



THRIVING BEYOND BORDERS

ANNUAL REPORT 2020



AB Bank



উন্ময়নের সোপান বেয়ে মাথা উঁচু আজ
আকাশের মতো বাধাহীন
আমার দেশ

Letter of Transmittal

May 25, 2021

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 2020

We are pleased to enclose the Annual Report 2020 along with the Audited Financial Statements including consolidated and separate Balance Sheet as on December 31, 2020, 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, Islami 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,



Md. Jasim Uddin, ACS
Company Secretary (In-charge)



THRIVING BEYOND BORDERS

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

We have focused on building an even stronger partnership with our loyal customers, shareholders and employees. Our aim was to redefine strategies and revamping business structures to provide banking services beyond traditional borders. 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, shareholders, and employees and particularly for the community it operates in, AB Bank has formulated a golden heritage and an enviable legacy that may not be imitated by many. Achieving plenty of milestones and incorporating numerous changes over the last 39 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 39 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 254 ATMs spread across the country. It has also extended its services through 5 subsidiary companies and a representative office at Yangon, Myanmar.

HIGHLIGHTS 2020



Deposits

2020 BDT 290,719 Million
2019 BDT 279,458 Million



Loans & Advances

2020 BDT 274,830 Million
2019 BDT 256,512 Million



Total Assets

2020 BDT 385,762 Million
2019 BDT 365,569 Million



CRAR

2020 10.84%
2019 10.12%



AD Ratio

2020 85.26%
2019 84.28%



CL Ratio

2020 16.79%
2019 18.28%



EPS

2020 BDT 0.49
2019 BDT 0.21



Local Presence

103 Conventional Branch
01 Islami Banking Branch
52 Islami Banking Window
01 Off-shore Banking Unit
04 Subsidiaries



Manpower

565 Female
1,637 Male
2,202 Total



International Presence

01 Overseas Branch, Mumbai (India)
01 Foreign Subsidiary, ABIFL (Hong Kong)



Alternative Delivery Channel

11 SME Centre
101 Agent Banking Outlet
254 ATMs



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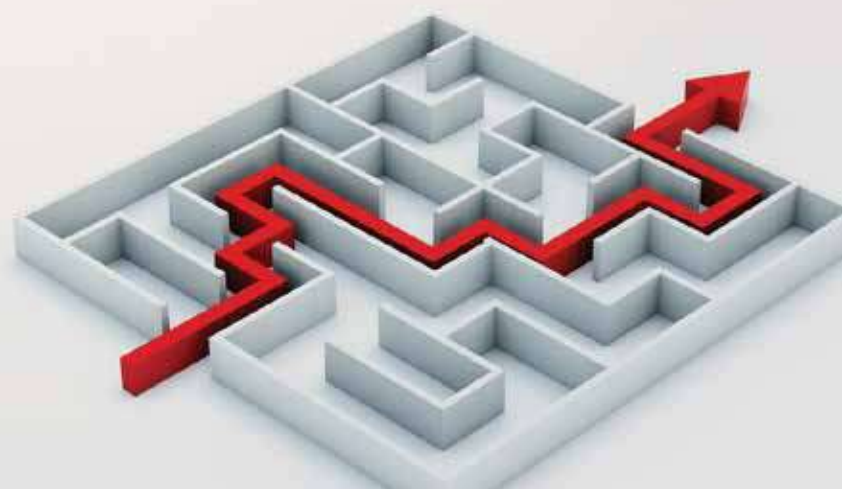
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AB Network

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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.

STRATEGIC PRIORITIES

Maximizing the Capital Base

Enhanced Focus on Retail and SME Business

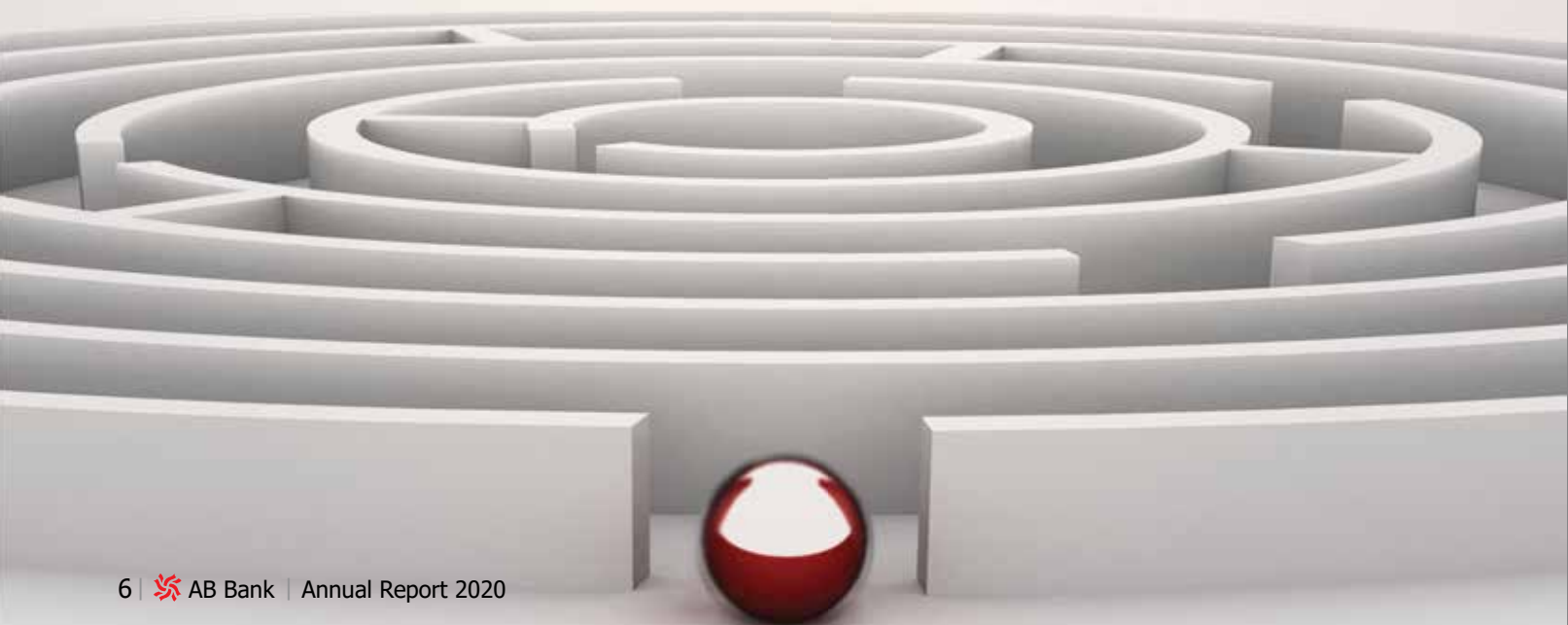
Boosting Non-Funded Business

Expanding Network via Agent Banking

Renewed focus on Asset Quality

Complete transformation to Digital Platform

Attaining further Cost Efficiency



CHRONICLES

Certificate of Incorporation	December 31, 1981
First meeting of the Board of Directors	February 05, 1982
Commencement of Business	February 27, 1982
Opening of the First Branch (Karwan Bazar Branch)	April 12, 1982
Opening of AB International Finance Limited (ABIFL) -Subsidiary at Hong Kong	November, 1995
First Foreign Branch at Mumbai, India	April 06, 1996
Opening of the Islamic Banking Branch	December 23, 2004
Listing with Dhaka Stock Exchange (DSE)	December 28, 1983
Publication of Prospectus for IPO	May 05, 1984
Subscription for Share starts	June 25, 1984
Listing with Chittagong Stock Exchange (CSE)	October 21, 1995
Online share transaction in CDS	May 07, 2006
Opening of Merchant Banking Wing (MBW)	November 02, 2002
Incorporation of Arab Bangladesh Bank Foundation	November 03, 2003
Security Custodial Service License	January 22, 2007
Incorporation of AB Investment Limited (ABIL)	December 24, 2009
Launching of ATM	April 12, 2002
Launching of Visa Card	December 23, 2004
First ATM Booth launched at Board Bazar (under CBL Network)	October 19, 2009
New Logo Launch	January 01, 2008
Opening of AB Bank Training Academy	October 07, 2008
Customer Service Desk placed at Branches	November, 2008
Primary Dealership License	December 08, 2009
Off-shore Banking Unit	December 06, 2009
Incorporation of Myanmar Rep. Office	December 10, 2010
Launching of Internet Banking	October 24, 2011
Launching of Mobile Apps "AB Direct"	August 31, 2017
Launching of Agent Banking	December 24, 2017
Registered Office Shifted to Gulshan	November 15, 2020

Business Automation

Full Automation of Core Banking Solutions (CBS)	March, 2007
Islamic Banking Software 'Ababil' Launched	July 13, 2008
Mumbai Branch connected with Central Network	April 20, 2009
Trade Innovation (TI) Module Roll Out (completed)	April 27, 2009
Disaster Recovery Site (DR Site) starts operation	April 28, 2009
Automated Cheque Requisition System	May 04, 2009
Digitization of Authorized Signatories	October 17, 2009
Centralized Fixed Asset Registration	December 14, 2009
SMS Banking Services	August 10, 2010
Cheque truncation & automated clearing process	October 07, 2010
Internet Banking Services	November 25, 2010
Electronic Fund Transfer (EFT)	February, 2011
Automation of Credit Information Bureau (CIB)	August 25, 2011
Automation for Off-shore Banking	December 06, 2012
Anti-Money Laundering Solution	January 01, 2013
Commencement of Real Time	
Gross Settlement System	October 29, 2015
Customers' NID Verification Agreement with	
Election Commission	November 24, 2015
CBS Upgradation	August 06, 2019

