by providing various policy supports to maintain the growth momentum of the economy. In particular, BB has reduced CRR and Repo rate, relaxed Loan Classification Policy, enhanced Advance-Deposit Ratio, introduced credit refinancing schemes, lowered interest rate and enhanced the size of Export Development Fund to support manufacturer-exporters of the country.

Performance of the Bank - Comparative analysis:

Business Position

BDT in crore

					22 : 0.0.0
Particulars	2019	2018	2017	2016	2015
Loans & Advances	25,651.25	24,107.01	22,964.73	21,876.95	20,972.52
Deposit	27,945.76	23,544.48	23,595.43	24,564.08	21,381.89
Export	5,511.00	7,345.00	7,511.00	7,605.00	7,298.20
Import	4,737.00	8,963.00	10,492.00	11,579.00	11,124.52
Remittance (crore USD)	26.50	33.00	30.00	25.00	27.99

Financial and operational performance

BDT in crore

Particulars	2019	2018	2017	2016	2015
Interest Income/Profit on Investments	2,671.55	1,946.75	1,756.70	1,891.40	2,081.15
Interest Paid/Profit on Deposits and Borrowings, etc.	1,884.68	1,755.74	1,489.69	1,607.70	1,653.22
Net Interest Income	786.87	191.01	267.01	283.70	427.93
Other Income	501.53	673.77	767.69	818.10	630.28
Operating Expenses	643.43	557.27	587.09	599.86	562.83
Operating Profit	644.97	307.51	447.61	501.94	495.38
Provisions for loans & others	514.05	251.91	463.41	301.73	219.48
Profit Before Taxation	130.92	55.60	(15.80)	200.21	275.90
Provisions for Tax	114.14	53.77	(18.76)	69.75	148.86
Profit After Tax	16.77	1.83	2.96	130.46	127.04
Earnings Per Share-EPS (Tk.)	0.22	0.02	0.04	1.72	1.68



AB Bank Limited Management Discussion & Analysis

For the year ended December 31, 2019

Equity Position

BDT in crore

Particulars	2019	2018	2017	2016	2015
Paid-up Capital	758.13	758.13	758.13	673.90	599.01
Retained Earnings	581.72	590.52	601.19	680.96	683.09
Statutory Reserve	687.21	662.34	654.92	649.60	611.12
Other Reserves	257.00	254.07	262.87	307.02	385.99
Total	2,284.05	2,265.06	2,277.11	2,311.48	2,279.21

Cash flow Movement

BDT in crore

Particulars	2019	2018	2017	2016	2015
Net Cash Flow from/(used in) Operating Activities	2,870.27	(683.09)	(918.36)	2,045.86	(2.21)
Net Cash Flow from/(used in) Investing Activities	(1,846.35)	226.47	166.69	(1,511.23)	(147.78)
Net Cash Flow from/(used in) Financing Activities	(139.92)	264.90	(61.61)	21.68	422.90
Net Operating Cash Flow Per Share (NOCFPS)	37.86	(9.01)	(12.11)	26.99	(0.04)

Key Ratios

Particulars	2019	2018	2017	2016	2015
Capital to Risk Weighted Assets Ratio (CRAR)	10.12%	10.03%	10.80%	10.79%	11.09%
Loan Deposit Ratio (LDR)	84.28%	91.09%	86.24%	83.67%	96.80%
Cost Income Ratio	41.35%	64.44%	56.74%	54.44%	52.86%
Return on Investment (ROI)	6.07%	9.58%	10.18%	13.50%	10.49%
Return on Assets (ROA)	0.05%	0.01%	0.01%	0.44%	0.48%
Return on Equity (ROE)	0.74%	0.08%	0.13%	5.68%	6.03%
Assets Utilization Ratio	77.80%	66.61%	85.86%	86.59%	87.71%

Accounting Policies and Estimation for Preparation of Financial Statements:

The consolidated and separate Financial Statements of the Bank have been prepared for the year ended December 31, 2019 in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which have replaced Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) vide circular no. 1/1/ICAB-2017 of the Institute of Chartered Accountants of Bangladesh, the accounting standard setting body for Bangladesh, dated 14 December 2017 for due period begins on or after 1 January 2018.

The financial statements cover a full set of Financial Statements which comprise of consolidated and separate Balance Sheets, Profit or Loss Accounts, Cash Flow Statements, Statements of Changes in Equity, Liability Statements and relevant notes and disclosures.

The Financial Statements have been prepared under historical cost convention, except investments categorized under treasury securities in accordance with Bank Company Act,1991 (amendment up to 2018); 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.

AB Bank Limited **Management Discussion & Analysis**

For the year ended December 31, 2019

Changes in Accounting Policies and Estimation:

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 recognized 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.

In 2019 following policy/accounting estimates has been changed:

- The Bank has adopted IFRS 16 Lease new accounting pronouncements from the year, which replaces IAS 17 'leases'. The adoption of this new standard has resulted in ABBL recognizing a right-of-use assets and related lease liability in connection with all former operating lease except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.
- The Bank changes the estimated useful life of Crore Banking Hardware from five years to eight years. As per IAS-8 it is a change in estimation and will affect the Financial Statements prospectively from the year 2019.

Issues related to the Financial Statements

In compliance with Bangladesh Securities and Exchange Commission (BSEC) notification BSEC/CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018; Chief Financial Officer and the President & Managing Director of the Bank has given their declaration to the Board regarding the authenticity of the Financial Statements.

In 171st meeting of the Board Audit Committee, Financial Statements have been analyzed. After reviewing the financials, Board Audit Committee recommended to the Board for their approval. Accordingly, Financials Statements has been approved by the Board of Director in its 691st Meeting.

Finally, on behalf of the Management, I would like to thank to the Board and Audit Committee for their immense support and guidance. Also thanks to shareholders for their continued trust and confidence in the Board of Directors and Management. We are confident that in coming days we will do better and grow sharply.

Tarique Afzal

President and Managing Director



AB Bank Limited President & Managing Director and CFO's Statement

June 25, 2020

To

The Board of Directors

AB Bank Limited Head Office, Dhaka

Sub: CEO and CFO's Declaration on Financial Statements to the Board of Directors of the Bank

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of AB Bank Limited for the year ended on December 31, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the Financial Statements were made on a prudent and reasonable basis, in order for the Financial Statements to reveal a true and fair view;
- The form and substance of transactions and the Bank's state of affairs have been reasonably and fairly (3) presented in its Financial Statements;
- (4) To ensure above, the Bank has taken proper and adequate care in installing a system of Internal Control and maintenance of Accounting Records;
- (5) Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Bank were consistently followed; and
- (6)The Management's use of the going concern basis of accounting in preparing the Financial Statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the Financial Statements for the year ended on December 31, 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Bank's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or in violation of the code of conduct for the Bank's Board of Directors or its Members.

K.M. Mohiuddin Ahmed

Chief Financial Officer

President & Managing Director

AUDITOR'S REPORT AND AUDITED CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS





Independent Auditors' Report to the Shareholdersof AB Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the 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 and separate balance sheets as at 31 December 2019 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flows statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and 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 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note 1.2.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed them are outlined below:

Transition to International Financial Reporting Standard 16 Leases (IFRS 16) from International Accounting Standard 17 Leases (IAS 17)

With reference to notes 1.3 and 15.5 to the financial statements, IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing standard IAS 17. AB Bank Limited decided to implement the modified retrospective approach for the transition accounting. The application of new lease standard resulted in the recognition, for the 31 December 2019 closing balance sheet, right of use assets of BDT 1,121,443,944 (net value) and an increase in lease liabilities of BDT 842,847,290 (carrying value) to the financial statements of the Bank. We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgments and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction to summarise the lease data for input into their lease calculation model.

We obtained an understanding of the management's processes for implementing IFRS 16 including financial controls designed by the management to mitigate the risks and assessed by us independently. We adopted a substantive strategy for lease accounting. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included understanding of the management processes and controls for leases, performing walkthrough procedures and substantive audit procedures, including: (a) obtaining and going through the accounting policy for compliance with IFRS 16 Leases; (b) obtaining and listing out all contracts and tested the contracts to determine the impact under IFRS 16. In respect of the testing lease agreements and related right of use

Independent Auditors' Report to the Shareholders of AB Bank Limited

assets and lease liabilities: (i) obtaining treasury bill/bond rate used for discounting; (ii) testing the assumptions used in the calculation model for the sample contracts selected for testing; (iii) testing the completeness of additions and changes to the leases population; (iv) performing test of details for measurement and valuation of the right of use assets and lease liabilities; (v) assessing the disclosure within the financial statements.

Measurement of provision for loans and advances

The process for estimating the provision for loans and advances associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At year end the Group reported total gross loans and advances of BDT 264,385 million (2018: BDT 249,185 million) and provision for loans and advances of BDT 15,279 million (2018: BDT 10,640 million). Refer to the note nos. 7(a), 8(a) and 15 to the financial statements.

We tested the design and operating effectiveness of key controls focusing on the provisioning process and identification of loss events including early warning indicator. Our substantive procedures in relation to the provision for margin loans were reviewing the adequacy of the provision requirement, assessing the methodology on which the provision amounts are based, recalculating the provisions and tested the completeness and accuracy of the underlying information and finally assessing the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank's guidelines.

Valuation of treasury bills and treasury bonds

The classification and measurement of treasury bills (T-Bills) and treasury bonds (T-Bonds) require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment. Refer to the note no. 6.1 to the financial statements

We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and treasury bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and treasury bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

Impairment assessment of unquoted investments

In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment. Refer to the note no. 6.2.1 to the financial statements.

We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2019 and compared our results to the recorded value. Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

Measurement of deferred tax assets

The Bank reports net deferred tax assets totaling to BDT 2,559 million (2018: 1,892 million) as at 31 December 2019. Significant judgment is required in relation to measurement of deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years. Refer to the note no. 10.1 to the financial statements.



Independent Auditors' Report to the Shareholdersof AB Bank Limited

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and assumptions used in estimating Bank's future taxable income. We also assessed the completeness and accuracy of the data used for estimation of future taxable income. Finally we assessed the appropriateness and presentation of disclosures against IAS 12 – Income Tax.

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorisation. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Legal and regulatory matters

We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities. Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.

Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its five subsidiaries, namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, AB International Finance Limited, Hong Kong and Arab Bangladesh Bank Foundation. As at 31 December 2019 the carrying value of these investments is BDT 6,249 million. At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36. Refer to note no. 10 to the financial statements.

We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. In particular, our discussions with the management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Independent Auditors' Report to the Shareholders of AB Bank Limited

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available for our review after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, we will consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to request management and those charged with governance to correct the material misstatement.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with IFRSs as explained in note 1.2, and for such internal controls as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank's 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 antifraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting



Independent Auditors' Report to the Shareholdersof AB Bank Limited

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities
 within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction,
 supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Securities and Exchange, Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the consolidated financial statements of the group and separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal

Independent Auditors' Report to the Shareholders

of AB Bank Limited

controls and instances of fraud and forgeries as stated under the Management's Responsibility for the consolidated and separate financial statements and internal control;

- (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
- nothing has come to our attention regarding material instances of forgery or irregularity or administrative (b) error and exception or anything detrimental committed by employees of the Group and the Bank;
- (iii) consolidated financial statements of the Bank include five subsidiaries, namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, AB International Finance Limited, Hong Kong and Arab Bangladesh Bank Foundation reflect total assets of BDT 8,710 million, BDT 1,230 million, BDT 82 million, BDT 1,143 million and BDT 504 million respectively as at 31 December 2019 and total revenue of BDT 57 million, BDT 28 million, BDT 0, BDT 52 million and BDT 33 million respectively for the year ended 31 December 2019. The financial statements of the Bank's subsidiaries have been audited by other component auditors who have expressed unmodified audit opinion. The results of the subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements:
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Group's and the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as explained in the notes 1.11 and 1.13 as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions as allowed by Bangladesh Bank against the requirement as explained in note no 15.1, have been made for loans and advances and other assets which are in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- the information and explanations required by us have been received and found satisfactory; (x)
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,750 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) has been maintained adequately during the year based on provision allowed by Bangladesh Bank against the requirement as explained in notes 15.1 and 16.6.

Dhaka, Bangladesh Dated, 29 June 2020

S. F. AHMED & CO **Chartered Accountants**



AB Bank Limited & Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2019

	Notes	31 Dec 2019 BDT	31 Dec 2018 BDT
PROPERTY AND ASSETS			
Cash	3(a)	19,872,575,058	16,433,155,519
In hand (including foreign currencies)	3.1(a)	1,136,228,324	1,960,489,318
Balance with Bangladesh Bank and its agent bank(s)	3.2(a)	18,736,346,733	14,472,666,202
(including foreign currencies)			
Balance with other banks and financial institutions	4(a)	5,314,835,916	3,378,419,653
In Bangladesh	4.1(a)	1,022,559,568	1,823,369,874
Outside Bangladesh	4.2(a)	4,292,276,348	1,555,049,778
Money at call and on short notice	5(a)	3,927,493,241	589,822,961
Investments	6(a)	62,416,398,807	44,351,747,141
Government	6.1(a)	51,271,643,217	33,523,320,645
Others	6.2(a)	11,144,755,589	10,828,426,496
Loans, advances and lease/investments		264,385,001,408	249,185,305,270
Loans, cash credits, overdrafts, etc./Investments	7(a)	262,549,979,066	246,986,421,356
Bills purchased and discounted	8(a)	1,835,022,342	2,198,883,913
Fixed assets including premises, furniture and fixtures	9(a)	5,426,768,812	4,110,471,440
Other assets	10(a)	6,389,899,899	6,761,916,852
Non-banking assets	11	342,984,836	342,984,836
Total Assets		368,075,957,980	325,153,823,673
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	14,820,181,442	18,272,449,759
AB Bank subordinated bond	13	7,400,000,000	8,700,000,000
Deposits and other accounts	14(a)	279,394,742,017	235,383,290,846
Current account and other accounts		24,205,281,483	22,819,200,149
Bills payable		4,568,375,122	2,994,339,125
Savings bank deposits		29,888,590,539	28,685,663,090
Fixed deposits		122,907,395,174	128,219,725,045
Other deposits		97,825,099,698	52,664,363,438
Other liabilities	15(a)	42,420,983,644	38,902,322,164
Total liabilities		344,035,907,103	301,258,062,768
Capital/Shareholders' equity Equity attributable to equity holders of the parent company		24 020 262 061	22 00E 246 764
	4.0	24,028,362,861	23,885,346,764
Paid-up capital	16 17	7,581,303,150 6,872,052,329	7,581,303,150 6,623,362,740
Statutory reserve Other reserve	17 18(a)	2,740,036,949	2,713,091,416
Retained earnings	10(a) 19(a)	6,834,970,432	6,967,589,458
Non- controlling interest Total equity	19(b)	11,688,017 24,040,050,878	10,414,140 23,895,760,904
Total Liabilities and Shareholders' Equity		368,075,957,980	325,153,823,673
· · · · · · · · · · · · · · · · · · ·		1 - 1 - 1 - 2 - 1 - 2 - 2	,,,

AB Bank Limited & Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2019

	Notes	31 Dec 2019 BDT	31 Dec 2018 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	20	47,836,302,228	57,209,035,486
Acceptances and endorsements		9,765,796,881	21,728,577,752
Letters of guarantee	20.1	14,058,371,146	14,569,014,333
Irrevocable letters of credit		6,195,569,825	12,060,360,225
Bills for collection		17,605,068,585	7,389,781,311
Other contingent liabilities		211,495,791	1,461,301,865
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		47,836,302,228	57,209,035,486

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal

Khairul Alam Choudhury

Kaiser A. Chowdhury

Muhammad A. (Rumee) Ali

President & Managing Director

Director

Independent Director

Chairman

See annexed report of the date

Dhaka, Bangladesh Dated, 29 June 2020

S. F. AHMED & CO **Chartered Accountants**



AB Bank Limited & Its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2019

	Notes	2019 BDT	2018 BDT
OPERATING INCOME			
Interest income/profit on investments	22(a)	26,954,154,381	19,810,850,595
Interest/profit paid on deposits and borrowings, etc.	23(a)	(18,868,484,499)	(17,580,405,167)
Net interest income	()	8,085,669,883	2,230,445,428
Investment income	24(a)	2,922,021,590	4,247,045,852
Commission, exchange and brokerage	25(a)	1,897,836,728	2,478,088,129
Other operating income	26(a)	148,494,928	197,808,332
	()	4,968,353,246	6,922,942,313
Total operating income (a)		13,054,023,129	9,153,387,741
OPERATING EXPENSES			
Salary and allowances	27(a)	2,805,079,169	2,895,883,578
Rent, taxes, insurance, electricity, etc.	28(a)	580,714,352	763,029,339
Legal expenses	29(a)	12,497,065	3,387,229
Postage, stamps, telecommunication, etc.	30(a)	107,333,496	127,410,823
Stationery, printing, advertisement, etc.	31(a)	135,924,466	152,615,016
Chief executive's salary and fees	27.1	5,885,484	9,932,258
Directors' fees	32(a)	2,605,473	4,760,439
Auditors' fees	33(a)	7,606,315	3,311,405
Charges on loan losses	` ,	1,107,189,105	-
Depreciation and repairs of Bank's assets	34(a)	701,322,318	486,259,551
Other expenses	35(a)	1,116,768,196	1,267,436,388
Total operating expenses (b)		6,582,925,440	5,714,026,026
Profit before provision (c = (a-b))		6,471,097,689	3,439,361,715
Provision against loans and advances	36(a)	4,747,311,840	2,090,710,683
Provision for investments	37(a)	342,996,243	578,186,075
Other provisions	38(a)	18,227,696	67,408,023
Total provision (d)		5,108,535,778	2,736,304,781
Profit before tax (c-d)		1,362,561,911	703,056,934
Provision for taxation		1,239,311,637	659,868,356
Current tax		2,077,004,469	1,140,140,836
Deferred tax		(837,692,832)	(480,272,480)
Net profit after tax		123,250,274	43,188,578
Appropriations		254 252 522	05.004.646
Statutory reserve		251,073,528	95,281,616
General reserve		-	-
Dividends, etc.		-	-
Detained cumulus		251,073,528	95,281,616
Retained surplus		(127,823,254)	(52,093,038)
Non- controlling interest Net Profit/(Loss) attributable to the shareholders of parent company		1,273,877 (129,097,131)	321,715 (52,414,753)
Consolidated Earnings Per Share (EPS)	40(2)		
Consolidated Earnings Per Share (EPS)	40(a)	0.16	0.06

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal Khairul Alam Choudhury Kaiser A. Chowdhury

President & Managing Director Director Independent Director

Muhammad A. (Rumee) Ali

Independent Director Chairman

See annexed report of the date

Dhaka, Bangladesh Dated, 29 June 2020 **S. F. AHMED & CO**Chartered Accountants

AB Bank Limited & Its Subsidiaries Consolidated Cash Flow Statement

For the year ended 31 December 2019

	2019	2018
	BDT	BDT
Cash Flows from Operating Activities		
Interest receipts	23,170,672,611	16,243,063,341
Interest payments	(18,655,223,342)	(16,680,179,937)
Dividend receipts	174,026,446	117,278,867
Fee and commission receipts	1,347,903,819	1,644,180,688
Recoveries on loans previously written off	109,176,042	8,725,518
Payments to employees	(2,810,964,653)	(2,905,815,836)
Payments to suppliers	(135,924,466)	(152,615,016)
Income taxes paid	(1,058,411,978)	(580,417,332)
Receipts from other operating activities	3,446,422,981	5,134,553,222
Payments for other operating activities	(2,204,966,439)	(2,348,505,250)
Operating profit before changes in operating assets & liabilities	3,382,711,021	480,268,264
Increase /decrease in apprating access and liabilities		
Increase/decrease in operating assets and liabilities Loans and advances to customers	(12,891,180,222)	(8,683,801,244)
Other assets	759,324,475	(875,546,698)
Deposits from other banks	362,544,953	(324,430,192)
Deposits from customers	43,435,645,062	(754,579,697)
Trading liabilities (short-term borrowings)	(3,353,112,220)	(3,549,314,585)
Other liabilities	(3,048,482,415)	6,780,686,111
Other habilities	25,264,739,633	(7,406,986,304)
Net cash flow from/(used in) operating activities (a)	28,647,450,655	(6,926,718,040)
Cash Flows from Investing Activities		
(Purchase)/Sale of government securities	(17,718,213,702)	6,122,045,589
Purchase of trading securities, shares, bonds, etc.	(316,329,093)	(3,921,120,204)
Purchase of property, plant and equipment	(517,699,399)	(59,473,930)
Net cash (used in)/flow from investing activities (b)	(18,552,242,194)	2,141,451,455
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	(1,399,156,097)	2,649,277,825
Dividend paid	(62,226)	(317,554)
Net cash (used in)/flow from Financing activities (c)	(1,399,218,323)	2,648,960,271
Net increase/(decrease) in cash (a+b+c)	8,695,990,137	(2,136,306,314)
Effects of exchange rate changes on cash and cash equivalents	16,803,746	18,204,018
Cash and cash equivalents at beginning of the year	20,403,713,833	22,521,816,127
Cash and cash equivalents at end of the period (*)	29,116,507,715	20,403,713,833
(*) Cook and cook are independent		
(*) Cash and cash equivalents:	1 126 220 224	1 000 400 210
Cash Britan handa	1,136,228,324	
Prize bonds Manay at sall and an chart natica	1,603,500	2,315,700
Money at call and on short notice Balance with Bangladesh Bank and its agent bank(s)	3,927,493,241	589,822,961 14 472 666 202
Balance with other banks and financial institutions	18,736,346,733 5,314,835,916	14,472,666,202
Daiance with other Danks and Illiantial Histitutions	29,116,507,715	3,378,419,653 20,403,713,833
Net Operating Cash Flow Per Share (NOCFPS)	37.79	(9.14)
		(3.14)
For and on behalf of the Board of Directors of Al	b bank limited	

Khairul Alam Choudhury

Director

Kaiser A. Chowdhury

Independent Director

Dhaka, Bangladesh Dated, 29 June 2020

Tarique Afzal

President & Managing Director

Muhammad A. (Rumee) Ali

Chairman



AB Bank Limited & Its Subsidiaries Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

Particulars	Paid-up capital	Statutory	General	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non controlling interest	Retained	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Restated balance at 01 January 2019	7,581,303,150	7,581,303,150 6,623,362,740	1,303,199,679	1,298,209,633	5,517,410	106,164,694	10,414,141	6,967,589,458	23,895,760,904
Net profit after taxation for the year	•	•	•	•	•	•	1,273,877	121,976,397	123,250,274
Addition/(Adjustment) made during the year	ı	251,073,528	1	(1,518,905)	•	30,821,070		(249,554,729)	30,820,964
Foreign exchange rate fluctuation	ı	(2,383,939)	1,450,188	1	(3,806,819)	1	•	(5,040,693)	(9,781,264)
Balance at 31 December 2019	7,581,303,150	7,581,303,150 6,872,052,329	1,304,649,867	1,296,690,729	1,710,590	136,985,764	11,688,017	6,834,970,432	24,040,050,878
Balance at 31 December 2018	7,581,303,150	6,623,362,740	7,581,303,150 6,623,362,740 1,303,199,679 1,298,209,633	1,298,209,633	5,517,410	5,517,410 106,164,694	10,414,141	10,414,141 6,967,589,458	23,895,760,904

For and on behalf of the Board of Directors of AB Bank Limited

President & Managing Director **Tarique Afzal**

Khairn Alam Chardhury

Khairul Alam Choudhury

Kaiser A. Chowdhury Independent Director

Muhammad A. (Rumee) Ali

Chairman

AB Bank Limited Balance Sheet

As at 31 December 2019

	Notes	31 Dec 2019 BDT	31 Dec 2018 BDT
PROPERTY AND ASSETS			
Cash	3	19,872,447,371	16,433,059,322
In hand (including foreign currencies)	3.1	1,136,100,637	1,960,393,120
Balance with Bangladesh Bank and its agent bank(s)	3.2	18,736,346,733	14,472,666,202
(including foreign currencies)			
Balance with other banks and financial institutions	4	5,248,790,344	3,178,371,232
In Bangladesh		960,214,284	1,625,277,794
Outside Bangladesh		4,288,576,060	1,553,093,439
Money at call and on short notice	5	4,776,493,241	1,428,822,961
Investments	6	61,578,564,387	43,593,782,292
Government	6.1	51,271,643,217	33,523,320,645
Others	6.2	10,306,921,170	10,070,461,647
Loans, advances and lease/investments	7	256,512,476,640	241,070,141,407
Loans, cash credits, overdrafts, etc./Investments		255,778,280,956	239,945,454,388
Bills purchased and discounted	8	734,195,684	1,124,687,019
Fixed assets including premises, furniture and fixtures	9	4,871,210,242	3,543,223,934
Other assets	10	12,365,703,251	12,935,585,637
Non-banking assets	11	342,984,836	342,984,836
Total Assets		365,568,670,314	322,525,971,620
LIABILITIES AND CAPITAL			
Liabilities	12	14 920 020 741	10 272 440 750
Borrowings from other banks, financial institutions and agents AB Bank subordinated bond	13	14,820,039,741 7,400,000,000	18,272,449,759 8,700,000,000
Deposits and other accounts	14	279,457,593,298	235,444,849,491
Comment assessment and able or assessment		24 205 740 600	22 020 201 542
Current accounts and other accounts		24,205,740,688	22,820,201,543
Bills payable Savings bank deposits		4,568,375,122 29,888,590,539	2,994,339,125 28,685,663,090
Fixed deposits		122,908,353,612	128,219,725,045
Other deposits		97,886,533,336	52,724,920,690
Other liabilities	15	41,050,555,751	37,458,190,496
Total liabilities		342,728,188,791	299,875,489,746
Capital/Shareholders' equity Shareholders' equity		22,840,481,523	22,650,481,875
Paid-up capital	16	7,581,303,150	7,581,303,150
Statutory reserve	17	6,872,052,329	6,623,362,740
Other reserve	18	2,569,965,170	2,540,663,004
Retained earnings	19	5,817,160,874	5,905,152,980
Total Liabilities and Shareholders' Equity		365,568,670,314	322,525,971,620



AB Bank Limited Balance Sheet

As at 31 December 2019

	Notes	31 Dec 2019 BDT	31 Dec 2018 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	20	47,836,302,228	57,209,035,486
Acceptances and endorsements		9,765,796,881	21,728,577,752
Letters of guarantee	20.1	14,058,371,146	14,569,014,333
Irrevocable letters of credit		6,195,569,825	12,060,360,225
Bills for collection		17,605,068,585	7,389,781,311
Other contingent liabilities		211,495,791	1,461,301,865
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		47,836,302,228	57,209,035,486

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique AfzalPresident & Managing Director

Khairul Alam Choudhury

Director

Kaiser A. Chowdhury

Muhammad A. (Rumee) Ali

Independent Director Chairman

See annexed report of the date

Dhaka, Bangladesh Dated, 29 June 2020 **S. F. AHMED & CO**Chartered Accountants

Profit and Loss Account

For the year ended 31 December 2019

		2019	2018
	Notes	BDT	BDT
OPERATING INCOME			
Interest income/profit on investments	22	26,715,497,527	19,467,459,807
Interest paid/profit on deposits and borrowings, etc.	23	(18,846,782,511)	(17,557,309,639)
Net interest income		7,868,715,017	1,910,150,168
Investment income	24	3,193,192,033	4,277,547,629
Commission, exchange and brokerage	25	1,752,591,584	2,332,595,175
Other operating income	26	69,510,357	127,566,812
		5,015,293,974	6,737,709,616
Total operating income (a)		12,884,008,991	8,647,859,784
OPERATING EXPENSES			
Salary and allowances	27	2,732,602,396	2,825,003,440
Rent, taxes, insurance, electricity, etc.	28	565,877,510	748,748,069
Legal expenses	29	11,038,914	2,826,348
Postage, stamps, telecommunication, etc.	30	92,753,460	114,789,243
Stationery, printing, advertisement, etc.	31	134,693,521	151,418,300
Chief executive's salary and fees	27.1	5,885,484	9,932,258
Directors' fees	32	2,076,187	4,009,591
Auditors' fees	33	6,956,164	2,646,052
Charges on loan losses	33	1,107,189,105	2,040,032
Depreciation and repairs of Bank's assets	34	679,740,496	465,467,337
Other expenses	35	1,095,487,977	1,247,892,797
Total operating expenses (b)	33	6,434,301,214	5,572,733,435
Profit before provision (c = (a-b))		6,449,707,777	3,075,126,349
Provision against loans and advances	36	4,747,311,840	1,938,210,683
Provision for investments	37	374,987,754	513,513,018
Other provisions	38	18,227,696	67,408,023
Total provision (d)	30	5,140,527,289	2,519,131,724
Profit before taxation (c-d)		1,309,180,488	555,994,625
Provision for taxation		1,141,439,224	537,671,047
Current tax		1,977,784,220	1,003,412,961
Deferred tax		(836,344,996)	(465,741,914)
Net profit after taxation		167,741,264	18,323,578
Appropriations		107/771/207	10,323,376
Statutory reserve		251,073,528	95,281,616
General reserve		231,073,320	55,201,010
Dividends, etc.		_	_
Simulation Col		251,073,528	95,281,616
Retained surplus		(83,332,264)	(76,958,038)
Earnings Per Share (EPS)	40	0.22	0.02

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Kaiser A. Chowdhury Muhammad A. (Rumee) Ali **Tarique Afzal Khairul Alam Choudhury**

President & Managing Director Director Independent Director Chairman

See annexed report of the date

Dhaka, Bangladesh Dated, 29 June 2020

S. F. AHMED & CO **Chartered Accountants**



Cash Flow Statement

For the year ended 31 December 2019

	Notes	2019 BDT	2018 BDT
Cash flows from Operating Activities			
Interest receipts		22,932,015,757	15,899,672,553
Interest payments		(18,633,521,354)	(16,657,084,409)
Dividend receipts		235,761,409	198,357,616
Fees and commission receipts		1,209,120,076	1,505,554,954
Recoveries on loans previously written off		109,176,042	8,725,518
Payments to employees		(2,738,487,880)	(2,834,935,698)
Payments to suppliers		(134,693,521)	(151,418,300)
Income taxes paid	44	(984,829,539)	(396,705,898)
Receipts from other operating activities	41	3,553,608,744	4,981,362,671
Payments for other operating activities	42	(2,150,212,354)	(2,298,516,163)
Operating profit before changes in operating assets & liabilities		3,397,937,379	255,012,843
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(13,133,819,317)	(8,555,842,931)
Other assets	43	957,175,755	(796,687,496)
Deposits from other banks		362,544,953	(324,430,192)
Deposits from customers		43,436,937,697	(1,085,254,000)
Trading liabilities (short-term borrowings)	44	(3,353,253,921)	(3,548,271,429)
Other liabilities	44	(2,964,856,134) 25,304,729,034	7,224,614,281 (7,085,871,767)
Net cash flow from/(used in) operating activities (a)		28,702,666,413	(6,830,858,924)
		20,702,000,413	(0,030,030,324)
Cash Flows from Investing Activities			
(Purchase)/Sale of government securities		(17,718,213,702)	6,122,045,589
Purchase of trading securities, shares, bonds, etc.		(236,459,523)	(3,795,927,682)
Purchase of property, plant and equipment		(508,813,368)	(61,444,269)
Net cash (used in)/flow from investing activities (b)		(18,463,486,593)	2,264,673,638
Cash Flows from Financing Activities			
Increase/(decrease) of long-term borrowings		(1,399,156,097)	2,649,277,825
Dividend paid		(62,226)	(317,554)
Net cash (used in)/flow from Financing activities (c)		(1,399,218,323)	2,648,960,271
Net Increase/(decrease) in cash (a+b+c)		8,839,961,497	(1,917,225,015)
Effects of exchange rate changes on cash and cash equivalents		16,803,746 21,042,569,215	18,204,018 22,941,590,211
Cash and cash equivalents at beginning of the year Cash and cash equivalents at end of the period (*)		29,899,334,456	21,042,569,215
cash and cash equivalents at end of the period (*)		23,033,334,430	21,042,303,213
(*) Cash and cash equivalents:			
Cash		1,136,100,637	1,960,393,120
Prize bonds		1,603,500	2,315,700
Money at call and on short notice		4,776,493,241	1,428,822,961
Balance with Bangladesh Bank and its agent bank(s) Balance with other banks and financial institutions		18,736,346,733	14,472,666,202
Datance with other Danks and Infancial Institutions		5,248,790,344 29,899,334,456	3,178,371,232 21,042,569,215
Net Operating Cash Flow Per Share (NOCFPS)	45	37.86	(9.01)
sparading dubit from the bilate (1100115)	.5	37.00	(3.01)

These financial statements should be read in conjunction with the annexed notes.

For and on behalf of the Board of Directors of AB Bank Limited

Tarique Afzal

President & Managing Director

Khairul Alam Choudhury

Director

Kaiser A. Chowdhury

Independent Director

Muhammad A. (Rumee) Ali

Chairman

Statement of Changes in Equity **AB Bank Limited**

For the year ended 31 December 2019

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 January 2019	7,581,303,150	6,623,362,740	6,623,362,740 1,222,199,200	1,298,209,633	20,254,171	5,905,152,980	22,650,481,875
Net profit after taxation for the year	1	ı	ı	ı	1	167,741,264	167,741,264
Addition/(Adjustment) made during the year	1	251,073,528	ı	(1,518,905)	30,821,070	(249,554,623)	30,821,070
Foreign exchange rate fluctuation	1	(2,383,939)	ı	ı	1	(6,178,746)	(8,562,685)
Balance at 31 December 2019	7,581,303,150	6,872,052,329	1,222,199,200	1,296,690,729	51,075,241	5,817,160,874	22,840,481,524
Balance at 31 December 2018	7,581,303,150	6,623,362,740	6,623,362,740 1,222,199,200	1,298,209,633	20,254,171	5,905,152,980	5,905,152,980 22,650,481,875

For and on behalf of the Board of Directors of AB Bank Limited

President & Managing Director **Tarique Afzal**

Khowand Alam Chardmery Khairul Alam Choudhury

Director

Kaiser A. Chowdhury Independent Director

Muhammad A. (Rumee) Ali

Chairman



Liquidity Statement (analysis of maturity of assets and liabilities) **AB Bank Limited**

As at 31 December 2019

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	years' maturity	Total
Assets	BDT	BDT	BDT	BDT	BDT	BDT
Cash in hand and with banks	4,966,395,682	ı	•	1	14,906,051,688	19,872,447,371
Balance with other banks and financial institutions	4,518,790,344	730,000,000	•	1	•	5,248,790,344
Money at call and on short notice	4,294,495,472	458,234,561	23,763,208	•	•	4,776,493,241
Investments	2,682,991,799	9,060,366,871	6,523,081,683	22,516,592,280	20,795,531,753	61,578,564,387
Loans, advances and lease/investments	24,547,827,038	59,367,103,654	129,654,604,804	31,986,069,463	10,956,871,681	256,512,476,640
Fixed assets including premises, furniture and fixtures	•	•	•	•	4,871,210,241	4,871,210,241
Other assets	335,684,901	2,777,653,565	2,697,368,448	1,375,332,066	5,179,664,271	12,365,703,252
Non-banking assets	•	•	•	342,984,836		342,984,836
Total Assets	41,346,185,236	72,393,358,651	138,898,818,143	56,220,978,646	56,709,329,636	365,568,670,311
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	7,944,501,545	2,570,839,470	5,286,044,151	5,645,310,710	773,343,865	22,220,039,741
Deposit and other accounts	31,826,491,838	68,534,393,511	124,731,136,073	45,545,001,949	8,820,569,927	279,457,593,298
Provision and other liabilities	905,203,746	1,204,004,588	9,161,208,826	29,703,513,286	76,625,305	41,050,555,752
Total Liabilities	40,676,197,129	72,309,237,570	139,178,389,051	80,893,825,944	9,670,539,097	342,728,188,791
Net liquidity excess/(shortage)	669,988,107	84,121,081	(279,570,908)	(24,672,847,299)	47,038,790,539	22,840,481,522

Who was how For and on behalf of the Board of Directors of AB Bank Limited Khowand Alam Chardelery

Kaiser A. Chowdhury Independent Director

Khairul Alam Choudhury Director

President & Managing Director **Tarique Afzal**

Muhammad A. (Rumee) Ali

Chairman

For the year ended 31 December 2019

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 2018). 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 105 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 quidelines 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.