Branching-out

Opening of Principal Branch	January 16, 1986
First Branch in Dhaka Division (Karwan Bazar Branch)	April 12, 1982
First Branch in Chattogram Division (Agrabad Branch)	September 19, 1982
First Branch in Sylhet Division (Dargah Gate Branch)	May 27, 1983
First Branch in Khulna Division (Khulna Branch)	March 15, 1984
First Branch in Rajshahi Division (Bogura Branch)	July 25, 1984
First Branch in Barisal Division (Barisal Branch)	October 07, 1986
First Branch in Rangpur Division (Saidpur Branch)	July 19, 1986
First Branch in Mymensingh Division (Mymensingh)	May 20, 1999
First SME Center opened (at Principal Branch)	March 29, 2009
First Cash Deposit Machine Service at Baridhara DOHS	October 15, 2017
First Agent Banking Outlet (Dohar, Joypara, Dhaka)	December 24, 2017



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
- ▶ Digun
- ▶ Sathi
- ▶ Progati
- ▶ Chhotopuji
- ▶ Awparajita
- ▶ Uddog
- ▶ Uttaran

TREASURY AND FOREIGN EXCHANGE PRODUCTS



Money Market

- ▶ Overnight (call)
- ▶ Short Notice Deposit
- ▶ Term Deposit
- ▶ Repo
- ▶ Reverse Repo
- ▶ SWAP
- ▶ Foreign Currency Lending & Borrowing

Fixed Income Market

- ▶ Treasury Bill
- ▶ Treasury Bond

FX Market

- ▶ Spot
- ▶ Forward
- ▶ Corporate

RETAIL LOAN PRODUCTS



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

SERVICE PRODUCTS



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

DEPOSIT ACCOUNTS



- ▶ AB Nishchinto
- ▶ AB জন্মভূমি
- ▶ AB Height
- ▶ 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)

ISLAMI BANKING



Money Market

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

MESSAGE FROM THE CHAIRMAN



**As-salamu alaikum,
Honourable Shareholders,**

I am presenting this Annual Report to you for the year 2020 in the midst of a global pandemic which has created havoc in every aspect of our lives. It has affected the nations across the globe socially through prolonged isolation of enforced lockdowns and economically by taking away livelihoods, reducing incomes drastically and in countries like ours, pushing people below the poverty-line. In fact, global poverty has increased as an unwanted impact of the pandemic. There were tragic personal and family consequences for millions around the world. Today, as I speak, my thoughts go out to some of our colleagues in the Bank who succumbed to Covid 19 and some of our colleagues lost their dear and near ones. We honor their memory and deeply grieve their passing along with their families. We must not forget to condole the death of all our fellow bank employees in all the banks in the country for their contribution as front line workers in ensuring banking services. Our deep sadness for the demise of the front-line medical workers and doctors at hospitals and medical facilities all over the country. We also express our gratitude to those who kept their emergency and

other medical facilities open to provide services those who were suffering.

While we fight the pandemic with the rest of the world but for us Bangladeshis this is also a year of great consequence. We celebrate the birth centenary of our Father of the nation Bongobondhu Sk. Mujibur Rahman, whose dream of a separate homeland for us resulted in Bangladesh and as a historic coincidence we also celebrate the 50th year of our independence and our glorious war of liberation. The third and significant event that has made every Bangladeshi around the world proud is our country moving from the lowest economic category of "Least Developed Country" to "Developing Country". It's a vindication of our statehood which went through the trauma of complete destruction of its economic infrastructure by the enemy and given the derogatory epithet of 'a basket case'.

Dear Shareholders,

As a committed corporate citizen, since beginning of the pandemic, 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. During the lockdown period, we have ensured flawless services to the customers and the clients. Management of the Bank ensured rostering and 'work from home' for employees without hampering any banking services. This also motivated our customers to explore, discover and use alternative delivery channels for services rather than standing in the banking queue. I take this opportunity to thank those who continued their work in branches, call centers and back office in extending services and also our clients for their patience and understanding.

I, on behalf of all of us at AB Bank Limited, would like to humbly appeal to you to follow all recommended and mandatory safety measures. Your cooperation is the only way we can confront the pandemic and ensure the safety of all for the future.

Dear Shareholders,

On behalf of the Board, it is an honor and a privilege for me to present the Annual Report. As you are aware, 2020, was a very challenging year in socio-economic perspective. As I stated earlier the sustained impact of Covid 19 and the inevitable drastic decrease in economic activity unleashed forces that shrink an economy. Let us look at what happened globally.

Global economy:

Global economy experienced considerable downturn in 2020. Slowdown in economic growth in the advanced as well as emerging market economies contributed adversely towards the global economy. Covid-19 shocks were caused simultaneous disruptions to both supply and demand side of the global economy. On the supply side, we observed infections reduce labor supply and productivity, while lockdowns, business closures, and social distancing also cause supply disruptions. On the demand side, layoffs and the loss of income worsened economic prospects and reduced household consumption and investment level. According to IMF estimates, global economy contracted by 3.3 percent in 2020 and is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. Larger economy is expected to grow faster by vaccine powered recovery, where emerging markets and lower income developing countries are expected to suffer in medium terms. High uncertainty surrounds the global outlook. Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit economic damage; commodity prices and the

adjustment capacity of the economy. The impact of the pandemic on our own economy needs to be also appreciated.

Bangladesh Economy:

In Bangladesh, the second part of 2020 showed positive recovery from the devastating COVID-19 effect. But that momentum was dampened due to more devastating second wave of the pandemic. For breaking the virus chain, 66 days' lockdown was undertaken in 2020. The Government responded to the situation with a number of policy changes. Bangladesh bank issued number of circulars. To manage the liquidity in the market and for reviving the economy from Covid-19 turmoil, in addition to government stimulus packages and other initiatives, Bangladesh Bank had cut its CRR by 150 basis points and also reduced the bank and repo rate. From 2016 to 2019 Bangladesh was able to maintain 7 percent GDP growth rate, but in 2020 the country managed to register 5.24 percent real GDP growth which was the best performance among the South Asian economies. In December 2020, inflation rate was 5.29 percent i.e. within tolerable limit. Bangladesh Bank fixed lending rate caps at single digit which impacted interest earning capacities of all the banks. We observed surplus in current account balance and to improve the liquidity condition in the capital market, BB and related regulatory bodies took several initiatives such as to create special investment fund of BDT 2 billion, BSEC approved Investment Corporation of Bangladesh's (ICB) BDT 20.0 billion funds for capital market investment and budget for FY21 announced that the Government allowed the investment of undisclosed money into the capital market without any question from any agencies after paying 10 percent tax. ADB projected GDP growth rate of 6.8 percent for 2021. Overall the monetary policy can be considered an expansionary one, as is the need of the hour.

Financial Performance of the Bank:

It was a very challenging task for the management to sustain the turn-around from that started two years back in the backdrop of the need for realigning the Bank's fundamental risk management processes, governance and its other weaknesses. I am encouraged to see the progress in this work done by the management team under Board's supervision.

Two years back we, the AB Team, started our task of some urgent reforms in the Bank.

The areas which reforms were aimed at were:

1. Restructure and Introduction/Strengthening of Retail Banking in the Business Model
2. Strengthening and reconstruction of Risk Management

- i. Credit Assessment/Disbursement/Monitoring
 - ii. Recovery of Bad Debt
 - iii. Asset Liability and Liquidity Management
3. Capital Efficiency
 4. Improve Cost Efficiency
 5. Enhance Human Capital

Strong steps towards reduction of NPL is continuing, bank is trying to revamp its business model. While increasing the capital base, increasing the business propositions, we are simultaneously working to strengthen the corporate Governance structure. 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. Apart from doing business, we are always staying beside the community by addressing the basic social needs, promoting arts, culture and sports; we also believe that CSR can be a genuine platform to address growing environmental concerns also.

It is gratifying to see that we achieved a great measure of success in all these longer term issues but it was not the cost of taking our eyes away from the need to present a sustainable and profitable 2020. I am happy to say we achieved that too in all business parameters in 2020. Although the non-performing loan position is showing a decreasing trend, still this is a major concern of the Bank.

I believe we will overcome these challenges, create new avenues of business and improve the performance as well as to restore the image of this great institution. I believe the AB Team will continue to strive to place the Bank once again as a market leader. In this backdrop, I would like to take you through a short synopsis of the financial performance of the Bank for 2020.

AB was able to maintain operating profit of BDT 647 crore during this pandemic. Deposit was increased by BDT 1,126 crore and stood at BDT 29,072 crore. Loan and advances position of the Bank also increased

by BDT 1,832 crore and stood at BDT 27,483 crore. Non-performing loans were reduced by 1.49 percent compared to the prior year. Consolidated Capital to Risk Weighted Assets Ratio (CRAR) position increased to 11.33 percent compared to the earlier 10.59 percent. Bank issued BDT 325 crore subordinated bonds in 2020 and taken several steps to increase the capital level of the Bank through issuance of Rights Shares and Perpetual Bonds (subject to shareholders and related regulatory approvals) in the current year. Based on performance of the Bank, we recommended 5% stock dividend for the year 2020. The Bank successfully maintained Advance Deposit Ratio (ADR) and all other liquidity parameters prudently in line with regulatory guidelines. We are hopeful that we will continue to strive to achieve even better results in 2021 despite the challenges of COVID-19 pandemic.

Dear Shareholders,

Honorable Shareholders, at the end, I would like to express my gratitude for your support and trust, which are the key driving forces behind all of our initiatives. Our very special thanks to all our customers. They have been a source of inspiration for us. On behalf of the Board of AB Bank Limited I would like to take this opportunity to express our sincere appreciation to all our regulators and the media for the cooperation. Finally, I would like to thank all our employees past and present and our stakeholders for their continued support and trust.

Let us all pray for a Covid free and prosperous future for us all.

Thank you all.

As-salamu alaikum



Muhammad A. (Rume) Ali
Chairman

MESSAGE FROM THE DESK OF PRESIDENT & MANAGING DIRECTOR



Dear Shareholders,

As-salamu alaikum,

All over the world, year 2020 will be remembered in generations due to devastating effect of COVID- 19. During the year, we experienced the worst health, social and economic crisis of our lifetime. The pandemic has taken its toll over life and business. It has bound people to cope with the new normal to adjust and adopt. Like all other parts of the world, in Bangladesh, ongoing COVID-19 pandemic is impacting significantly on various aspects of the economy. According to the World Bank, Bangladesh economy is steadily recovering after being heavily impacted by the COVID-19 pandemic. However, we are facing tremendous challenges to sustain this recovery process due to the devastating COVID-19 second wave. Before presenting the business position 2020, we want to remember and extend our deepest condolences to all of our colleagues, family members, customers, shareholders and everyone who has suffered during the pandemic.

Honorable shareholders,

I take this opportunity to thank you for your continuous support, inspiration and strength in this hard time. Since 2020 our focus has been on life, livelihood, and safety as well as business in a very changed scenario. We have experienced frequent policy changes from the Government, Bangladesh Bank and Securities and Exchange Commission which required us to redefine our business model. Simultaneously, we prioritized workplace safety protocols as well as ensuring service safety to the customers, facilitating employees to work from home and providing flawless services to the customers. We communicated with our customers on a regular basis to use alternative delivery channels for banking services from home to which was well received by the customers. ABBL is one of the first movers to channeling Government stimulus packages towards recovering the economy as a whole.

Economic Backdrop

In 2020 Bangladesh managed to register 5.24 percent real GDP growth which was obviously much lower than the growth rate of 8.15% during 2019. According to recent ADB forecast, GDP will grow by 6.8% in 2021. On COVID-19 perspective, the private sector credit growth was 8.37% against a target of 11.50% in 2020. In November 2019 inflation rate crossed 6.0 percent which gradually increased to 6.44 percent in October 2020 and by the prudent supply-side management of the Government the inflation rate came down to 5.29% in December 2020.

For managing liquidity in the market and for reviving the economy, Bangladesh Bank has cut its Cash Reserve Ratio (CRR) by 150 basis points (from 5.50 to 4.00 percent). Moreover, BB reduced the bank rate from 5.00 to 4.00 percent in July 2020 and also reduced its repo rate from 6.00 to 4.75 percent, aimed to ease ability of the banks to lend more credit to priority sectors during the pandemic period. The country's foreign exchange reserves hit a new record of \$43.17 billion at the end of 2020. At the end of December last year, excess liquidity in the banking sector stood at USD 24 billion, which is the highest in recent times. AD ratio was increased to 87% from 85%. From April 2020, a cap on the lending rate has been set by Bangladesh Bank at 9%. As an effect of this, both lending and deposit rates witnessed a significant decline.

Business Performance

We redefined our business model in 2019 and that has continued in 2020. We have prioritized our businesses and trying to achieve sustainable development. In this very challenging business scenario of 2020 and frequent policy movement, our Bank is able to maintain its operating profit of BDT 647 crore. In 2020 Profit after Tax stood at BDT 39.14 crore compared with BDT 16.77 crore in last year. We are proud to say that Depositors did not lose their confidence in this pandemic and as a testimony to that, Deposit stood at BDT 29,072 crore in December 2020, which is BDT 1,126 crore higher than the last year. Classified loans were reduced to 16.79% from 18.28% of the last year. We are very determined and taking harder steps towards recovery of these classified loans. Apart from these, Capital to Risk Weighted Assets Ratio increased to 11.33% from 10.59% of the last year. AB was able to maintain Loan Deposit (LD) ratio within prescribed limit of Bangladesh Bank guidelines (below 87%). Other liquidity parameters like Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the Bank were well ahead of regulatory requirements.

Dear Shareholders,

It is unknown to the world how this ever-shifting virus can affect us; how severe a COVID-19 third wave may be,

and what will be its consequences on business. I want to assure you that my Team is ready to persevere through the business changes and succeed in trying times. Moreover, I believe there are opportunities for us to grow and enhance our market share. Bank's Core Banking Solutions have been upgraded, different technological platform reformed to easing services with enhanced security. Our main focus was to ensure sustainable business growth and profitability. We reformed senior management team for effective and efficient strategy building and execution. Furthermore, we have reoriented the organizational structure entirely, that would enable us to streamline and simplify our functioning to ensure greater efficiency, accountability and productivity. Cost consciousness was another thing that we completed across the board and as a result operating cost has been reduced by BDT 76 crore in 2020.

Bank is committed to its vision and determined to create shareholders value. Based on the financials of 2020, the Board of Directors of the Bank, declared 5% stock dividend. For enhancing the capital base, we are going to issue Rights shares of BDT 139 crore and Perpetual Bond of BDT 500 crore which is subject to regulatory approval. We feel that as we grow, our responsibility towards the society grows too. 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 conducted several capacity building and skill development programs of our employees. We believe 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, 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. Finally, I want to thank all my colleagues who are working hard for mitigating the needs of our customers, increasing business value propositions and the community as a whole. We are looking forward for a better tomorrow.

Thank you.



Tarique Afzal
President & Managing Director



BOARD OF DIRECTORS

From left: Shajir Ahmed, Feroz Ahmed, Tarique Afzal, Muhammad A. (Rumeel) Ali, Khairul Alam Choudhury, Shafiqul Alam and Md. Maqsoodul Huq Khan

COMPOSITION OF THE BOARD AND COMMITTEES



BOARD OF DIRECTORS

Chairman

Muhammad A. (Rume) Ali

Directors

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

Independent Director

Shafiqul Alam

President and Managing Director

Tarique Afzal



AUDIT COMMITTEE

Chairman

Shafiqul Alam

Members

Shajir Ahmed
Md. Maqsubul Huq Khan



RISK MANAGEMENT COMMITTEE

Chairman

Shafiqul Alam

Members

Feroz Ahmed
Md. Maqsubul Huq Khan



EXECUTIVE COMMITTEE

Chairman

Feroz Ahmed

Member

Khairul Alam Choudhury



SHAHRIAH SUPERVISORY COMMITTEE

Chairman

Justice Siddiqur Rahman Miah

Members

Tarique Afzal
Feroz Ahmed
Kaiser A. Chowdhury
Najmul Ehsan
Iftekhhar Enam Awal
Muhammad Musa



COMPANY SECRETARY (IN-CHARGE)

Md. Jasim Uddin, ACS



AUDIT COMMITTEE

From left: Md.Maqsudul Huq Khan, Shajir Ahmed and Shafiqul Alam



RISK MANAGEMENT COMMITTEE

From left: Feroz Ahmed, Shafiqul Alam and Md.Maqsudul Huq Khan



EXECUTIVE COMMITTEE

From left: Feroz Ahmed and Khairul Alam Choudhury

DIRECTORS' PROFILE



Muhammad A. (Rume) Ali

Chairman

Mr. Muhammad A. (Rume) 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. Rume 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. Rume 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. Maqsudul Huq Khan

Director

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. Prior to holding this position he had served Bureau Veritas, a renowned French multinational conglomerate for about a decade. He has a successful professional career in Operations, Compliance and Legal Affairs. He also worked as the Head of International Trade Division (ITD) of a multinational organization (BVQI) which is the global leader in Quality Assurance, Health, Safety and Environmental Solutions.

Maqsudul holds an International Diploma in Supply Chain Management from ITC-UNCTAD/WTO, Geneva. Prior to obtaining Bachelor of Laws (LLB) and Masters in Business Administration (MBA), he completed the Certified Supply Chain Professional (CSCP) course from American Production and Inventory Control Society (APICS).



Shafiqul Alam
Independent Director

Mr. Shafiqul Alam joined AB Bank as an Independent Director with effect from September 7, 2020. Mr. Alam, a seasoned banker having 40 years of banking experience, served in different Senior Management positions in local and multinational banks. He obtained his M.Sc degree from the University of Dhaka. Mr. Alam started his career with ANZ Grindlays Bank (Bangladesh) in 1980, in which institution he continued until 2001. He served Prime Bank Limited, First Security Islami Bank Limited and United Commercial Bank Limited holding senior positions and during 2013-2019 he served Jamuna Bank Limited as its Managing Director & CEO.



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.