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.

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

Presentation of the financial statements

The consolidated and separate financial statements of the Bank have been prepared for the year ended December 31, 2019 in accordance with the measurement and recognition requirements of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which have replaced Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) vide circular no. 1/1/ICAB-2017 of the Institute of Chartered Accountants of Bangladesh, the accounting standard setting body for Bangladesh, dated 14 December 2017 for due period begins on or after 1 January 2018.



For the year ended 31 December 2019

The financial statements cover a full set of financial statements which comprise of consolidated and separate Balance Sheets, Profit or Loss Accounts, Cash Flow Statements, Statements of Changes in Equity, Liquidity Statement and relevant notes and disclosures.

The financial statements have been prepared under historical cost convention, except investments categorised under treasury securities in accordance with Bank Company Act,1991 (amendment up to 2018); 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.

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 IFRS 10 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared to a common reporting period ending on 31 December 2019.

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-E**.

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-F** 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 2019 has also been disclosed separately in **Annexure-G**.

Custodian Wing

Financial statements of Custodian Wing have been separately audited by the auditor of the Bank. Incomeexpenditures 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-H**.

Off-Shore Banking Unit (OBU)

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

For the year ended 31 December 2019

Yangon Representative Office, Myanmar

AB Bank Limited, Yangon Representative Office (YRO), Myanmar, has been established primarily for encouraging and procuring Business under Border Trade Agreement between the Government of the Peoples' Republic of Bangladesh and the Republic of Union of Myanmar. YRO is also maintaining liaison with the Regulatory Bodies and Business Agencies of Myanmar. Statement of Receipts and Payments of the representative office has been shown separately in **Annexure-J**.

Investment in Amana Bank Limited

The Bank 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 05 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 01 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange. AB has invested 7.22% in the shares of Amana Bank Limited.

Subsidiaries operation

The financial statements of subsidiaries (except Arab Bangladesh Bank Foundation-ABBF) have been consolidated following IFRS 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-K**.

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-L**.

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-M**.



Notes to the Financial Statements

For the year ended 31 December 2019

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 Room 1608, 16th Floor, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, 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-N**.

Arab Bangladesh Bank Foundation (ABBF)

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

Use of estimates and judgments

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

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

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

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 IAS/ IFRS.

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 IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies as at 31 December 2019 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.

For the year ended 31 December 2019

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:

- 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 (P & L) Account have been translated at an monthly average rate of the year; and
- all resulting exchange differences have been recognized in the P&L or as a separate components of c. equity, where appropriate.

Cash flow statement

Cash Flow Statement is prepared principally in accordance with IAS 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 period. Cash Flows during the year 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 IAS 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



Notes to the Financial Statements

For the year ended 31 December 2019

1.3 Assets and basis of their valuation

Cash and cash equivalents

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

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

Loans and advances

- Loans and advances/investments in Islamic Banking Branch are stated at gross amounts at 31 December 2019.
- 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. 05 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 04 dated 29 January 2015, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 01/2018 dated 20 February 2018, BRPD Circular No. 07 dated 21 June 2018 and BRPD Circular No. 03 dated 21 April 2019. The rates for provisions are stated below:

		Short	Con	sumer	Financi	ng		Loans to	All	Off Balance
Particular	rs	Term Agri Credit	Other than HF, LP	HF	LP	Credit Card	SMEF	BHs/MBs/ SDs	Other Credit	Sheet Exposures
UC	Standard	1%	5%	1%	2%	2%	0.25%	2%	1%	
UC	SMA	-	5%	1%	2%	2%	0.25%	2%	1%	
	SS	5%	20%	20%	20%	20%	20%	20%	20%	1%
Classified	DF	5%	50%	50%	50%	50%	50%	50%	50%	
	BL	100%	100%	100%	100%	100%	100%	100%	100%	

Investment

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premium has 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:

For the year ended 31 December 2019

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 valued on the basis of marked 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.

Value of investments has been enumerated as follows:

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

Investment in listed securities

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

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. Provision against Mutual Fund should be maintained in accordance with DOS circular letter no. 10 dated June 28, 2015.

Investment in unlisted securities

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



Notes to the Financial Statements

For the year ended 31 December 2019

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 IAS 27 "Separate Financial Statements".

Fixed assets

- i) All fixed assets are stated at cost less accumulated depreciation as per IAS 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 IFRS.
- ii) The cost of an item of property, plant and equipment is recognised as an asset ifit 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.
- Depreciation on fixed assets is charged over the estimated useful life of the assets using reducing balance method except motor vehicles, computers & computer equipments, core banking hardware 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%
Core banking hardware	12.5%

- 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".

For the year ended 31 December 2019

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.

Lease

Bank recognised a contract as (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applied IFRS 16 using the modified retrospective approach and thereby the comparative figures were not restated and continues to be reported under IAS 17

i) Right-of-use assets

The Bank recognises right-of-use assets at the date of initial application of IFRS 16. The cost of the right of use assets comprises present value of lease payments less incentive plus initial direct payment and dismantling cost etc. Right-of-use assets are depreciated on a straight-line basis over the lease term.

ii) Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term using incremental borrowing rate at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments, and re-measuring the carrying amount to reflect any reassessment or lease modifications. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The Bank recognised lease liabilities which are present value of lease payments to be made over the lease term from the date of commencement or 01 January 2019. The lease payment has been discounted using Treasury bill/bond rate supporting lease tenor 1-10 years as implicit borrowing rate.

iii) Short-term leases and leases of low value assets

The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short term leases, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognises lease payments associated with these leases as an expense. The contracts for premises with all branches, head office, regional offices, data centres and disaster recovery centres are considered for lease calculation.



Notes to the Financial Statements

For the year ended 31 December 2019

The Bank as lessee on lease-by-lease basis, elected a single threshold less than BDT 1 crore to consider low value asset on the basis of materiality (less than 1%) of Bank's Total capital BDT 3,355 crore. Hence, any payment made by the Bank under contract for use of any rental premises or assets for a period not exceeding twelve months, and or, falls as low value asset and substantially risks and benefits of ownership of those rental premises/assets do not transfer to the Bank, are recognised as expense.

iv) Depreciation of Right-of-Use Assets

The right of use assets are depreciated using a straight line method from the lease recognition date to the end of the lease term.

Stock of stationery

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

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

Share capital

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

Statutory reserve

As per Section 24 of the Bank Company Act, 1991 (amendment up to 2018), 20% of current year's profit of the Bank is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital.

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 IAS 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.

For the year ended 31 December 2019

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 @ 37.50% 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 IAS-12 "Income Taxes" (note 11.1).



Notes to the Financial Statements

For the year ended 31 December 2019

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 IAS 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 IAS 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 required to be maintained as per circular letter no. FEPD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

For the year ended 31 December 2019

Non-controlling Interest

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

As per IFRS 10 'Consolidated Financial Statements' Bank presents non- controlling 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 non-controlling interest. Total shareholders equity is attributed to the owners of the parent and to the non- controlling interest even if this result in the non- controlling interest having a deficit balance.

1.5 **Revenue recognition**

Interest income

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

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

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
- the amount of the revenue can be measured reliably. h.

Interest paid on deposits and borrowings

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



Notes to the Financial Statements

For the year ended 31 December 2019

Other operating expenses

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 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.

1.7 Earnings Per Share (EPS)

Basic earnings per share

Basic earnings per share have been calculated in accordance with IAS 33 "Earnings per Share" which has been shown in the face of the Profit and Loss Account. This has been calculated by dividing the profit attributable to the ordinary shareholders by the numbers of ordinary shares.

Diluted earnings per share

Diluted earnings per share is to be calculated by adjusting profit or loss attributable to ordinary equity holders of the parent entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

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 and BRPD circular no. 07 dated 21 June 2018, general provision for Off-Balance Sheet exposure of the Bank as at 31 December 2019 has been considered. 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.

For the year ended 31 December 2019

Segment Reporting 1.10

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

By geographical location and segment business

													BDT in Crore
				AB Bank Limited					Subsidiaries	liaries			
		Inside Ba	Inside Bangladesh		M			Ins	Inside Bangladesh	ssh	AB Int.		AB Bank
Particulars	Conventional Banking	Islamic Banking	Investment Banking	Off- Shore Banking Unit	Branch, India	Adjustment	Total	AB Investment Limited	AB Securities Limited	Cash Link Bangladesh Ltd. (CBL)	Finance Ltd. (Hong Kong)	Adjustment	and it's subsidiaries
Profit and loss account													
Interest income Int. paid on deposits & borrowings, etc.	2,661.92 1,836.12	65.46 58.06	40.59	20.39	5.65	(81.87) (81.87)	2,671.55	13.84	4.00	1.36	5.19	(0.53)	2,695.42 1,891.84
Net interest income			(40.59)	(14.48)	3.75	, 1	781.88	13.84	1.70	1.36	4.62	0.19	803.58
Investment income	298.71	1.53	16.22	'	2.87	•	319.32	(13.16)	(2.99)	'	•	(10.96)	292.20
Commission, exchange and brokerage	142.84	0.31	•	(0.00)	32.11	•	175.26	3.84	3.88	•	6.80	. (500)	189.78
Total operating income	1,274.09	9.25	(24.36)	(14.48)	38.91	•	1,283.41	5.71	2.76	1.36	18.69	(11.52)	1,300.41
One of the second													
Salary and allowances	268.64	2.73	•	0.50	1.98	٠	273.85	1.53	2.57	0.03	3.13	•	281.10
Rent, taxes, insurance, electricity, etc.	54.04	0.15	0.00	0.01	2.39	1	56.59	0.22	0.81	•	1.01	(0.55)	58.07
Legal expenses	1.09	•	•	•	0.01	•	1.10	0.04	•	•	0.10		1.25
Postage, stamps, telecom., etc.	8.47	0.02	•	0.01	0.77	•	9.28	0.00	0.15	•	1.22	•	10.73
Stationery, printing, advertisement, etc.	_	0.02	•	0.00	0.16	•	13.47	0.02	90.0	•	0.03	•	13.59
Directors' fees		0.01	•	•	•	•	0.21	0.01	0.03	0.01	•	'	0.26
Auditors' fees	0.59	•	•	•	0.11	•	0.70	1	0.02	0.00	0.02	'	0.76
Charges on loan losses	110.72	•	•	1	•	i	110.72	•	•	•	•	'	110.72
Depreciation & repairs of Bank's assets		0.15	•	0.11	0.53	•	67.97	1.90	0.20	'	0.02	'	70.13
Other expenses	89.62	99.0	0.37	0.07	13.85	•	104.56	0.98	0.94	0.01	0.20		106.69
Total operating expenses	613.80	3.78	0.37	0.70	19.79	•	638.44	4.80	4.78	0.05	5.78	(0.55)	653.30
Profit before provision	660.29	5.47	(24.73)	(15.18)	19.12	•	644.97	0.91	(2.02)	1.31	12.91	(10.96)	647.11
Provision against loans and advances							474.73						474.73
Provision for investments							37.50						34.30
Other provisions							1.82						1.82
Total provision							514.05						510.85
Profit before taxation							130.92						136.26
Provision for taxation Not profit after taxation						'	16.14						123.93
ווכר או סוור מורכן המעמווסון						"	10.01						CC:3T



AB Bank Limited Notes to the Financial Statements For the year ended 31 December 2019

By geographical location and segment business (cont.)

Balance Sheet

			AB	AB Bank Limited	ted				Subsi	Subsidiaries			
		Inside Bangladesh	gladesh		M. H.			Insig	Inside Bangladesh	ısh	AD Tack		AB Bank
Particulars	Conventional Islamic Investment Banking Banking Banking	Islamic Banking	Investment Banking	OBU	Branch, India	Adjustment	Total	AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)	Finance Ltd. (Hong Kong)	Adjustment	and it's subsidiaries
PROPERTY AND ASSETS													
dse	1 958 22	28.63	,	٠	0.30	٠	1 987 24	000	0	000	0.01	'	1 987 26
Balance with other banks & fin.institution	319.70	173.95	•	1.26	123.58	(93.61)	524.88	0.02	8.16	4.20	0.41	(6.18)	531.48
Money at call and on short notice	1,253.14	•	i	84.90	28.52	(888.90)	477.65	•	•	1	•	(84.90)	392.75
Investments	5,560.84	28.00	394.23	163.98	52.23	(41.42)	6,157.86	73.64	10.14	•	•	,	6,241.64
Loans and advances	24,354.86	604.17	•	626.23	67.36	(1.37)	25,651.25	675.27	93.05	•	110.08	(91.15)	26,438.50
Fixed assets	485.33	0.73	•	0.0	0.85	0.16	487.12	54.75	0.77	•	0.03		542.68
Other assets	1,495.52	5.81	6.64	0.10	33.21	(304.71)	1,236.57	30.04	1.20	3.25	3.72	(635.79)	638.99
Non-banking assets	34.30	•	•	•	•	,	34.30	•	•	i	İ	,	34.30
Total Assets	35,461.90	841.29	400.86	876.54	306.14	1,329.87)	36,556.87	833.73	113.32	7.45	114.25	(818.02)	36,807.60
LIABILITIES AND CAPITAL													
Liabilities													
Borrowings from other banks,		;		:		!		1	!				
thancial institutions and agents	2,180.71	181.65	' 6	891.11	- 57.77	(1,031.47)	2,222.00	73.72	17.45	•	84.59	(1/5./5)	2,222.02
Deposits and other accounts Other liabilities	3,229.99	32.01	399.34	19.09	18.38	(93.24) 406.24	4,105.06	85.27	44.87	0.00	8.62	(0.29) (1.72)	4,242.10
Total Liabilities	32,649.99	841.29	399.34	911.85	190.82	(720.47)	34,272.82	158.99	62.32	0.00	93.21	(183.75)	34,403.59
Total Shareholders' Equity	2,811.91	•	1.53	(35.31)	115.32	(609.40)	2,284.05	674.74	51.00	7.45	21.05	(635	2,402.84
Non-controlling interest	i	•	•	•	•	•	•	•	•	•	•	1.17	1.17
Total Liabilities & Shareholders' Equity 35,461.90	35,461.90	841.29	400.86	876.54	306.14	306.14 (1,329.87)	36,556.87	833.73	113.32	7.45	114.25	(818.02)	36,807.60
•													

For the year ended 31 December 2019

1.11 Compliance of International Accounting Standard (IAS) and International Financial Reporting Standards (IFRS)

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

SI no.	Name of IAS	No. of IAS	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	Income Taxes	12	Complied	
7	Property, Plant and Equipment	16	Complied	
8	Leases	17	Complied	
9	Employee Benefits	19	Complied	
10	Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A	
11	The Effects of Changes in Foreign Exchanges Rates	21	Complied	
12	Borrowing Costs 23 C Related Party Disclosures 24 C			
13				
14	Accounting and Reporting by Retirement Benefit Plans 26			
15	Separate Financial Statements 27			
16	Investments in Associates and Joint Ventures 28 C			
17	Financial Reporting in Hyperinflationary Economics 29			
18	Interests in Joint Ventures 31		N/A	
19	Financial Instruments: Presentation	32	*	
20			Complied	
21			Complied	
22	Impairment of Assets	36	Complied	
23	Provisions, Contingent Liabilities and Contingent Assets	37	Complied	
24	Intangible Assets	38	Complied	
25	Investment Property	40	N/A	
26	Agriculture	41	N/A	

SI no.	Name of IFRS	No. of IFRS	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	Financial Instruments	9	*
10	Consolidated Financial statements	10	Complied
11	Joint Arrangements	11	N/A
12	Disclosure of interests in other Entities	12	Complied
13	Fair Value Measurement	13	Complied
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contracts with Customers	15	Complied
16	Leases	16	Complied

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



For the year ended 31 December 2019

1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS

In the following cases Bank followed Bangladesh Bank regulations over IFRS/IAS:

SI no.	Issues	IAS/IFRS	Bangladesh Bank
1	Presentation	As per IAS 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 IAS 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 equivalents	As per IAS 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 IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors the investment in shares and securities generally falls either under at "fair value through profit and loss account (FVTPL)" or at "fair value through other comprehensive income (FVOCI)" where any change in the fair value of securities measured under FVTPL is taken to the profit and loss account and any changes in the fair value of securities measured under FVOCI is transferred to equity through other comprehensive income.	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.

For the year ended 31 December 2019

Compliance of Bangladesh Bank regulations over IAS/IFRS (cont.) 1.12

SI no.	Issues	IAS/IFRS	Bangladesh Bank
4	Revaluation gains/losses on Government securities	As per requirement of IFRS 9, an entity shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. For securities like treasury bills and treasury bonds designated as "held for trading" measured at fair value, gains and losses are recognised entirely in profit or loss (fair value through profit or loss, FVTPL). T-bills and T-Bonds designated as "held to maturity" are measured at amortized cost method and interest income is recognized 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	As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The 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.
6	Provision on loans and advances/ investments	As per IFRS 9, an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. Expected credit losses are required to be measured through a loss allowance at an amount equal to: (i) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or (ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For loans & Advances whose credit risk increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses	As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 19 (27 December 2013), BRPD circular No. 05 (29 May 2013), BRPD Circular No. 12 (20 August 2017) and BRPD Circular No. 15 (27 September 2017), 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 substandard 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,



For the year ended 31 December 2019

1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS (cont.)

SI no.	Issues	IAS/IFRS	Bangladesh Bank
		is required. For loans & advances whose credit risk didn't increased significantly, a loss allowance equal to the 12-month expected credit losses is required.	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 IFRS 9. 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 at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit- impaired, interest income is recognized 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 IFRS.	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 IAS 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	As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within 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.

Notes to the Financial Statements

For the year ended 31 December 2019

1.13 Regulatory and legal compliance

The Bank complied with the requirements of the following Act, regulations and guidelines:

- i. The Bank Company Act, 1991 (amendment up to 2018)
- 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 and Rules, 1984
- ix. The Value Added Tax (VAT) Act and Rules, 2012
- x. The Financial Reporting Act 2015 and other regulations of Financial Reporting Council, Bangladesh
- xi. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
- xii. Central Depository Bangladesh Limited (CDBL) rules and regulations
- xiii. Financial Reporting Disclosure (as per BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated, 20 June 2018)
- xiv. Other applicable laws and regulations

1.14 Reporting period

SI no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2019 to 31 December 2019
2	Off Shore Banking Unit	01 January 2019 to 31 December 2019
3	Mumbai Branch, India	01 January 2019 to 31 December 2019
4	AB Investment Limited	01 January 2019 to 31 December 2019
5	AB Securities Limited	01 January 2019 to 31 December 2019
6	Cashlink Bangladesh Limited	01 January 2019 to 31 December 2019
7	AB International Finance Limited	01 January 2019 to 31 December 2019
8	Arab Bangladesh Bank Foundation	01 January 2019 to 31 December 2019



For the year ended 31 December 2019

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 at Head Office 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.

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 respective business wing by the relationship manager /officer and ends at Credit Risk Management Division when it is approved / declined by the competent authority. 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.

Market risk

Market risk arises from potential losses of the exposures of a bank from on-balance sheet and off-balance sheet items, i.e adverse movements in market rates/interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices.

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

For the year ended 31 December 2019

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.

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.



For the year ended 31 December 2019

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

The Bank follows the Bangladesh Bank ICT Policies along with other leading industry compliances such as PCI DSS. AB Bank IT Infrastructure has built on Microsoft Active Directory along with Microsoft Exchange Email System with enhanced cloud security. Bank has Next Generation Firewall (NGF) in our core and perimeter zone to protect the organization from external threats. NGF runs only a few services on board and reserves the majority of resources for ingress-egress traffic. For endpoint security Bank has advanced persistent threat (APT) malware protection and Anti Bot protection which are components of Next Generation Firewall.

Bank has introduced Multi-Factor Authentication (MFA), Mobile Protection, Remote Access, and Virtual Private Networks (VPN). AB Core Infrastructure have High Availability and Disaster Recovery Site (DRS) with near real time synchronization which ensure the highest level of uptime round the year. End User Security Awareness Training is one of focus area to ensure the total security of the bank. Bank regularly arrange Security Awareness training for the employees as per the regulations of Bangladesh Bank.

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 January 2011 and BRPD Circular no.02 dated 27 February 2011 respectively. Bank accordingly introduced the Guideline on Environment Risk Management on 15 June 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.

For the year ended 31 December 2019

1.17 Credit rating of the Bank

Year	Date of Rating	Long term	Short term
Year 2018 & Jan-Sep 2019	December 19, 2019	A+	ST-2
Jan to Sept 2018	January 10, 2019	A ₂	ST-2
Jan to Dec 2017	June 4, 2018	$A_{\scriptscriptstyle 1}$	ST-2
Jan to Dec 2016	May 28, 2017	$A_{\scriptscriptstyle 1}$	ST-2
Jan to Dec 2015	May 19, 2016	AA ₃	ST-2
Jan to Dec 2014	April 30, 2015	AA ₃	ST-2

1.18 **Events after the reporting period**

As per IAS -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:

- 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 (non-adjusting events after the reporting period).

Due to COVID-19 pandemic spread from March 2020 in Bangladesh, Government and Bangladesh Bank have responded with monetary and fiscal initiatives and policies to stabilise economic conditions. The Bank has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted. Due to COVID-19 effect, there is no significant doubt about the entity's ability to continue as a going concern.

Except the pandemic issue, there was no material event 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



For the year ended 31 December 2019

- (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.	Feroz Ahmed	Common Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Elite International Ltd.	Common Director	Office Rent	2,484,000

c) Loans/placement given to subsidiary of the Bank

SI. no.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	737,042,618
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	174,502,576
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	849,000,000
Total loans/placement to subsidiary				1,760,545,194

1.20 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

The Audit Committee of the Board was 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. Composition of the Audit Committee (2019) is as below:

Sl. no.	Name	Status with Bank	Status with Committee	Duration	Educational/ professional qualification
1	Mr. Kaiser A. Chowdhury	Independent Director	Chairman	With effect from 20 April 2019	Masters of Arts (Economics)
2	Mr. Khairul Alam Choudhury	Director	Member	With effect from 23 July 2018	Barrister-at-Law
3	Mr. Shajir Ahmed	Director	Member	With effect from 15 September 2019	B.SC from University of London

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

For the year ended 31 December 2019

ii) **Meeting held with Audit Committee**

During the year 2019, the Audit Committee conducted 06 (six) meeting in which, among others, focused on the following activities (not an exhaustive test):

- Reviewed Internal Audit Plan for the year 2019
- Reviewed Draft Financial Statements and after discussing with the External Auditors recommended it to the Board for their considerations.
- Reviewed the Management Letter issued by the External Auditors, Management responses, thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviews quarterly and half-yearly Financial Statements 2019 of the Bank.
- Reviewed significant internal Audit findings and advised corrective actions.
- Reviewed Comprehensive Inspection Report of Bangladesh Bank including status of compliance thereof.
- Reviewed branch inspection reports and Head Office functions conducted by the Department of Internal Control & Compliance (DICC)

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 rule and regulations and establishment of good governance within the organization.

1.21 **Shariah Council**

Members of AB Bank Shariah Supervisory Committee are as under:

SI 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. Muhammad A. (Rumee) Ali Chairman, BOD, ABBL	Member	Bachelor's (Honours) & Masters (Economics) Dhaka University
4	Jb. Tarique Afzal, President & Managing Director , ABBL	Member	Masters of Business Administration - MBA (Major: Finance & Marketing) Victoria University, Melbourne, Australia
5	Jb. Mawlana Muhammad Musa	Member	Prominent author and research scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University
6	Jb. Prof. Dr. Md. Mahfuzur Rahman	Member	B.A (Hon's) M.A, PhD. Prominent author and Islamic research scholar, Prof. of Arabic Language & Literature, Islamic University, Kustia, Bangladesh
7	Jb. Dr. Mohd. Haroon Rashid	Member- Secretary	M.A, M. Phil PhD Alighor University, (1st Class) Darul Ulum Dewband, India



Notes to the Financial Statements

For the year ended 31 December 2019

During the year 2019, AB Bank Shariah Supervisory Committee met three times 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 attended by the Shariah Supervisory Committee during the year 2019, are:

- Reviewing the Half-Yearly Shariah Audit Report (July-December, 2018) of Islami Banking Branch and its observations.
- Approving the Final Accounts, 2018 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2018 on Islamic banking operation of the Bank.
- Reviewing the Half-Yearly Shariah Audit Report (January-June, 2019) of Islami Banking Branch and its observations.
- Approved the new products a) 'Profit First Mudaraba Term Deposit' (PFMTD). b) Mudaraba Student Savings Account (MSSA). c) Mudaraba Student Monthly Deposit Skim (MSMDS).
- Compensation Fund Policy for Islami Banking Branch.

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.

Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
3.	Cash			וטס
J.	Cash in hand	(Note 3.1)	1,136,100,637	1,960,393,120
	Balance with Bangladesh Bank and its agent bank(s)	(Note 3.2)	18,736,346,733	14,472,666,202
		(11000 01=)	19,872,447,371	16,433,059,322
			, , ,	, , ,
3(a)	Consolidated Cash			
	AB Bank Limited		19,872,447,371	16,433,059,322
	AB Investments Limited		25,000	25,000
	AB International Finance Limited		62,958	60,069
	AB Securities Limited		35,000	7,699
	Cashlink Bangladesh Limited (CBL)		4,729	3,429
			19,872,575,058	16,433,155,519
3.1	Cash in hand			
	In local currency		1,112,273,983	1,930,310,067
	In foreign currency		23,826,654	30,083,053
	· ,		1,136,100,637	1,960,393,120
3.1(a)	Consolidated Cash in hand			
	AB Bank Limited		1,136,100,637	1,960,393,120
	AB Investments Limited		25,000	25,000
	AB Constitutional Finance Limited		62,958	60,069
	AB Securities Limited		35,000	7,699
	Cashlink Bangladesh Limited (CBL)		1,136,228,324	3,429 1,960,489,318
			1,130,220,324	1,900,409,510
3.2	Balance with Bangladesh Bank and its agent bank(s)			
	Balance with Bangladesh Bank			
	In local currency		16,933,745,693	13,768,884,839
	In foreign currency		1,325,358,012	512,577,340
			18,259,103,705	14,281,462,179
	Sonali Bank Limited		477,243,028	191,204,023
	(as an agent bank of Bangladesh Bank) - local currency	1	18,736,346,733	14,472,666,202
3.2.1	Balance with Bangladesh Bank- local currency			
	Balance as per Bank Ledger		16,933,745,693	13,768,884,839
	Unresponded debit entries		27,432,347	237,862,211
	Bangladesh Bank statement		27,050,707	237,862,211
	AB Bank's ledger		381,640	-
	Unresponded credit entries		71,797,332	219,221,917
	Bangladesh Bank statement		70,971,774	219,221,917
	AB Bank's ledger		825,557	-
			16,978,110,678	13,750,244,545



For the year ended 31 December 2019

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 December 2019 is given below:

Year of Unreconciliation	Number of uni	Number of unresponded entry		Unresponded BDT	
rear of onreconciliation	Debit	Credit	Debit	Credit	
Less than 3 months	7	8	23,681,611	71,583,309	
3 months to less than 6 months	4	1	3,144,563	214,023	
6 months to less than 12 months	1	-	6,174	-	
12 months and more	2	-	600,000	-	
Total	14	9	27,432,347	71,797,332	

3.2.2	Balance with Bangladesh Bank-foreign currency	31 Dec 2019 BDT	31 Dec 2018 BDT
	Balance as per Bank Ledger	1,325,358,012	512,577,340
	Unresponded debit entries	-	310,430
	Bangladesh Bank statement	-	-
	AB Bank's ledger	-	310,430
	Unresponded credit entries	230,889,365	298,371,169
	Bangladesh Bank statement	147,117,201	93,629,207
	AB Bank's ledger	83,772,165	204,741,962
	Balance as per Bangladesh Bank Statement	1,556,247,378	810,638,079

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 December 2019 is given below:

Period of unreconciliation	Number of unresponded entry		Unresponded BDT	
renou or unreconcination	Debit	Credit	Debit	Credit
Less than 3 months	-	142	-	230,889,365
3 months to less than 6 months	-	-	-	-
6 months to less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	-	142	-	230,889,365

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

AB Bank Limited	18,736,346,733	14,472,666,202
AB Investments Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	18,736,346,733	14,472,666,202

For the year ended 31 December 2019

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 2018), Bangladesh Bank's DOS circular no. 01 dated 19 January 2014 and MPD Circular No. 01 dated 03 April 2018.

The statutory cash reserve requirement is on the Bank's time and demand liabilities at the rate 5.50% 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:

Cash Reserve Requirement (CRR) (a)

As per Bangladesh Bank MPD Circular No.-01 dated 03 April 2018, Bank has to maintain CRR @ 5.50% on fortnightly cumulative average basis and minimum CRR @ 5.00% on daily basis.

21 Dec 2010

31 Dec 2018

i. Daily position as on the reporting date	BDT	BDT
Required reserve	14,624,226,903	13,040,855,568
Actual reserve maintained	16,685,285,892	13,485,683,970
Surplus	2,061,058,989	444,828,402

As per Bank ledger, balance with Bangladesh Bank (local currency) is BDT 16,651,920,908 while as per Bangladesh Bank Statements balance is BDT 16,696,285,892. 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 03 April 2018 , Bank has to maintain CRR @ 5.50% on fortnightly cumulative average basis.

	Required reserve (5.5% of total time & demand liabilities)	248,611,857,351	221,694,544,657
	Actual reserve maintained	254,990,473,770	225,497,223,322
	Surplus	6,378,616,419	3,802,678,664
(b)	Statutory Liquidity Ratio (SLR)		
	Required reserve (13% of total time & demand liabilities)	34,566,354,498	30,823,840,434
	Actual reserve maintained	54,656,019,144	35,842,185,990
	Total surplus	20,089,664,646	5,018,345,557

As per Bangladesh Bank MPD Circular No. 01 dated 03 April 2018, all scheduled Banks have to maintain CRR and SLR @ 5.50% and @ 13.00% respectively of their total time and demand liabilities on bi-weekly average basis, where the Bank maintained @ 6.28% and @ 20.56% respectively at the year end.



Notes to the Financial Statements

For the year ended 31 December 2019

(c) Co	omponents of	Statutory	Liquidity I	Patio (SLP)

Cash in hand Balance with Sonali Bank **HTM Securities HFT Securities** Excess Reserve of CRR

BDT	BDT	
1,127,677,409	1,952,648,620	
477,243,028	191,204,023	
32,553,153,570	29,554,292,681	
18,436,886,147	3,699,212,265	
2,061,058,989	444,828,402	
54,656,019,144	35,842,185,990	

31 Dec 2018

31 Dec 2019

Islamic Banking

Cash Reserve Requirement and Statutory Liquidity Ratio

Cash Reserve Requirment(CRR) and Statutory Liqudity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act, 1991 (amendment up to 2018) and subsequent Bangladesh Bank's DOS circular no. 01 dated 19 January 2014 and MPD Circular No. 01 dated 03 April 2018.