CORE SENIOR MANAGEMENT TEAM

From left: 1) Abdur Rahman, 2) Mahmudul Alam, 3) Shabbir Huda, 4) Syed Mizanur Rahman, 5) Iftekhar Enam Awal, 6) K. M. Mohiuddin Ahmed, 7) M. N. Azim, 8) Tarique Afzal, 9) Md. Aminur Rahman and 10) Sajjad Hussain

SENIOR MANAGEMENT TEAM

Tarique Afzal President & Managing Director	Chairman
Sajjad Hussain, Additional Managing Director Head of Operations, CAMLCO & CRO	Member Secretary
Abdur Rahman, DMD Head of Retail Banking	Member
Mahmudul Alam, DMD Head of Credit	Member
Syed Mizanur Rahman, SEVP Head of Relationship & Agent Banking	Member
Md. Aminur Rahman, SEVP Head of General Banking Operations & Service Excellence	Member
Iftekhar Enam Awal, SEVP Head of Business - Corporate & SME	Member
K. M. Mohiuddin Ahmed, EVP Chief Financial Officer	Member
M. N. Azim, EVP Head of Financial Institutions and Treasury	Member
Shabbir Huda, EVP Head of HRMD (Acting)	Member
Najmul Ehsan Chief of Credit Review and Process Management	Member
Golam Mahmud Rizvi, SEVP Head of General Services, Security & Procurement	Member
Z. M. Babar Khan, SEVP Head of Credit Risk Management	Member
Mahadev Sarker Sumon, SEVP Head of Special Asset Management	Member
Md. Jahangir Alam, SEVP Deputy Chief Risk Officer	Member
Sheikh Md. Reajul Islam, EVP Head of Treasury Back Office	Member
Munir Ahmed, SVP Head of DICC (In-Charge)	Member
Md. Shahidul Haque, SVP Head of CAM (Acting)	Member
Khandaker Anwar, SVP Head of IT (Acting)	Member
Farid Ahammad Fakir, VP Head of Kakrail Islami Banking Branch	Member

INVESTOR RELATIONS



FORWARD LOOKING STATEMENT

Annual Report for the year 2020 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.

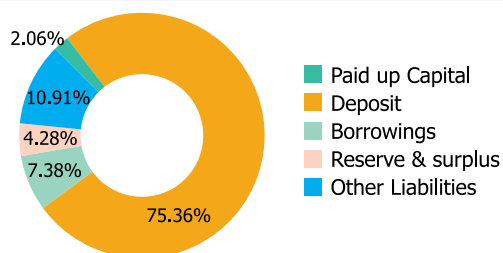
Bank does not also take any responsibility to update, modify or revise any forward looking statements contained in this Annual Report irrespective of whether those are changed by any new events, information or future development or by any other factors.

SHAREHOLDERS' INFORMATION

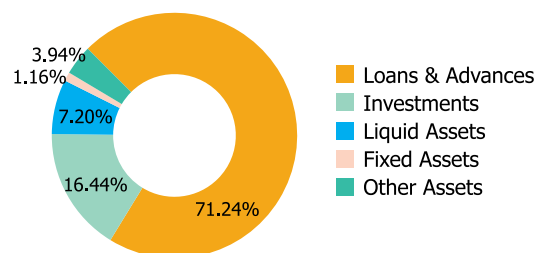
In Crore Taka

Particulars	AB Bank Limited			Consolidated		
	2020	2019	% Growth	2020	2019	% Growth
At the end year						
Equity	2,449	2,284	7%	2,568	2,403	7%
Total Deposits	29,072	27,946	4%	29,055	27,939	4%
Loans & advances	27,483	25,651	7%	28,290	26,439	7%
Investments	6,344	6,158	3%	6,409	6,242	3%
Fixed assets	449	487	-8%	503	543	-7.3%
Total assets	38,576	36,557	5.5%	38,857	36,808	5.57%
Performance during the year						
Interest Income	2,429	2,672	-9%	2,443	2,695	-9%
Operating Profit	647	645	0%	665	647	3%
Provision for loans and others	514	514	0%	532	511	4%
Profit before tax	132	131	1%	133	136	-2%
Provision for tax	93	114	-18%	94	124	-24%
Profit after tax	39	17	133%	39	12	220%
Statutory Ratios						
Liquid Assets	25.58%	26.84%		25.58%	26.84%	
Capital adequacy ratio	10.84%	10.12%		11.33%	10.59%	
Share information						
Earnings per share (Taka)	0.49	0.21	133%	0.50	0.15	223%
Stock Dividend (Proposed)	5%	5%		-	-	
Net Asset Value per share (Taka)	30.76	30.13	2%	32.26	31.69	2%
Ratios						
Classified Loan	16.79%	18.28%		16.31%	17.74%	
Return on Assets (ROA)	0.10%	0.05%		0.10%	0.04%	
Return on Equity (ROE)	1.65%	0.74%		1.59%	0.51%	

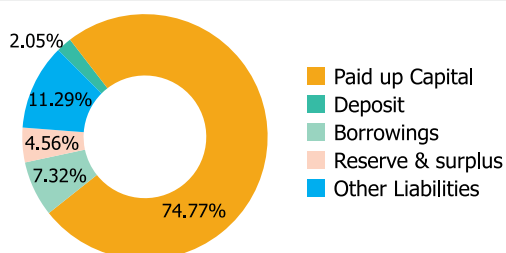
Constituents of Liabilities & Capital - AB 2020



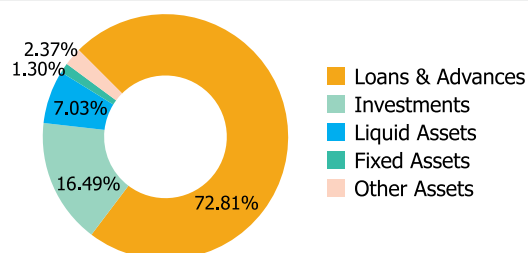
Constituents of Assets - AB 2020



Constituents of Liabilities & Capital - Consolidated 2020



Constituents of Assets - Consolidated 2020

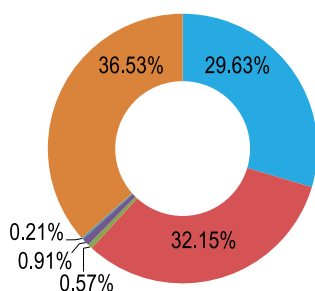


SHAREHOLDERS PATTERN

Particulars	Number of Shares		% of Shares	
	2020	2019	2020	2019
Sponsors & Directors	235,827,577	221,739,099	29.63%	29.25%
Local Institutions	255,957,105	258,280,728	32.15%	34.07%
Govt. of Bangladesh	4,562,961	4,345,678	0.57%	0.57%
Foreign Institutions	7,205,885	7,838,226	0.91%	1.03%
Non-residential Bangladeshi	1,674,427	1,447,475	0.21%	0.19%
General Public	290,808,875	264,479,109	36.53%	34.89%
Total	796,036,830	758,130,315	100%	100%

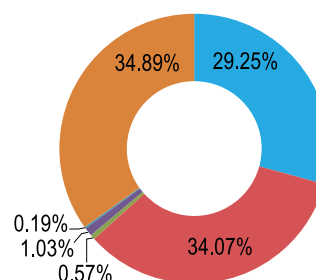
Note: Sponsors' & Directors Shareholding as of January 20, 2021 was 31.67% and April 30, 2021 was 31.67%

Year : 2020



■ Sponsors & Directors
 ■ Foreign Institutions
■ Local Institutions
 ■ Non-residential Bangladeshi
■ Govt. of Bangladesh
 ■ General Public

Year : 2019



■ Sponsors & Directors
 ■ Foreign Institutions
■ Local Institutions
 ■ Non-residential Bangladeshi
■ Govt. of Bangladesh
 ■ General Public

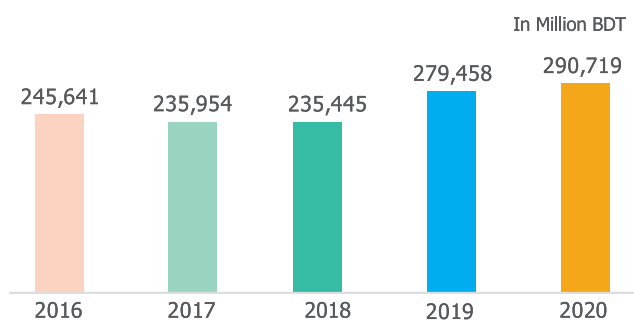
Name of Director	Status	No. of Shareholding including nominating institution/individual	
		31.12.2020	31.12.2019
Mr. Muhammad A. (Rumee) Ali Nominated by Pacific Traders Limited	Chairman	79,480,564	75,696,901
Mr. Feroz Ahmed	Director	16,516,704	15,730,196
Mr. Shajir Ahmed Nominated by Hexagon Chemical Complex Ltd.	Nominated Director	21,804,184	20,765,890
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Limited	Nominated Director	77,865,692	74,157,802
Mr. Kaiser A. Chowdhury	Ex-Independent Director	-	-
Mr. Shafiqul Alam	Independent Director	-	-
Mr. Tarique Afzal	President & Managing Director	-	-

- Mr. Kaiser A. Chowdhury resigned in the Bank's 702nd Board Meeting held on January 18, 2021.