The Statutory Cash Reserve is required on the Bank's Time and Demand Liabilities at the rate of 5.50% 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:

(a) **Cash Reserve Requirement (CRR)**

Required reserve Actual reserve maintained Surplus

(b) **Statutory Liquidity Ratio (SLR)**

Total required reserve Total actual reserve held **Total surplus**

280,362,170	252,782,263
281,824,758	253,560,575
1,462,588	778,311
280,362,170	252,782,263
285,952,050	271,854,196
5,589,880	19,071,933

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 31.12.2018 & for 31.12.2019 and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 19.50% for 31.12.2018 & 18.25% for 31.12.2019 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:

Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
(a)	Cash Reserve Ratio (CRR)			
	Required reserve		9,278,344	12,940,123
	Actual reserve maintained		28,774,868	23,483,616
	Surplus		19,496,524	10,543,493
(b)	Statutory Liquidity Ratio (SLR)			
	Required reserve		325,891,006	241,466,715
	Actual reserve maintained		609,263,692	472,471,382
	Surplus		283,372,686	231,004,667
	Total required reserve		335,169,350	254,406,838
	Total actual reserve held		638,038,560	495,954,998
	Surplus		302,869,210	241,548,160
4.	Balance with other banks and financial institution	s		
	In Bangladesh	(Note: 4.1)	960,214,284	1,625,277,794
	Outside Bangladesh	(Note: 4.2)	4,288,576,060	1,553,093,439
			5,248,790,344	3,178,371,232
4(a)	Consolidated balance with other banks and financial institutions			
	In Bangladesh	(Note: 4.1.a)	1,022,559,568	1,823,369,874
	Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a)	4,292,276,348 5,314,835,916	1,555,049,778 3,378,419,653
4.1	In Bangladesh			
	Current Deposits			
	Standard Chartered Bank, Dhaka City Centre Branch		2,582,845	2,473,196
	Agrani Bank Ltd., VIP Road Branch, Sylhet			5,004,895
	Agrani Bank Ltd., Local Office, Dhaka		24,885	24,885
	Islami Bank Bangladesh Ltd., Local Office		17,277	17,277
	Agrani Bank Ltd., Bhairab Bazar Branch		534	534
	Janata Bank Ltd., Jessore Branch		34,284	11,528
	Agrani Bank Ltd., Mymensingh Branch		475	21,050
	Trust Bank Ltd., Mymensingh Branch		59,166	5,060,316
	Janata Bank Ltd., Corporate Branch, Bogura		4,005,581	9,898
	Rupali Bank Ltd., Bogura Branch Agrani Bank Ltd., Thana Road Branch, Bogura		5,950	5,950
	RAKUB, Bogura Branch		7,508,242 7,581	9,008,242 8,156
	Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi		5,000	5,000
	Janata Bank Ltd., Rajshahi Branch		5,575	5,000
	Rupali Bank Ltd., Rajshahi Branch		9,425	9,425
	Janata Bank Ltd., Rangpur Branch		647,737	16,103,769
	RAKUB, Rangpur Branch		343	1,643
	Rupali Bank Ltd., Rangpur Branch		10,308	31,542
	Janata Bank Ltd., Chapai Nawabganj Branch		16,024	218
	Janata Bank Ltd., Sirajgonj Branch		1,867	222
			14,943,097	37,802,744



Notes to the Financial Statements

	31 Dec 2019 BDT	31 Dec 2018 BDT
Special Notice Deposits		
Agrani Bank Ltd., Rangpur Branch	3,549,371	749,421
Agrani Bank Ltd., Saidpur Branch	442	1,592
Agrani Bank Ltd., VIP Road Branch, Sylhet	4,586	2,980
Agrani Bank Ltd., Bogura 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	34,794,735	19,519,970
Agrani Bank Ltd., Sirajgonj Branch	15,514,224	27,558
RAKUB, Sirajgonj Branch	770	2,035
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna Br.	32,117	32,335
Agrani Bank Ltd., Naogaon Branch	2,564,634	5,510,562
Agrani Bank Ltd., Jashore Branch	33,106	8,558,056
Agrani Bank Ltd., Moulvi Bazar Branch	1,468,968	374,121
Agrani Bank Ltd., Satkhira Branch	6,568	9,506,568
Southeast Bank Ltd., Principal Branch	-	48,120
Agrani Bank Ltd., Principal Branch, Dhaka	3,204,524	9,533,399
Agrani Bank Ltd., Barisal Branch	86,253	79,333
Bangladesh Krishi Bank, Barisal Branch	54,157	199,304
Janata Bank Ltd., Barisal Branch	74,532	291,118
Standard Chartered Bank, Dhaka City Centre Branch	1,038,033	1,038,033
Islami Bank Bangladesh Ltd., HO Complex Corp Br.	567,670	553,269
Bank Asia Ltd., Islami Banking Window, Shantinagar Br.	40,083	40,028
First Security Islami Bank Ltd, Dilkusha Br.	555	54,727
Al-Arafah Islami Bank Ltd, Dilkusha Branch	1,553,826	58,083,838
Shahjalal Islami Bank Ltd, Dhaka Main Branch	9,030	437,295
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka	345,378	341,463
Bank Alfalah Ltd, Main Branch, Dhaka	17,418	19,721
Southeast Bank Ltd., Islami Banking Br, Motijheel	54,096	56,485
ICB Islamic Bank Ltd., Principal Br, Motijheel	4,386	136,947
Agrani Bank Ltd., Islami Bank Window, Amin Court Corp. Br.	3,317	346,031
Jamuna Bank Ltd., Islami Banking Br, Nayabazar	6,193	348,043
Union Bank Ltd., Dilkusha Branch	67,428	3,811,320
Premier Bank Ltd., Islami Banking Br, Mohakhali	41,485	1,771,300
Pubali Bank Ltd., Islamic Branch, 26 Dilkusha, Dhaka	36,073	2,000,000
	65,183,489	123,484,501
Savings Deposits		
Social Islamic Bank Ltd. Principal Branch	37,634	3,433,247
EXIM Bank Ltd, Motijheel Branch	50,064	557,302
•	87,698	3,990,549

Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
	Fixed Deposits		
	Hajj Finance Company Ltd.	100,000,000	230,000,000
	Phoenix Finance and Investment Ltd.	230,000,000	230,000,000
	Islamic Finance & Investment Ltd.	-	250,000,000
	Union Capital Ltd.	150,000,000	150,000,000
	IDLC Finance Ltd.	-	200,000,000
	IIDFC	200,000,000	200,000,000
	IPDC Finance Ltd.	150,000,000	-
	Union Bank Ltd	-	200,000,000
	BD Finance Ltd.	50,000,000	-
		880,000,000	1,460,000,000
		960,214,284	1,625,277,794
4.1.a	Consolidated In Bangladesh		
	AB Bank Limited	960,214,284	1,625,277,794
	AB Investment Limited	207,700	163,372
	AB International Finance Limited	, -	-
	AB Securities Limited	81,563,768	219,418,078
	Cashlink Bangladesh Limited (CBL)	41,974,568	39,142,292
	, ,	1,083,960,320	1,884,001,535
	<u>Less</u> : Inter company transaction	61,400,752	60,631,661
		1,022,559,568	1,823,369,874
4.2	Outside Bangladesh Current Deposits		
	The Bank of Tokyo Mitsubishi Limited	1,197,949	1,467,354
	MFT, Yangon	84,900	83,900
	JP Morgan Chase Bank	1,113,182,919	196,314,137
	Sonali Bank (Kolkata)	1,587,576	6,919,651
	Myanmar Economic Bank	34,809	34,399
	Citibank NA	355,350,812	31,006,436
	Hatton National Bank Limited	1,710,155	1,609,079
	Commerz Bank AG	48,782,002	35,035,314
	NIB Bank Limited	4,234,667	4,184,789
	Mashreq Bank Psc	1,121,283,017	66,719,462
	Nepal Bangladesh Bank Limited	4,219,212	4,169,515
	Bank of Bhutan	1,031,675	1,019,523
	Habib America Bank	229,731,363	35,586,168
	Commerz Bank AG	54,526,958	21,224,254
	Hypovereins Bank Habib Metro Bank	15 601 602	4,198,043
		15,691,603	8,612,786
	Commerz BK CAD	4,251,086	513,500
	Commerz BK CHF	1,584,200	673,737
	JPMC NY Commerz Bank ®	97,305,715	112,963,206 1,383,604
	Reserve Bank of India	1,366,527 28,775,184	23,483,791
	HDFC Bank CSGL	787,977	3,064,236
	HUI C DAIN COOL	101,311	3,00 1 ,230



Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
	HDFC Bank Limited	50,974,451	41,131,070
	Kotak Mahindra Bank	11,752,640	36,963,129
	Habib American Bank Limited	1,640,659	4,541,971
	JP CHASE ACU	1,045,603,523	839,966,397
	Standard Chartered Bank, NY, USA	68,940,720	58,992,119
	Standard Chartered Bank, Singapore	7,344,621	1,163,500
	Standard Chartered Bank, UK, GBP	4,432,107	2,578,870
	JP Morgan Chase Bank	11,167,035	7,489,500
		4,288,576,060	1,553,093,439
	(Details are given in Annex - A)		
4.2.a	Consolidated Outside Bangladesh (Nostro Accounts)		
	AB Bank Limited	4,288,576,060	1,553,093,439
	AB Investment Limited	-	-
	AB International Finance Limited	4,084,192	2,873,543
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		4,292,660,252	1,555,966,982
	<u>Less</u> : Inter company transactions	383,904	917,204
		4,292,276,348	1,555,049,778
4.3	Account-wise/grouping of balance with other banks and financial institutions		
	Current deposits	4,303,519,157	1,590,896,183
	Savings deposits	87,698	3,990,549
	Short-Notice Deposits	65,183,489	123,484,501
	Fixed deposits	880,000,000	1,460,000,000
		5,248,790,344	3,178,371,232
4.4	Maturity grouping of balance with other banks		
	Repayable – on demand	4,303,519,157	1,593,903,231
	– up to 3 months	945,271,187	1,384,468,001
	– over 3 months but below 1 year	-	200,000,000
	– over 1 year but below 5 years	-	-
	– over 5 years	-	-
		5,248,790,344	3,178,371,232
5.	Money at call and on short notice		
	In Bangladesh	3,640,000,000	350,000,000
	Outside Bangladesh	1,136,493,241	1,078,822,961
		4,776,493,241	1,428,822,961

Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
5.1	In Bangladesh		
	With banking companies		
	Local Currency:		
	Bank Asia Limited	1,500,000,000	-
	Midland Bank Limited	290,000,000	-
	Modhumoti Bank Limited	550,000,000	-
	Rupali Bank Limited	100,000,000	-
	National Bank Limited The City Bank Limited	700,000,000 500,000,000	-
	IFIC Bank Limited	500,000,000	350,000,000
	If IC Dalik Limited	3,640,000,000	350,000,000
	Foreign Currency:	-	-
	With non-banking financial institutions	2 640 000 000	350,000,000
		3,640,000,000	350,000,000
	At short notice	-	-
	On calls and placements		
	Bank Asia Limited	1,500,000,000	-
	Midland Bank Limited	290,000,000	-
	Modhumoti Bank Limited	550,000,000	-
	Rupali Bank Limited	100,000,000	-
	National Bank Limited	700,000,000	-
	The City Bank Limited	500,000,000	-
	IFIC Bank Limited	-	350,000,000
		3,640,000,000	350,000,000
5.2	Outside Bangladesh		
	AB International Finance Limited	849,000,000	839,000,000
	Commerz Bank,AG	2,334,750	-
	Kotak Mahindra Bank	-	11,378,301
	HDFC Bank Limited	285,158,491	228,444,660
		1,136,493,241	1,078,822,961
5(a)	Consolidated money at call and on short notice	-	_
- (-)	AB Bank Limited	4,776,493,241	1,428,822,961
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		4,776,493,241	1,428,822,961
	<u>Less</u> : Inter-group transaction	(849,000,000)	(839,000,000)
		3,927,493,241	589,822,961



Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
6. Inves	tments		61,578,564,387	43,593,782,292
	e wise (Bangladesh operation)		10 426 006 147	2 (00 212 265
	or Trading o Maturity		18,436,886,147 32,553,153,570	3,699,212,265 29,554,292,681
Others	· ·		10,066,205,208	9,963,674,237
Oct. 10.5			61,056,244,925	43,217,179,183
Natar	and a Manhailman IV			
	e wise (Mumbai branch) or Trading/Available for Sale		284,497,280	146,215,267
	o Maturity		237,822,182	230,387,843
Others	•		-	-
			522,319,462	376,603,110
Claim		(1) ((1)	-	
	nment securities investments	(Note 6.1)	51,271,643,217	33,523,320,645
Other	investments	(Note 6.2)	10,306,921,170 61,578,564,387	10,070,461,647 43,593,782,292
6 (a) Conso	lidated investments		01,370,304,307	+3,333,702,232
` '	nk Limited		61,578,564,387	43,593,782,292
AB Inte	ernational Finance Limited		-	-
	estment Limited		736,423,365	598,400,806
	curities Limited		101,411,055	159,564,043
Casilli	nk Bangladesh Limited (CBL)		62,416,398,807	44,351,747,141
			02/120/0007	11/00=/717/212
	nment securities			
	ocal-RE.REPO		4,594,340,150	-
T.Bill	ny bondo		7,805,539,669	
	ry bonds desh Bank Islami Investment bonds		38,590,159,898 280,000,000	33,253,504,945 267,500,000
Prize b			1,603,500	2,315,700
			51,271,643,217	33,523,320,645
6.1.1 Matur	ity wise Treasury Bonds			
O.I.I Platui	ity wise freasury boilds			
(a) 30 Day	s Bangladesh Bank Bill		-	-
(b) <u>Treas</u>	ur <u>y Bill</u>			
	Days Treasury Bill		3,953,566,779	-
	2 Days Treasury Bill		2,005,595,561	-
	4 Days Treasury Bill Treasury Bill		1,846,377,329 7,805,539,669	-
iotai	Treasury bill		7,003,339,009	_
	ury Bond			
. ,	Years Treasury Bond		301,639,593	202,708,927
	Years Treasury Bond		9,156,974,865 17,177,320,369	5,369,174,833
	Years Treasury Bond Years Treasury Bond		6,463,769,873	15,414,846,942 6,892,244,230
	Years Treasury Bond		5,490,455,198	5,374,530,014
• • •	Treasury Bond		38,590,159,898	33,253,504,946

Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
6.1(a)	Consolidated Government securities			
	AB Bank Limited		51,271,643,217	33,523,320,645
	AB Investment Limited AB International Finance Limited		-	-
	AB Securities Limited		-	-
	Cashlink Bangladesh Limited (CBL)		-	-
			51,271,643,217	33,523,320,645
6.2	Other investments			
	Shares	(Note 6.2.1)	4,144,754,812	4,073,326,681
	Bond	(Note 6.2.2)	4,000,000,000	4,000,000,000
	Pinnacle Global Fund Pte Limited	(Note 6.2.3)	1,639,846,896 9,784,601,708	1,620,531,856
			9,764,001,708	9,693,858,537
	Investments -ABBL, Mumbai branch			
	Treasury bills		522,319,462	376,603,110
	Debentures and bonds		-	-
	Total other investments		522,319,462	376,603,110
	Total other investments		10,306,921,170	10,070,461,647
6.2 (a)	Consolidated other investments			
	AB Bank Limited		10,306,921,170	10,070,461,647
	AB Investment Limited		736,423,365	598,400,806
	AB International Finance Limited AB Securities Limited		101,411,055	159,564,043
	Cashlink Bangladesh Limited (CBL)		-	-
		'	11,144,755,589	10,828,426,496
6.2.1	Investments in shares			
V	Quoted (Publicly traded)		3,705,139,231	3,579,023,347
	Unquoted		439,615,580	494,303,334
			4,144,754,812	4,073,326,681
	Details are given in Annexure-B			
6.2.2	Investment in subordinated bonds			
	United Commercial Bank Ltd.		2,750,000,000	2,750,000,000
	National Bank Ltd.		1,250,000,000	1,250,000,000
			4,000,000,000	4,000,000,000
6.2.3	Pinnacle Global Fund Pte Limited		1,639,846,896	1,620,531,856
6.3	Maturity grouping of Investment			
0.5	Repayable – on demand		_	-
	– upto 3 months		11,743,358,670	4,292,697,513
	– over 3 months but below 1 year		6,523,081,683	369,077,692
	over 1 year but below 5 yearsover 5 years		22,516,592,280	17,962,067,895 20,969,939,192
	- over 5 years		20,795,531,753 61,578,564,387	43,593,782,291
			01,070,007,007	+3,333,702,231



For the year ended 31 December 2019

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 31 December 2019:

BDT

Counter party name	Agreement date	Reversal date	1 st leg cash consideration		
NIL					

(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2019:

Counter party name	Agreement date	Reversal date	Amount (1st leg cash consideration)
NRB Commercial Bank Ltd.	29-Dec-19	01-Jan-20	502,364,740
BRAC Bank Ltd.	29-Dec-19	01-Jan-20	977,093,000
Jamuna Bank Ltd.	29-Dec-19	01-Jan-20	504,130,942
NRB Commercial Bank Ltd.	30-Dec-19	01-Jan-20	716,042,083
SBAC Bank Ltd.	30-Dec-19	01-Jan-20	443,682,900
Mercantile Bank Ltd.	30-Dec-19	01-Jan-20	997,238,000
Pubali Bank Ltd.	30-Dec-19	01-Jan-20	481,732,000

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

Particulars	Minimum outstanding during the year/period	Maximum outstanding during the year/period	Daily average outstanding during the year/period
Securities sold under repo:			
i) with Bangladesh Bank	-	6,435,280,000	808,706,603
ii) with other banks & FIS	-	11,384,290,000	2,816,901,808
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	-	-
ii) from other banks & FIS	-	8,172,666,569	717,569,450

7. Loans, advances and lease/investments

7.1 Maturity grouping

Repayable - on demand

- upto 3 months
- over 3 months but below 1 year
- over 1 year but below 5 years
- over 5 years

31 Dec 2019 BDT	31 Dec 2018 BDT
256,512,476,640	241,070,141,407
3,759,884,860	1,104,744,898
80,155,045,832	100,853,373,522
129,654,604,804	100,234,083,171
31,986,069,463	30,865,614,576
10,956,871,681	8,012,325,240
256,512,476,640	241,070,141,407

Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
7.2	Broad category-wise breakup excluding bills purchased and d	liscounted	
	In Bangladesh		
	Loans	235,031,177,819	218,454,567,396
	Overdrafts	20,715,446,412	21,469,015,304
	Cash credits	-	-
		255,746,624,231	239,923,582,700
	Outside Bangladesh: ABBL, Mumbai branch		
	Loans	660,680	857,155
	Overdrafts	-	-
	Cash credits	30,996,046	21,014,532
		31,656,725	21,871,687
		255,778,280,956	239,945,454,388
7.3	Product wise loans and advances		
7.5	Overdraft	20,715,446,412	21,469,015,305
	Cash Credit	30,996,046	21,006,327
	Time loan	40,434,384,083	46,947,975,111
	Term loan	172,292,406,439	141,557,459,481
	Forced loan	11,003,893,368	15,025,508,515
	Bills under LC	48,935,376	233,527,167
	Trust Receipt	6,755,526,597	9,119,100,070
	Packing credit	183,774,936	250,357,756
	Loan against accepted bills	215,471,226	415,571,483
	Loan-EDF	1,410,264,178	1,834,273,779
	Consumer Loan	1,286,598,412	1,498,011,188
	Staff loan	1,400,583,882	1,573,648,204
	Bills purchased & discounted	734,195,684	1,124,687,019
		256,512,476,640	241,070,141,407
7.4	Net loans, advances and lease/investments		
	Gross loans and advances	256,512,476,640	241,070,141,407
	<u>Less</u> :		
	Interest suspense	18,134,825,637	19,704,000,511
	Provision for loans and advances	15,279,405,791	10,639,913,428
		33,414,231,427	30,343,913,940
		223,098,245,212	210,726,227,467
7.5	Significant concentration		
,.5	Advances to industries	152,299,901,395	120,969,900,000
	Advances to customer groups	95,158,135,431	111,342,191,407
	Advances to allied concerns of Directors	9,054,439,814	8,758,050,000
	Advances to Chief Executive	-	-
		256,512,476,640	241,070,141,407



Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
7.6	Advances to customers for more than 10% of Bank's total ca	pital	
	Total capital of the Bank	33,547,104,748	33,046,112,927
	Number of clients	28	26
	Amount of outstanding advances	121,991,900,000	106,499,800,000
	Amount of classified advances	13,000,288,414	38,793,125,234
	Measures taken for recovery*		
	*Rescheduling/amicable settlement/legal action is under process	for recovery/reduction	of classified loans.
7.7	Industry-wise loans, advances and lease/investments		
	Agriculture	3,819,666,523	4,341,300,000
	Large and medium scale industry	70,152,695,242	67,716,750,000
	Working capital	54,853,641,156	57,021,000,000
	Export	3,756,901,699	3,506,164,871
	Commercial lending	52,742,624,554	58,036,526,100
	Small and cottage industry	2,967,096,717	2,112,400,000
	Others	68,219,850,750	48,336,000,436
		256,512,476,640	241,070,141,407
7.8	Geographical location-wise (division) distribution		
	In Bangladesh		
	<u>Urban branches</u>		
	Dhaka	194,532,221,250	177,398,148,260
	Chattogram	44,979,109,982	45,044,489,929
	Khulna	3,646,885,424	4,241,865,534
	Sylhet	1,175,079,035	1,706,871,983
	Barishal	208,433,374	209,418,491
	Rajshahi	4,022,984,661	3,947,785,970
	Rangpur	4,927,809,088	4,773,577,125
	Mymensingh	563,683,749	813,560,601
	, 3	254,056,206,564	238,135,717,892
	Rural branches	1 221 022 442	1 422 707 756
	Dhaka	1,221,932,442	1,422,797,756
	Chattogram	439,174,322	484,638,715
	Khulna	45.077.700	-
	Sylhet	45,277,729	51,017,378
	Barishal	-	-
	Rajshahi	-	-
	Rangpur	75.070.07	-
	Mymensingh	76,279,971	77,400,044
		1,782,664,465	2,035,853,894

Notes to the Financial Statements

For the year ended 31 December 2019

		31 Dec 2019 BDT	31 Dec 2018 BDT
	Outside Bangladesh		
	ABBL, Mumbai branch	673,605,611	898,569,620
		256,512,476,640	241,070,141,406
7.9	Classification of loans, advances and lease/investments		
	In Bangladesh		
	<u>Unclassified</u>		
	Standard	193,311,858,904	130,508,546,015
	Special Mention Account	15,636,520,911	29,935,179,745
		208,948,379,815	160,443,725,759
	Classified		
	Sub-Standard	2,219,729,829	4,145,600,000
	Doubtful	3,254,684,217	3,809,100,000
	Bad/Loss	41,416,077,168	71,773,146,027
		46,890,491,214	79,727,846,027
		255,838,871,028	240,171,571,787
	Outside Bangladesh-Mumbai Branch		
	Unclassified Loan	673,605,611	898,569,620
	Classified Loan	-	-
		673,605,611	898,569,620
		256,512,476,640	241,070,141,407

Classification of Loans and advances have been made as per Bangladesh Bank Letter no. DBI-1/101/2020-1573 dated June 18, 2020.

7.10 Particulars of loans, advances and lease/investments

(i)	Loans considered good in respect of which the Bank is fully secured	221,827,066,935	224,195,351,556
(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	34,685,409,705	16,874,789,850
(iv)	Loans adversely classified but provision not maintained there against	-	-
		256,512,476,640	241,070,141,406



Notes to the Financial Statements

For the year ended 31 December 2019

		31 Dec 2019 BDT	31 Dec 2018 BDT
(v)	Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,400,583,882	1,573,648,204
(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)]	1,595,718,150	1,604,509,873
(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)	1,146,653,215	1,167,540,114
	(b) Amount of loan written off	1,474,965,854	148,319,152
	(c) Amount realised against loan previously written off	109,176,042	8,735,518
	(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	5,455,756,706	4,626,067,423
(xi)	(e) Interest creditable to interest suspense account Written off loan:	1,250,180,046	6,467,603,060
(XI)	Openning written off loan	15,485,887,750	15,337,568,598
	Add: Written off during the year	1,474,965,854	148,319,152
	Cumulative Written off loans	16,960,853,604	15,485,887,750
	Less: Adjustments/ recoveries/ Settlement up to the period	3,209,310,777	3,089,505,668
	Closing Balance of Written off loan	13,751,542,827	12,396,382,082
	The amount of written off loans for which lawsuits have been filed for its recovery	13,663,089,179	12,307,823,443

7.10(a) The amount represents loans Tk. 1,595,718,150 due by the employees of the Bank.

7.11 Securities wise loans, advances and lease/investments

Nature of security
Collateral of movable/immovable assets
Cash collateral
Banks and financial institutions guarantee
Personal guarantee
Corporate guarantee
Other securities

256,512,476,640	241,070,141,407
21,213,514,881	10,321,966,809
6,341,466,253	5,888,847,641
12,233,672,184	10,886,541,122
-	-
5,562,895,098	4,909,809,022
211,160,928,224	209,062,976,813

Notes to the Financial Statements

For the year ended 31 December 2019

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 BDT
Abdul Monem Sugar	Term Loan	22 Dec 2021	389,038,833
Beximco Ltd.	Term Loan	29 Mar 2028	1,036,225,329
Beximco Ltd.	Term Loan	29 Jun 2022	130,043,079
BEL Construction SDN BHD Ltd	Term Loan	31 Dec 2027	4,165,791,925
BEL Construction SDN BHD Ltd	Term Loan	30 Dec 2021	540,814,375
R & R Aviation Limited	Term Loan	23 Dec 2027	100,883,514
International Knitwear & Apparels Ltd	Term Loan	29 Jun 2028	790,313,465
Bangladesh Export Import Co. Ltd	Term Loan	29 Jun 2022	581,111,453
New Dacca Industries Ltd	Term Loan	29 Jun 2022	2,951,794,653
New Dacca Industries Ltd	Term Loan	29 Jun 2028	816,290,793
R & R Holdings	Term Loan	23 Dec 2027	3,025,604,645
	•	•	14 527 012 064

14,527,912,064

		31 Dec 2019 BDT	31 Dec 2018 BDT
7(a)	Consolidated loans, advances and lease/ investments excl. Bills purchased		
	AB Bank Limited	255,778,280,956	239,945,454,388
	AB Investment Limited	6,752,714,392	6,781,090,546
	AB International Finance Limited	-	-
	AB Securities Limited	930,528,911	881,889,697
	Cashlink Bangladesh Limited (CBL)	-	-
		263,461,524,259	247,608,434,630
	<u>Les</u> s: Inter company transaction	911,545,194	622,013,274
		262,549,979,066	246,986,421,356
8	Bills purchased and discounted		
	In Bangladesh	92,246,798	247,989,086
	Outside Bangladesh - ABBL, Mumbai Branch	641,948,886	876,697,933
	,	734,195,684	1,124,687,019
8 (a)	Consolidated Bills purchased and discounted		
	AB Bank Limited	734,195,684	1,124,687,019
	AB Investment Limited	-	-
	AB International Finance Limited	1,100,826,659	1,074,196,894
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		1,835,022,342	2,198,883,913
8.1	Maturity grouping of Bills Purchased and discounted		
U. _	Repayable – within 1 month	169,204,134	375,670,205
	– over 1 month but within 3 months	234,126,640	556,871,058
	– over 3 months but within 6 months	122,851,863	192,145,756
	– over 6 months	208,013,047	-
		734,195,684	1,124,687,019



Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
9.	Fixed assets including premises, furniture and fixtures		
	Cost:		
	Land and Building	2,968,097,272	2,968,097,272
	Furniture and fixtures	250,083,131	251,696,675
	Office appliances	64,178,283	64,842,310
	Electrical appliances Motor vehicles	1,901,779,739	1,696,166,546 746,846,242
	Intangible Assets	781,076,227 758,525,505	655,429,056
	Right of Use Assets	1,329,421,828	-
		8,053,161,986	6,383,078,101
	Less: Accumulated depreciation and amortization	3,181,951,744	2,839,854,168
		4,871,210,242	3,543,223,934
	A schedule of fixed assets is given in Annexure-C		
9(a)	Consolidated Fixed assets including premises, furniture and fixtures		
	Cost:		
	AB Bank Limited	8,053,161,986	6,383,078,101
	AB Investments Limited	688,571,092	687,202,886
	AB International Finance Limited	4,718,520	4,635,529
	AB Securities Limited Cashlink Bangladesh Limited (CBL)	37,778,532 81,471,369	30,343,698 81,471,369
	Cashinik bangiadesir Eirinea (CDL)	8,865,701,499	7,186,731,583
	Accumulated depreciation:	2 101 051 744	2 020 054 160
	AB Bank Limited AB Investments Limited	3,181,951,744	2,839,854,168
	AB International Finance Limited	141,044,753 4,403,501	122,007,063 4,118,552
	AB Securities Limited	30,061,320	28,809,002
	Cashlink Bangladesh Limited (CBL)	81,471,369	81,471,358
	Cashink bangiacesh Einnea (CDL)	3,438,932,687	3,076,260,143
		5,426,768,812	4,110,471,440
10	Other Assets:		
	Income generating-Equity Investment		
	In Bangladesh:		
	AB Investment Limited	5,811,431,750	5,811,431,750
	(99.99% owned subsidiary company of ABBL)		
	AB Securities Limited	199,898,000	199,898,000
	(99.91% owned subsidiary company of ABBL)		
	Cashlink Bangladesh Limited (CBL)	212,581,228	212,581,228
	(90% owned subsidiary company of ABBL)		, ,
		6,223,910,978	6,223,910,978

Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
	Outside Bangladesh:	i		
	AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)		5,203,944	5,203,944
			5,203,944	5,203,944
			6,229,114,922	6,229,114,922
	Non-income generating			
	Arab Bangladesh Bank Foundation		19,920,000	19,920,000
	(99.60% owned subsidiary company of ABBL)			
	Deferred tax assets	(Note 10.1)	2,559,125,266	1,891,779,670
	Accounts receivable		1,358,719,057	2,299,178,425
	Preliminary, formation, organisational, renovation,			
	development, prepaid expenses and others		699,855,925	999,244,181
	Exchange for clearing		26,837,111	453,222,112
	Interest accrued on investment but not collected,			
	commission and brokerage receivable on shares			
	and debentures, and other income receivables		1,250,896,297	605,240,157
	Security deposits		75,798,791	162,207,512
	Advance rent and advertisement	(Note 10.2)	113,443,319	226,716,629
	Stationery, stamps, printing materials, etc.		31,978,415	48,962,028
	Inter-branch adjustment		14,147	
			6,136,588,329	6,706,470,714
			12,365,703,251	12,935,585,637
10(a)	Consolidated Other assets			
	AB Bank Limited		12,365,703,251	12,935,585,637
	AB Investment Limited		300,379,486	157,065,820
	AB International Finance Limited		37,219,501	28,019,758
	AB Securities Limited		11,989,506	56,626,977
	Cashlink Bangladesh Limited (CBL)		32,515,580	32,354,358
			12,747,807,325	13,209,652,550
	<u>Less</u> : Inter-group transaction		6,357,907,426	6,447,735,698
			6,389,899,899	6,761,916,852
10.1	Deferred tax assets			
	a) Deferred tax assets for specific provisions of loans and advances			
	Opening Deferred Tax Assets		1,995,567,400	1,508,826,970
	Add: Deferred Tax Income during the year		796,087,500	486,740,431
	<u>Less</u> : Write-Off adjustment		118,861,316	-
	Less. Adjustment during the year		50,088,601	-
	Closing deferred tax assets		2,622,704,984	1,995,567,400



Notes to the Financial Statements

For the year ended 31 December 2019

		31 Dec 2019 BDT	31 Dec 2018 BDT
	b) Deferred tax liabilities against property, plant & equipment	t	
	Balance at 01 January	103,787,730	80,784,454
	Add/(less): Provision made during the year	(40,257,496)	20,998,517
	Add/(Less): Adjustment for Rate Fluctuation during the year	49,483	2,004,759
	Closing deferred tax liabilities	63,579,718	103,787,730
	Net Deferred Tax Assets (a-b)	2,559,125,266	1,891,779,670
	Net Deferred Tax Income during the year	836,344,996	465,741,914
	Deferred tax liabilities against Property, Plant & Equipment		
	Accounting base of Property, Plant & Equipment	3,700,011,239	3,877,785,440
	Tax base of Property, Plant & Equipment	3,523,048,120	3,595,032,878
	Difference	176,963,119	282,752,562
	(Deductible)/Taxable Temporary Difference	176,963,119	282,752,562
	Effective Tax Rate	37.50%	37.50%
	Deferred Tax (Assets)/Liabilities	66,361,170	106,032,211
	Deferred Tax (Assets)/Liabilities of Mumbai Branch	(2,781,455)	(2,244,482)
	Closing Deferred Tax (Assets)/Liabilities	63,579,715	103,787,729
10.1.2	Consolidated deferred tax liabilities		
	AB Bank Limited	63,579,718	103,787,730
	AB Investment Limited	11,437,840	12,888,007
		75,017,557	116,675,737
10.1.3	Consolidated deferred tax assets		
	AB Bank Limited	2,622,704,984	1,995,567,400
	AB Securities Limited	2,265,570	2,367,901
		2,624,970,554	1,997,935,301

10.2 Advance rent and advertisement

Advance rent 2019 BDT 280,052,227 as on 31 December 2019 is included with Right of Use (ROU) assets as per IFRS 16 Leases.

11 Non-Banking Assets

ortgaged properties according to the verdict of the

342,984,836

342,984,836

The Bank has obtained absolute ownership of eleven mortgaged properties according to the verdict of the Honorable Court under section 33 (7) of Artha Rin Adalat Ain, 2003. These have been recorded as non-banking assets in accordance with Bank Companies Act, 1991 (amendment up to 2018) and BRPD circular no. 14 of 2003.

12. Borrowings from other banks, financial institutions and agents

In Bangladesh (Note 12.1) Outside Bangladesh

14,820,039,741 18,272,449,759	14,820,039,741	18,272,449,759
14,820,039,741 18,272,449,759	-	_
	14,820,039,741	18,272,449,759

Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
12.1	In Bangladesh:			
12.1.1	Bangladesh Bank			
	Export Development Fund		1,401,605,286	1,495,730,627
	Islamic Investment Bond		1,816,519,380	2,056,462,900
	Refinance against IPFF		284,034,590	317,210,749
	Refinance against Women Entr., Small Enterprise, ETP 8	Cothers	145,537,446	211,517,384
			3,647,696,701	4,080,921,660
12.1.2	Call & Term Borrowing from			
	NCC Bank Ltd.	[924,500,000	500,000,000
	NRB Commercial Bank Limited		500,000,000	400,000,000
	Agrani Bank Limited		2,900,000,000	4,000,000,000
	Sonali Bank Limited		3,000,000,000	2,600,000,000
	Janata Bank Limited		-	1,000,000,000
	Meghna Bank Limited		-	700,000,000
	Basic Bank Limited		-	250,000,000
	Uttara Bank Limited		500,000,000	2,500,000,000
	Bank Asia Limited		1,500,000,000	-
	Phoneix Finance Ltd		-	20,000,000
	Midland Bank Ltd		300,000,000	-
	South Bangla Bank Ltd		500,000,000	-
	Rupali Bank Limited		500,000,000	1,922,900,000
	National Bank Limited		254,700,000	-
	South East Bank Limited		169,800,000	-
	Krishi Bank Limited		-	125,850,000
	Accrued interest		123,343,040	166,646,489
	Accrued Interest Repo-Other Bank		-	6,131,610
			11,172,343,040	14,191,528,098
	Total in Bangladesh	-	14,820,039,741	18,272,449,759
12.2	Analysis by security	·		
	Secured (assets pledge as security for liabilities)		-	-
	Unsecured	Į	14,820,039,741	18,272,449,759
		-	14,820,039,741	18,272,449,759
12.3	Repayment pattern			
	Repayable on demand		1,000,000,000	3,450,000,000
	Repayable on maturity	(Note 12.3.1)	13,820,039,741	14,822,449,759
			14,820,039,741	18,272,449,759
12.3.1	Repayable on maturity			
	Provide deals Provide			
	Bangladesh Bank:	ſ	1 401 605 206	1 405 720 627
	Export Development Fund		1,401,605,286	1,495,730,627
	Islamic Investment Bond		1,816,519,380	2,056,462,900
	Refinance against IPFF Refinance against Women Entr., Small Ent., ETP & Others		284,034,590 145,537,446	317,210,749 211,517,384
	nemance against women end, small ent, err & others	l	3,647,696,701	4,080,921,660
			3,047,080,701	+,UOU,321,00U



Notes to the Financial Statements

For the year ended 31 December 2019

		31 Dec 2019 BDT	31 Dec 2018 BDT
	Term borrowings:		
	Agrani Bank Limited	2,900,000,000	4,000,000,000
	NCC Bank Limited	924,500,000	500,000,000
	Uttara Bank Limited	500,000,000	-
	Bank Asia Limited	1,500,000,000	-
	Rupali Bank Limited	500,000,000	1,922,900,000
	Phoneix Finance Ltd	-	20,000,000
	Sonali Bank Limited	2,000,000,000	500,000,000
	Uttara Bank Limited	-	2,500,000,000
	NRB Com. Bank Limited	500,000,000	-
	Midland Bank Ltd	300,000,000	-
	South Bangla Agriculture & Com. Bank Limited	500,000,000	-
	National Bank Limited	254,700,000	-
	Krishi Bank Limited	-	125,850,000
	Southeast Bank Limited	169,800,000	-
	Janata Bank Limited	-	1,000,000,000
	Accrued interest	123,343,040	172,778,098
		10,172,343,040	10,741,528,098
		13,820,039,741	14,822,449,759
12(a)	Consolidated Borrowings from other banks, financial institutions and agents		
	AB Bank Limited	14,820,039,741	18,272,449,759
	AB Investment Limited	737,184,319	423,537,438
	AB International Finance Limited	845,905,526	839,904,947
	AB Securities Limited	174,502,576	198,475,836
	Cashlink Bangladesh Limited (CBL)	-	-
		16,577,632,162	19,734,367,980
	<u>Less</u> : Intercompany transactions	1,757,450,720	1,461,918,222
		14,820,181,442	18,272,449,759
13.	AB Bank Subordinated Bond		
	AB Bank Subordinated Bond-I	1,000,000,000	1,500,000,000
	AB Bank Subordinated Bond-II	2,400,000,000	3,200,000,000
	AB Bank Subordinated Bond-III	4,000,000,000	4,000,000,000

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

Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
	BRAC	400,000,000	600,000,000
	Sonali Bank Limited	800,000,000	1,100,000,000
	Agrani Bank Limited	500,000,000	700,000,000
	Midland Bank Limited	80,000,000	120,000,000
	BRAC Bank Limited	220,000,000	300,000,000
	NRB Commercial Bank Limited	220,000,000	300,000,000
	Mutual Trust Bank Limited	32,000,000	48,000,000
	Grameen Capital Management Limited	8,000,000	12,000,000
	Rupali Bank Limited	600,000,000	800,000,000
	Janata Bank Limited	300,000,000	400,000,000
	Uttara Bank Limited	180,000,000	240,000,000
	National Life Insurance Co. Limited	60,000,000	80,000,000
	Jamuna Bank Limited	2,300,000,000	2,300,000,000
	National Credit & Commerce Bank Limited	1,700,000,000	1,700,000,000
		7,400,000,000	8,700,000,000
14.	Deposit and other accounts		
	Inter-bank deposits	2,363,492,605	2,000,947,652
	Other deposits	277,094,100,693	233,443,901,839
		279,457,593,298	235,444,849,491
14(a)	Consolidated Deposit and other accounts		
	AB Bank Limited	279,457,593,298	235,444,849,491
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		279,457,593,298	235,444,849,491
	Less: Inter-group transaction	62,851,282	61,558,646
		279,394,742,017	235,383,290,846
14.1	Maturity analysis of inter-bank deposits		
	Repayable – on demand	1,437,087,689	1,349,926,197
	– within 1 month	812,627,277	366,884,208
	 over 1 month but within 3 months 	82,535,972	201,607,663
	 over 3 months but within 1 year 	31,241,667	82,529,583
	 over 1 period but within 5 years 	-	-
	– over 5 periods but within 10 years	-	-
	– over 10 years	2,363,492,605	2,000,947,652
14.2	Maturity analysis of other deposits		
	Repayable – on demand	2,292,090,161	2,868,833,572
	– within 1 month	27,284,686,711	28,522,455,752
	over 1 month but within 3 months	68,451,857,539	70,252,905,765
	– over 3 months but within 1 year	124,699,894,407	85,433,906,252
	– over 1 period but within 5 years	45,545,001,949	44,737,062,747
	– over 5 years	8,820,569,927	1,628,737,751
		277,094,100,692	233,443,901,839



Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
14.3	Demand and time deposits			
	a) Demand Deposits		31,464,088,959	28,396,250,345
	Current accounts and other accounts		24,205,740,688	22,820,201,543
	Savings Deposits (9%)		2,689,973,149	2,581,709,678
	Bills Payable		4,568,375,122	2,994,339,125
	b) Time Deposits		247,993,504,339	207,048,599,146
	Savings Deposits (91%)		27,198,617,391	26,103,953,412
	Short Notice Deposits		50,930,113,957	32,204,480,815
	Fixed Deposits		122,908,353,612	128,219,725,045
	Other Deposits		46,956,419,379	20,520,439,875
	Total Demand and Time Deposits		279,457,593,298	235,444,849,491
14.4	Sector-wise break up of deposits and other acc	ounts		
	Government		1,931,164,623	1,967,543,202
	Deposit money Banks		2,363,492,605	2,000,947,652
	Autonomous & Semi-Autonomous Bodies		4,675,303,846	4,474,952,909
	Public Non-Financial Organisation		69,231,731,617	43,935,841,158
	Other Public		2,992,553,242	3,411,397,293
	Foreign Currency		11,910,287,442	9,770,384,592
	Private		186,353,059,922	169,883,782,686
			279,457,593,298	235,444,849,491
15.	Other liabilities			
	Accumulated provision against loans and advances	(Note 15.1)	15,279,405,791	10,639,913,428
	Inter-branch adjustment		-	838,178
	Provision for current tax (net of advance tax)	(Note 15.2)	2,330,977,161	1,500,377,781
	Interest suspense account	(Note 15.3)	18,134,825,637	19,704,000,511
	Provision against other assets	(Note 15.4)	336,573,038	318,685,468
	Accounts payable - Bangladesh Bank		186,368,159	1,642,013,761
	Accrued expenses	/Nats 45 5\	170,706,883	224,980,797
	Lease Liabilities	(Note 15.5)	842,847,290	010 000 000
	Provision for off balance sheet items	(Note 15.6)	710,000,000	810,000,000
	Provision against investments	(Note 15.7)	2,209,603,000	1,889,303,000
	Others (*)		849,248,793	728,077,572
			41,050,555,751	37,458,190,496

^(*) 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.

Notes to the Financial Statements

For the year ended 31 December 2019

			31 Dec 2019 BDT	31 Dec 2018 BDT
15.1	Accumulated provision against loan	s and advances		
	The movement in specific provision for bad	and doubtful debts		
	Balance at 01 January		5,078,767,423	3,772,067,423
	Fully provided debts written off during th		(316,963,509)	-
	Recovery of amounts previously written of		109,176,042	8,725,518
	Specific provision made during the period	d (+)	2,122,900,000	1,297,974,482
			1,915,112,534	1,306,700,000
	Balance at 31 December		6,993,879,956	5,078,767,423
	Provision made by ABBL, Mumbai Branch		-	-
	Total provision on classified loans a	nd advances	6,993,879,956	5,078,767,423
	On unclassified loans			
	Balance at 01 January		5,557,133,658	4,867,316,658
	Transferred from Off Balance Sheet provi	sions (+)	100,000,000	50,000,000
	General provision made during the year	(+)	2,625,600,000	639,817,000
			2,725,600,000	689,817,000
	Balance at 31 December		8,282,733,658	5,557,133,658
	Provision made by ABBL, Mumbai Branch		2,792,177	4,012,348
	Total provision on un-classified loan		8,285,525,835	5,561,146,006
	Total provision on loans and advance	es	15,279,405,790	10,639,913,428
			31 Dec	2019
	Provision for	<u>Required</u>	Maintained	Excess
	Un-classified loans and advances	8,277,792,177	8,285,525,835	7,733,658
	Classified loans and advances	6,986,773,000	6,993,879,956	7,106,956
		15,264,565,177	15,279,405,791	14,840,614

Provision against loans and advances has been maintained as per Bangladesh Bank letter no. DBI-1/101/2020-1573 dated 18 June 2020. According to letter, there is a provision shortfall of Tk.4,604 crore against loans and advances which requires to be kept in next 10 years equally from 2020-2029.

15.1.1 Details of	Details of provision for loans and advances		31 De	c 2019
			Required	Maintained
General P	<u>rovision</u>		8,277,792,177	8,285,525,835
Standard			7,906,708,049	7,914,441,707
Special Mer	ntion Account		371,084,128	371,084,128
Specific P	<u>rovision</u>		6,986,773,000	6,993,879,956
Substandar	d		302,174,308	302,174,308
Doubtful			1,235,948,942	1,235,948,942
Bad/Loss			5,448,649,750	5,455,756,706
Excess pro	vision maintained at 31 December 2019	9		14,840,614
15.2 Provision	for current tax (net of advance tax)			
Current Tax	((note 15.2.1)	4,034,349,742	14,978,959,012
Advance In	come Tax	(note 15.2.2)	1,703,372,580	13,478,581,232
Provision	for current tax (net of advance tax)		2,330,977,161	1,500,377,781



Notes to the Financial Statements

For the year ended 31 December 2019

		31 Dec 2019 BDT	31 Dec 2018 BDT
15.2.1	Provision for current tax		
	Opening Balance	14,835,831,960	13,917,551,618
	Add: Provision made during the year	1,895,469,161	918,280,342
	Less: Adjustment during the year	12,666,362,557	-
	Less: Deferred Tax Adjustment during the year	50,088,601	-
	Less: Write-off adjustment	118,861,316	-
	Closing Balance	3,895,988,647	14,835,831,960
	Provision held by ABBL, Mumbai Branch	138,361,095	143,127,052
		4,034,349,742	14,978,959,012
	Corporate income tax assessment of the Bank is completed un	to the income year	ended 31 December

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

15.2.2 Advance corporate income tax

	In Bangladesh:		
	Balance at 01 January 2019	13,330,000,239	13,008,910,364
	Paid during the year	920,645,219	321,089,875
	Less: Transfer/Adjustment during the year	12,666,362,557	-
	Closing balance (Bangladesh operations)	1,584,282,901	13,330,000,239
	Advance tax of ABBL, Mumbai Branch	119,089,679	148,580,992
		1,703,372,580	13,478,581,232
15.3	Interest suspense account		
	Balance at 01 January	19,704,000,511	13,280,998,451
	Add. Transferred during the the year (+)	1,250,180,046	6,467,603,060
	Less. Recovery/adjustment during the year (-)	2,473,928,682	31,189,000
	Less: Waiver during the year (-)	294,613,000	13,412,000
	Less: Written off during the year (-)	50,813,239	-
	Balance at 31 December	18,134,825,637	19,704,000,511
15.4	Provision against other assets		
	Provision for		
	Prepaid legal expenses	121,030,000	107,530,000
	Protested bills	76,055,610	76,055,610
	Others	139,487,428	135,099,858
		224 222	242 422 442

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

336,573,038

318,685,468

For the year ended 31 December 2019

15.4.1 Calculation of Provision against other assets

Particulars	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	120,611,118	120,611,118	50% & 100%	60,305,559	121,030,000
Protested bills	75,246,095	75,246,095	100%	75,246,095	76,055,610
Others	117,955,866	117,955,866	100%	117,955,866	139,487,428
Required provision for	r other assets			253,507,520	336,573,038
Total provision requirement Total provision maintained				253,507,520 336,573,038	
Excess provision main	ntained at 31 i	December 20	19		83,065,518
Leasehold Liabilities				31 Dec 2019 BDT	31 Dec 2018 BDT
Opening balance of pres	ent value of leas	se liability		979,237,360	-

Bank recognises lease liabilities measured at the present value of lease payments to be made over the leased term using incremental borrowing rate @ 8% at the date of initial application of "IFRS 16 Leases". Lease liability is measured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments, and remeasuring the carrying amount to reflect any reassessment of lease modification.

49,896,645

186,286,715

842,847,290

Provision for off balance sheet items 15.6

Rental payment during the year

Closing balance of lease liability

Finance Cost @ 8%

15.5

<u>ress.</u> Iransierred to general provisions	710,000,000	810,000,000
Less: Transferred to general provisions	(100,000,000)	(50,000,000)
Opening balance	810,000,000	860,000,000

15.6.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	31 Dec 2019	31 Dec 2018
Acceptances and endorsements	9,734,703,456	1%	97,347,035	216,648,132
Letters of guarantee	14,056,674,691	1%	140,566,747	145,690,143
Irrevocable letters of credit	6,195,569,825	1%	61,955,698	120,603,602
Others	211,495,791	1%	2,114,958	14,613,019
Total Off Balance Sheet Items & required provision	30,198,443,762		301,984,438	497,554,896
Total provision maintained			710,000,000	810,000,000
Excess provision at 31 December 2019		408,015,562	312,445,104	

Provision is not required against Off Balance Sheet items of Mumbai Branch BDT 14,576,184,972 as per Reserve Bank of India (RBI) guidelines.



Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
15.7	Provision against investments		
	Provision against quoted shares:		
	Opening balance	1,650,053,000	1,560,053,000
	Add: Provision made during the year	180,300,000	90,000,000
		1,830,353,000	1,650,053,000
	Total provision maintained for Investment	1 920 252 000	1 650 052 000
	Total provision maintained for Investment Total provision requirement for Investment	1,830,353,000 1,826,516,990	1,650,053,000 1,642,820,432
	Excess provision	3,836,010	7,232,568
	Excess provision	3,830,010	7,232,308
	Provision for Pinnacle Global Fund Pte Limited:		
	Opening balance	239,250,000	-
	Add: Provision made during the year	140,000,000	239,250,000
		379,250,000	239,250,000
	Bank letter no. DBI-1/101/2020-1573 dated June 18, 2020 for 10 Total Provision maintained against investment: Provision against quoted shares	1,830,353,000	1,650,053,000
	Provision for Pinnacle Global Fund Pte Limited	379,250,000	239,250,000
		2,209,603,000	1,889,303,000
15(a)	Consolidated Other liabilities		
13(a)	AB Bank Limited	41,050,555,751	37,458,190,496
	AB Investment Limited	852,726,243	873,488,971
	AB International Finance Limited	86,150,229	65,509,340
	AB Securities Limited	448,712,800	610,856,624
	Cashlink Bangladesh Limited (CBL)	28,750	9,770,756
		42,438,173,774	39,017,816,187
	<u>Less</u> : Inter-group transaction	17,190,130	115,494,023
		42,420,983,644	38,902,322,164
16.	Share Capital	7,581,303,150	7,581,303,150
16.1	Authorised Capital		
	1,500,000,000 ordinary shares of BDT 10 each	15,000,000,000	15,000,000,000
16.2	Issued, Subscribed and Paid-up Capital		
_	10,000,000 ordinary shares of BDT 10 each issued for cash	100,000,000	100,000,000
	5,000,000 ordinary shares of BDT 10 each issued for rights	50,000,000	50,000,000
	743,130,315 ordinary shares of BDT 10 each issued as bonus shares	7,431,303,150	7,431,303,150
		7,581,303,150	7,581,303,150

For the year ended 31 December 2019

16.3 Percentage of shareholding

Sponsors and public Government

	ember 2019	As at 31 Dec
N	%	No. of shares
	99.43	753,784,637
	0.57	4,345,678
7	100.00	758.130.315

As at 31 December 2018			
No. of shares	%		
753,784,637	99.43		
4,345,678	0.57		
758,130,315	100.00		

16.4 Classification of shareholders by holding

Haldin a	No. of holders		% of total holding	
Holding	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Upto 500	31,442	34,999	49.69	50.79
501 to 5,000	23,976	25,746	37.89	37.37
5,001 to 10,000	3,663	3,836	5.79	5.57
10,001 to 20,000	2,092	2,175	3.31	3.16
20,001 to 30,000	701	714	1.11	1.04
30,001 to 40,000	326	336	0.52	0.49
40,001 to 50,000	231	253	0.37	0.37
50,001 to 100,000	404	385	0.64	0.56
100,001 to 1,000,000	385	403	0.61	0.58
Over 1,000,000	56	57	0.09	0.08
	63,276	68,904	100	100

16.5 Names of the Directors and their shareholding as at 31 December 2019

Name of the Director	Status	No. of Shareholding including nominating institution/individual	
		31 Dec 2019	31 Dec 2018
Mr. Muhammad A. (Rumee) Ali Nominated by Pacific Traders Limited	Chairman	75,696,901	75,696,901
Mr. Feroz Ahmed	Director	15,730,196	15,730,196
Mr. Shajir Ahmed Nominated by Mr. Salim Ahmed	Director	17,907,293	17,907,293
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Limited	Director	74,157,802	74,157,802
Mr. Kaiser A. Chowdhury	Independent Director	-	-
Mr. Tarique Afzal	President & Managing Director	-	-



Notes to the Financial Statements

For the year ended 31 December 2019

16.6 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 2018) 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 December 31, 2019 is Taka 41,776,426,278 as against available Total Common Equity Tier-I Capital of Taka 19,813,567,155 and Total Tier-2 Capital available of Taka 15,584,769,283 that is, a total of Taka 35,398,336,438 thereby showing a deficit capital of Taka 6,378,089,840 at that date. Details are shown below:

<u>Tier I Capital (Going-Concern Capital)</u>

Common Equity Tier-I Capital	31 Dec 2019 BDT	31 Dec 2018 BDT
Fully Paid-up Capital/Capital Deposited with BB	7,581,303,150	7,581,303,150
Statutory Reserve	6,872,052,329	6,623,362,740
Non-repayable share premium account	0,072,032,323	0,023,302,740
General Reserve	1,304,649,867	1,303,199,679
Retained earnings	6,834,970,432	6,967,589,458
Minority interest in Subsidiaries	11,688,017	10,414,140
Non-Cumulative irredeemable Preference shares	-	-
Dividend Equalization Account	_	_
Dividenta Equalization recount	22,604,663,795	22,485,869,167
Regulatory adjustment:		
Goodwill and all other Intangible Assets	138,569,481	117,481,270
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)	2,622,704,984	1,995,567,400
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	19,862,175	24,810,399
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	-	-
	2,791,096,640	2,147,819,069
Total Common Equity Tier-I Capital	19,813,567,155	20,338,050,098

Notes to the Financial Statements

	31 Dec 2019 BDT	31 Dec 2018 BDT
Additional Tier-I Capital	-	-
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	9,754,729,283	7,090,083,994
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) Minority Interest	- 5,840,000,000 -	- 7,460,000,000 -
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	-	849,638,093
and Securities & 10% of Equities) Other (if any item approved by Bangladesh Bank)	_	-
Sub-Total	15,594,729,283	15,399,722,087
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	-	679,710,474
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)	-	138,798,076
Total Tier-2 Capital Available	15,584,769,283	14,571,253,536
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)	17,612,279,844	18,078,492,733
Excess amount over maximum limit of T 2	-	-
Total admissible Tier 2 Capital	15,584,769,283	14,571,253,536
Total Eligible Capital	35,398,336,438	34,909,303,635
Total assets including off-Balance Sheet items	415,912,260,208	382,362,859,159
Total risk-weighted assets (RWA)	334,211,410,226	333,036,685,673
B. Total required capital (12.50% of Total RWA)	41,776,426,278	39,548,106,424
Capital Surplus / (Shortfall) [A-B]	(6,378,089,840)	(4,638,802,789)
Capital to Risk Weighted Assets Ratio (CRAR)	10.59%	10.48%



Notes to the Financial Statements

For the year ended 31 December 2019

Solo - Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to 2018) 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 2019 is BDT 41,421,898,670 as against available Common Equity Tier-I capital of BDT 18,711,578,914 and Total Tier-2 Capital Available capital of BDT 14,835,525,835 that is, a total of BDT 33,547,104,748 thereby showing a defecit capital of BDT 7,874,793,922 at that date. Details are shown below:

Tier I Capital (going-concern capital)	31 Dec 2019 BDT	31 Dec 2018 BDT
Common Equity Tier-I Capital		
Fully Paid-up Capital/Capital Deposited with BB	7,581,303,150	7,581,303,150
Statutory Reserve	6,872,052,329	6,623,362,740
Non-repayable share premium account	-	-
General Reserve	1,222,199,200	1,222,199,200
Retained earnings	5,817,160,874	5,905,152,980
Minority interest in Subsidiaries	-	-
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	21,492,715,553	21,332,018,070
Regulatory adjustment :		
regulatory adjustment:		
Goodwill and all other Intangible Assets	138,569,481	117,481,270
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)	2,622,704,984	1,995,567,400
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	19,862,175	24,810,399
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	-	-
Other if any	_	_
,	2,781,136,640	2,137,859,069
Total Common Equity Tier-I Capital	18,711,578,914	19,194,159,001
Additional Tion I Conital		
Additional Tier-I Capital	-	-

Notes to the Financial Statements

For the year ended 31 December 2019

	31 Dec 2019 BDT	31 Dec 2018 BDT
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve All other preference shares	8,995,525,835 -	6,371,146,006
Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines) Non-controlling interest	5,840,000,000	7,460,000,000
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) Other (if any item approved by Bangladesh Bank)	-	798,029,978
Sub-Total	14,835,525,835	14,629,175,984
Regulatory adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities Investment in own T-2 Instruments/Shares	-	638,423,982 -
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26 (2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other (if any)	-	138,798,076
Total Tier-2 Capital Available Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up	14,835,525,835	13,851,953,926
to 4.0% of the total RWA or 88.89% of CET1, whichever is higher) Excess amount over maximum limit of T 2	16,632,722,496	17,061,687,936
Total admissible Tier 2 Capital	14,835,525,835	13,851,953,926
Total Eligible Capital	33,547,104,748	33,046,112,927
Total assets including off-Balance Sheet items	413,404,972,542	379,735,007,106
Total risk-weighted assets (RWA) B. Total required capital (12.50% of Total RWA)	331,375,189,363 41,421,898,670	329,582,980,874
B. Total required capital (12.30%) of Total RWA)	41,421,090,070	39,137,978,979
Capital Surplus / (Shortfall) [A-B]	(7,874,793,922)	(6,091,866,052)
Capital to Risk Weighted Assets Ratio (CRAR)	10.12%	10.03%
Statutory reserve		
In Bangladesh		
Opening balance	6,324,553,560	6,256,894,064
Add: Addition during the year	223,202,604	67,659,496
Add./less Adjustment for Foreign Exchange Rate Fluctuation	6,547,756,164	6,324,553,560

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Notes to the Financial Statements

			31 Dec 2019 BDT	31 Dec 2018 BDT
	Outside Bangladesh - ABBL, Mumbai Branch			
	Opening balance		298,809,180	292,348,935
	Add: Addition during the period		27,870,923	27,622,121
	Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation		(2,383,939)	(21,161,876)
			324,296,165	298,809,180
			6,872,052,329	6,623,362,740
10	Otherway			
18.	Other reserve	(Nata 10 1)	1 222 100 200	1 222 100 200
	General reserve	(Note 18.1)	1,222,199,200	1,222,199,200
	Assets revaluation reserve	(Note 18.2)	1,296,690,729	1,298,209,633
	Investment revaluation reserve	(Note 18.3)	51,075,241	20,254,171
			2,569,965,170	2,540,663,004
18.1	General reserve		1,222,199,200	1,222,199,200
	Opening balance Addition/(adjustment) during the year		1,222,199,200	1,222,199,200
	realizer, (assument) carries and year		1,222,199,200	1,222,199,200
				· · · · ·
18.2	Assets revaluation reserve			
	Opening balance		1,298,209,633	1,300,480,317
	Add: Addition/(adjustment) during the year		-	-
	Less: Transferred to retained earnings		(1,518,904)	(2,270,684)
			1,296,690,729	1,298,209,633
18.3	Investment revaluation reserve (T.Bills & T.Bor	nds)		
		,		
	<u>In Bangladesh</u>			
	Revaluation Reserve for:			
	Held to Maturity (HTM)	Note (18.3.1)	38,000,145	4,789,464
	Held for Trading (HFT)	Note (18.3.2)	13,075,096	15,464,707
	ricia for frauling (fill 1)	11010 (101012)	51,075,241	20,254,171
			- //	-, - ,
	Outside Bangladesh			
	ABBL, Mumbai Branch		-	-
			51,075,241	20,254,171
		_		
18.3.1	Revaluation Reserve for Held to Maturity (HTM)	4 700 464	2 402 204
	Opening balance		4,789,464	3,483,281
	Add: Addition during the year		33,210,681	1,306,183
	Less: Adjustment during the year		38,000,145	4,789,464 -
			38,000,145	4,789,464
			, ,	, ,

Notes to the Financial Statements

		31 Dec 2019 BDT	31 Dec 2018 BDT
18.3.2	Revaluation Reserve for Held for Trading (HFT)		
	Opening balance	15,464,707	102,544,143
	Add: Addition during the year	109,482,697	666,902,427
		124,947,404	769, 44 6,570
	<u>Less</u> : Adjustment during the year	111,872,308	753,981,863
		13,075,096	15,464,707
18(a)	Consolidated Other reserve		
	AB Bank Limited	2,569,965,170	2,540,663,004
	AB Investment Limited	-	-
	AB International Finance Limited	84,161,257	86,517,889
	AB Securities Limited Cashlink Bangladesh Limited (CBL)	85,910,523	85,910,523
	Cashillik bangiadesii Lillited (CDL)	2,740,036,949	2,713,091,416
19.	Retained earnings		
	Opening balance	5,905,152,980	6,011,991,999
	Add: Post-tax profit for the year	167,741,264	18,323,578
	Less: Transfer to statutory reserve	(251,073,528)	(95,281,616)
	<u> </u>	5,821,820,716	5,935,033,960
	Add/(Less): Transferred from Assets Revaluation Reserve	1,518,905	2,270,683
	Add/(Less): Foreign Exchange Translation gain/(loss)	(6,178,746)	(32,151,664)
		5,817,160,874	5,905,152,980
19(a)	Consolidated Retained earnings		
-5 (a)	AB Bank Limited	5,817,160,874	5,905,152,980
	AB Investment Limited	290,465,910	348,015,148
	AB International Finance Limited	117,098,561	108,540,902
	AB Securities Limited	152,001,606	151,680,259
	Cashlink Bangladesh Limited (CBL)	(167,733,872)	(180,470,666)
	, ,	6,208,993,079	6,332,918,623
	Add/(Less): Adjustment made during the year	609,338,872	616,758,478
	Non-controlling Interest	16,638,480	17,912,357
	-	6,834,970,432	6,967,589,458
19(b)	Non-controlling interest		
	AB Investment Limited	10,210	10,297
	AB Securities Limited	451,195	450,910
	Cashlink Bangladesh Limited	11,226,613	9,952,933
	Cashiin Canglades i Linited	11,688,017	10,414,140
20.	Contingent liabilities	47,836,302,228	57,209,035,486
	-		
20.1	Letters of guarantee		
	Money for which the Bank is contingently liable in		
	respect of guarantees issued favoring:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	101,954,959	68,158,730
	Others	13,956,416,188	14,500,855,603
		14,058,371,146	14,569,014,333



Notes to the Financial Statements

		2019 BDT	2018 BDT
21.	Profit and loss account		
	Income: Interest, discount and similar income	30,924,132,550	23,098,116,994
	Dividend income	235,761,409	198,357,616
	Fee, commission and brokerage	1,209,120,076	1,505,554,954
	Gains less losses arising from investment securities	47,881,292	85,890,892
	Gains less losses arising from dealing in foreign currencies	543,471,508	827,040,221
	Other operating income	69,510,357	127,566,812
	Gains less losses arising from dealing securities Income from non-banking assets	(1,299,085,690)	362,641,934
	Evnoncos	31,730,791,501	26,205,169,423
	Expenses: Interest, fee and commission	18,846,782,511	17,557,309,639
	Administrative expenses	3,721,383,466	4,036,977,365
	Other operating expenses	1,095,487,977	1,247,892,797
	Depreciation and amortization on banking assets	510,240,666	287,863,273
	Loss on loans and advances	1,107,189,105	-
		25,281,083,725	23,130,043,074
		6,449,707,777	3,075,126,349
22.	Interest income/profit on investments Interest on loans and advances:		
	Loans and advances	25,261,156,042	18,255,386,422
	Bills purchased and discounted	1,167,202,062	912,573,703
	5.110 par 6.14664 4.14 4.16664 1.1664	26,428,358,104	19,167,960,125
	Interest on:	, , ,	
	Calls and placements	219,436,245	282,532,512
	Balance with foreign banks	13,629,765	10,680,185
	Reverse Repo	36,547,386	-
	Balance with Bangladesh Bank	17,526,027	6,286,984
		287,139,423	299,499,682
		26,715,497,527	19,467,459,807
22(a).	Consolidated Interest income/profit on investments		
	AB Bank Limited	26,715,497,527	19,467,459,807
	AB International Finance Limited	51,909,386	53,701,638
	AB Investment Limited	138,400,793	239,440,553
	AB Securities Limited	40,048,959	52,615,368
	Cashlink Bangladesh Limited (CBL)	13,555,475	3,542,157
	Less: Intercompany transactions	26,959,412,140 5,257,759	19,816,759,522 5,908,926
	<u>ccss</u> . Intercompany transactions	26,954,154,381	19,810,850,595
23.	Interest/profit paid on deposits, borrowings, etc. Interest on deposits:		
	Fixed deposits	10,314,702,844	10,299,866,141
	Savings deposits	970,183,410	936,686,464
	Special notice deposits	2,463,058,998	1,930,914,402
	Other deposits	2,905,596,924	1,868,620,349
		16,653,542,176	15,036,087,355
	Interest on borrowings:		
	Local banks, financial institutions including BB	1,341,067,732	1,677,800,912
	Subordinated Bond	852,172,602	843,421,371
		18,846,782,511	17,557,309,639

Notes to the Financial Statements

		2019	2018
22(-)	Councilidated Tutomest/weeft waid on democite howeviews at	BDT	BDT
23(a).	Consolidated Interest/profit paid on deposits, borrowings, etc.	10 046 703 511	17 557 200 620
	AB Bank Limited AB Investment Limited	18,846,782,511	17,557,309,639
		15,609	- 200 055
	AB International Finance Limited	5,737,888	6,286,955
	AB Securities Limited Cook link Panel I dook Limited (CRL)	23,092,701	25,388,336
	Cashlink Bangladesh Limited (CBL)	10 075 630 700	17 500 004 020
	Less: Intercompany transactions	18,875,628,709	17,588,984,930
	Less: Intercompany transactions	7,144,210 18,868,484,499	8,579,762 17,580,405,167
		10,000,404,499	17,380,403,107
24.	Investment income		
	Capital gain on sale of shares	47,881,292	85,890,892
	Interest on treasury bills	144,931,290	34,783,208
	Dividend on shares	235,761,409	198,357,616
	Interest on treasury bonds	3,667,650,750	3,348,921,201
	Gain/(Loss) on treasury bills and treasury bonds	(1,299,085,690)	362,641,934
	Interest on other bonds & others	396,052,983	246,952,778
		3,193,192,033	4,277,547,629
24(a).	Consolidated Investment income		
	AB Bank Limited	3,193,192,033	4,277,547,629
	AB Investment Limited	(131,590,144)	19,347,382
	AB International Finance Limited	-	-
	AB Securities Limited	(29,937,889)	52,226,468
	Cashlink Bangladesh Limited (CBL)	-	147,177
		3,031,664,000	4,349,268,656
	<u>Less</u> : Intercompany transactions	109,642,410	102,222,804
		2,922,021,590	4,247,045,852
	(*) Inter-company transactions includes dividend income from AB International Finance Limited		
	income from Ab International Finance Limited		
25.	Commission, exchange and brokerage		
	Other fees, commission and service charges	683,277,518	843,528,575
	Commission on letters of credit	402,917,767	520,301,993
	Commission on letters of guarantee	122,924,791	141,724,386
	Exchange gains less losses arising from dealings in	543,471,508	827,040,221
	foreign currencies	1,752,591,584	2,332,595,175
25(a).	Consolidated Commission, exchange and brokerage		
	AB Bank Limited	1,752,591,584	2,332,595,175
	AB Investment Limited	38,422,671	36,645,977
	AB International Finance Limited	68,000,562	65,264,303
	AB Securities Limited	38,821,911	43,582,674
	Cashlink Bangladesh Limited (CBL)	-	-
		1,897,836,728	2,478,088,129



Notes to the Financial Statements

For the year ended 31 December 2019

			2019 BDT	2018 BDT
26.	Other income			
	Locker rent, insurance claim and others		4,701,789	7,730,928
	Recoveries on telex, telephone, fax, etc.		40,577,496	63,216,760
	Recoveries on courier, postage, stamp, etc.		12,578,455	26,447,096
	Non-operating income (*)		11,652,617	30,172,028
			69,510,357	127,566,812
	(*) Non-operating income includes sale of scrap items.			
26(a).	Consolidated other income			
	AB Bank Limited		69,510,357	127,566,812
	AB Investment Limited		11,903,569	12,904,246
	AB International Finance Limited		72,732, 4 98	63,810,277
	AB Securities Limited		1,751,475	1,714,353
	Cashlink Bangladesh Limited (CBL)		-	-
			155,897,899	205,995,688
	<u>Less</u> : Inter company transactions		7,402,971	8,187,356
			148,494,928	197,808,332
27.	Salary and allowances			
	Basic salary, provident fund contribution and all other allowance:	s	2,554,284,167	2,640,981,766
	Festival and incentive bonus		178,318,228	184,021,674
			2,732,602,396	2,825,003,440
			, ,	, , ,
27.1	Chief executive's salary and fees		5,885,484	9,932,258
27(a).	Consolidated salary and allowances			
	AB Bank Limited		2,732,602,396	2,825,003,440
	AB Investment Limited		15,286,399	14,868,417
	AB International Finance Limited		31,257,162	30,711,921
	AB Securities Limited		25,665,708	25,032,872
	Cashlink Bangladesh Limited (CBL)		267,504	266,928
			2,805,079,169	2,895,883,578
28.	Rent, taxes, insurance, electricity, etc.			
	Rent, rates and taxes	(Note 28.1)	293,648,499	477,033,554
	Electricity, gas, water, etc.		96,014,966	102,266,082
	Insurance		176,214,045	169,448,434
			565,877,510	748,748,069

28.1 Rent, rates and taxes

Right of Use (ROU) assets has been calculated for the year 2019 as per IFRS-16 leases considering monthly rental expenses excluding low value assets.

28(a). Consolidated Rent, taxes, insurance, electricity, etc.