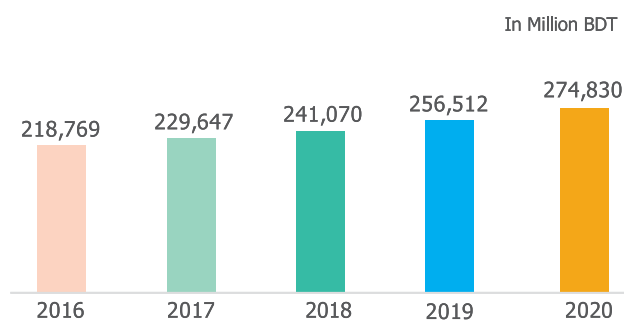
GRAPHICAL PRESENTATION



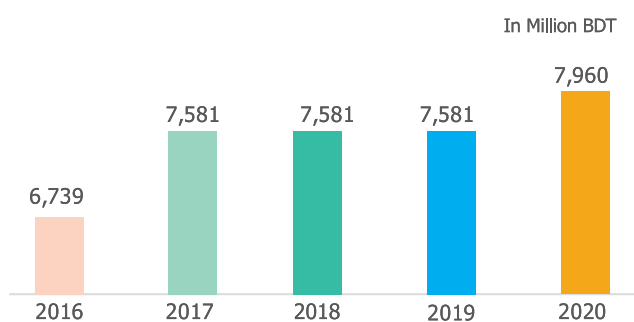
Total Deposits



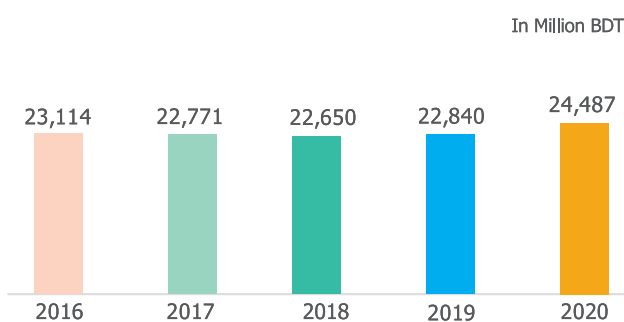
Total Loans & Advances



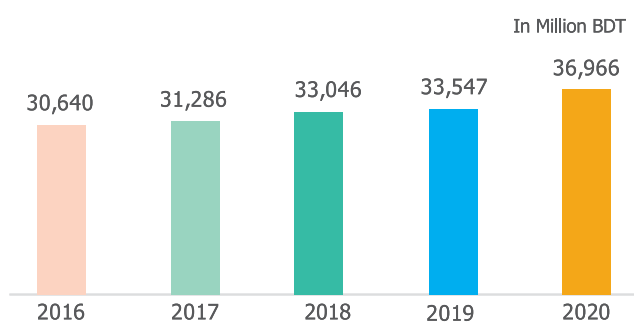
Paid-up Capital



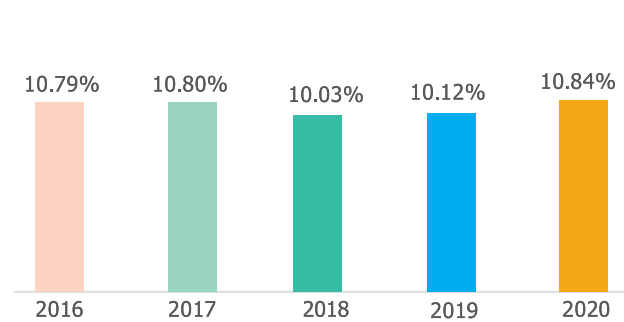
Equity



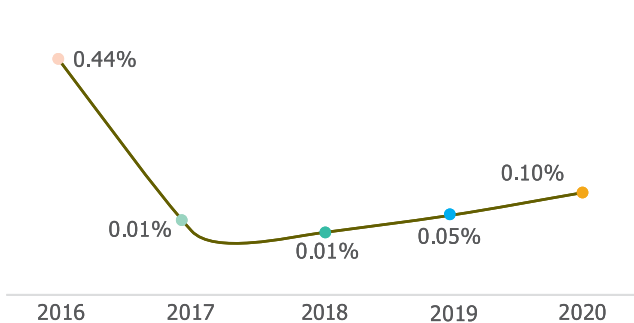
Total Capital



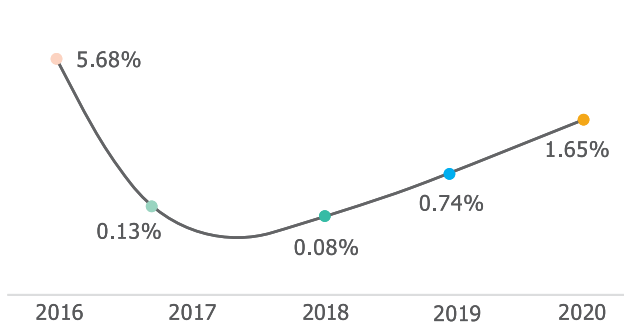
Capital To Risk weighted Assets Ratio



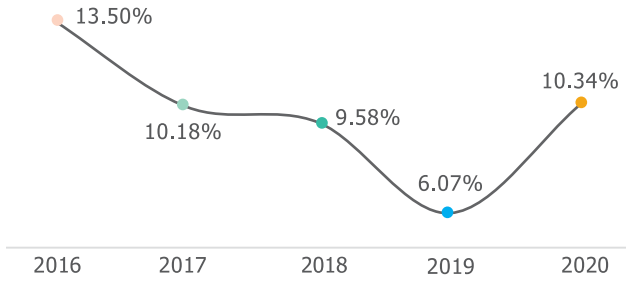
Return on Assets (ROA)



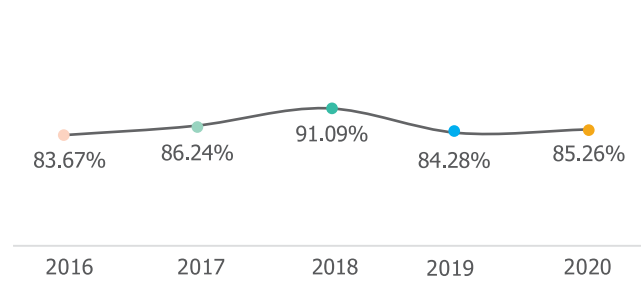
Return on Equity (ROE)



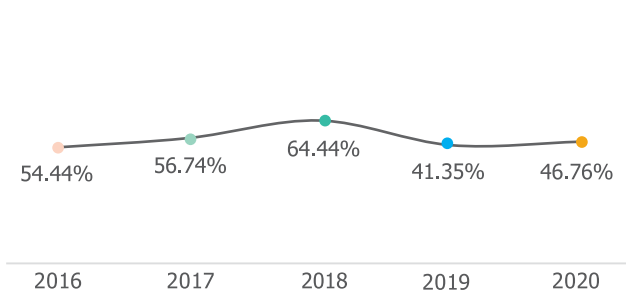
Return on investment (ROI)