AB Bank Limited
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)
Less: Inter company transactions

565,877,510	748,748,069
2,176,232	2,139,857
10,050,587	9,655,103
8,126,543	7,991,824
-	11,005
586,230,872	768,545,859
5,516,520	5,516,520
580,714,352	763,029,339

Notes to the Financial Statements

For the year ended 31 December 2019

		2019 BDT	2018 BDT
29.	Legal expenses		
	Legal expenses	11,038,914	2,826,348
29(a).	Consolidated legal expenses		
	AB Bank Limited	11,038,914	2,826,348
	AB Investment Limited	448,450	241,260
	AB International Finance Limited	1,009,701	319,621
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
		12,497,065	3,387,229
30.	Postage, stamp, telecommunication, etc.		
	Telex, fax, internet, wireless link, SWIFT, etc.	63,825,996	75,582,514
	Telephone	6,224,708	7,573,194
	Postage, stamp and shipping	22,702,756	31,633,536
		92,753,460	114,789,243
224.			
30(a).	Consolidated Postage, stamp, telecommunication, etc. AB Bank Limited	02.752.460	114 700 242
	AB Investment Limited	92,753,460 862,866	114,789,243 828,071
	AB International Finance Limited	12,229,015	10,352,448
	AB Securities Limited	1,488,154	1,440,910
	Cashlink Bangladesh Limited (CBL)	-	150
		107,333,496	127,410,823
		, ,	, ,
31.	Stationery, printing, advertisements, etc.		
	Printing and stationery	125,196,656	129,724,338
	Publicity, advertisement, etc.	9,496,866	21,693,963
		134,693,521	151,418,300
31(a).	Consolidated Stationery, printing, advertisements, etc.		
()	AB Bank Limited	134,693,521	151,418,300
	AB Investment Limited	242,605	187,989
	AB International Finance Limited	349,802	552,077
	AB Securities Limited	638,538	456,649
	Cashlink Bangladesh Limited (CBL)	-	-
		135,924,466	152,615,016
32.	Directors' fees		
	Directors' fees	1,273,200	1,984,800
	Meeting expenses	802,987	2,024,791
		2,076,187	4,009,591

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



Notes to the Financial Statements

		2019 BDT	2018 BDT
32(a).	Consolidated Directors' fees		
	AB Bank Limited	2,076,187	4,009,591
	AB Investment Limited	146,342	293,348
	AB International Finance Limited	-	-
	AB Securities Limited	279,444	400,000
	Cashlink Bangladesh Limited (CBL)	103,500	57,500
		2,605,473	4,760,439
33.	Auditors' fees		
	Statutory	1,429,700	1,363,565
	Others	5,526,463	1,282,487
		6,956,164	2,646,052
33(a).	Consolidated Auditors' fees		
. ,	AB Bank Limited	6,956,164	2,646,052
	AB Investment Limited	-	143,750
	AB International Finance Limited	452,901	404,853
	AB Securities Limited	168,500	88,000
	Cashlink Bangladesh Limited (CBL)	28,750	28,750
		7,606,315	3,311,405
34.	Depreciation and repairs of Bank's assets		
•	Depreciation:		
	Electrical appliances	120,618,360	103,256,528
	Furniture and fixtures	11,055,354	12,423,358
	Office appliances	2,075,238	2,309,425
	Building	16,019,742	18,034,930
	Motor vehicles	70,361,966	72,541,973
		220,130,661	208,566,214
	Depreciation of ROU (Right Of Use) assets	207,977,884	-
	Repairs:		
	Motor vehicles	24,804,902	27,287,995
	Electrical appliances	67,465,593	67,947,777
	Office premises and others	70,305,608	75,548,423
	Furniture and fixtures	1,874,670	1,918,434
	Office appliances	5,049,058	4,901,434
		169,499,830	177,604,064
		597,608,375	386,170,278
	Amortization of Intangible Assets	82,132,121	79,297,059
		679,740,496	465,467,337
34(a).	Consolidated Depreciation and repairs of Bank's assets		
	AB Bank Limited	679,740,496	465,467,337
	AB Investment Limited	19,035,165	18,487,430
	AB International Finance Limited	504,821	808,541
	AB Securities Limited	2,041,837	1,464,420
	Cashlink Bangladesh Limited (CBL)	-	31,824
		701,322,318	486,259,551

Notes to the Financial Statements

		2019 BDT	2018 BDT
35.	Other expenses		
	Contractual service	473,242,793	484,157,680
	Petrol, oil and lubricant	55,452,530	64,647,808
	Software expenses	192,999,375	169,692,134
	Entertainment	35,695,817	37,347,066
	Travelling	14,346,126	19,666,937
	Subscription, membership and sponsorship	10,234,925	60,198,184
	Training, seminar and workshop	9,506,987	12,851,116
	Local conveyance	9,233,680	9,996,958
	Professional charges	37,972,254	74,644,077
	Books, newspapers and periodicals	1,444,370	1,570,286
	Branch opening expenses	-/	189,954
	Finance charge under lease liability	49,896,645	-
	Bank Charges	12,819,190	14,296,509
	Sundry expenses (*)	192,643,284	298,634,089
	Surface Coperises ()	1,095,487,977	1,247,892,797
		1,033,407,377	1,247,032,737
	(*) Sundry expenses includes business promotion, rebate to foreign correspondents, donation & dress of support staff etc.		
35(a).	Consolidated other expenses		
()	AB Bank Limited	1,095,487,977	1,247,892,797
	AB Investment Limited	9,847,339	7,528,636
	AB International Finance Limited	1,989,081	3,783,000
	AB Securities Limited	9,390,101	8,120,531
	Cashlink Bangladesh Limited (CBL)	53,698	111,425
	(02-)	1,116,768,196	1,267,436,388
			, , ,
36.	Provision against loans and advances		
	On un-classified loans	2,624,411,840	640,236,201
	On classified loans	2,122,900,000	1,297,974,482
		4,747,311,840	1,938,210,683
36(a).	Consolidated provision against loans and advances	, , ,	, , ,
	AB Bank Limited	4,747,311,840	1,938,210,683
	AB Investment Limited	-	100,000,000
	AB International Finance Limited	-	-
	AB Securities Limited	-	52,500,000
	Cashlink Bangladesh Limited (CBL)	-	-
		4,747,311,840	2,090,710,683
37.	Provisions for investments		
	Provision for quoted shares in Bangladesh operations	180,300,000	90,000,000
	Provision for Pinnacle Global Fund Pte Limited	140,000,000	239,250,000
	Provision for Amana Bank Plc	54,687,754	184,263,018
	Total provision for investments	374,987,754	513,513,018



Notes to the Financial Statements

For the year ended 31 December 2019

		2019	2018
		BDT	BDT
37(a).	Consolidated provisions for diminution in value of investments		
	AB Bank Limited	374,987,754	513,513,018
	AB Investment Limited	-	61,673,057
	AB International Finance Limited	-	-
	AB Securities Limited	(31,991,511)	3,000,000
	Cashlink Bangladesh Limited (CBL)	-	-
		342,996,243	578,186,075
38.	Other provision		
	Provision for off balance sheet items	-	-
	Provision for Other assets	18,227,696	67,408,023
		18,227,696	67,408,023

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.

38(a).	Consolidated other provisions		
	AB Bank Limited	18,227,696	67,408,023
	AB Investment Limited	-	-
	AB International Finance Limited	-	-
	AB Securities Limited	-	-
	Cashlink Bangladesh Limited (CBL)	-	-
	, ,	18,227,696	67,408,023
39.	Appropriations		
	Retained earnings - brought forward	5,905,152,980	6,011,991,999
	Add: Post-tax profit for the year	167,741,264	18,323,578
		6,072,894,244	6,030,315,577
	<u>Transferred to</u>		
	Statutory reserve	251,073,528	95,281,616
	General reserve	-	-
	Proposed dividend	-	-
		251,073,528	95,281,616
	Retained earnings	5,821,820,716	5,935,033,961
	Add: Transferred from Assets Revaluation Reserve	1,518,905	2,270,683
	Less: Adjustment during the year	-	-
	Add: Foreign Exchange translation gain/(Loss)	(6,178,746)	(32,151,664)
		5,817,160,875	5,905,152,980
40.	Earnings Per Share (EPS)		
	Profit after taxation	167,741,264	18,323,578
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Earnings Per Share	0.22	0.02
40.(a)	Consolidated Earnings Per Share		
	Net Profit/(Loss) attributable to the shareholders of parent company	121,976,397	42,866,863
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Earnings Per Share	0.16	0.06

Notes to the Financial Statements

For the year ended 31 December 2019

2019	2018
BDT	BDT

Earnings Per Share (EPS) has been computed in accordance with International Accounting Standard (IAS)-33 by dividing the basic earnings by the number of ordinary shares outstanding as of December 31, 2019. There is no convertible instruments of the Bank, thus no dilution effect has been considered.

41.	Receipts fi	rom other	operating	activities
-----	-------------	-----------	-----------	------------

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

42. Payments for other operating activities

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

43. **Decrease in other assets**

Investment in subsidiaries Advance rent and advertisement Stationery, stamps, printing materials, etc. Security deposits Commission and brokerage receivable on shares and debentures, and other income receivables Accounts receivable Preliminary, formation, organizational, renovation, development and prepaid expenses Exchange for clearing Inter-branch adjustment Arab Bangladesh Bank Foundation

Net Increase/(Decrease)

44. Increase/(decrease) in other liabilities

Accumulated provision against loans and advances Provision for current tax Interest suspense account Accounts payable - Bangladesh Bank Provision against other assets Accrued expenses Provision against investments Provision against off balance sheet items Others

Less: Adjustment for provision and others

Net Increase/(Decrease)

2,957,430,624	4,079,190,013
526,667,762	774,605,846
40,577,496	63,216,760
12,578,455	26,447,096
11,652,617	30,172,028
, ,	•
4,701,789	7,730,928
3,553,608,744	4,981,362,671
822,296,467	748,748,069
92,753,460	114,789,243
169,499,830	177,604,064
11,038,914	2,826,348
6,956,164	2,646,052
2,076,187	4,009,591
1,045,591,332	1,247,892,797
2,150,212,354	2,298,516,163
6,229,114,922	6,229,114,922
393,495,546	226,716,629
31,978,415	48,962,028
75,798,791	162,207,512
73,730,731	102,207,312
1,250,896,297	605,240,157
1,358,719,057	2,299,178,425
699,855,925	999,244,181
26,837,111	453,222,112
14,147	-
19,920,000	19,920,000
10,086,630,212	11,043,805,967
(957,175,755)	796,687,496
15,279,405,791	10,639,913,428
2,330,977,161	1,500,377,781
18,134,825,637	19,704,000,511
· · · · · · · · · · · · · · · · · · ·	
186,368,159	1,642,013,761
336,5/3,038	318,685,468
170,706,883	224,980,797
2,209,603,000	1,889,303,000
710,000,000	810,000,000
849,248,793	728,077,572
40,207,708,462	37,457,352,318
21,752,855,045	16,037,642,766
18,454,853,417	21,419,709,552
(2,964,856,134)	7,224,614,281
(2,304,030,134)	7,227,017,201



Notes to the Financial Statements

For the year ended 31 December 2019

		2019 BDT	2018 BDT
45.	Net Operating Cash Flow Per Share (NOCFPS)		
	Net Operating Cash Flow	28,702,666,413	(6,830,858,924)
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Operating Cash Flow Per Share (NOCFPS)	37.86	(9.01)
45(a)	Consolidated Net Operating Cash Flow Per Share (NOCFPS)		
	Net Operating Cash Flow	28,647,450,655	(6,926,718,040)
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Operating Cash Flow Per Share (NOCFPS)	37.79	(9.14)
46.	Net Asset Value Per Share (NAVPS)		
	Net Asset Value	22,840,481,523	22,650,481,875
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Asset Value Per Share (NAVPS)	30.13	29.88
46(a)	Consolidated Net Asset Value Per Share (NAVPS)		
	Net Asset Value	24,028,362,861	23,885,346,764
	Number of ordinary shares outstanding	758,130,315	758,130,315
	Net Asset Value Per Share (NAVPS)	31.69	31.51

47. Reconciliation of net profit with cash flows from operating activities

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

48. Conversion Rates

Assets and liabilities as at December 31, 2019 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	111.03
European Currency	EURO	1.00	94.89
Indian Rupee	INR	1.00	1.1882
US Dollar	USD	1.00	84.90

AB Bank Limited Notes to the Financial Statements

For the year ended 31 December 2019

49. Highlights of the overall activities of the Bank

SI no.	Particulars	31 Dec 2019	31 Dec 2018
31 110.	Pai ucuiai S	BDT	BDT
1	Paid-up capital	7,581,303,150	7,581,303,150
2	Total capital	33,547,104,748	33,046,112,927
3	Capital surplus	(7,874,793,922)	(6,091,866,052)
4	Total assets	365,568,670,314	322,525,971,620
5	Total deposits	279,457,593,298	235,444,849,491
6	Total loans and advances	256,512,476,640	241,070,141,407
7	Total contingent liabilities and commitments	47,836,302,228	57,209,035,486
8	Credit-deposit ratio*	84.28%	91.09%
9	Ratio of classified loans against total loans and advances	18.28%	33.07%
10	Profit after tax and provision	167,741,264	18,323,578
11	Loans classified during the year	13,254,526,917	63,462,551,323
12	Provision kept against classified loans	6,993,879,956	5,078,767,422
13	Provision surplus/ (deficit)	14,840,614	5,926,080
14	Cost of fund	8.71%	8.64%
15	Interest earning assets	284,417,267,558	214,824,532,505
16	Non-interest earning assets	81,151,402,756	107,701,439,114
17	Return on investments (ROI)	6.07%	9.58%
18	Return on assets (ROA)	0.05%	0.01%
19	Income from investments	3,193,192,033	4,277,547,629
20	Earnings per share	0.22	0.02
21	Net Income per share	0.22	0.02
22	Price-earnings ratio (Times)	35.71	496.49

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

Tarique Afzal

President & Managing Director

Khairul Alam Choudhury Director

Kaiser A. Chowdhury

Muhammad A. (Rumee) Ali

Independent Director

Chairman

Dhaka, Bangladesh Dated, 29 June 2020



AB Bank Limited Currency wise Balances

As at 31 December 2019

Annexure: A

Name of the bank	Location	Name of currency	Amounts in foreign currency	Conversion rate	Equivalent amounts in BDT
The Bank of Tokyo Mitsubishi Ltd.	Japan	JPY	1,543,948	0.7759	1,197,949
JP Morgan Chase Bank	USA	USD	13,111,695	84.9000	1,113,182,919
Sonali Bank (Kolkata)	India	ACU	18,699	84.9000	1,587,576
MFT, YANGON	Myanmer, YANGON	USD	1,000	84.9000	84,900
Myanmar Economic Bank	Myanmar	ACU	410	84.9000	34,809
Citibank NA	USA	USD	4,185,522	84.9000	355,350,812
Hatton National Bank Ltd.	Srilanka	ACU	20,143	84.9000	1,710,155
Commerz Bank AG	Germany	USD	574,582	84.9000	48,782,002
NIB Bank Ltd.	Pakistan	ACU	49,878	84.9000	4,234,667
Mashreq Bank Psc	USA	USD	13,207,103	84.9000	1,121,283,017
Nepal Bangladesh Bank Ltd.	Nepal	ACU	49,696	84.9000	4,219,212
Bank of Bhutan	Bhutan	ACU	12,152	84.9000	1,031,675
Habib America Bank	USA	USD	2,705,905	84.9000	229,731,363
Commerz Bank AG	Germany	EUR	574,617	94.8927	54,526,958
Habib Metro Bank	Pakistan	ACU	184,825	84.9000	15,691,603
COMMERZ BK CAD	Germany	CAD	65,484	64.9182	4,251,086
COMMERZ BK CHF	Germany	CHF	18,193	87.0769	1,584,200
Reserve Bank of India	Mumbai	INR	24,218,266	1.1882	28,775,184
HDFC Bank Ltd.	Mumbai	INR	42,901,996	1.1882	50,974,451
HDFC BANK CSGL	Mumbai	INR	663,191	1.1882	787,977
JP MORGAN CHASE	Newyork	USD	1,146,122	84.9000	97,305,715
HABIB AMERICAN	Newyork	USD	19,325	84.9000	1,640,659
JP CHASE ACU	Newyork	USD	12,315,707	84.9000	1,045,603,523
Kotak Mahindra Bank	India	INR	9,891,459	1.1882	11,752,640
Standard Chartered Bank	New York	USD	812,023	84.9000	68,940,720
Standard Chartered Bank	Singapore	SGD	116,969	62.7912	7,344,621
Standard Chartered Bank,UK	UK,London	GBP	39,917	111.0322	4,432,107
JPMC NY-OBU	USA	USD	131,532	84.9000	11,167,035
COMMERZ BANK (OBU)	Germany	EUR	14,401	94.8927	1,366,527
Total					

Investment in Shares

As at 31 December 2019

Annexure: B

Particulars	Number of	Market price per share	Total market price	Cost per Share	Total cost
Particulars	shares	BDT	BDT	BDT	BDT
Dhaka Bank Limited	2,449,493	12.00	29,393,916	17.06	41,786,525
National Bank Limited	2,057,193	8.10	16,663,263	22.61	46,512,855
AB Bank 1st Mutual Fund	42,086,435	4.10	172,554,384	6.27	264,040,965
LR Global Bangladesh Mutual Fund One	10,369,343	6.60	68,437,664	9.64	100,000,001
Popular Life First Mutual Fund	748,479	4.10	3,068,764	5.12	3,829,325
Pragati Insurance Limited	1,243,866	38.50	47,888,841	100.96	125,579,301
Dhaka Electric Supply Company Limited	7,023,760	37.00	259,879,120	87.73	616,189,840
Dorren Power Generations & Sys Limited	33,900	58.90	1,996,710	78.96	2,676,702
Jamuna Oil Company Limited	40,704	141.90	5,775,898	176.51	7,184,604
Khulna Power Company Limited	345,865	46.70	16,151,896	88.49	30,606,883
Linde Bangladesh Limited	8,141	1299.00	10,575,159	1320.39	10,749,313
Padma Oil Company Limited	347,094	192,20	66,711,467	299.66	104,010,918
Powergrid Company of Bangladesh Limited	3,366,500	44.60	150,145,900	81.61	274,723,472
Shahjibazar Power Co. Limited	140,396	70.00	9,827,720	119.46	16,771,328
United Power Gen. & Dis. Com. Limited	256,695	245.30	62,967,284	330.58	84,857,945
Active Fine Chemicals Limited	756,000	14.70	11,113,200	31.45	23,775,889
Beacon Pharmaceuticals Limited	6,642,500	44.90	298,248,250	73.96	491,289,694
Orion Pharma Limited	1,200,000	26.90	32,280,000	83.33	100,000,001
Silco Pharmaceuticals Limited	8,023	30.30	243,097	9.09	72,941
Square Pharmaceuticals Limited	200,000	190.00	38,000,000	187.74	37,548,594
Appollo Ispat Complex Limited	2,678,000	3.90	10,444,200	16.17	43,289,997
BBS Cables Limited	1,072,657	58.80	63,072,232	98.85	106,029,298
Bangladesh Building Systems Limited	110,528	16.00	1,768,448	26.34	2,910,877
BSRM Steels Limited	2,454,161	39.20	96,203,111	98.32	241,287,030
Coppertech Industries Limited	4,979	23.50	117,007	9.52	47,421
GPH Ispat Limited	2,477,680	25.90	64,171,912	36.56	90,594,412
IFAD Autos Limited	453,039	46.20	20,930,402	105.47	47,780,490
Olympic Industries Limited	92,248	165.00	15,220,920	234.86	21,665,514
SS Steel Limited	3,710	22.50	83,475	9.09	33,731
Heidelberg Cement Bangladesh Limited	66,720	164.80	10,995,456	555.88	37,088,160
LafargeHolcim Bangladesh Limited	125,000	33.60	4,200,000	134.50	16,812,600
Union Capital Limited	2,440,006	6.30	15,372,038	61.08	149,037,209
Genex Infosys Limited	3,784	67.40	255,042	10.00	37,840
Bangladesh Export Import Company Limited	4,458,661	13.80	61,529,522	75.60	337,094,019
Shinepukur Ceramics Limited	1,181,500	8.30	9,806,450	56.68	66,964,579
Summit Alliance Port Limited	10,400	16.70	173,680	27.02	281,001
SAIF Powertec Limited.	343,440	13.40	4,602,096	24.18	8,305,002
Sea Pearl Beach Resort & Spa Limited	3,916	41.30	161,731	9.53	37,300
Argon Denims Limited	2,100,000	16.60	34,860,000	36.44	76,525,582
Generation Next Fashions Limited	220,000	2.70	594,000	6.81	1,498,173
New Line Clothings Limited	6,430	14.80	95,164	9.35	60,101
Ring Shine Textiles Limited	115,609	10.30	1,190,773	8.70	1,005,301
Shasha Denims Limited	1,843,218	24.70	45,527,485	40.44	74,546,498
Total quoted shares (a)		_	1,763,297,672	_	3,705,139,231

Shares/Bond (unquoted)

Particulars Number of shares | Cost per Share | Book Value/Cost 5,000,000 711,804 2.00 8.00 10,000,000 5,694,430 CDBL CDBL (Placement) IIDFCL 2,495,899 6.58 16,421,700 Bangladesh Fund 2,000,000 100.00 200,000,000 Stock Market Stablization Fund

Total un-quoted shares (b) 5,000,000 **237,116,130** 500,000 10.00

Strategic Investment:

Particulars	Number of shares	Cost price	Book Value
Amana Bank Limited PLC, Srilanka	180,562,010	616,735,915	202,499,450
Total strategic investment (c)	180,562,010	616,735,915	202,499,450
Total investment (a+b+c)			4,144,754,812



AB Bank Limited Schedule of Fixed Assets As at 31 December 2019

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nal le	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Right of Use Assets	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Cost/Revaluation								
Balance at 01 January 2019	2,968,097,272	251,696,675	64,842,310	1,696,166,545	746,846,243	655,429,056	1	6,383,078,100
Addition during the year	1	589,112	1,007,900	334,803,999	70,914,280	103,204,846	1,329,421,828	1,839,941,966
Less: Disposal/Adjustment during the year	•	2,177,980	1,630,854	129,029,677	36,680,360	1	•	169,518,872
Adjustment for USD/ INR Rate Fluctuation	•	24,675	41,073	161,128	3,936	108,397	•	339,209
At 31 December 2019	2,968,097,272	250,083,132	64,178,283	1,901,779,739	781,076,227	758,525,505	1,329,421,828	8,053,161,985
Accumulated Depreciation								
Balance at 01 January 2019	142,792,952	150,759,492	55,296,232	1,393,032,513	560,025,194	537,947,786	1	2,839,854,168
Addition during the year	16,019,742	11,055,354	2,075,238	120,618,360	70,361,966	82,132,121	207,977,884	510,240,665
Less: Disposal/Adjustment during the year	•	1,680,220	1,574,832	127,900,371	36,656,679	-	-	167,812,102
Adjustment for USD/ INR Rate Fluctuation	•	23,242	38,800	143,139	1,922	123,883	•	330,986
At 31 December 2019	158,812,694	160,111,385	55,757,837	1,385,607,362	593,728,559	619,956,024	207,977,884	3,181,951,745
Net Book Value								
At 31 December 2019	2,809,284,577	89,971,747	8,420,446	516,172,377	187,347,668	138,569,481	1,121,443,944	4,871,210,242
At 31 December 2018	2,825,304,320	100,937,184	9,546,078	303,134,032	186,821,050	117,481,270		3,543,223,935

AB Bank Limited Detailed of Risk Weighted Assets under Basel III

As at 31 December 2019

Annexure: D

Amount in BDT

		31.12	.2019	31.12	.2018
Risk We	eighted Assets (RWA) for	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A.	Credit Risk				
On-Balance sheet (as shown below)		335,157,579,669	284,923,595,570	309,735,185,970	271,289,319,712
	Off-Balance sheet (as shown below)	18,932,374,334	16,394,468,326	33,209,625,000	27,318,731,921
B.	Market Risk	-	6,921,248,850	-	6,116,454,633
C. Operational Risk		-	23,135,876,616	-	24,858,474,608
	Total RWA (A+B+C)	354,089,954,003	331,375,189,363	342,944,810,970	329,582,980,874

Credit Risk - On Balance Sheet

Amount in BDT

		31.12.	2019	Amount in BDT 31.12.2018		
SI.	Exposure Type	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset	
a)	Cash and Cash Equivalents	1,137,704,137	-	1,962,708,820	-	
b)	Claims on Bangladesh Government and Bangladesh Bank	51,400,800,742	-	44,444,889,757	-	
c)	Claims on other Sovereigns & Central Banks*	522,319,462	261,159,731	376,603,110	188,301,555	
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	-	-	-	-	
g)	Claims on Banks and Non-bank Financial Institution (NBFI)					
	i) Original maturity over 3 months	228,194,361	87,985,668	770,645,204	273,608,884	
	ii) Maturity less than 3 months	11,223,999,161	2,244,799,832	5,568,011,515	1,113,602,303	
h)	Claims on Corporate (excluding equity exposure)	140,747,146,880	137,705,968,922	120,384,196,254	116,531,765,112	
i)	Claims on SME	27,062,694,720	23,967,358,760	20,980,348,226	15,906,566,848	
j)	Claims under Credit Risk Mitigation	7,347,885,801	3,345,104,198	6,432,337,426	1,357,430,660	
	Fixed Risk Weight Groups:					
k)	Claims categorized as retail portfolio (excluding consumer loan)	421,492,695	316,119,521	1,378,566,182	1,033,924,636	
l)	Consumer Loan	928,116,330	928,116,330	979,284,159	979,284,159	
m)	Claims fully secured by residential property	1,042,542,729	521,271,364	1,169,278,436	584,639,218	
n)	Claims fully secured by commercial real estate	6,604,519,403	6,604,519,403	6,366,432,806	6,366,432,806	
o)	Past Due Claims (Risk weights are to be assigned net of specific provision)	55,539,438,169	80,709,149,655	66,686,162,575	97,374,986,734	
p)	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	34,894,000	34,894,000	117,383,451	117,383,451	
q)	Investments in venture capital	474,821,302	712,231,954	474,821,302	712,231,954	
r)	Claim on Capital Market Exposure	1,114,044,644	1,392,555,805	879,200,478	1,099,000,598	
s)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	10,011,329,750	12,514,162,188	10,011,329,750	12,514,162,188	
t)	Investments in premises, plant and equipment and all other fixed assets	3,889,793,471	3,889,793,471	3,768,727,500	3,768,727,500	
u)	Claims on all fixed assets under operating lease	-	-	-	-	
v)	All other assets	15,425,841,911	9,688,404,769	16,984,259,020	11,367,271,107	
	Total	335,157,579,669	284,923,595,570	309,735,185,970	271,289,319,712	



Detailed of Risk Weighted Assets under Basel III

As at 31 December 2019

Annexure: D

Credit Risk - Off Balance Sheet

Amount in BDT

		31.12.	2019	31.12.2018			
SI.	Exposure Type	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):	-	-	-	1		
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	50,977,479	10,195,496	34,079,365	6,815,873		
g)	Claims on Corporate (excluding equity exposure)	15,967,160,028	13,890,590,309	29,302,759,784	24,070,625,625		
h)	Against retail portfolio (excluding consumer loan)	180,226,822	135,170,116	221,593,773	166,195,329		
hi)	Claims on SME	2,666,560,385	2,291,062,785	3,618,239,008	3,042,142,023		
i)	Consumer Loan	67,449,620	67,449,620	32,953,070	32,953,070		
j)	Claims fully secured by residential property	-	-	-	-		
k)	Claims fully secured by commercial real estate	-	-	-	-		
l)	Investments in venture capital	-	-	-	-		
m)	All other assets	-	-	-	-		
	Total	18,932,374,334	16,394,468,326	33,209,625,000	27,318,731,921		

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

These disclosures have been made in accordance with the Bangladesh Bank BRPD Circular no. 18 dated 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 01 January 2015. The guidelines were issued by Bangladesh Bank (BB) under section 13 and section 45 of the Bank Company Act, 1991 (amendment up to 2018).

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 categorised 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



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

- c) Statutory reserve
- d) General reserve
- e) Retained earnings
- f) Dividend equalization reserve
- g) Non-controlling 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
- b) Non-controlling 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) Non-controlling Interest i.e. Tier 2 capital 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

AB Bank Limited Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

- 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

Particulars	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	-	0.625%	1.25%	1.875%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4. 50%	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%
>5.125% - 5.75%	80%
>5.75% - 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:



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

- a) Shortfall in provisions against NPLs and investments
- b) Goodwill and all other intangible assets
- c) Deferred tax assets (DTA)
- d) Defined benefit pension fund assets
- e) Gain on sale related to securitisation transactions
- f) Investment in own shares
- g) 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 harmonised 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.

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 01 January 2015. However, Banks should report their Tier 1 leverage ratio to the BB (Department of Off-Site Supervision) along with CRAR report

AB Bank Limited Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

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 01 January 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 Standardised 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 collateralised 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).



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

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:

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

A) **Scope of Application**

(a)

Qualitative Disclosure

The name of the top corporate entity in the group

to which this guidelines

AB Bank Limited

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 and (e) AB International Finance 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 Act 1991 (amendment up to 2018). 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 105 Branches including 1 Islami Banking Branch, 1 Overseas Branch in Mumbai, India. The Bank has five (05) subsidiary companies, AB Investment Limited (ABIL), AB Securities Limited (ABSL), CashLink Bangladesh Limited (CBL), AB International Finance Limited (ABIFL), incorporated in Hong Kong, and Arab Bangladesh Bank Foundation (ABBF).

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



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

(b)	Continued	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 Room 1608, 16th Floor, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Hong Kong.
		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: BDT. 20,000,000 Name of subsidiary: Arab Bangladesh Bank Foundation (ABBF)

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

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 Act, 1991 (amendment up to 2018), 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) Noncontrolling interest i.e. Tier-2 issued by consolidated subsidiaries to third parties as specified

Less: Regulatory adjustments applicable on Tier-2 capital



AB Bank Limited Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

				Taka in	Crore	
			31.12	.2019	31.12	.2018
			Solo	Conso	Solo	Conso
(b)	The amount of	> Paid up Capital	758	758	758	758
		> Non- repayable share premium account	-	-	-	-
	Regulatory capital, with separate disclosure of: CET 1 Capital	> Statutory reserve	687	687	662	662
		> General reserve	122	130	122	130
		> Retained earnings	582	683	591	697
		> Non- Controlling Interest	-	1	-	1
		> Non-cumulative irredeemable preference shares	-	-	-	-
		> Dividend equalization account	-	-	-	-
			2,149	2,260	2,133	2,249
	Additional Tier 1 Capita		-	-	-	-
	Total Tier 1 Capital		2,149	2,260	2,133	2,249
	Tier 2 Capital		1,484	1,558	1,385	1,457
(c)	Regulatory Adjustment	s/Deductions from capital	278	279	214	215
(d)	Total eligible capital		3,355	3,540	3,305	3,491

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 standardised approach for credit risk, standardised (rule based) Approach for Market Risk and Basic Indicator Approach for Operational Risk for computing capital adequacy.

	1		Taka ir	Crore	
		31.12	.2019	31.12	.2018
		Solo	Conso	Solo	Conso
(b)	Capital requirement for Credit Risk:	3,013.18	3,029.30	2,986.08	3,003.94
(c)	Capital requirement for Market Risk:	69.21	80.61	61.16	69.65
(d)	Capital requirement for Operational Risk:	231.36	232.21	248.58	256.78
(e)	Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:				
	Total minimum capital requirement @10%	3,313.75	3,342.11	3,295.83	3,330.37
	Total capital maintained	3,354.71	3,539.83	3,304.61	3,490.93
	Minimum Tier 1 capital requirement	6.00%	6.00%	6.00%	6.00%
	Minimum Tier 1 capital maintained	5.65%	5.93%	5.82%	6.11%
	Tier 2 capital ratio maintained	4.48%	4.66%	4.20%	4.38%
	Min. total capital plus capital conservation buffer requirement	12.50%	12.50%	11.875%	11.875%
	Min. total capital plus capital conservation buffer maintained	10.12%	10.59%	10.03%	10.48%
(f)	Capital Conservation Buffer				
	Capital conservation buffer requirement	2.50%	2.50%	1.88%	1.88%
	Capital conservation buffer maintained	0.00%	0.00%	0.00%	0.11%
(g)	Available Capital under Pillar 2 requirement	40.96	197.72	8.78	160.56

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

D) Credit Risk

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to credit risk, including:

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.

> Definitions of past due and impaired (for accounting purposes)

Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.

Classified loan is categorized under following 03 (three) categories:

- > Sub-standard
- > Doubtful
- > Bad/Loss
- > A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months, the entire loan will be put into the "Sub-standard (SS)".
- "A Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months, the entire loan will be put into the "Doubtful (DF)".
- > 'A Continuous loan, Demand loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan which will remain past due/overdue for a period of 12 (twelve) months or beyond, the entire loan will be put into the "Bad/Loss (B/L)".

					Consumer Financing		ncing		Loans	All	Off
		Particular	s	Term Agri Credit	Other Than HF, LP	HF	LP	SMEF	To BHs/ MBs/ SDs	Other Credit	Balance Sheet Exposures
>	Description of approaches	IIC	Standard	2.50%	5%	2%	2%	0.25%	2%	1%	
	followed for specific and general	000	SMA	-	5%	2%	2%	0.25%	2%	1%	
	allowances and statistical		SS	5%	20%	20%	20%	20%	20%	20%	1%
	methods	Classified	DF	5%	50%	50%	50%	50%	50%	50%	
			BL	100%	100%	100%	100%	100%	100%	100%	



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

D) Credit Risk

Qualitative Disclosure

> 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 and 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.

				Taka in	Crore	
			31.12.	2019	31.12.	2018
			In (%)	BDT	In (%)	BDT
(b)	Total gross credit risk exposures	Overdraft	8.08%	2,072	8.91%	2,147
(2)	broken down by major types of	Cash credit	0.01%	3	0.01%	2
	credit exposure	Time loan	15.76%	4,043	19.47%	4,695
	credit exposure	Term loan	67.17%	17,229	58.72%	14,156
		Forced loan	4.29%	1,100	6.23%	1,503
		Bills under LC	0.02%	5	0.10%	23
		Trust receipt	2.63%	676	3.78%	912
		Packing credit	0.07%	18	0.10%	25
		Loan against accepted bills	0.08%	22	0.17%	42
		Loan-EDF	0.55%	141	0.76%	183
		Consumer Loan	0.50%	129	0.62%	150
		Staff loan	0.55%	140	0.65%	157
		Bills purchased and discounted	0.29%	73	0.47%	112
		Total	100%	25,651	100%	24,107
(C)	Geographical distribution of					
	exposures, broken down in	Dhaka	76.57%	19,453	74.49%	17,740
	significant areas by major types of	Chittagong	17.70%	4,498	18.92%	4,504
	credit exposure	Khulna	1.44%	365	1.78%	424
	credit exposure	Sylhet	0.46%	118	0.72%	171
		Barisal	0.08%	21	0.09%	21
		Rajshahi	1.58%	402	1.66%	395
		Rangpur	1.94%	493	2.00%	477
		Mymensingh	0.22%	56	0.34%	81
			100%	25,406	100%	23,814
		Rural branches				
		Dhaka	68.55%	122	69.89%	142
		Chittagong	24.64%	44	23.81%	48
		Khulna	0.00%	-	0.00%	-
		Sylhet	2.54%	5	2.51%	5
		Barisal	0.00%	-	0.00%	-
		Rajshahi	0.00%	-	0.00%	-
		Rangpur	0.00%	-	0.00%	-
		Mymensingh	4.28%	8	3.80%	8
			100%	178	100%	204
		Outside Bangladesh				
		ABBL, Mumbai branch	0.26%	67	0.37%	90
			100%	25,651	100%	24,107

AB Bank Limited Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

						xure: D-1
				Taka ir		
			31.12.		31.12.	
		T	In (%)	BDT	In (%)	BDT
(d)	Industry or counterparty type distribution of exposures, broken	Agriculture	1.49%	382	1.80%	434
	down by major types of credit	Large and medium scale indus.	27.35%	7,015	28.09%	6,772
	exposure.	Working capital	21.38%	5,485	23.65%	5,702
		Export	1.46%	376	1.45%	351
		Commercial lending	20.56%	5,274	24.07%	5,804
		Small and cottage industry	1.16%	297	0.88%	211
		Others	26.60%	6,822	20.05%	4,834
			100%	25,651	100%	24,107
(e)	Residual contractual maturity	Repayable – on demand	1.47%	376	0.46%	110
	breakdown of the whole portfolio, broken down by major types of credit	– upto 3 months	31.25%	8,016	41.84%	10,085
	exposure.	– over 3 months but below 1 year	50.55%	12,965	41.58%	10,023
		– over 1 year but below 5 years	12.47%	3,199	12.80%	3,087
		– over 5 years	4.27%	1,096	3.32%	801
			100%	25,651	100%	24,107
(f)	By major industry or counterparty typ	pe:				
	i. Amount of impaired loans and provided separately	if available, past due loans,	18.28%	4,689	33.07%	7,973
	ii. Specific and general provisions		-	1,528	-	1,064
	iii. Charges for specific allowances period	s and charge-offs during the	-	192	-	131
					2019	2018
					BDT	BDT
(g)	Gross Non Performing Assets (NPAs)	Non Performing Assets (NPAs)			4,689	7,973
	(NPAs) to outstanding Loans &	NPAs to outstanding loans and a	18.28%	33.07%		
	advances	Movement of NPAs Banglad				
		Opening balance			7,972.78	1,625.86
		Additions	1,325.45	6,407.93		
		Reductions	4,609.18	61.01		
		Closing balance	4,689.05	7,972.78		
		Movement of specific provision for NPAs				
		Opening balance			507.88	377.21
		Provision made during the period			223.21	130.67
		Write-off			(31.70)	-
	Closing balance				699.39	507.88
		Provision held by Mumbai branch			-	-
					699.39	507.88



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

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 (2019)	BDT in Crore 4.79
(d)	 Total unrealized gains (losses) Total latent revaluation gains (losses) Any amounts of the above included in Tier 2 capital 	(194.18) Nil Nil

AB Bank Limited Disclosures on Risk Based Capital (Basel III)

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(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	
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F) Interest Rate Risk in the Banking Book (IRRBB)

Qualitative Disclosure

(a) The general qualitative disclosure requirement including the nature IRRBB and key including assumptions, 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

			Taka in	Crore
			31.12.2019	31.12.2018
(b)	The increase (decline) in	Market value of assets	35,822	32,786
	earnings or economic value	Market value of liability	34,163	30,040
	(or relevant measure used	Weighted avg. duration GAP	0.77	0.74
	by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as	CRAR after different level of Shocks:		
		Minor level	9.44%	9.42%
		Moderate level	8.74%	8.81%
	relevant).	Major level	8.03%	8.19%



Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

G) Market Risk

Qualitative Disclosure

(a)	>	Views of BOD on trading / investment activities	The Board approves all policies and reviews compliance on a reprovide cost effective funding last trade related transaction.	egular basis. The	objective is to		
	>	Methods used to measure Market risk	Standardised 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.				
				Taka in	Crore		
				31.12.2019	31.12.2018		
(b)	The o	capital requirements for:					
	Interest rate risk			23.16	17.63		
	Equity position risk			35.27	36.56		
	Foreign exchange risk		10.78	6.97			
	Comr	modity risk		-	-		
				69.21	61.16		

H) Operational Risk

Qualitative Disclosure

(a)	> Views of BOD on system to reduce Operational Risk	The policy for operational risks including internal control and compliance risk is approved by the board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board oversees the activities of Internal Control and Compliance Division (ICCD) to protect against all operational risk.
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AB Bank Limited Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

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				31.12.2019	31.12.2018
	Taka in Crore			Crore	
	>	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.		
	>	Policies and processes for mitigating operational risk	The policy for operational risks inclurisk is approved by the Board taking Bangladesh Bank. Policy guidelines of in operation as per RBA branches are and branches scoring more on risk staudit by Internal Control and Complisof the bank to put all the branches at least once in a year. ICCD directl Board. In addition there is a Vigilance operational risk management of the activities are headed by CAMELCO to protect against all money launce activities. Apart from that, there is stage of operation, authorities are least dual control on every transaction.	g into account releven Risk Based Internet rated according to tatus are subjected ance Division (ICCE of the bank under a greports to Audit (e.e. Cell established in bank. Bank's Anti-No and their activities dering and terrorists adequate check & properly segregated	rant guidelines of al Audit system is a their risk status to more frequent b). It is the policy any form of audit committee of the 2009 to reinforce Money laundering ites are devoted to finance related balance at every d and there is at
-	>	Potential external events	No potential external events is expecoperational risk.	ted to expose the B	ank to significant
	>	Performance gap of executives and staffs	AB has a policy to provide compenvironment to attract and retain the industry. AB's strong brand image motivation. As a result, there is no s	ne most talented pe e plays an important	eople available in role in employee

Liquidity Ratio I)

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)



AB Bank Limited

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>	Methods	used	to
	measure L	iquidity ri	sk

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 shorterterm 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 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.

AB Bank Limited Disclosures on Risk Based Capital (Basel III)

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>	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.

		Taka in Crore
		31.12.2019
(b)	Liquidity Coverage Ratio	145.63%
	Net Stable Funding Ratio (NSFR)	103.09%
	Stock of high quality liquid assets	6,632.02
	Total net cash outflows over the next 30 calendar days	4,554.04
	Available amount of stable funding	28,596.19
	Required amount of stable funding	27,737.79

J) Leverage Ratio

Qualitative Disclosure

>	Views	of	BOD	on
	system	to	rec	luce
	excessi	ve le	verage	9

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:

- Emphasised 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
- Decentralisation 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.



AB Bank Limited

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>	Poli	cies ar	nd processes	
	for managing excessive			
	on	and	off-balance	
	she	et leve	rage	

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:

- 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.

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 21 December 2014. OBS exposures calculation is given below for considering Leverage Ratio of the Bank:

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			•	Taka in Crore	e
		Exposures Types	CCF	Notional amount	Exposure
		Direct credit substitutes	100%	992	992
		Performance related contingencies	50%	1,012	506
		Short-term self-liquidating trade letters of credit	20%	577	115
		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%	1,398	280
		Commitments with original maturity of over one year	50%	-	-
		Other commitments that can be unconditionally cancelled by any time	0%	1,539	-
		Market related Off-Balance sheet exposure	1%	21	0.21
		Total		5,539	1,893
			•	Taka in Crore	e
				31.12.2019	
(b)	Leverage Ratio				4.97%
` ´	On balance sheet exposure	2			35,857
	Off balance sheet exposure				2,068
	Total deduction from On and Off-	-Balance Sheet Exposure			278
	Total exposure				37,647

K) Remuneration

Qualitative Disclosure

(a)	Info	ormation relating to the	e 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 and maximum in the given scale. Gross salary includes different elements like Basic pay and other admissible emoluments.



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>	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 SMT are the material risk takers in business.

Info	ormation relating to the o	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 individua 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 tota compensation.
		Objective of remuneration policy is to pay competitively withir industry norms in order to attract and retain good employees,
		Pay for performance link to merit measured in terms of delivery o set KPI annually (annual merit pay)
		Bank's service rules stands as a guide besides instructions and 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 interva of 2/3 years to remain competitive in the market with the approva of the Board of Directors of the Bank. No major change made in the recent past

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Risks and 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)		scription of the ways in nuneration processes.	which current and future risks are taken into account in the
	>	An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risks including credit/default risk, compliance and 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 and 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 and 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 and 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 and best impact on competitive motivation at work as usual. No material change in remuneration package.



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Based on 31 December 2019

Annexure: D-1

(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 matrix in terms of broad KPI is set by the Board for performance metrics the Management covering business lines/different segments of businesses each year. The Management in turn develops strategies for bank, top-level business lines and and set performance KPI for individual employees across functions/ individuals. 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, maintenance of CRR and SLR etc. beside non-financial KPI. A discussion of how Annual merit pay i.e. merit increment of employees are linked to performance outcome based on individual performance criteria amounts of individual remuneration are (KPI). Merit increase is also liked to other elements of remuneration linked to bankpackage, so aggregate of all employees has reasonable impact on wide and individual the remuneration package and not insignificant. performance. discussion of No documented criteria as such is available to adjust remuneration the of employees in the event of weak business performance matrix. the measures bank will in general If profit target is not met in a given year, generally annual merit implement to adjust increment is lower. remuneration event that performance metrics are weak

(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 favourably met.

AB Bank Limited Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

> 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
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(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 (i.e. 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.
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AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

>	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 178,718,228 during the year 2019.
>	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 forms.	Not applicable
>	Total amount of deferred remuneration paid out in the financial year.	Not applicable

(h)	Bre	Breakdown of amount of remuneration awards for the financial year to show:				
	>	Fixed and variable	BDT 273.85 crore			
	> Deferred and non- deferred.		Not applicable			
	^	Different forms used (cash, shares and share linked instruments, other forms).	Not applicable			

AB Bank Limited

Disclosures on Risk Based Capital (Basel III)

Based on 31 December 2019

Annexure: D-1

Quantitative information about employees' exposure to implicit and explicit adjustments of deferred remuneration and retained remuneration:

i)	> 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



AB Bank Limited Mumbai Branch Balance Sheet

As at 31 December 2019

As at 31 December 2019		Annexure: E
	31.12.2019 INR	31.12.2018 INR
PROPERTY AND ASSETS		
Cash	27,529,238	23,087,617
In hand (including foreign currencies)	3,310,972	3,480,471
Balance with Reserve Bank India	24,218,266	19,607,146
(including foreign currencies)		
Balance with other banks and financial institutions	1,015,876,165	864,664,939
In India	53,456,646	67,761,006
Outside India	962,419,520	796,903,933
Money at call and on short notice	240,000,000	200,233,592
Investments	439,603,500	314,434,420
Government	439,603,500	314,434,420
Others	-	-
Loans and advances	566,931,554	750,236,018
Loans, cash credits, overdrafts, etc.	26,643,478	18,261,164
Bills purchased and discounted	540,288,076	731,974,854
•	, ,	, ,
Fixed assets including premises, furniture and fixtures	7,152,271	7,032,825
Other assets	279,495,461	388,787,607
Non-banking assets	-	-
Total Assets	2,576,588,188	2,548,477,019
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, FIs and agents	-	-
Deposits and other accounts	1,451,258,495	1,437,476,065
Current deposits	1,299,551,703	1,195,191,952
Demand deposits	123,613	334,282
Bills payable	456,650 18,527,874	286,571 9,635,889
Savings deposits Fixed deposits	132,598,655	232,027,371
Other liabilities	154,726,939	159,919,759
Total Liabilities	1,605,985,435	1,597,395,823
Capital/Shareholders' Equity		_,
Total Shareholders' Equity	970,602,753	951,081,196
Paid-up capital	369,822,602	369,822,602
Statutory reserve	272,939,722	249,482,516
Retained earnings	327,840,429	331,776,078
Total Liabilities and Shareholders' Equity	2,576,588,188	2,548,477,019

AB Bank Limited Mumbai Branch Balance Sheet

As at 31 December 2019

AS at 31 December 2019		Annexure: E
	31.12.2019 INR	31.12.2018 INR
Off-Balance Sheet Items		
Contingent liabilities	12,569,919,604	2,511,998,368
Acceptances and endorsements	26,169,384	61,583,182
Letters of guarantee	1,427,800	-
Irrevocable letters of credit	-	-
Bills for collection	12,542,322,420	2,450,415,186
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	12,569,919,604	2,511,998,368



AB Bank Limited Mumbai Branch

Profit and Loss Account

For the year ended 31 December 2019

For the year ended 31 December	2019	Annexure: E-1
	2019 INR	2018 INR
Operating Income		
Interest income	47,045,867	52,846,532
Interest paid on deposits and borrowings, etc.	(15,830,545)	(18,383,732)
Net interest income	31,215,322	34,462,800
Investment income	23,880,813	20,857,968
Commission, exchange and brokerage	267,420,344	267,010,450
Other operating income	1,656,674	2,869,570
	292,957,831	290,737,988
Total operating income (a)	324,173,153	325,200,788
Operating Expenses		
Salary and allowances	16,492,779	14,868,940
Rent, taxes, insurance, electricity, etc.	19,920,587	17,665,162
Legal expenses	82,295	192,708
Postage, stamps, telecommunication, etc.	6,424,883	6,829,631
Stationery, printing, advertisement, etc.	1,365,588	1,703,459
Auditors' fees	887,260	788,445
Depreciation and repairs of Bank's assets	4,375,350	4,157,928
Other expenses	115,341,620	100,323,887
Total operating expenses (b)	164,890,361	146,530,158
Profit before provision (c = a-b)	159,282,793	178,670,630
Provision against loans and advances	(1,000,000)	350,000
General Provision	((50,000)	-
Other provisions	(650,000)	20,000
Total provision (d)	(1,650,000)	370,000
Profit before taxation (c-d)	160,932,793	178,300,630
Provision for taxation Current tax	69,785,834	90,654,972
Deferred tax	69,252,841 (467,007)	71,079,142 19,575,831
Net profit after taxation (PAT)	92,146,959	87,645,658
HEL PIONE AILEI LAXALION (PAT)	34,140,333	07,040,000

AB Bank Limited Islami Banking Branch Balance Sheet

As at 31 December 2019

As at 31 December 2019		Annexure: F
	31.12.2019 Taka	31.12.2018 Taka
PROPERTY AND ASSETS		
Cash in hand	286,314,047	257,136,460
Cash in Hand (Including foreign currencies)	4,489,262	3,575,885
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	281,824,785	253,560,575
Balance with Other Banks and Financial Institutions	1,739,470,715	1,538,056,701
In Bangladesh	1,739,470,715	1,538,056,701
Outside Bangladesh	-	-
Placement with other Banks & Financial Institutions	-	-
Investment in shares & other financial institutions	280,000,000	267,500,000
Government (BGIIB For SLR)	280,000,000	267,500,000
Others	-	-
Investments	6,041,664,709	5,352,510,723
General Investments etc.	6,041,664,709	5,352,510,723
Bills Purchased & Discounted	-	-
Fixed Assets	7,337,839	8,003,563
Other Assets	58,133,724	46,488,135
Non-Banking Assets	-	-
	8,412,921,035	7,469,695,583
LIABILITIES AND CAPITAL		
Liabilities		
Liabilities		
Placement from Banks (BGIIB)& Other Financial Institutions	1,816,519,380	2,056,462,900
Deposits and Other Accounts	6,276,313,435	5,165,623,614
Mudaraba Savings Deposits	94,959,349	108,438,855
Mudaraba Term Deposits	4,490,609,538	4,030,241,207
Other Mudaraba Deposits	1,639,998,318	964,488,862
Al-Wadeeah Current and Other Deposit Accounts	35,340,300	58,484,799
Bills Payable	15,405,931	3,969,889
Other Liabilities	320,088,220	247,609,069
Total Liabilities	8,412,921,035	7,469,695,583



AB Bank Limited Islami Banking Branch Balance Sheet

As at 31 December 2019

		Annexure: F
	31.12.2019 Taka	31.12.2018 Taka
Contingent Liabilities		
Acceptances & Endorsements	-	395,754,826
Letter of Guarantee	16,806,354	13,806,354
Irrevocable Letters of Credit (including Back to Back Bills)	123,881,000	150,341,764
Inland Bills for collection	-	-
Other Contingent Liabilities	-	-
Total	140,687,354	559,902,944
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	140,687,354	559,902,944

AB Bank Limited Islami Banking Branch

Profit and Loss Account

For the year ended 31 December 2019

Annexure:	F-1
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	2019 Taka	2018 Taka
Investment Income	654,575,625	613,580,736
Profit paid on Deposits	580,595,526	550,427,943
Net Investment Income	73,980,099	63,152,793
Income from Investments in Shares/Securities	15,268,651	5,534,045
Commission, Exchange and Brokerage	3,115,023	18,581,799
Other Operating Income	149,769	543,189
Total Operating Income	92,513,541	87,811,826
Operating Expenses		
Salaries and Allowances	27,336,509	30,552,528
Rent, Taxes, Insurance, Electricity etc.	1,510,532	2,046,030
Postage, Stamps, Telecommunication etc.	238,572	450,525
Stationeries, Printing and Advertisement etc.	525,228	394,709
Shariah Supervisory Committee's Fees & Expenses	111,262	65,200
Depreciation and repair to Bank's Assets	1,514,140	1,907,389
Other Expenses	6,564,644	7,263,788
Total Operating Expenses	37,800,886	42,680,169
Operating Profit	54,712,655	45,131,657



AB Bank Limited Islami Banking Branch Profit paid on deposits

For the year ended 31 December 2019

Annexure: G

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 2019 final profit has been paid to the depositors as per following weightage and rates:

Туре	s of Deposit	Weightage	Provisional Profit Rate	Final Rate
1.	Mudaraba Savings Deposits	0.29	3.50	3.51
2.	Mudaraba Special Notice Deposits			
	a. General	0.21	2.50	2.51
	b. Inter - Bank	0.25 - 0.63	3.00 - 7.50	3.01-7.52
3.	Mudaraba Term Deposits (Core deposit)			
		0.75	9.00	9.02
	24 Months	0.79	9.50	9.52
		0.83	10.00	10.02
		0.75	9.00	9.02
	12 Months	0.79	9.50	9.52
		0.83	10.00	10.02
	9 Months	0.73	8.75	8.77
	9 Monuis	0.75	9.00	9.02
		0.71	8.50	8.52
	6 Months	0.79	9.50	9.52
		0.50	6.00	6.00
	4 Months	0.79	9.50	9.51
		0.88	10.50	10.52
		0.90	10.75	10.77
	3 Months	0.50	6.00	6.00
		0.67	8.00	8.02
		0.46	5.50	5.50
	4.84 11	0.42	5.00	5.00
	1 Month	0.50	6.00	6.01
1.	Mudaraba Probable Millionaire Scheme	1.04	12.50	12.52
5.		0.79	9.50	9.52
	Mudaraba Hajj Deposit Scheme	0.88	10.50	10.52
		0.96	11.50	11.52
j.		0.79	9.50	9.52
	Mudaraba Pension Deposit Scheme	0.88	10.50	10.52
	·	0.96	11.50	11.52
<u>. </u>		0.75	9.00	9.02
		0.77	9.25	9.27
		0.79	9.50	9.52
	Mudayaha Manthiu Dyafit Dayyaant Cahana	0.83	10.00	10.02
	Mudaraba Monthly Profit Payment Scheme	0.85	10.25	10.27
		0.88	10.50	10.52
		0.96	11.50	11.52
		0.92	11.00	11.02
3.		0.79	9.50	9.52
-	M	0.88	10.50	10.52
	Mudaraba Cash WAQF Deposit	0.96	11.50	11.52
		0.92	11.00	11.02

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 Kakrail Islami Banking Branch (KIBB). During the year 2019, Shariah Supervisory Committee mets in 03 (Three) No's meetings 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.

Custodian Wing Independent Auditors' Report to the Shareholders

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AB Bank Limited, Custodian Wing, which comprise the statement of financial position (balance sheet) as at 31 December 2019, and the statement of profit or loss and other comprehensive income (profit and loss statement) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position as at 31 December 2019, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 3.1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of AB Bank Limited, Custodian Wing, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view, in accordance with IFRSs, the Securities and Exchange Commission (Securities Custodian Service) Rules 2003, Depository (User) Regulations 2003 and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the AB Bank Limited, Custodian Wing's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the AB Bank Limited, Custodian Wing or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the AB Bank Limited, Custodian Wing's financial reporting process.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Custodian Wing

Independent Auditors' Report to the Shareholders

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AB Bank Limited, Custodian Wing's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the AB Bank Limited, Custodian Wing's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the AB Bank Limited, Custodian Wing to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

We also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by AB Bank Limited, Custodian Wing so far as it appeared from our examination of those books; and
- the statement of financial position (balance sheet) and the statement of profit or loss and other comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account.

Dhaka, Bangladesh Dated, 29 June 2020 S. F. AHMED & CO
Chartered Accountants

AB Bank Limited Custodian Wing Balance Sheet

As at 31 December 2019

AS at 31 December 2019		Annexure: H
	31.12.2019 Taka	31.12.2018 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	-	5,275
Total Non Current Assets	-	5,275
Current Assets		
Accounts Receivables	12,494,889	20,700,410
Total Current Assets	12,494,889	20,700,410
Total Assets	12,494,889	20,705,685
LIABILITIES		
Non-Current Liabilities	-	-
Current Liabilities		
Payable to AB Bank	5,352,806	9,273,317
Accounts Payable	7,092,083	11,402,368
Provision for Audit Fees	50,000	30,000
Total Current Liabilities	12,494,889	20,705,685
Total Liabilities	12,494,889	20,705,685

Profit and Loss Account

For the year ended 31 December 2019

		Annexure: H-1
	2019 Taka	2018 Taka
Operating Income		
Commission, exchange and brokerage	53,483	-
Total Operating Income	53,483	-
Operating Expenses		
Rent, taxes and insurance	11,500	11,500
Auditor's fees	77,500	61,050
Depreciation and repair of bank's assets	5,275	10,550
Other expenses	138,920	6,500
Total operating expenses	233,195	89,600
Operating Profit	(179,712)	(89,600)



AB Bank Limited Off-Shore Banking Unit (OBU)

Balance Sheet

As at 31 December 2019

Annexure: I

	31.12.2	2019	31.12.2	2018
	Taka	USD	Taka	USD
PROPERTY AND ASSETS				
Cash	•	-	-	-
Balance with Other Banks and FIs'	12,646,842	148,962	8,995,466	107,217
In Bangladesh	113,280	1,334	122,363	1,458
Outside Bangladesh	12,533,562	147,627	8,873,103	105,758
Money at call and on short notice (Placement)	849,000,000	10,000,000	839,000,000	10,000,000
Investment	1,639,846,896	19,315,040	1,620,531,856	19,315,040
Loans and Advances:	6,262,330,005	73,761,249	7,425,982,306	88,509,920
Loans & Advances - Regular	2,997,288,408	35,303,750	4,543,272,124	54,151,038
Loans & Advances - Classified	3,265,041,597	38,457,498	2,882,710,182	34,358,882
Premises and Fixed Assets (WDV)	556,063	6,550	1,613,028	19,226
Other Assets:	1,010,906	11,907	1,075,960	12,824
Accrued Interest	918,069	10,814	930,330	11,089
Pre-paid Advances	92,837	1,093	145,630	1,736
Total Assets	8,765,390,712	103,243,707	9,897,198,617	117,964,227
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Bank & FIs'	8,911,059,861	104,959,480	9,895,362,230	117,942,339
In Bangladesh	8,911,059,861	104,959,480	9,895,362,230	117,942,339
Outside Bangladesh	-	-	-	-
Deposits and Other Accounts	16,506,535	194,423	13,016,543	155,144
Demand Deposits	11,147,339	131,300	10,967,742	130,724
Demand Deposits - Others	5,359,196	63,124	2,048,801	24,420
Other Liabilities	190,932,993	2,248,916	187,023,905	2,229,129
Total Liabilities	9,118,499,389	107,402,820	10,095,402,679	120,326,611
Capital and Shareholders' Equity				
Profit/(Loss)	(353,108,677)	(4,159,113)	(198,204,062)	(2,362,385)
Total Shareholders' Equity	(353,108,677)	(4,159,113)	(198,204,062)	(2,362,385)
Total Liabilities and Shareholders' Equity	8,765,390,712	103,243,707	9,897,198,617	117,964,227

Profit and Loss Account

For the year ended 31 December 2019

Annexure: I-1

	2019		2018	
	Taka	USD	Taka	USD
Interest income	203,880,011	2,413,269	273,174,003	3,272,451
Interest paid on deposits and borrowing etc.	348,688,583	4,127,326	412,662,801	4,943,438
Net Interest income	(144,808,572)	(1,714,057)	(139,488,799)	(1,670,987)
Commission, exchange and brokerage	(21,985)	(260)	(24,295)	(291)
Other operating income	-	-	-	-
Total operating income	(144,830,557)	(1,714,317)	(139,513,094)	(1,671,278)
Salaries and allowances	4,970,127	58,830	5,496,774	65,848
Rent, taxes, insurance, electricity etc.	50,286	595	36,369	436
Postage, stamps, telecommunication etc.	61,760	731	92,692	1,110
Stationeries, printing, advertisement etc.	49,180	582	82,828	992
Depreciation and repair of bank's assets	1,134,681	13,431	1,153,345	13,816
Other expenses	696,278	8,242	948,775	11,366
Total operating expenses	6,962,312	82,411	7,810,782	93,568
Operating Profit/(Loss)	(151,792,869)	(1,796,728)	(147,323,875)	(1,764,847)

Myanmar Representative Office Statement of Receipts and Payments

For the year ended 31 December 2019

Annexure: J

Bassinta	To	tal	Payments		Total	
Receipts	USD	BDT	Payments	USD	BDT	
Opening Balance	51,184.55	3,772,094.64	Bank Charges (Nostro & Others)	31.00	2,611.27	
Received during the year	20,577.00	1,727,439.15	Miscellaneous Contract Service	84.00	7,095.64	
			Local Conveyance	114.00	9,628.29	
			Internet bill	239.00	20,189.50	
			Electricity Bill	31.00	2,620.32	
			Allowances-Officers	6,225.00	525,615.00	
			Stationery & Others	47.00	3,975.95	
			Water and Sewerage	3.00	253.60	
			Repair & Maintenance	45.00	3,800.85	
			Audit Fees	650.00	55,000.00	
			Mobile bill	13.00	1,094.95	
			Other Fees and Taxes	150.00	12,665.65	
			Postage & Shipping	25.00	2,118.75	
			Office rent	11,700.00	992,160.00	
			Closing Balance	52,404.55	3,860,704.02	
Total	71,761.55	5,499,533.79	Total	71,761.55	5,499,533.79	



To the Shareholders of AB Investment Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AB Investment Limited (A Subsidiary of AB Bank Limited) which comprise the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

To the Shareholders of AB Investment Limited

As part of an audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act, 1994, the Securities and Exchange Rules 1987 and the other applicable laws and regulations. We, as required by law, further report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account maintained by the Company and examined by us; and

M. Moniruzzaman, FCA

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Chartered Accountants

Dhaka, 18 March 2020



AB Investment Limited (A Subsidiary of AB Bank Limited)

Statement of Financial Position (Balance Sheet)

As at 31 December 2019

	31.12.2019 Taka	31.12.2018 Taka
ASSETS		
Non-current assets Property, plant and equipment	547,526,339	565,195,823
Current Assets	8,162,907,395	7,997,528,479
Investment in shares	736,423,365	598,400,806
Loans to clients	6,752,714,392	6,781,090,546
Advances, deposits and prepayments	656,400	21,200,715
Receivable from brokers & Others Advance income tax	299,723,086 373,157,452	135,865,105 460,782,935
Cash and bank balances	232,700	188,372
TOTAL ASSETS	8,710,433,734	8,562,724,302
EQUITY AND LIABILITIES	6 747 065 700	6 004 044 050
Equity Chara capital	6,747,365,720 6,456,899,810	6,804,914,958
Share capital Retained earnings	290.465.910	6,456,899,810 348,015,148
retained carriings	230, 103,310	3 10,013,1 10
Liabilities		
Non-current liabilities	23,825,515	22,598,746
Provident fund, gratuity fund and recreation club fund	12,387,675	9,710,739
Deferred tax liability	11,437,840	12,888,007
Lease liabilities	-	-
Current liabilities	1,939,242,499	1,735,210,598
Borrowing from banks	737,184,319	423,537,438
Liabilities for expenses	706,217	640,397
Provision for taxation	419,270,105	497,305,203
Provision for loans and investment	769,818,239	769,818,239
Payable to clients Lease liabilities	12,180,799 82,820	43,909,321
Total liabilities	1,963,068,014	1,757,809,344
TOTAL EQUITY AND LIABILITIES	8,710,433,734	8,562,724,302

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)

For the year ended 31 December 2019

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	2019 Taka	2018 Taka
Operating income	57,136,889	308,338,158
Interest income	138,400,793	239,440,553
Management fee	6,587,586	9,523,160
Transaction/settlement fee	31,835,085	27,114,817
Investment (loss)/income	(131,590,144)	19,347,382
Other operating income	11,903,569	12,912,246
Operating expenses	48,061,008	44,718,758
Salary and allowances	15,286,399	14,784,115
Audit and consultancy fees	448,450	385,010
Administrative expenses	32,241,483	29,483,898
Financial expenses	84,675	65,735
Profit before provision for loans and investment	9,075,881	263,619,400
Provision for loans and investments for the year	-	161,673,057
Net profit before tax for the year	9,075,881	101,946,343
Income tax expenses	66,625,119	84,234,486
Current tax expenses	68,075,287	98,857,275
Deferred tax expenses	(1,450,167)	(14,622,789)
Net (loss)/profit after tax for the year Other Comprehensive Income	(57,549,238)	17,711,857
Total Comprehensive (loss)/Income	(57,549,238)	17,711,857
Earnings Per Share (EPS)	(0.089)	0.027

To the Shareholders of AB Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AB Securities Limited which comprise the Statement of Financial Position as at December 31, 2019 and the Statement of Profit or Loss and Other Comprehensive Income, and Statement of Cash Flows, Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information .The information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



To the Shareholders of AB Securities Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and
 whether the financial statements represent the underlying transactions and events in a manner that achieves fair
 presentation.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, 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) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- the statement of financial position, statement of Income and Expenditure dealt with by the report are in agreement with the books of account.

Dated, Dhaka 18 March 2020 Haider Ahmed Khan FCA
Partner
Ahmed Khan & Co.
Chartered Accountants

Modhumita Building (1st Floor) 160 Motijheel C/A, Dhaka-1000, Bangladesh.

AB Securities Limited

Statement of Financial Position

As at 31 December 2019

		As at 31 December 2019		Annexure: L
			31.12.2019	31.12.2018
			Taka	Taka
I		Sources of Fund		
	A)	Shareholders' Equity	510,030,076	509,708,626
		Share Capital Revaluation Reserve	272,041,880	272,041,880
		Retained Earnings	85,986,590 152,001,606	85,986,590 151,680,156
	B)	Non-Current Liabilities	225,834,070	298,149,255
	٥,	Liabilities for Other Finance	210,000,000	280,263,485
		Provision for Gratuity	4,580,523	6,049,607
		Provision for Provident Fund	11,253,547	11,836,163
		Total Source of Fund (A+B)	735,864,146	807,857,881
II		Application of Fund		
	A)	Non Current Assets	9,982,783	3,902,598
		Property, Plant & Equipment Deferred Tax Assets	7,717,212 2,265,571	1,534,696 2,367,902
	5 \	T		
	B)	Investments	101,411,055	159,564,043
	C)	Current Assets	1,119,022,392	1,238,961,689
		Cash and Cash Equivalents	81,598,769	219,425,776
		Advance, Deposit & Prepayments Advance Income Tax	7,812,659 94,941,313	5,305,760 83,571,185
		Accounts Receivable	4,140,740	48,769,272
		Margin Loan	930,528,911	881,889,697
	D)	Current Liabilities and Provisions	494,552,084	594,570,450
	-	Accounts Payable	69,578,763	125,232,074
		Bank Overdraft	174,502,576	198,475,836
		Liabilities for Expense Provision for Income Tax	902,620 98,150,033	663,561 86,789,374
		Other Liabilities	151,418,093	183,409,604
	E)	Net Current Assets (C-D)	624,470,308	644,391,240
	F)	Total Application of Fund (A+B+E)	735,864,146	807,857,881
	-	• •		

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2019

TOI THE TEAL ENGLISHED ST, 2019			
	,		Annexure: L-1
		2019	2018
		Taka	Taka
A)	Operating Income Brokerage Commission Interest Income Investment Income Other Operating Income	27,591,754 38,821,911 16,956,258 (29,937,890) 1,751,475	124,750,427 43,582,574 27,227,032 52,226,468 1,714,353
B)	Operating & Other Expense Operating Expenses Other Financial Expenses Depreciation on Property, Plant & Equipment	47,798,825 45,711,553 834,954 1,252,318	44,995,209 43,451,552 855,102 688,555
C)	Profit before Provision (A-B)	(20,207,071)	79,755,218
D)	Provision For Diminution in Value of Investments For Diminution in Value of Loan	(31,991,511) (31,991,511)	55,500,000 3,000,000 52,500,000
E)	Profit before Taxation (C-D)	11,784,441	24,255,218
F)	Provision for Taxation Current Tax Deferred Tax Net Profit After Taxation (E-F) Earnings Per Share (EPS)	11,462,990 11,360,659 102,331 321,451 0.01	20,283,929 20,095,362 188,567 3,971,289 0.15



To the Shareholders of Cashlink Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Cashlink Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 December, 2019 and the Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the Financial Statements including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements give a true and fair view of the Financial position of the Company as at 31 December, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Control

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

To the Shareholders of Cashlink Bangladesh Limited

As part of an audit in accordance with ISAs, we have exercised professional judgment and maintained professional skepticism throughout the audit.