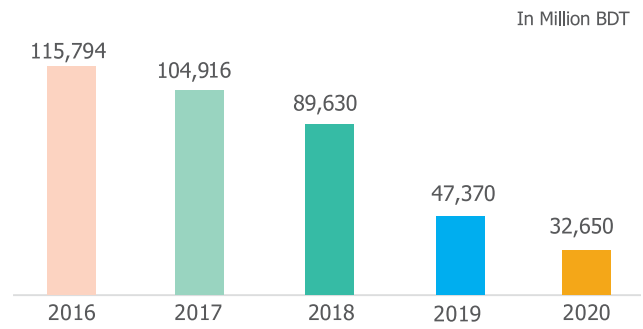
Loan Deposit (LD) Ratio



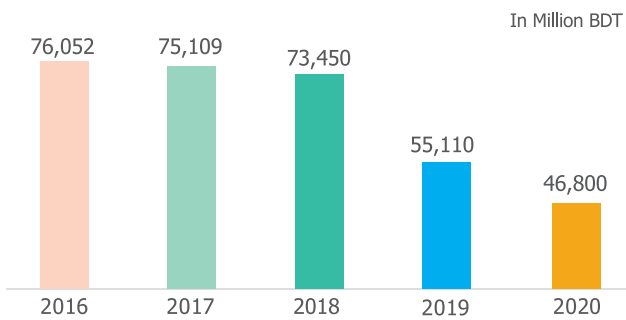
Cost Income Ratio



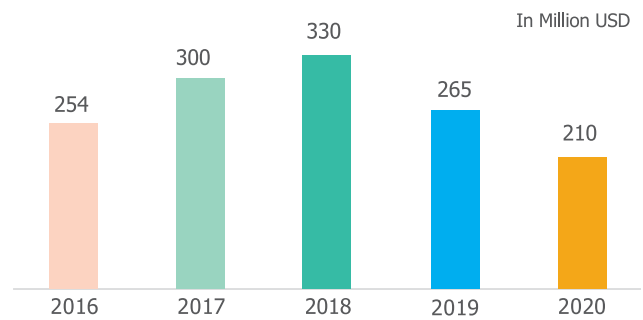
Import



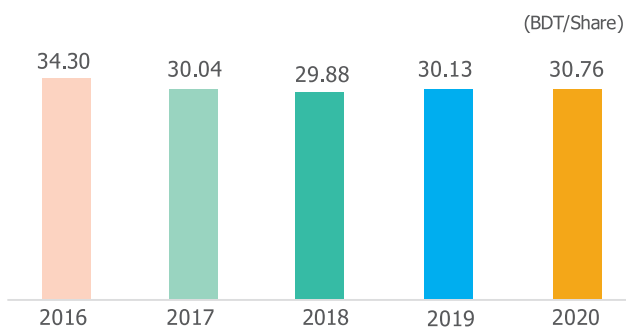
Export



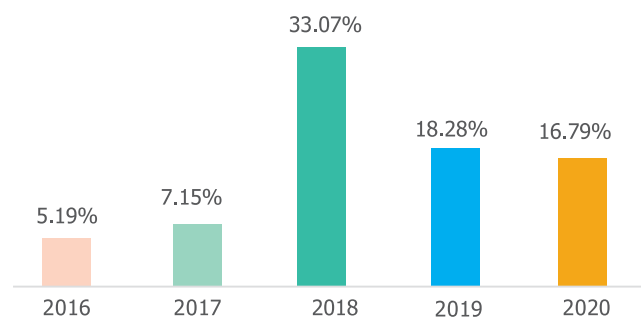
Remittance



Net Asset Value

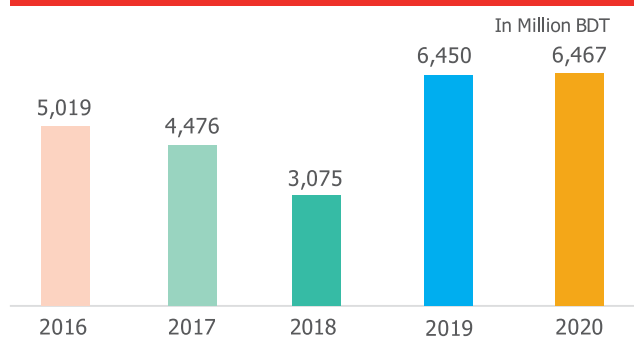


Classified Loans (CL) Ratio

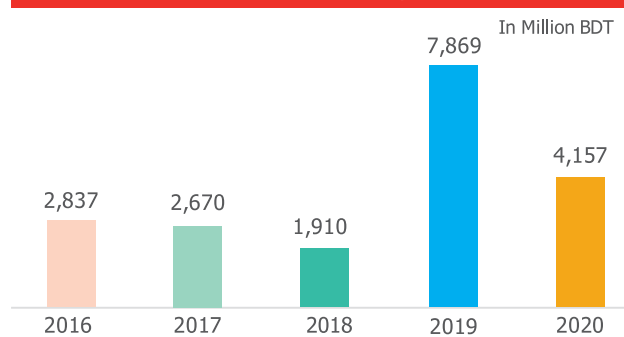




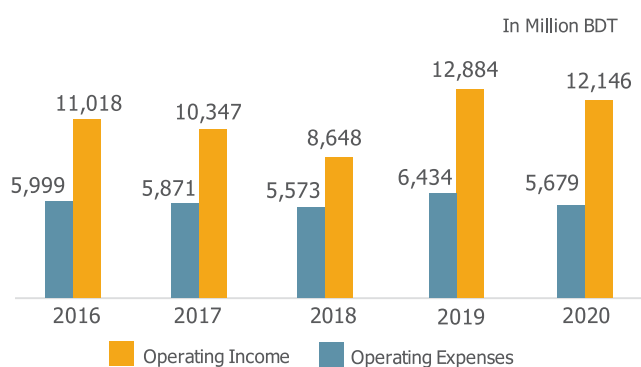
Operating Profit



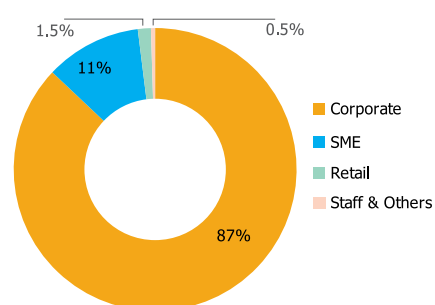
Net interest margin



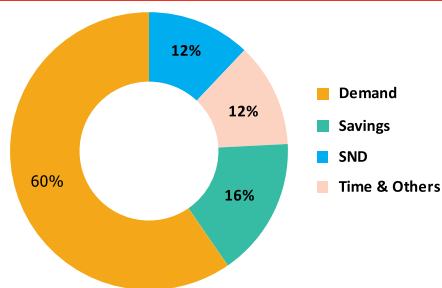
Operating Income vs. Operating Expenses



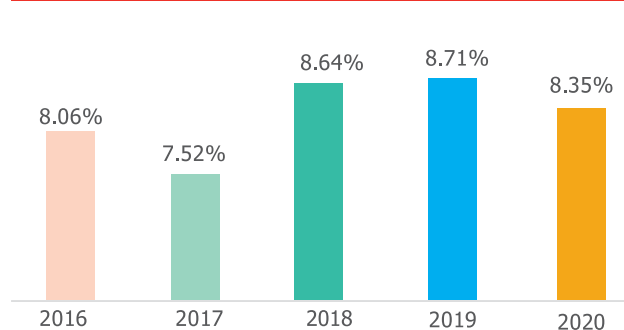
% of Loan Mix



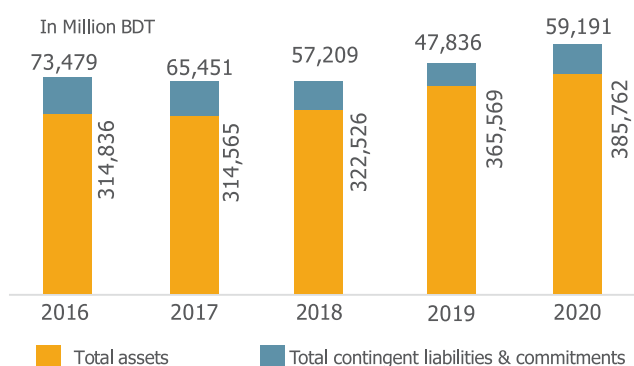
% of Deposit Mix



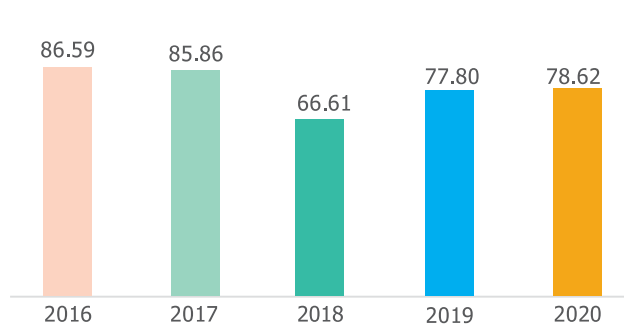
Cost of Fund



Total assets Vs. Total contingent liabilities & commitments



Assets Utilization Ratio (%)



LAST 10 YEARS' PERFORMANCE

In Million Taka

Particulars	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Balance Sheet										
Cash & bank balances	25,294	25,121	19,611	21,768	24,265	21,744	20,436	17,338	18,499	17,524
Investments	63,437	61,579	43,594	45,749	48,187	32,559	30,779	28,676	26,115	21,556
Money at call and short notice	2,500	4,776	1,429	1,170	6,806	5,284	3,863	2,251	3,672	666
Loans & advances	274,830	256,512	241,070	229,647	218,769	209,725	177,571	140,121	106,066	94,638
Fixed assets	4,489	4,871	3,543	4,113	4,080	4,201	4,405	4,173	4,230	3,854
Other assets	14,877	12,366	12,936	12,117	12,728	11,496	9,277	15,446	15,261	14,725
Non-banking assets	334	343	343	-	-	-	-	-	-	-
Total assets	385,762	365,569	322,526	314,565	314,836	285,010	246,331	208,006	173,842	152,963
Borrowings	19,108	14,820	18,272	21,871	15,454	23,693	10,977	9,987	3,649	10,248
Subordinated Bond	9,350	7,400	8,700	6,000	6,500	6,500	2,500	-	-	-
Deposits	290,719	279,458	235,445	235,954	245,641	213,819	198,189	161,846	140,026	116,152
Other liabilities	42,098	41,050	37,458	27,968	24,126	18,206	15,351	19,232	14,133	11,710
Equity	24,487	22,840	22,650	22,771	23,114	22,792	19,314	16,940	16,034	14,853
Total Liability & Shareholders' Equity	385,762	365,569	322,526	314,565	314,836	285,010	246,331	208,006	173,842	152,963
Total contingent liabilities	59,191	47,836	57,209	65,451	73,479	68,649	77,069	83,217	59,590	52,595
Loan Deposit Ratio*	85.26%	84.28%	91.09%	86.24%	83.67%	96.80%	89.60%	86.58%	75.75%	81.48%
Interest earning assets	303,276	284,417	214,825	270,093	272,625	249,985	215,691	175,978	144,167	125,049
Non-Interest earning assets	82,486	81,151	107,701	44,472	42,211	35,026	30,640	32,028	29,676	27,914
Profitability										
Net interest margin	4,157	7,869	1,910	2,670	2,837	4,279	6,079	3,780	3,123	2,394
Operating income	12,146	12,884	8,648	10,347	11,018	10,582	12,155	9,755	8,435	7,743
Operating expenses	5,679	6,434	5,573	5,871	5,999	5,628	5,230	4,465	4,072	3,431
Operating profit	6,467	6,450	3,075	4,476	5,019	4,954	6,925	5,290	4,363	4,312
Provision for loans and others	5,145	5,141	2,519	4,634	3,017	2,195	2,946	2,305	1,173	1,355
Profit before tax	1,322	1,309	556	(158)	2,002	2,759	3,979	2,985	3,190	2,957
Provision for tax	931	1,141	538	(188)	697	1,489	2,719	1,974	1,752	1,629
Profit after tax	391	168	18	30	1,305	1,270	1,260	1,011	1,439	1,328
Cost income ratio	46.76%	41.35%	64.44%	56.74%	54.44%	52.86%	43.03%	45.78%	48.27%	44.31%
Return on investment (ROI)	10.34%	6.07%	9.58%	10.18%	13.50%	10.49%	9.68%	10.37%	11.39%	14.62%
Return on assets (ROA)	0.10%	0.05%	0.01%	0.01%	0.44%	0.48%	0.54%	0.53%	0.88%	0.93%
Return on equity (ROE)	1.65%	0.74%	0.08%	0.13%	5.68%	6.03%	6.95%	6.13%	9.31%	9.25%
Assets Utilization Ratio	78.62%	77.80%	66.61%	85.86%	86.59%	87.71%	87.56%	84.60%	82.93%	81.75%
Cost of fund	8.35%	8.71%	8.64%	7.52%	8.06%	9.75%	10.63%	11.82%	12.07%	11.19%
Earnings Per Share	0.49	0.21	0.02	0.04	1.64	1.60	1.58	1.27	1.81	1.67
Net income per share	0.49	0.21	0.02	0.04	1.64	1.60	1.58	1.27	1.81	1.67

In Million Taka

Particulars	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Other business										
Import	32,650	47,370	89,630	104,916	115,794	111,245	112,220	125,383	100,373	79,463
Export	46,800	55,110	73,450	75,109	76,052	72,982	77,252	72,571	65,782	57,592
Remittance (Million USD)	210	265	330	300	254	280	299	237	217	250
Equity measures										
Authorized capital	15,000	15,000	15,000	15,000	15,000	6,000	6,000	6,000	6,000	6,000
Paid-up capital	7,960	7,581	7,581	7,581	6,739	5,990	5,325	4,976	4,423	3,686
Capital - Tier 1	19,570	18,712	19,194	19,731	18,703	18,339	16,561	15,570	14,630	13,410
Capital - Tier 2	17,396	14,836	13,852	11,556	11,938	9,994	6,238	3,203	2,552	2,534
Total capital	36,966	33,547	33,046	31,286	30,640	28,333	22,799	18,772	17,181	15,943
Capital surplus/ (deficit)**	(5,666)	(7,875)	(6,092)	(1,310)	462	2,780	712	1,385	2,532	1,920
Statutory reserve	7,144	6,872	6,623	6,549	6,496	6,111	5,582	5,565	5,005	4,390
Retained earnings	5,687	5,817	5,905	6,012	6,810	6,831	6,768	4,986	5,159	5,291
Capital to Risk Weighted Assets Ratio	10.84%	10.12%	10.03%	10.80%	10.79%	11.09%	10.32%	10.80%	11.73%	11.37%
Asset quality										
Total loans & advances	274,830	256,512	241,070	229,647	218,769	209,725	177,571	140,121	106,066	94,638
Classified loans (CL)	46,155	46,890	79,728	16,409	11,365	6,619	6,856	4,720	3,522	2,672
CL ratio	16.79%	18.28%	33.07%	7.15%	5.19%	3.16%	3.86%	3.37%	3.32%	2.82%
Provision for unclassified loan	11,267	8,286	5,561	4,871	4,099	2,119	1,930	1,707	1,270	1,317
Provision for classified loan	8,958	6,994	5,079	3,862	2,506	2,596	2,924	2,273	1,049	1,031
Share information										
Market Price per share (DSE)	12.10	7.90	12.00	22.10	22.30	20.90	29.90	26.20	33.70	68.30
Dividend - %	5.0 ***	5.0	-	-	12.5	12.5	12.5	12.0	12.5	25.0
Bonus - %	5.0	5.0	-	-	12.5	12.5	12.5	7.0	12.5	20.0
Cash - %	-	-	-	-	-	-	-	5	-	5
Price earning ratio (times)	24.61	35.71	521.32	594.32	13.61	13.10	18.89	28.50	18.65	40.94
Net Asset Value per share (Taka)	30.76	30.13	29.88	30.04	34.30	38.05	36.27	34.04	36.25	40.29
Distribution network										
Number of branches	105	105	105	105	104	101	93	89	87	86
Number of SME service center	11	11	11	11	11	11	11	11	11	11
Employee number	2,202	2,210	2,310	2,354	2,423	2,276	2,220	2,179	2,070	2,096
Number of Agent Banking Unit	101	64	34	5	-	-	-	-	-	-

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

** Considering capital conservation buffer @2.5%

*** Recommended by the board

FINANCIAL CALENDAR

QUARTERLY RESULTS OF 2020 ANNOUNCEMENT

Unaudited results for the 1st Quarter ended 31st March 2020	June 29, 2020
Unaudited result for the 2nd quarter and half-year ended 30th June 2020	July 16, 2020
Unaudited results for the 3rd Quarter ended 30th September 2020	October 29, 2020
Audited consolidated results for the year ended 31st December 2020	April 27, 2021

38th AGM INFORMATION

Price Sensitive Information	June 29, 2020
Record Date	August 10, 2020
Date of AGM- at 4:00 p.m. through Digital Platform	September 2, 2020
Publication of 38th AGM Notice	August 10, 2020
Annual Report-2019 Dispatch	August 12, 2020
Stock Dividend Credited	September 7, 2020
Cash Dividend Distribution	N/A

39th AGM

Publication of Price Sensitive Information	April 27, 2021
Record Date	May 19, 2021
Publication of notice of the 39th AGM	May 19, 2021
Date of 39th AGM – at 04:00 p.m. through Digital Platform	June 10, 2021

STOCK DETAILS

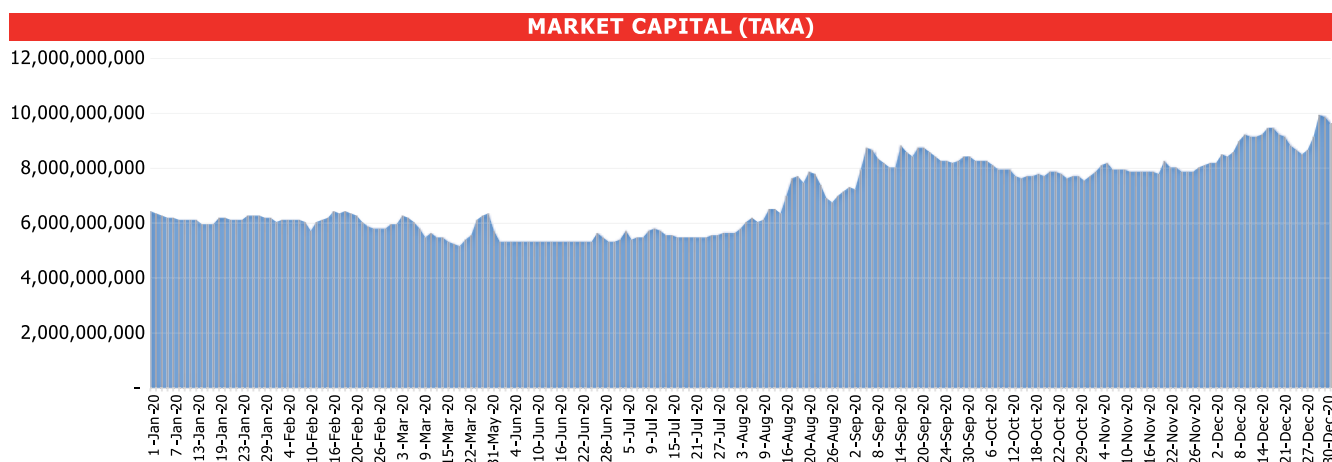
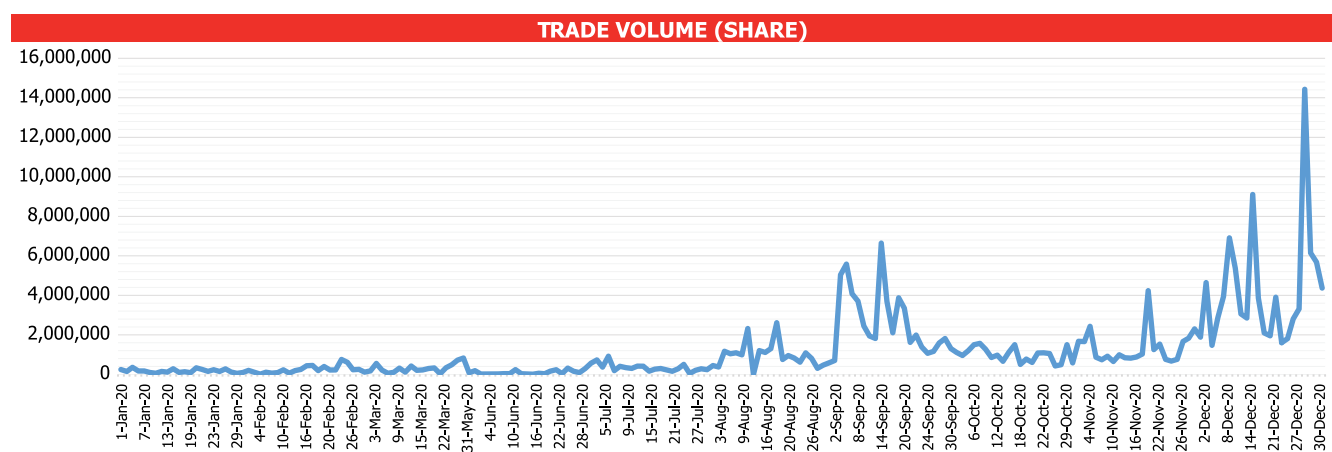
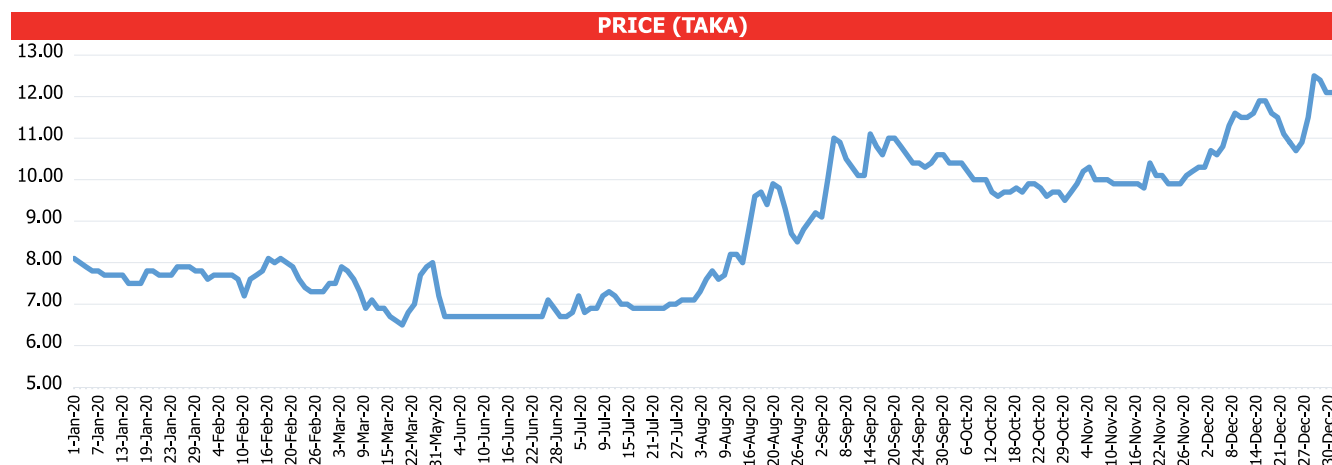
Particulars	DSE	CSE
Stock symbol	ABBANK	ABBNK
Listing Year	28th December, 1983	21st October, 1995
Market category	B	B
Electronic share	YES	YES
Face Value (Taka)	10	10
Paid-up Capital	7,960,368,300	7,960,368,300
Market lot	1	1
Total Number of Securities	796,036,830	796,036,830