We also have:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- we have obtained all the information and explanation which to the best of our knowledge and belief were a) necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated, Dhaka 30 March 2020

Chartered Accountants



Cashlink Bangladesh Limited Statement of Financial Position

As at 31 December 2019

AS	s at 31 December 2019		Annexure: M
			Annexure: M
		31.12.2019	31.12.2018
		Taka	Taka
ASSETS			
Non Current Assets			
Property, Plant and Equipment		3	3
		3	3
Current Assets			
Cash & Bank Balances		116,724	26,156
Investment in FDR		41,861,572	39,118,566
Investment in Shares		1,000	1,000
Advance, Deposit & Prepayment		38,191,781	37,980,017
Other Receivable		2,223,037	2,061,820
		82,394,114	79,187,559
Total Assets		82,394,117	79,187,562
EQUITY AND LIABILITIES			
Equity			
Share Capital		238,000,000	238,000,000
Share Money Deposit		4,200,000	4,200,000
Retained Earnings		(167,733,871)	(180,470,668)
Total Equity		74,466,129	61,729,332
Liabilities			
Non-Current Liabilities			
Long Term Loan		-	9,742,006
Current Liabilities			
Accrued Expenses		28,750	28,750
Provision for Taxation		7,899,238	7,687,474
TOTISION IUNUUON		7,927,988	7,716,224
Total Liabilities		7,927,988	17,458,230
		7,327,966	17,430,230

Statement of Profit or Loss and Other Comprehensive Income

82,394,117

79,187,562

Annexure: M-1

For the year ended 31 December 2019

	2019 Taka	2018 Taka
Revenue	-	-
Less: General and Administration Expenses	453,452	496,576
Operating Profit/(Loss)	(453,452)	(496,576)
Add: Other Income	13,555,474	3,542,157
Non-Operating Income/(Loss)	-	147,177
	13,102,022	3,192,758
Less: Other Expenses	-	11,005
Profit/(Loss) Before Provision & Taxation	13,102,022	3,181,753
Provision for taxation	365,225	-
Net Profit after Tax	12,736,797	3,181,753
Other Comprehensive Income	-	-
Total Comprehensive Income	12,736,797	3,181,753
Earnings Per Share (EPS)	0.54	0.13

Total Equity and Liabilities

To the Members of AB International Finance Limited

(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of AB International Finance Limited ("the Company") set out on pages 6 to 18, which comprise the statement of financial position as at 31st December, 2019, and the statement of income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



To the Members of AB International Finance Limited

(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

T. O. Yip & Co. Limited

Certified Public Accountants (Practising) Hong Kong

DO gina Letu

Samuel Ming Sum Yip

Practising Certificate Number: P05704

15th April, 2020

AB International Finance Limited Statement of Financial Position

As at 31 December 2019

Annexure: N

	31.12.2019 HK\$	31.12.2018 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	28,892	48,262
CURRENT ASSETS		
Discounted bills receivable	100,962,271	99,457,270
Deposits, prepayments and other receivable	3,413,585	2,615,840
Cash and bank balances	380,356	273,873
	104,756,212	102,346,983
CURRENT LIABILITIES		
Accrued liabilities and other payables	4,616,112	4,391,757
Deferred interest income	798,523	691,956
Provision for long service payments	463,002	461,635
Due to ultimate holding company	77,500,000	77,500,000
Tax payable	2,105,818	654,888
	85,483,455	83,700,236
NET CURRENT ASSETS	19,272,757	18,646,747
	19,301,649	18,695,009
EQUITY		
Share capital	1,000,000	1,000,000
Retained earnings	563,904	563,904
Proposed final dividend	10,175,786	9,569,146
Capital Reserve	7,561,960	7,561,960
	19,301,649	18,695,009

Statement of Income And Retained Earnings

For the year ended 31 December 2019

		Annexure: N-1
	2019	2018
	HK\$	HK\$
Interest income	4,566,221	4,638,664
Interest expenses	(532,105)	(590,099)
Net interest income	4,034,116	4,048,565
Other operating income	13,298,554	12,516,917
Total operating income	17,332,670	16,565,482
Staff costs	(2,338,431)	(2,357,701)
Depreciation	(19,370)	(13,696)
Provision for long service payments	(1,367)	(1,582)
Other operating expenses	(3,004,932)	(2,972,909)
Total operating expenses	(5,364,100)	(5,345,888)
Profit before taxation	11,968,570	11,219,594
Income tax	(1,792,784)	(1,650,448)
Profit for the year	10,175,786	9,569,146
Retained earnings at start of the year	563,904	563,904
Dividends	(10,175,786)	(9,569,146)
Retained earnings at the end of the year	563,904	563,904



To the Shareholders of Arab Bangladesh Bank Foundation

Opinion

We have audited the financial statements of Arab Bangladesh Bank Foundation which comprise The Statement of Financial Position as at December 31, 2019, Statement of Profit or Loss and Statement of Receipts & Payments for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, The Statement of Financial Position of the company as at December 31, 2019, Statement of Profit or Loss and Statement of Receipts & Payments for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a quarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Dhaka, Bangladesh Date: 07th June, 2020 Chartered Accountants

Arab Bangladesh Bank Foundation (ABBF)

Statement of Financial Position

As at 31 December 2019

		Annexure: O
	31.12.2019 Taka	31.12.2018 Taka
ASSETS		
Non Current Assets	38,517,869	39,158,212
Property, Plant & Equipment	38,516,869	39,157,212
Investment at cost in equity share of ABIL	1,000	1,000
Current Assets	465,385,776	433,852,986
Loan to ABSL	210,000,000	260,000,000
Investment in FDR	99,807,518	93,305,220
Accrued income	37,669	37,669
Advance Tax	12,255,398	1,035,163
Cash and Cash equivalents	143,285,191	79,474,935
		475 644 466
TOTAL ASSETS	503,903,645	473,011,198
EQUITY AND LIABILITIES		
Shareholders' Equity	481,360,333	461,007,876
Share Capital	20,000,000	20,000,000
Retained Earnings	461,360,333	441,007,876
realited Earlings	101/300/333	112/00//0/0
Non-Current Liabilities		
Unearned Income	241,350	693,376
	·	·
Current Liabilities	22,301,961	11,309,946
Provision for Income Tax	22,178,461	11,219,446
Provision for expenses	123,500	90,500
TOTAL EQUITY AND LIABILITIES	503,903,645	473,011,198

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

		Annexure: 0-1
	2019 Taka	2018
Income	IdKd	Taka
Operating Income	32,592,809	33,659,773
Interest Income	31,688,757	32,755,721
Rental Income	904,052	904,052
Less: Operating & Other Expenses	1,281,338	1,604,212
Operating expenses	1,181,338	1,604,212
Other expenses	100,000	-
Profit before Tax	31,311,471	32,055,561
Less: Provision for Tax	10,959,015	11,219,446
Profit carried forward	20,352,456	20,836,115



AB Bank Limited

Name of the Directors and entities in which had interest

As on December 31, 2019

Annexure: P

SI. No.	Name	Status	Name of Firms/Companies in which interested as proprietor/partner/director/managing agent/guarantor/employees etc.
			Bangladesh International Arbitration Centre (BIAC), Chief Executive Officer
			2. Finnova Technologies Limited, Chairman
			3. Finaction Bangladesh Limited, Chairman
1	Mr. Muhammad A.(Rumee) Ali	Chairman	4. Cashlink Bangladesh Limited, Chairman Nominated by AB Bank Limited
			5. AB International Finance Ltd, Hong Kong, Chairman Nominated by AB Bank Limited
			6. R & I Ventures Ltd., Managing Director
			7. Eastland Insurance Company Limited, Independent Director
			Hexagon Chemical Complex Ltd; Chairman
			2. Elite Paint & Chemical Ind. Ltd; Chairman
			3. Elite International Ltd; Managing Director
2	Mr. Feroz Ahmed	Director	4. FDN Energy Ltd; Managing Director
			5. Ahmed Securities Services Ltd; Managing Director
			6. Bangladesh General Insurance Company Ltd; Shareholder
			7. Holy Crescent Hospital, Shareholder
3	Mr. Khairul Alam Choudhury	Director	Nil
			1. AB Securities Limited, Director, Nominated by AB Bank Limited
			2. Elite Paint & Chemical Industries Limited, Director
			3. Super Refinery (Pvt.) Limited, Director
			4. Super Share & Securities Limited, Director
			5. Elite Super Plastic Ind. (Pvt.) Limited, Director
4	Mr. Shajir Ahmed	Director	6. Super Sea Fish (Pvt.) Limited, Director
		l	7. Super Tel Limited, Director
			8. Super Silica Bangladesh Limited, Director
			9. Aurora Décor Limited, Director
			10. Broast Foods Ind (Pvt) Limited, Director
			11. Elite Foods Industries Limited, Director
			AB Investment Ltd, Independent Director Nominated by AB Bank Limited
			AB Securities Ltd, Independent Director Nominated by AB Bank Limited
5	Mr. Kaiser Ahmed Chowdhury	Independent Director	3. AB International Finance Ltd, Hong Kong
			Independent Director, Nominated by AB Bank Limited
			4. Cashlink Bangladesh Limited
			Independent Director, Nominated by AB Bank Limited
			AB Investment Ltd, Director, Nominated by AB Bank Limited
6	Mr. Tarique Afzal	President & Managing Director	AB International Finance Ltd, Hong Kong. Director Nominated by AB Bank Limited
		Fidinging Director	Cashlink Bangladesh Limited, Director Nominated by AB Bank Limited

CITIZEN CHARTER





AB Bank Limited

Corporate Social Responsibility

AB strongly believes that a strong CSR engagement is an essential element in fulfilling social commitment of all the business enterprises which contributes towards the improvement of quality of the lives of people. As a responsible organization, AB respects the interests of the wider community of the country. AB is committed to a better Bangladesh for everyone.

In the times of COVID-19 pandemic, AB Bank continued its focus on CSR (Corporate Social Responsibility) initiatives in the areas of education, disaster management, health and sports.

Education: AB Bank provided financial assistance to a number of educational institutions to support the studies of poor students. AB Bank has financed in training nurses who are deprived. The Bank donated significant amount to The Society for the Welfare of Autistic Children (SWAC) for the betterment of Autistic children in the field of education and training.

Disaster Management: AB Bank donated substantial amount to Prime Minister's relief fund to help the people at distress in time of COVID-19. AB Bank also provided financial assistance to the urban slum and the rural poor through "Dakche Amar Desh" a joint initiative by BRAC and Grameenphone to support this noble cause during covid.

AB Bank also distributed blankets among the deprived population affected by the fierce winter.

Health: The Bank, in its commitment to contribute the health sector, AB Bank donated in favor of "Cure and Smile Bangladesh Foundation" for a modern pulmonary and neurological rehabilitation center-establishment. Cure and Smile Bangladesh Foundation is working to establish a low cost diagnostic and consultation service that aims to serve the disadvantageous community with affordable price. AB also donated to "Fazle Rabbi Foundation & Research Center" for blood donation program. Financial help for treatment of subordinated staff was also provided in the 2019.

Sports: AB always supported the development of sports, be it cricket, football or golf. The President Cup Golf at Bhatiary Chittagong is a trademark event sponsored by AB for the last 29 years. AB Bank donated to "Bangladesh Olympic Association" for Bangabandhu 9th Bangladesh Game. The Bank has also made significant contribution in the field of school cricket as well.

Others: AB Bank also donated substantial amount to "Bangabandhu Memorial Trust" against celebration of Mujib Borsho.

Arab Bangladesh Bank Foundation (ABBF)

ABBF is a subsidiary of AB Bank Limited. It is philanthropic organization specially designed to support the underprivileged segment of the society. The objective of the Foundation is to set up, manage and operate multi-specialized hospitals, educational institutions, orphanages, religious institutions etc. including industrial and business concerns for charitable purpose.



AB Bank donated blankets to the Prime Minister's Welfare and Relief Fund

AB Bank Limited Corporate Social Responsibility



Bank's participation in clelebration of MUJIB BORSHO



Handing over a cheque to the family of late security guard Mr. Jahangir Alam



AB Bank Limited Corporate Social Responsibility



Bank distributed warm clothes



Health Program for AB employees

AB Bank Limited New Product



AB HEIGHT is a bundled proposition of an account and a Credit Card with many value added services that supports customer's lifestyle aspirations.

Mr. Tarique Afzal, President and Managing Director of the Bank inaugurated the launching program. Mr. Abdur Rahman, DMD- Head of Retail Banking Division, other DMDs, Senior Executives of the bank and journalists from different print & electronic media were also present in the program.



AB Bank has recently launched a unique deposit product named "Profit First"

"Profit First" is a different type of fixed deposit product with a unique facility which enables a customer to get the interest instantly up front at the time of opening the account.



AB Bank Limited Green Banking Activities

AB Bank has adopted comprehensive Green Banking Policy in line with global norms and BRPD Circular no. 02 Dated February 27, 2011 on "Policy Guidelines for Green Banking" (as approved by the Board of Director's 488th Meeting held on 19.12.2011). Subsequently, as per Bangladesh Bank SFD Circular no. 02 dated December 01, 2016, the Bank has formed the following (upon due approval from Board of Director's 624th Meeting held on March 08, 2017):

- A separate Sustainable Finance Unit (SFU) having the responsibility of designing, evaluating and administering related Green Banking issues of the bank, comprising with 8 (Eight) Senior and mid-level Officials from AB Head Office.
- Sustainable Finance Committee (SFC) comprising the senior Officials of the Bank.

Policy Formulation and Governance

Incorporation of ESRM in CRM

Eco friendly business activities and energy efficient industries are given preference in financing by the Bank. Environmental infrastructure such as wastewater treatment plant, bio-gas plant, bio-fertilizer plants are encouraged and financed by the Bank.

Besides, projects having such installations are encouraged. Bank has incorporated Environment, Social and Climate Change Risk as part of the existing credit risk methodology and introduced 'Environmental and Social Risk Assessment (ESRA) - Generic Checklist' to assess existing as well as a prospective borrower (Credit Circular No.02/2017 on November 19, 2017).

Before introducing ESRA, Bank has been conducting Environmental Risk Rating (EnvRR) since July 2011.

In-house Environment Management

We have introduced and practicing Green Office Guide (Green Tips) for better management of in-house environment. Some of the practices under Green Office Guide are as below:

- Bank, prepare & maintain inventory of the consumption of water, paper, electricity, and energy etc. in its offices and branches in different places.
- Save electricity and reduce water and paper consumption.
- Online communication is extensively used.
- Energy efficient electronic equipment's and energy saving LED Bulb are being used as much as possible. We are aware that every ton of paper saves around 17 trees. Therefore Bank emphasize using recycled paper, print on reusable sheets, print multiple pages on single sheets of paper, set defaults to print double side and print on both sides, print only the pages that are required, increase margin width of the documents, lower the default font (preferably to 10 point) which would shrink the document by about 10%, use email statements through which we save an enormous quantity of paper, we call or email

our customers for service reasons wherever possible rather than writing letters, low use of cheque book or paying-in book (withdrawal & payment through Card), installed solar ATM's (we already have 7 such ATMs), switch off the ACs after 7 pm (or earlier specially when not required), and maintaining the temperature of the AC over 22 Degree Celsius, switch off the lights of the common are after banking hour, switch off the computer / printer, when not in use.

Green Monitor

To ensure optimum consumption of electricity and water at Head Office and Branch level, bank encourages best use of the resources. To this effect, one officer for each ABBL Floor (at Head Office as well as at each Branch) has been nominated as 'Green Monitor' who ensures that:

- Air Coolers temperature is maintained preferably at 24^o Celsius during office hours.
- Air Coolers are put off after work hour and redundant lights are put-off.
- There is no wastage of water (in kitchen, gardens, car wash and rest rooms especially due to faulty tap).
- Switch off Air Coolers inside ATM Booths every night from 12:00 Midnight to 6:00 a.m.

Earth Hour

Introduction of Earth Hour in every Branch and at Head Office, to save electricity and to promote the environmental cause effectively, redundant lights and air coolers are switched off during working hours.

Climate Risk Fund

Bank to allocate Climate Risk Fund for CSR activities for the people affected by climate change like flood, severe winters which we have seen in last few years. AB Bank has stood by the side of the people affected by the above mentioned calamities caused due to climate change.

Green Marketing

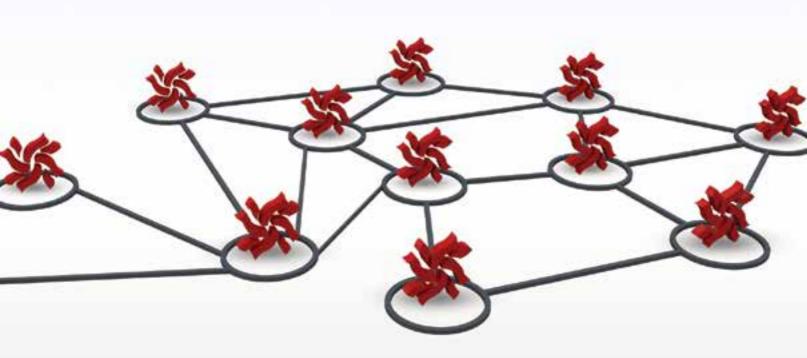
To promote Green Marketing, Bank is arranging training & capacity building among its employees.

Online Banking

- ABBL is a fully real-time online Bank and encourage customers to use internet banking (AB Direct) for transactions including Online Bill Payment, Fund Transfers etc.
- It gives more emphasis to make the easiest way to help environment by eliminating paper waste, saving gas and carbon emission, reducing printing costs and postage expenses.

Disclosure and reporting of Green banking

Such disclosure has been done in our Annual Report, Bank's periodicals while our website also speaks of our Green Products & initiatives.





AB Bank Limited **Presence**

1. Conventional Branches 2. Islami Banking Service 3. Custodial Service 4. Off-shore Banking Unit (OBU) Local **Subsidiaries: Presence** 1. AB Investment Limited (ABIL) 2. AB Securities Limited (ABSL) 3. Cashlink Bangladesh Limited (CBL) 4. Arab Bangladesh Bank Foundation (ABBF) (Philanthropic Organ of AB) 1. AB International Finance Limited (ABIFL) Hong Kong - 100% **Overseas** 2. Mumbai Branch, India **Presence** 3. Yangon Representative Office, Myanmar

AB Bank Limited Branch Location

	Dhaka Division	Details Address	SI. No.
1	Austagram	Mustari Bhaban, Jamtoli Austagram Sadar, Austagram, Kishoreganj	1
2	Banani	S.R.R. Commercial Tower, Plot 50, Road 11, Block C, Banani, Dhaka-1213	2
3	Bandura	Bandura Branch, Bandura Govt. Super Market (1st Floor), Hasnabad, Nawabgonj, Dhaka	3
4	Bashundhara	Green Coronet, Plot-7, Block-A, Bashundhara R/A, Dhaka-1229	4
5	Bhairab Bazar	248 (W)Tin Patty, Bhairab Bazar, Kishoreganj	5
6	Bhulta	Haji Complex (1st Floor), Bhulta, Golakandail, Rupgonj, Narayangonj, Bangladesh	6
7	Board Bazar	Board Bazar, P.O. National University, Gazipur Sadar, Gazipur	7
8	Chandra	Al Haj Khabir Uddin Super Market (1st Floor), Kaliakair Bazar, Kaliakair, Gazupur	8
9	Dhanmondi	House 45 (New), 286 B (Old), Road 16 (New), 27 (Old), Dhnmondi R/A, Dhaka-1209	9
10	Faridpur	AR City Center, Holding No-29, Hazi Shariatullah Bazar Road, Kotwali, Faridpur	10
11	Garib-E-Newaz Avenue	Plot 08, Garib-E-Newaz Avenue Road, Section 13, Uttara, Dhaka	11
12	Gulshan	Ventura Avenue (1st & 2nd Floor), Plot: CWN (C) 8/B, Road 34, Gulshan Model Town, Gulshan, Dhaka	12
13	Imamganj	40, Imamganj, Dhaka-1100	13
14	Islampur	38-39, Islampur Road, Islampur, Dhaka	14
15	Islami Banking Branch	82, Kakrail, Ramna, Dhaka	15
16	Jatrabari	Tony Tower, 33 Shaheed Faruque Road, Jatrabari, Dhaka	16
17	Jinjira	Hazi Karim Market, 2nd Floor, East Aganagar, Keranigonj, Dhaka	17
18	Joypara	Joyprara Bazar, Joypara, Dohar, Dhaka	18
19	Kakrail	81, VIP Road, Kakrail, Dhaka	19
20	Kalampur	Vill: Kalampur, P.O Kalampur, P.S. Dhamrai, Dhaka	20
21	Kalatiya	Sufiya Zaman Complex, Kalatiya Bazar Road, Shamsherpur, Kalatiya, Keraniganj, Dhaka	21
22	Kamrangirchar	Al-Madina Super Market, 1201 West Rosulpur, Kamrangirchar, Dhaka	22
23	Karwan Bazar	BSEC Bhaban, 102, Kazi Nazrul Islam Avenue, Dhaka-1215	23
24	Madhabdi	Parkashipur, Madhabdi Bazar, Madhabdi, Narsingdi	24
25	Malibagh	Advanced Melinda, (Level-1), 72, Malibagh, Dhaka-1217	25
26	Mirpur	5/A, 5/B, Darussalam main Road, Mirpur-1, Dhaka-1216	26
27	Motijheel	BDBL Bhaban, 8, RAJUK Avenue, Dhaka-1000	27
28	Mohakhali	Pacific Centre (1st Floor), 14 Mohakhali Commercial Area, Bir Uttam A. K. Khandaker Road, Banani, Dhaka-1212	28
29	Narayanganj	109, Banga Bandu Road, Narayanganj	29
30	Nawabpur Road	198-202, Nawabpur Road (Nawabpur Tower), Nawabpur, Dhaka-1100	30
31	New Elephant Road	Novera Square, Holding 05, Road 02, Dhaka South City Corporation, Dhanmondi, Dhaka	31
32	North South Road	9/1, North South Road, Bangshal, Dhaka	32
33	Pagla	Alhajj Afser Karim Bhaban, DN Road, Kutubpur, Fatullah, Narayangonj	33
34	Paril	Paril Noadda, Union-Boldhara, P.S. Singair, Manikgonj	34
35	Principal	BCIC Bhabon, 30-31 Dilkhusha, Dhaka	35
36	Progati Sharani	N.R. Tower, 72, Progati Sharani, Block-J, Baridhara, Dhaka	36
37	Rokeya Sharani	923, Shewrapara Rokeya Sharani, Mirpur, Dhaka-1216	37
38	Savar	Polashbari, Ashulia, Savar, Dhaka	38
39	Shyamoli	Shyamoli Square, 24/1 & 24/2, Khilzi Road, Mohammadpur, Dhaka	39
			40
40	Tangail	702, Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail, Bangladesh	+
41	Tongi	Sena Kalayan Commercial Complex, 9/F, Tongi, Gazipur	41
42	Uttara	House 11, Road 14/D, Sector 4, Uttara, Dhaka 1230	42



AB Bank Limited **Branch Location**

My	ymensingh Division	Details Address	SI. No.
1	Mymensingh	52, Dr. Bipin Sen Road, Choto Bazar, Mymensingh	43
2	Seed Store Bazar	Al-Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensingh	44

Cł	hattogram Division	Details Address	SI. No.
1	Agrabad	Spencers Building, 26, Agrabad C/A, Chattogram	45
2	Anderkilla	Anderkilla Branch, Universal Chamber (1st Floor), 7 Laldighi East, Kotowali, Chattogram	46
3	Ashuganj	Kashem Plaza, Ashuganj Sadar, Ashuganj, Brahmanbaria	47
4	Bahaddarhat	4543, Bahaddarhat, Arakan Road, Chandgaon, Chattogram	48
5	Banshkhali	Mohammed Meah Plaza, Ramdas Munshirhat, Kokdandi, Kalipur Union, Banshkhali, Chattogram	49
6	Boalkhali	TCCA Complex, Gomdandi (East), Boalkhali, Chattogram	50
7	Brahmanbaria	1090/128, Court Road, Brahmanbaria	51
8	CDA Avenue	BMA Bhabhan (Ground Floor), 1367, CDA Avenue, East Nasirabad, Chattogram	52
9	Chakaria	M. Rahman Complex, Holding No-625, Chakaria Pouroshova, Chakaria, Cox's Bazar	53
10	Chandpur	123/115, Poura New Market, Kali Bari Road, Chandpur	54
11	Chawk Bazar	Moti Tower, 67/68 College Road, ChawkBazar, Chattogram	55
12	Chaumuhani	Holding 886, Feni Road, Chaumuhani, Bedumganj, Noakhali	56
13	Chaturi	Al Amin Super Market, Chaturi, P. S. Anowara, Chattogram	57
14	Comilla	Moghultuli Super Market (1st Floor), Moghultoli Road, Comilla	58
15	Cox's Bazar	Diganta Complex, New Market, Bazar Ghata, Cox's Bazar	59
16	Dewanhat	315, Dewan Chamber, Dewanhat, Doublemuring, Chattogram	60
17	Export Processing Zone (EPZ)	Bay Shopping Centre, P.O. South EPZ, Halishahar, Chattogram	61
18	Feni	Hoque Plaza (1st Floor), 193, Shaheed Shahidullah Kaiser Road, Feni	62
19	Hathazari	Haji Siddique Market (1st Floor), Hathazari Bus Stand, Hathazari, Chattogram	63
20	Jubilee Road	175, Jubilee Road, Chattogram	64
21	Khatunganj	395 Khatungonj, Chattogram	65
22	Khulshi	House 02, Road 01, Khulshi, Chattogram	66
23	Lohagara	Mostafa City, 1st floor, Amirabad, Lohagara, Chattogram	67
24	Momin Road	Equity Central, 42-43, Momin Road, Jamal Khan, Chattogram	68
25	Nazu Meah Hat	Burischar, Kaptai Road, P.O. Nurali Bari, P.S. Hathazari, Chattogram	69
26	Patherhat	Khayez Shopping Centre (2nd Floor), Noapara, Patherhat, P.S. Raozan, Chattogram	70
27	Pahartoli	Abdur Rahim Tower, 972/1043, D.T. Road, A K Khan Gate, Pahartali, Chattogram	71
28	Port Connecting Road	5, P. C. Road, Block-G, Baropole, Halisahar, Chattogram	72
29	Sandwip	Sandwip City Center, Anamnahar, Plot no 22370 & 22371, Haramia, Sandwip, Chattogram	73
30	Sitakunda	Aziz Shopping Complex (1st Floor), Mohadevpur, Sitakunda, Chattogram	74
31	Station Road	Equity Anitri, 32 H.S.S. Road, Kotowali, Chattogram	75
32	Teknaf	Abu Hanif Market, Bus Station, Main Road, Teknaf, Cox's Bazar	76

	Khulna Division	Details Address	SI. No.
1	Benapole	Hotel Haque international, 607, Local Bus stand, Benapole, Jessore	77
2	Jhenaidah	Pushpoprangon, 249 Sher-E-Bangla Road, Jhenaidah Sadar, Jhenaidah	78
3	Jessore	38, M. K. Road, Jessore	79
4	Jhikargacha	Hanef Super Market, Local Bus Stand, Jhikargacha, Jessore	80
5	Khulna	Mollick Shopping Complex, 99, Jessore Road, Khulna	81
6	Kushtia	12-14, N. S. Road, Kushtia	82
7	Satkhira	884/810, Abul Kashem Road, Satkhira	83

AB Bank Limited Branch Location

	Rajshahi Division	Details Address	SI. No.
1	Bogra	324, Kabi Nazrul Islam Sarak, Jhawtola, Bogra	84
2	Chapai Nawabganj	16, Godagari Road, Chapai Nawabgonj	85
3	Naogaon	Mojaffer Hossain Marketing Complex, Main Road, Naogaon	86
4	Pabna	AR Plaza, 118, Abdul Hamid Road, Pabna Sadar, Pabna	87
5	Sirajganj	Friends Plaza (1st Floor), 1039, S. S. Road, Sirajgonj Sadar, Sirajganj	88
6	Rajshahi	102-103, Shaheb Bazar, Ghoramara, Rajshahi	89

	Sylhet Division	Details Address	SI. No.
1	Boroikandi	Rongdhonu Biponi Bitan (1st Floor), Central Bus Terminal Road, Verthokhola, Sylhet	90
2	Chhatak	Modaris Mension, Bagbari, Chhatak, Sunamgonj	91
3	Dargahgate	Raj Monjil, Dargahgate, Sylhet	92
4	Garden Tower	Biswa Road, Shahjalal Uposhohor Point, Sylhet	93
5	Habiganj	6286, Habiganj-Shaistaganj Main Road, Habiganj	94
6	Madhabpur	317, Munshi Tower (1st Floor), Madhabpur Pourashava, Madhabpur, Habiganj	95
7	Moulvibazar	Shamsernagar Road, Chowmuhona, Moulvibazar	96
8	Sreemongal	Aziz Super Market, Moulvibazar Road, Sreemongal-3210, Moulvibazar	97
9	Tajpur	Hazi Keramat Ali Super Market, Kodomtola, Tajpur, Osmanninagor, Sylhet	98
10	VIP Road	Surma Tower, V.I.P. Road, Taltala, Sylhet	99

	Rangpur Division	Details Address	SI. No.
1	Dinajpur	Javed Super Market, 189, Bahadur Bazar, Kotwali, Dinajpur	100
2	Lalmonirhat	Kasir Uddin Kallyan Foundation Bhaban, 5/32-S, Puran Bazar, Lalmonirhat	101
3	Rangpur	Baitus Syed Super Market, 91-92, Central Road, Rangpur Sadar, Rangpur	102
4	Saidpur	Noor Plaza, Shaheed Dr. Zikrul Haque Road, Saidpur, Nilphamari	103

	Barisal Division	Details Address	SI. No.
1	Barisal	101, Monsur Mansion, Sadar Road, Barisal	104

	Overseas Branch	Details Address	SI. No.
1	Mumbai, India	Liberty Building, 41-42 Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400020, India	105
Total Branch: 105			



AB Bank Limited ATM Booth

SL	ATM Locations	Address	Attached Branch
1	Bashundhara Branch	Green Coronet, Plot 07, Block-A, Bashundhara Main Road	Bashundhara
2	Rangpur	Shop No: 01 Muktijoddha Complex Bhaban, Station Road, Rangpur	Rangpur
3	Kalurghat	Global Shirts 49 (NP), Kalurghat Heavy Industrial Area, Chattogram	Bahaddarhat
4	Mirpur-1 Branch	5-B Darus Salam Road, Section 01, Mirpur, Dhaka	Mirpur
5	Gulshan	155 Gulshan Avenue, Road No 54, Dhaka	Gulshan
6	Siddeswari Road	Total Camelia, 49 Siddeswari Road, Dhaka	Malibag
7	New Senpara Road	House no- 5543, Road No-1, New Senpara Road, Grand Hotel More, Rangpur	Rangpur
8	Gulshan-1	Shop No. 15, 50 South Gulshan, Dhaka	Gulshan
9	Pran RFL	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj	Madhabdi
10	Mohakhali	G-37 Wireless Gate, Dhaka	Mohakhali
11	East Dargahgate	5222, East Dargahgate, Sylhet	Dargahgate
12	Rayer Bazar	15 Sultangonj, Rayer Bazar, Dhaka	Dhanmondi
13	Middle Badda	Gha-131/1, Middle Badda, Dhaka	Progoti Sharani
14	Hobigonj Branch	Sayestagonj Main Road, Hobigonj	Hobigonj
15	Banasree Main Road	B/4, Block#B, Main Road, Banasree, Dhaka	Malibag
16	Cox's Bazar Branch	Digonta Complex (New Market), Bazar Ghata, Cox's Bazar	Cox's Bazar
17	Asad Avenue	Mohammadpur Housing Estate, Plot No. 71/C, Block D, Mohammadpur, Dhaka	Shyamoli
18	West Panthapath	89/2, West Panthapath, Dhaka 1215	Karwan Bazar
19	Satmosjid Road	Block-E, Plot- Gha/13, Mohammadpur Housing Estate, Mohammadpur, Dhaka	Dhanmondi
20	Malibagh Chowdhury Para	577 Malibagh Chowdhury Para, Dhaka	Malibag
21	Training Academy	719 (old) Satmasjid Road, Dhanmondi R/A, Dhaka 85/A (New) M R Akhter Mukul Sarak, Dhanmondi R/A, Dhaka	New Elephant Road
22	Comilla	333 Jhawtala, Comilla	Cumilla
23	PC Culture Housing Society	House 23, Road 10, Block- Kha, PC Culture Housing Society, Mohammadpur, Dhaka	Shyamoli
24	NICVD	NICVD, Sher-E-Bangla Nagar, Dhaka	Shyamoli
25	Medda Bazar	Municipal Holding No. 345/338, Medda Bazar, Brahmanbaria	Brahmanbaria
26	Sadar Road	45 Sadar Road, Barisal	Barisal
27	Doylar More	Muncipal Holding No. 1952, Chawk Enayet, Naogaon	Naogaon
28	Lucas More	115 West Nakhalpara, Tejgaon, Dhaka	Karwan Bazar
29	Lake Drive Road	Plot- 19, Lake Drive Road, Sector 07 Uttara, Dhaka	Gareeb-E-Newaz
30	Shahjahanpur	714/1, Uttar Shahjahanpur, Dhaka	Motijheel
31	South Basabo	445, South Basabo, Sabujbagh, Dhaka	Motijheel
32	Sony Cinema	Crescent Homes, 150/1 Shah Ali bag Mirpur-1, Dhaka	Mirpur
33	Tejture bazar	37 East Tejture Bazar, Farmgate, Dhaka 1215	Karwan Bazar
34	Nazim Uddin Road	1/2 Nazim Uddin Road, Dhaka	Imamganj
35	Gopibagh	1/A Gopibagh, 1st Lane, Dhaka - 1203	Principal
36	Nikunja-2	Plot- 06, Road 01, Nikunja-02, Dhaka	Progoti Sharani
37	Simanta Square	Simanta Square Market Premises, Pilkhana, Dhaka	New Elephant Road
38	Banani Branch	House 50, Road 11, Block-C, Banani, Dhaka	Banani
39	Adabar Bazar	H-32/1/A North Adabar, Mohammadpur, Dhaka	Shyamoli
40	Darus Salam Station	59/D, Darus Salam, Mirpur Road, Dhaka	Shyamoli
41	Ring Road	KPBL Chayapath, House 16/A/6, Ring Road, Near By Japan Garden City, Mohammadpur, Dhaka	Shyamoli
42	Gulshan	Block B, House 50, Road -3, Avenue Road – 1, Niketan, Gulshan - 1	Mohakhali
43	Comilla	SA Plot No. 634, Shashangacha, Badsha Miar Bazar, Kowtali, Comilla	Cumilla

AB Bank Limited ATM Booth

SL	ATM Locations	Address	Attached Branch
44	Sandwip Branch	Sandwip City Centre, Haramia, Sandwip, District - Chattogram	Sandwip
45	Jatrabari	Holding No. 102/1, Sahid Faruk Road, South Jatrabari, Dhaka	Principal
46	Lalmatia	House B/20, Block- E, Zakir Hossain Road, Lalmatia, Dhaka	Dhanmondi
47	Rupnagar	House 57, Road 22, Rupnagar R/A, Mirpur, Dhaka	Mirpur
48	Gulshan Link Road	TA-137/1, Gulshan Link Road, Dhaka	Gulshan
49	Rampura	City Corporation Holding No. 1, East Rampura, Dhaka	Kakrail
50	Tongi Branch	Sena Kalyan Commercial Complex, Plot No. 9/F, Tongi, Gazipur	Tongi
51	Dhanmondi Takwa Masjid	Block-C, Plot- 251/F, Road 22, at present Plot 60/A, Road 12/A, Dhanmondi R/A, Dhaka	Dhanmondi
52	Bandar	RSA Complex, South Halishahar, BS Plot No. 8098, Bandar, Chattogram	C-EPZ
53	MDC Square	MDC Square, Chawkbazar	Chawk Bazar
54	Segunbagicha	42/1Kha, Segunbagicha, Ramna, Dhaka	Kakrail
55	Kalachandpur	Ka/12, Kalachandpur, Baridhara, Gulshan, Dhaka	Progoti Sharani
56	Amirabad Branch	Best Chowdhury Plaza, Amirabad, Lohagara, Chattogram	Lohagara
57	Chaumuhani Branch	Feni Road, Chaumuhani, Noakhali	Chaumuhani
58	Nawabgonj	Kashimpur, Nawabganj, Bandura, (Nearer to Upazila Parisad), Dhaka	Bandura
59	Notun Bazar	25, Kali Sankar Guha Road, Notun Bazar, Mymensingh	Mymensingh
60	Uttara	Plot No. 05, Rana Bhola Road, Sector-10, Uttara, Dhaka	Uttara
61	Brac Shoping Centre	Shop No-111, Brac Shopping Centre, Faidabad, Azampur, Uttara, Dhaka	Uttara
62	Navaron	Navaron Bazar, Sharsha , District - Jashore	Benapole
63	Uttara 7	Plot-89, Road-28, Sector 07, Uttara, Dhaka	Uttara
64	Mirpur 12	Plot 17, Road 02, Block E, Section 12, Rupnagar R/A, Mirpur Housing Estate, Mirpur, Dhaka	Mirpur
65	Jublee Road Branch	175, Jubilee Road, Enayet Bazar, Chattogram	Jublee Road
66	Mukda Para	111/C, North Mukda Para, Sabujbagh, Dhaka	Malibag
67	Khilkhet	Concord Lake city, Holding No. Kha-94/3, Khilkhet, Dhaka	Progoti Sharani
68	Ashkona	Hazi Super Market, Holding No. 2522, Ashkona, Uttara, Dhaka	Uttara
69	Kochukhet	234/6, Kochukhet, Mirpur	Rokeya Sharani
70	Uttara 14	House 20, Road 12, Sector 14, Uttara	Gareeb-E-Newaz
71	PCR Road	Shah Amanat Shopping Complex, Plot 12/A, Block-G, Road 1, Len-2, Hali Shahar Housing Estate, Holding 2113/A, Rampur, Chattogram	PCR
72	Paltan Tower	Shop No-11,Box Culvart Road, 87 Purna Paltan Road, Paltan Tower, Polton, Dhaka	Motijheel
73	Boro Moghbazar	625 Boro Moghbazar (Nayatola) (Opposite Red Cr. Society)	Malibag
74	Kaderabad Housing Society	41/A, Kaderabad Housing Society, Katasur, Mohammadpur, Dhaka	Dhanmondi
75	Lalbag	15 Lalbag Road, Lalbag Kella, Dhaka	New Elephant Road
76	BRRI	Bangladesh Rice Research Institute, 58/1 58/2 Joydebpur, Gazipur	Board Bazar
77	Kaliakair Super Market	Kaliakair Super Market, Kaliakair Bazar Bus Stand, P.O: Kaliakair Bazar, P.S: Kaliakoir	Chandra
78	Konabari Bus Stand	Konabari Bus Stand, Gazipur, Plot A-146 & A-147(p) Block Chemical, BSCIC, Konabari	Chandra
79	Al-Hasan Hotel	144, Sir Iqbal Raod, Khulna	Khulna
80	United Tower	4 KDA, Khulna	Khulna
81	VIP Tower	VIP Tower, Kazir Dewri, Chattogram	Jublee Road
82	Tajpur Branch	Kazi Mansion, Dhaka-Sylhet High Way, Kadamtola, P.O. Tajpur, P.S. Osmaninagar, Sylhet	Tajpur
83	Grand Huq Tower	457-458, Grand Huq Tower, Mizan Road, Feni	Feni
84	Nathullabad	Nathullabad Bus Stand, Barisal	Barisal
85	Launch Ghat	Barishal Launch Ghat, Barisal	Barisal
86	Bar House	District Judge Court Bar Associatio (Bhaban No-1), Near Jessore Municipal Eid Ghah Moidan), Mudjib Sarak, Jessore	Jessore