Availability of Information about Annual Report

Annual Report 2020 and other information is available at <http://abbl.com/investor-relations/>

PRICE TREND OF AB BANK SHARE

Period	January to December 2020
Year End closing	Tk. 12.10
Year High	Tk. 13.00
Year Low	Tk. 6.40
Average Trade Volume (Per Day)	1,179,196 shares
Total Trade Volume	244,093,545 shares





NOTICE OF THE 39TH (THIRTY-NINTH) ANNUAL GENERAL MEETING

Notice is hereby given that the 39th (thirty-ninth) Annual General Meeting (AGM) of AB Bank Limited will be held **on June 10, 2021 (Thursday) at 04:00 p.m. through Digital Platform** to transact the following business:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended 31st December 2020, and the Reports of the Directors and the Auditors thereon.
2. To approve the Dividend for the year ended 31st December 2020.
3. To elect / re-elect Directors.
4. To appoint Auditor for the year 2021 and to fix their remunerations.
5. To appoint auditor for certification on the compliance on conditions of Corporate Governance Code for the year 2021 and to fix their remuneration.

Special Business:

6. To approve the proposal of ratio for issuance of Rights Shares to the ratio of 1R:6 i.e. one right share for existing six shares to be held on the record date for determination of entitlement of the rights share at an issue price of BDT 10.00 each (per share) after effecting stock dividend for year 2020 to be used for strengthening the equity Capital base of the Bank at a sustainable level subject to the approval of the Shareholders, Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities.

RESOLVED THAT "the proposal for issuance of Rights Shares to the ratio of 1R:6 i.e. one right share for existing six shares to be held on the record date for determination of entitlement of the rights share at an issue price of BDT 10.00 each (per share) after effecting Stock dividend for year 2020 to be used for strengthening the equity Capital base of the Bank at a sustainable level is hereby approved subject to the approval of the Shareholders, Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities."

By order of the Board
Sd/-

Md. Jasim Uddin, ACS
Company Secretary (In-charge)

Dated: May 19, 2021

NOTES:

- i) **The Record Date: May 19, 2021 (Wednesday).**
The shareholders whose names appeared in the Members/Depository Register under Central Depository System (CDS) on **Record Date** would be eligible to attend/participate and vote at the Annual General Meeting (AGM).
- ii) For determination of entitlement of the proposed Right Share, another "Record Date" shall be declared after obtaining approval from the Bangladesh Securities and Exchange Commission.
- iii) The Board of Directors have recommended 5% (Five percent) Stock Dividend to all the shareholders.
- iv) Pursuant to the Bangladesh Securities and Exchange Commission's revised Order No. SEC/SRMIC/94-231/91 dated March 31, 2021, the AGM will be held virtually (using digital platform), which will be conducted via live webcast
- v) Link of the meeting and login details will be notified to the respective shareholders' email addresses. Full login/participation process for the Digital Platform meeting will also be available at the bank's website: www.abbl.com
- vi) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification BSEC/CMRRCD/2006-158/208/Ad min/81 dated June 20, 2018, the soft copies of the Annual Report 2020, will be sent to the email addresses of the shareholders available in the respective Beneficial Owner (BO) Accounts maintained with the Depository Participants (DPs) in time. The Annual Report 2020, will also be available at the bank's website: <http://abbl.com/investor-relations/>
- vii) The shareholders were requested to update their details (i.e. email ID, contact number, present address etc.
- viii) A shareholder is entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. A copy of "Proxy Form", duly signed and affixed with requisite revenue stamp must be sent to the AB Bank Share Division or may send scanned copies (considering Covid-19 pandemic) of the proxies with requisite stamps, as per Stamp Act, to cs@abbl.com, no later than 48 hours before commencement of the AGM

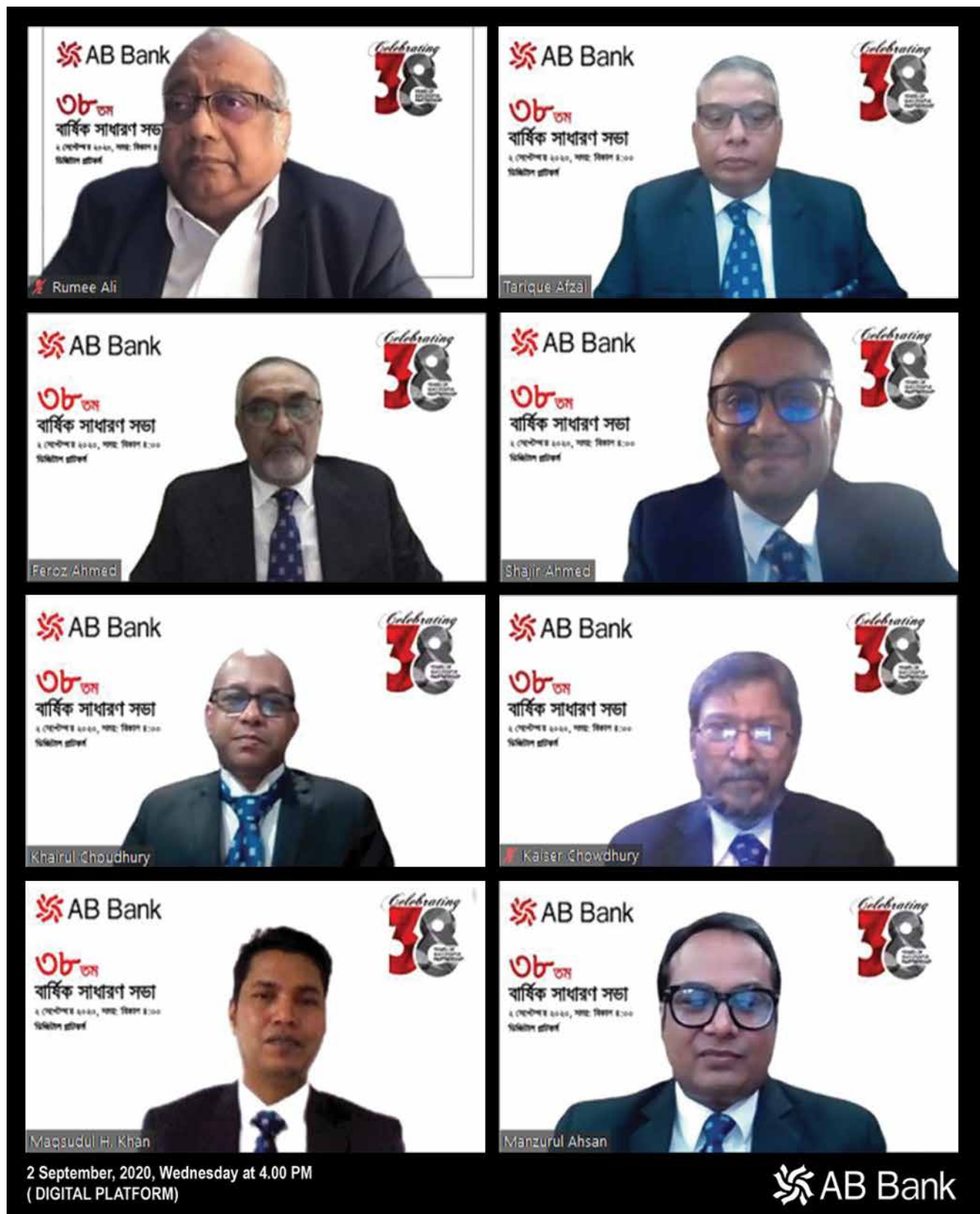
N.B. As per BSEC Directive No. SEC/CMRRCD/2009-193/154 dated 24.10.2013, "No benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities," in the ensuing 39th AGM of the Bank.

AB Bank