AB Bank Limited ATM Booth

SL	ATM Locations	Address	Attached Branch
87	Shib Bari	B7, Mojit Sharani, Shib Bari, Khulna	Khulna
88	Ashuganj	SA Plot 10&12, Main Road, Ashuganj	Ashuganj
89	Monipuripara	Lion's Shopping, Old Airport Road, Monipuripara, Dhaka	Karwan Bazar
90	Gabtoli	86 1st Colony, Mazar Road, Near of Cement House. Gabtoli, Mirpur, Dhaka	Shyamoli
91	Mojumdar Market	Mojumdar Market, Sadar Hospital Road, Feni	Feni
92	Khanpur Puro Market	8 No, Khanpur Puro Market, Hospital Market, Narayanganj	Narayanganj
93	Pabna Branch	AR Plaza, (Ground Fl.) Abdul Hamid Road, Pabna	Pabna
94	Zigatola	House-43/3/2, Zigatola, Dhanmondi, Dhaka	New Elephant Road
95	Bokshi Bazar	Bokshi Bazar, City Corpration Market, Dhaka Medical College , Dhaka	North South Road
96	Pilkhana	57 Azimpur Pilkhana Road,Opp-Thana Education Office, Dhaka	New Elephant Road
97	Subid Bazar	Indiana Height, Subid Bazar, Sylhet	Dargahgate
98	Baridhara	Baridhara Parishad Office, Baridhara DOHS, Road 5, Opposite to CSD, Dhaka	Gulshan
99	Baridhara	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD Dhaka	Gulshan
100	Gowsul Azam	Gowsul Azam Avenue, House 57, Sector 14, Uttara, Dhaka 1230	Gareeb-E-Newaz
101	Jhikargacha Branch	Hanif Super Market, Jhikargacha	Jhikargacha
102	Foy's Lake	Concord Amusement World, Foy's Lake, Khulshi, Chattogram	Khulshi
103	Lama Bazar	VIP Road, Lama Bazar, Sylhet	VIP Road
104	Rina Monjil	69, Central Jail Road, Jessore	Jessore
105	Sitakunda Branch	Aziz Shopping Complex, Sitakunda, Chattogram	Sitakunda
106	Pagla Branch	DN Road Pagla, Fatullah, Narayangonj	Pagla
107	Concord Arcadia	Dhanmondi (Concord Arcadia), Plot 122, Road 4, Dhanmondi, Dhaka	New Elephant Road
108	Khilgoan	425/C, Khilgaon, Dhaka	Malibag
109	Bijoy Sharoni	Bijoy Sharani Link Road, Tejgaon, Dhaka	Karwan Bazar
110	Prince Plaza	4/2, Prince Plaza, Sobhanbag, Mirpur Road, Dhaka	Dhanmondi
111	Monipuripara	20/1, Monipuripara (Sangshad Avenue) Dhaka	Rokeya Sharani
112	Jhenaidah	Jhenaidah Road, M. A Razzaq Kushtia	Kushtia
113	Saidabad	17/A,North Saidabad Jatrabari Dhaka	Principal
114	Patuatoli	28, Patuatuli, Hazi Nur Mohammad Road - Old Town, Dhaka	Islampur
115	Zinda Bazar	Blue Water Shopping Complex, Zinda Bazaar, Sylhet	VIP Road
116	Shi'ah Mosque	Shi'ah Mosque - House 16, Road 1, Mohammadpur, Dhaka-1207	Shyamoli
117	Shewrapara	820 West Shewrapara, Rokeya Sharani Road, Dhaka	Rokeya Sharani
118	Uttara-3	House 37, Road 7, Sector 3, Uttara, Dhaka-1230	Uttara
119	Farmgate	71-75, Kazi Nazrul Islam Avenue, Farmgate, Dhaka 1215	Karwan Bazar
120	Dewanbazar	82,Nawab Sirajuddowla Road, Chawkbazar, Chattogram	Chawk Bazar
121	Madhabpur Branch	Munshi Tower (1st Floor), Ward 7, Madhabpur, Habiganj	Madhabpur
122	Chakaria Branch	Chakaria Branch Chakaria	Chakaria
123	Chapai Nawabganj Branch	Chapai Nawabganj Branch Chapai Nawabganj	Chapai Nawabganj
124	New Eskaton	94 New Eskaton Road, Romna, Dhaka-1000	Karwan Bazar
125	Feni Branch	Haque Plaza (1st Floor), 193 SSK Road, Feni	Feni
126	Royal More	Royal More, Khulna	Khulna
127	Malibag Branch	Advanced Melinda (Level-1), 72 Malibag, Dhaka 1219	Malibag
128	Shyamoli Branch	Shymoli Square, 23/8 - B & C, Block: B Khilji Road, Dhaka-1207	Shyamoli
129	Naya Bazar	Nawab Yousuf Super Market, Naya Bazar - Old Town, Dhaka	Islampur

AB Bank Limited ATM Booth

SL	ATM Locations	Address	Attached Branch
130	Chowhatta	Firoj Tower, Chawhatta Sylhet	Dargahgate
131	Amtola	Amtola, Satkhira	Sathkhira
132	Station Road	Kutum Bari, Station Road, Sreemongol	Sreemongol
133	Wari	216,Nawab Street, Wari Dhaka	Nawabpur
134	Sabujbagh	78(O), 25(N), Sabujbagh, Biswa Road, Dhaka	Principal
135	Mirpur 1	House 2, Road 6, Block F, Muktijoddah market, Mirpur, Dhaka	Mirpur
136	Proshika More	Plot 33, Lane 1, Block B, Section 6, Mirpur, Dhaka	Mirpur
137	Kushtia Branch	Serajuddowla Road, Al Amin Super Market, Kushtia	Kushtia
138	Bonosree	House 35, Road 2, Block C, Bonosree, Rampura, Dhaka	Progoti Sharani
139	Dinajpur Branch	189 Zabed Super Market, Bahadur Bazar, Dinajpur	Dinajpur
140	Mordern More	Modern More, Ganeshtala, Dinajpur	Dinajpur
141	Arakan Road	957/1553, Arakan Road, Bahadarhaat	Bahaddarhat
142	Rangpur	91-92, Central Road, Kotowali, Rangpur (Opposite of Rangpur Bangladesh Bank)	Rangpur
143	Malibag	480 D.I.T Road, Malibag, Dhaka	Kakrail
144	Tajmahal Road	3/4, Block - C, Taj Mahal Road, Mohammadpur, Dhaka 1207	Dhanmondi
145	Fakirapool	1/A Fokirapool, D.I.T Ext. Road, Dhaka	Motijheel
146	Shantinagar	Eastern Point, 8-9 Shantinagar, Dhaka	Kakrail
147	Boalkhali Branch	TCCA Complex, Gomdandi (East), Boalkhali, Chattogram 4366	Boalkhali
148	Khulshi Branch	Khulshi House, Bungalow No. 2, B-2, Road 1, P.S. Khulshi, Chattogram 4000	Khulshi
149	Boroikandi Branch	Rongdhonu Biponi Bitan, 1st Floor, Central Bus Terminal Road, Verthokhola, Sylhet 3100	Boroikandi
150	Dhanmondi Branch	Plot 45 (new) 286/B (old), Road 16 (new) 27 (old), Dhanmondi R/A, Dhaka 1209	Dhanmondi
151	Imamgonj Branch	40 Imamganj, Dhaka 1211	Imamganj
152	Bandura Branch	Bandura Government Super Market, Nawabgonj, Dhaka	Bandura
153	Teknaf Branch	Teknaf Main Road, Teknaf, Cox's Bazar 4760	Teknaf
154	Sreemongol Branch	Aziz Super Market , Moulvibazar Road, Sreemongol, Moulvibazar 3210	Sreemongol
155	Lohagora Branch	Sicho Shopping Complex, Padua, Lohagara, Chattogram 4397	Lohagara
156	Comilla Branch	Mogholtooly Super Market, Mogholtooly Road, Comilla 3500	Cumilla
157	Narayanganj Branch	109 B.B Road, Narayangonj	Narayanganj
158	Mymensingh Branch	52 Dr. Bipin Sen Road, Choto Bazar, Kotowali, Mymensingh - 2201	Mymensingh
159	Pahartoli	825 Zakir Hossain Road, Amader Bari, Chattogram	Pahartoli
160	Moulovi Bazar Branch	Shamsher Nagar Road, Choumuhana, Moulovibazar 3200	Moulovi Bazar
161	Rajshahi Branch	102-103 Shaheb Bazar, Rajshahi 6000	Rajshahi
162	Saidpur Branch	24 Nur Plaza, Ward 12, Shaheed Dr. Zikrul Haque Road, Saidpur, Nilphamari 5310	Saidpur
163	Midtown Shopping Mall	Plot 22, Main Road 03, Section-7, Pallabi, Mirpur, Dhaka 1216	Mirpur
164	Jessore Branch	38 M. K. Road, Jessore 7400	Jessore
165	Sirajganj Branch	Friends Plaza, S S Road, Ward 1, Sirajganj 6700	Sirajganj
166	EPZ Branch	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chattogram 4100	EPZ
167	Chandpur Branch	123/115 Kalibari Pouro New Market, Chandpur Sadar, Chandpur 3600	Chandpur
168	Satkhira Branch	884/810, Abul Kashem Road, Satkhira 7431	Sathkhira
169	Naogaon Branch	Mozaffer Hossain Marketing Complex, Main Road, Naogaon 6500	Naogaon
170	Bhairab Bazar Branch	248(W) Tin Potty, Bhairab Bazar, Bhairab, Kishoregonj 2350	Bhairab Bazar
171	O.R. Nizam Road	862/A, O.R. Nizam Road, Goal Pahar Circle, Chattogram 4000	CDA
172	Brahmanbaria Branch	1090/128, Court Road, Brahmanbaria 3400	Brahmanbaria
173	Benapole Branch	607 Benapole, Local Bus Stand, Benapole, Jessore 7431	Benapole



AB Bank Limited ATM Booth

SL	ATM Locations	Address	Attached Branch
174	Madhabdi Branch	Parkashipur, Madhabdi Bazar, Narsingdi 1604	Madhabdi
175	Nazumeah Hat Branch	Burischar, Kaptai Road, Hatazari, Chattogram 4330	Nazumeah Hat
176	Khulna Branch	Mollick Shopping Complex Limited, 99 Khan A Sabur Road, Khulna 9100	Khulna
177	Patherhat Branch	Khayez Shopping Center, Patherhat, Noyapara, Chattogram	Patherhat
178	Khatunganj Branch	395 Khatungani, Chattogram 4000	Khatunganj
179	Agrabad Branch	BCIC Sadan, 26 Agrabad C/A, Chattogram 4100	Agrabad
180	Progoti Sharani Branch	N.R. Tower, 72 Progoti Sharani, Block J, Baridhara, Dhaka	Progoti Sharani
181	Bahaddarhat	Bismillah Complex, Arakan Road, Bahaddarhat, Chattogram 4323	Bahaddarhat
182	CDA Avenue Branch	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chattogram 4000	CDA
183	Mohakhali Branch	Pacific Centre, 14 Mohakhali C/A, Dhaka 1212	Mohakhali
184	Kawran Bazar	BSEC Bhaban, 102 Kazi Nazrul Islam Avenue, Dhaka 1215	Karwan Bazar
185	Kakrail Branch	81 VIP Road, Kakrail, Dhaka -1000	Kakrail
186	Elephant Road Branch	Novera Square, House 05, Road 02, Dhanmondi, Dhaka 1205	New Elephant Road
187	Uttara Branch	House 11, Road 14D, Sector 4, Uttara, Dhaka-1230	Uttara
188	Principal Branch	BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka 1000	Principal
189	Tangail Branch	702 Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail 1900	Tangail
190	Chattak Branch	Madaris Mansion, Bagbari, Chattak, Sunamganj 08723	Chattak
191	Dargahgate Branch	Raj Manjil, Dargahgate, Sylhet 3100	Dargahgate
192	Garden Tower Branch	Bishwa Road, Shahjalal Uposhohor Point, Sylhet 3100	Garden Tower
193	V.I.P Road Branch	Surma Tower, Plot - 6006(old), 27640(new), Ward 13, V.I.P. Road, Taltala, P.S. Kotwali, Sylhet City Corporation, Sylhet 4112	VIP Road
194	Kakrail (Islami Br.)	82 V.I.P Road, Kakrail, Dhaka -1000	Kakrail
195	Bogra Branch	324, Kazi Nazrul Islam Sarak, Jhawtala, Bogra 5800	Bogra
196	Gulshan Branch	Ventura Avenue, Plot CWN(C)-8, Road 34 Gulshan Model Town, Gulshan, Dhaka	Gulshan
197	Joypara Branch	Joypara, Dohar, Dhaka-1300	Joypara
198	Board Bazar Branch	Union: Gacha, P.O. National University, P.S. Gazipur Sadar, Gazipur-1704	Board Bazar
199	AGB Colony	Shop No-13, Baitul Aman Jame Mosjeed Market, AGB Colony, Dhaka	Principal
200	Pirerbagh	348/4, Pirerbagh, Mirpur, Dhaka	Shyamoli
201	Jaleswaritola	Shahid Abdul Jabber Road, Jaleswaritola, Bogra	Bogra
202	Sataish Road	10/11, Sataish Road, Gazipura, Gazipur	Board Bazar
203	Laila Tower	Laila Tower, 8 Gulshan Avenue, Dhaka	Gulshan
204	Agrabad Branch-2	BCIC Sadan, 26, Agrabad C/A, Chattogram 4100	Agrabad
205	Police Plaza Concord	Shop No-105, Police Plaza Concord, Road No-2, Gulshan, Dhaka	Gulshan
206	Gareeb-E-Newaz Branch	Plot No-8, Gareeb-E-Newaz Avenue, Sector-13, Uttara, Dhaka	Gareeb-E-Newaz
207	WW Tower	WW Tower, 68 Motijheel Commercial Area, Dhaka	Principal
208	Sylhet Station Club	Sylhet Station Club Limited, Shahjalal Road, Sylhet	VIP Road
209	Islamic University	Islamic University of Technology (IUT) Board Bazar, Gazipur	Board Bazar
210	Kalampur Branch	Kalampur Branch On-site ATM, Kalampur, Dhamrai, Dhaka	Kalampur
211	Jurain	302/1, Jurain, Dhaka	North South Road
212	Chatterjee Lane	6/3, Shashi Bhushan Chatterjee Lane, Gandaria, Dhaka	Islampur
213	Banani	House 34, Road 10, Block- D, Banani, Dhaka	Banani
214	Eye Hospital	Bangladesh Eye Hospital, 78 Sat Masjid Road, Dhanmondi, Dhaka	Dhanmondi
215	Chaturi	Shop No-3, Alam Plaza, Chaturi, Anowara, Chattogram	Chaturi
216	Paril Branch	Paril Branch ATM Booth at Paril Bazar, Singair, Manikgonj	Paril

AB Bank Limited ATM Booth

SL	ATM Locations	Address	Attached Branch
217	Thengamara Medical College	Thengamara Medical College (TMSS) ATM, Thengamara, Bogra	Bogra
218	Kaptai Link Road	Kaptai Link Road, Mohara, Chandgaon, Chattogram	Nazumeah Hat
219	Lalmonirhat Branch	5/32-S, Puran Bazar, Lalmonirhat.	Lalmonirhat
220	Faridpur Branch	Holding No-29, Faridpur AR City Center, Haji Shariatullah Bazar Road, Faridpur	Faridpur
221	Raynagar (East Mirabazar)	Raynagar, Sonapara (East Mirabazar), Sylhet	Garden Tower
222	Board Bazar Branch-2	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar
223	CDA Avenue Branch-2	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chattogram 4000	CDA
224	EPZ Branch-2	Bay Shopping Centre, P.O. EPZ, South Halishahar P.S. Bandar, Chattogram 4100	EPZ
225	Bhulta Branch	Haji Shopping Complex, Bhulta, Rupgonj, Narayanganj	Bhulta
226	Station Road Branch	Equity Anitri, 32, H.S.S Road, under AB Bank Station Road Branch, Chattogram	Station Road
227	Ramna Bhaban	Shop No-13, Ramna Bhaban, Dhaka	Motijheel
228	Mitford Road	Shop No-12, Red Crescent Market, 14/20, Mitford Road, Dhaka	Imamganj
229	Seed Store Bazar Branch	Al- Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensing	Bhaluka
230	Lalkhuti	House 187, Road 01, Lalkhuti, Rangpur	Rangpur
231	Austagram Branch	Mustari Bhaban, Jamtoli, Austagram Sadar, Kishoreganj	Austagram
232	Kaliganj	RFL Industrial Park, Mulagaon, Kaliganj, Gazipur	Madhabdi
233	Jhenaidah Branch	Pospo Prangan, Holding No-249, Sher-e- Bangla Road, Jhenaidah	Jhenaidah
234	Pran RFL-2	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayangonj	Madhabdi
235	Matikata	134/3, Matikata, Dhaka Cantonment, Dhaka	Bashundhara
236	Moghbazar	Holding No-115, Shahid Tajuddin Ahmed Sharani, Moghbazar, Dhaka	Malibag
237	North South Road	7/2, North South Road, Bangshal, Dhaka	North South Road
238	SSS Bhaban	Holding No-4475, SSS Bhaban, Mymensingh-Tangail Road, Tangail	Tangail Branch
239	Kamrangirchar Branch	Al-Madina Super Market, 1201 Rasulpur, Kamrangirchar, Dhaka	Kamrangirchar
240	Banshkhali Branch	Mohammed Meah Plaza, Ramdas Munshir Hat,Banshkhali, Chattogram	Bashkhali Branch
241	Jinjira	Shop No-06, Nupur Market, Keraniganj, Jinjira, Dhaka	Jinjira
242	Signboard Bus Stand	251, Signboard Bus Stand, Board Bazar, Gazipur	Board Bazar
243	Nilphamari	Entrance of Uttara EPZ, Nilphamari, Saidpur	Saidpur
244	Chaturi-2	Ittadi Shopping Complex, Bandar Community Center, P.O. Mohalkhan Bazer PS-Karnafully, Chattogram	Chaturi
245	World Bank Biswa Colony	Plot 239, Block-C, Road 01, Koibulladam Residential Area World Bank Biswa Colony, Chattogram	Pahartoli
246	Umme Salma Tower	Umme Salma Tower, Kaliakor, Gazipur	Chandra
247	Rangpur Branch	Baitus Sayed Super Market, 91-92 Central Road, Rangpur	Rangpur
248	J.C Guha Road	15, J.C Guha Road, Nandankanon, Chattogram	Anderkilla
249	Kalatiya	Nur Pur, Chourangi Bridge, Kalatiya Bazar, Keraniganj, Dhaka	Kalatiya
250	Jamal Khan Road	42, Jamal Khan Road, Chattogram	Momin Road
251	Jigatola Main Road	21/3, Jigatola Main Road, Dhaka-1209	New Elephant Road
252	Collectorate School & College	Sirajgonj Collectorate School & College, Sirajgonj	Sirajganj
253	Green road	148, Green Road, Dhaka	New Elephant Road
254	BSCIC Industrial Area	Fabian Group Corporate Office, Plot: B-18 (part), Block: A, BSCIC Industrial Area Sagorika Road, Chattogram	PCR



AB Bank Limited Agent Banking Outlet

SI	Agent Outlet Name	Opening Date	Address	Contact No.
1	Mridha Traders	11-Mar-18	Kartikpur, Kusumhati, Dohar, Dhaka	01716102596
2	H.R. Trade International	12-Mar-18	Konabari, Gazipur City Corporation, Gazipur Sadar, Gazipur	01711934152
3	ATM Enterprise	15-May-18	Rajar Para, Gunagori, Kalipur, Banshkhali, Chattogram	01818441997
4	Bhai Bhai Traders	Bhai Traders 4-Jun-18 Afzalpur, Bohora, Madhabpur, Habiganj		01713802341
5	M/s. Farid Iron & Steel Industries	6-Aug-18	Kuthuri, Joykrishnapur, Nawabganj, Dhaka	01715004742
6	M/s. Purbachal Traders	27-Aug-18	Chandura, Bijoynagar, Brahmanbaria	01714312871
7	M/s. N.H. Enterprise	29-Aug-18	2520/A, Asmat Ali Sarang Bari, Kolshi Dighi Purbo Sorok Halishahar, Chattogram	01728333212
8	M/s. L.R. Traders	30-Aug-18	Ukhiya, Rajapalong, Ukhiya Upzilla, Cox's Bazar	01824923268
9	Zahir Enterprise	17-Sep-18	Madhabdi, Choysuti, Kuliarchar, Kishoreganj	01783362992
10	Labony Decorator	24-Sep-18	Syedpur, Mohobbotpur, Bandura, Nawabganj, Dhaka	01943998390
11	M/s. Khan Construction	27-Sep-18	Islampur, Budhonti, Bijoynagar, Brahmanbaria	01711667863
12	Parmisha Traders	25-Oct-18	House 33, Lane 1, Section 6, Block B, Mirpur, Dhaka-1216	01675561372
13	Louhajang Construction	30-Oct-18	946, Shahid Dipti Raod, South Thana Para, Tangail Sadar, Tangail	01711593050
14	M/s. Arafat Enterprise	19-Nov-18	South Andhar Manik, Radhanagar, Chagolnaiya, Feni	01712035096
15	Shotorupa Enterprise	5-Dec-18 Khudbandi, Biyara, Kazipur, Sirajganj		01716065548
16	Faith Point	9-Dec-18	Savar Paurosova, Dhaka	01911893359
17	Oyan Thai Aluminium & Glass House 11-Dec-18		Uttar Noya Para, Jamsha, Singair, Maikganj	01714238493
18	M/s. Tangail Traders	13-Dec-18	Fire Service Road, Tangail Paurosova, Tangail	01718691538
19	Nishat Commercial Center	20-Dec-18	Chakhar, Banaripara, Barishal	01721676711
20	Akota Traders	24-Dec-18	Pochon Miya Munshi Bari, Paindong, Fatikchari, Chattogram	01754336633
21	Auronno Impex	27-Dec-18	Gorpara, Nizampur, Sharsha, Jashore	01713314908
22	Shahi Shipping & Trading	30-Jan-19	Shahalam Chowdhuryr Bari, Imam Nagar, Vatiari, Sitakund, Chattogram	01811466703
23	Lalu Traders	27-Feb-19	Notun Kaghati, Jhaudia, Rifayetpur, Daulatpur, Kushtia	01711396275
24	Jewel Digital Studio & Telecom	4-Mar-19	Chandipur, Mannargao, Doara Bazar, Sunamganj	01714726020
25	M/s. Alhaz Ibrahim & Sons	12-Mar-19	Kanchonpur, Dohalia, Doara Bazar, Sunamganj	01711382278
26	Srot Enterprise	13-Mar-19	College Point Road, Rajnagar, Moulvibazar	01715405104
27	Friends Enterprise	21-Mar-19	Shaheed Moshiur Rahman Sarak, Biman Mour, Jessore Pauroshava, Jessore	01716698192
28	Bondhu Mahal Sarbik Gram Unnayan Somobay Samitee Ltd.	21-Mar-19	Monirampur, Protapkathi, Monirampur Upzilla, Jashore	01740965249
29	Zara & Zaif Dairy Farm	24-Apr-19 House 37, Road 15, Rupnagar R/A, Mirpur, Dhaka		01980237695
30	Rudra Enterprise	25-Apr-19	Nandanpur, Halimanagar, Sadar Dakkhin, Cumilla	01711386338
31	Super Speed Shipping Lines	30-Apr-19	Saat Vata, Narisha, Dohar, Dhaka	01839809599
32	Afia Medical House	6-May-19	Harinarayanpur, Kushtia Sadar, Kushtia	01716513190
33	M/s. Shan-A Garangia Enterprise	27-Jun-19	Mon Hajir Para, Matarbari, Moheshkhali, Cox's Bazar	01740802699

AB Bank Limited Agent Banking Outlet

SI	Agent Outlet Name	Opening Date	Address	Contact No.
34	M/s. Ma Traders	2-Jul-19	Alia Madrasha Raod, Mymensingh City Corporation, Mymensingh	01945158424
35	Prochesta Enterprise 4-Jul-19 Khoyer Suti, Dogachi, Pabna Sadar, Pabna		01713635653	
36	Shankar Mistanna Vander 8-Jul-1		Station Road, Sreepur Pauroshava, Gazipur	01724020491
37	ICC Communication	10-Jul-19	Shundorghona, Shatgombuj, Bagerhat	01974010610
38	Swapno Traders	14-Jul-19	Sujapur, Shikaripara, Daudpur, Nawabganj, Dhaka	01840000193
39	A.M. Corporation	18-Jul-19	Manikanda, Shikaripara, Nawabganj, Dhaka	01739262456
40	A.K. Enterprise	29-Jul-19	Charsripur, Mazbari, Kalukhali, Rajbari	01717251969
41	Ayan Trading	1-Aug-19	Khosalnagar, Digdana, Bakra, Jhikargacha, Jashore	01863228502
42	Erfan Pharmacy	4-Aug-19	Dudhkumra, Bagulat, Kumarkhali, Kushtia	01712141479
43	Vai Bon Garments & Bastralay	22-Aug-19	Maswimnagar, Parkhajura, Monirampur, Jashore	01911296514
44	Aspirant Development Ltd	9-Sep-19	Tarapur, Sahapara, Manakosa, Shibganj, Chapai Nawabganj	01771836575
45	Jony Enterprise	19-Sep-19	Paniunda, Nabiganj, Habiganj	01715136884
46	M/s. Tamanna Enterprise	25-Sep-19	Dutta Para, Kalinagar, Sundarpur, Chapai Nawabganj Sadar, Chapai Nawabganj	01761584956
47	Shamlapur Ideal Academy	29-Sep-19	Shomlashir Baher Char, Shamlapur, Vakurta, Savar, Dhaka	01819743595
48	Sarkar Traders	2-Oct-19	Majhipara, Ramnathpur, Shimulia, Debhata, Satkhira	01723067720
49	M/s. Allar Dan Poultry & Fish Feed	2-Oct-19	Dhulaihar, Satkhira Sadar, Satkhira	01725457227
50	Genuine Auto	18-Nov-19	06/131, Londoni Building, Rashid Colony Uttar Fakirpur, Noakhali Pauroshava, Noakhali	01714137244
51	Lopa Enterprise	20-Nov-19	Vill: Jeopara, Union: Jeopara, Upazilla: Puthia, Rajshahi	01723390307
52	Mm Enterprise	27-Nov-19	East Bheramara, Bheramara Pauroshava, Kushtia	01612301516
53	S. B. S. Enterprise	27-Nov-19	Baliyashisha Bazar, Chitalia, Mirpur, Kushtia	01765505030
54	Maisha Mahi Enterprise	28-Nov-19	Hatas Haripur Bazar, Hatas Haripur, Kushtia Sadar, Kushtia	01743191147
55	Araf Travels & Tours	5-Dec-19	Holding:06, Road: Jomila Lane, Saidpur Pauroshova, Nilphamari	01912818949
56	Nayan Moni Enterprise	9-Dec-19	11, Kadirganj, Rajshahi City Corporation, Rajshahi	01783555454
57	Mim Traders	10-Dec-19	Boro Barilla, Korpara, Baruakhali, Nawabganj, Dhaka	01813562914
58	Ocean Agro	12-Dec-19	Rahman Pramaniker Dangi, Charbhadrasan, Faridpur	01715259498
59	Tasmim Air International	12-Dec-19	Tambulkhana Bazar, Faridpur Sadar, Faridpur	01713567896
60	Shamim Trade	8-Jan-20	Holding: 0397, Gondomara Purbo Pash, Laksham Pauroshava, Cumilla	01813727072
61	Euro Asiano Restaura	20-Jan-20	Puratan Jela Porishad Market, Nawabganj Courasta, Nawabganj, Dhaka	01711567520
62	Abedin Electronics & Motors	19-Feb-20	House: 1102, Khankar Deil, Teknaf Paurosova, Cox's Bazar	01818077151
63	Mahin Enterprise	24-Feb-20	Bogla Bazar, Dowarabazar, Sunamganj	01749755553
64	M/s. Tama Enterprise	27-Feb-20	Luxmipur Mosjidpara, Barogaria, Chapai Nawabganj Sadar, Chapai Nawabganj	01743975975





Corporate Head Office, BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka-1000

PROXY FORM

1/ vve		. 01		
		being a Member o	f AB Bank Limited ar	nd entitled to vote
do hereby appoint Mr./Mrs			of	
			as my/our proxy t	o attend and vote
			iii as iiiy/oar proxy t	o accerta arta voca
on my/our behalf at the 38th Annual Ge	eneral Meeting of the	Company to be held	on 2 nd September, 2	2020 (Wednesday)
at. 4:00 p.m. through Digital Platform.				
Singed this day	y of	(Month) 2020).	
Signature of Shareholder(s)			Sign	ature of PROXY
				Revenue
				Stamp
Folio No				Tk. 20.00
or				
BO ID No.				
No. of Shares held on Record date (10th	th August, 2020)			

Note:

A Member entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and on a poll to vote on his/her behalf. Proxy Form duly stamped must be deposited at the Company's Registered Office or through email: cs@abbl.com at least 48 (forty eight) hours before the time fixed for the meeting otherwise Proxy Form will not be treated as valid. Signature of the Shareholder(s) should agree with the specimen signature.

CORPORATE INFORMATION

Name of the Company **AB Bank Limited (ABBL)**

Legal Form: Public Limited Company

Date of Incorporation

31st December 1981

Commencement of Business

27th February 1982

Registered Office

BCIC Bhaban, 30-31, Dilkusha C/A Dhaka 1000, Bangladesh

GPO Box: 3522

Telephone: (+8802) 956 0312

Telefax: (+8802) 956 4122-23

SWIFT Code: ABBLBDDH

E-mail: info@abbl.com cs@abbl.com

Web Page: www.abbl.com

Islami Banking Branch

82, Kakrail, Ramna, Dhaka **Tel:** (+8802) 833 2235, 37-38 **Fax:** (+8802) 833 2236 **E-mail:** kibb@abbl.com

Custodian Services

BCIC Bhaban (7th Floor) 30-31, Dilkusha C/A Dhaka 1000, Bangladesh Tel: (+8802) 9569732 9571265, 7177047

Fax: (+8802) 7160592 SWIFT: ABBLBDDH005 E-mail: custodian@abbl.com

Off-shore Banking Unit (OBU)

Bay Shopping Centre, P.O. EPZ South Halishahar, P.S. Bandar

Chittagong

Tel: (+ 88031) 740604 **Fax:** (+ 88031) 741150

OVERSEAS BRANCH

Mumbai Branch

Liberty Building

41-42, Sir Vithaldas Thackersey Marg New Marine Lines, Mumbai 400020, India

Tel: (+91) (22) 22005392-3 Fax: (+91) (22) 22005391 SWIFT: ABBLINBB

E-mail: mumbai@abbl.com

SUBSIDIARY COMPANIES

AB International Finance Limited (ABIFL)

Unit 1608, 16th Floor, Tower 1 Silvercord, 30 Canton Road Tsim Sha Tsui, Hong Kong **Tel:** (+852) 28668094 **SWIFT:** ABFLNKHH **E-mail:** abifl@abbl.com abhk@abbl.com

AB Investment Limited (ABIL)

WW Tower (7th Floor) 68 Motijheel C/A Dhaka 1000, Bangladesh **Tel:** (+8802) 9569732 9571265, 7177047 **Fax:** (+8802) 7160592 **E-mail:** abil@abbl.com

AB Securities Limited (ABSL)

WW Tower (6th Floor) 68 Motijheel C/A Dhaka 1000, Bangladesh

Tel: (+8802) 9566266, 9566238, 7124888

Fax: (+8802) 9568937 **E-mail:** absl@abbl.com

Cashlink Bangladesh Limited (CBL)

BCIC Bhaban (7th Floor) 30-31, Dilkusha C/A, Dhaka 1000

Tel: (+8802) 9560312 E-mail: info@cashlinkbd.com

Arab Bangladesh Bank Foundation (ABBF)

BCIC Bhaban (11th Floor) 30-31, Dilkusha C/A, Dhaka 1000

Tel: (+8802) 9560312 **Fax:** (+8802) 956 4122–23 **E-mail:** abbf@abbl.com Authorized Capital: Tk. 1,500 crore Paid-up Capital: Tk. 758 crore Number of Shareholders: 63,276

(as on: December 31, 2019)

Total Asset: Tk. 36,557 crore **Earnings per Share (EPS):** Tk. 0.22 **Net Asset Value per Share:** Tk. 30.13 **Market Capitalization:** Tk. 599 crore

Total Manpower: 2,210 Number of Branches: 105 Number of SME Center: 11

Number of Agent Banking Outlet: 64

Auditor

S.F. Ahmed & Co. Chartered Accountants

Rating Agency

ARGUS Credit Rating Services Limited (ACRSL)

For any Clarifications on this Report Please Write to:

The Company Secretary

AB Bank Limited Head Office

30-31 Dilkusha C/A, Dhaka-1000

E-mail: cs@abbl.com



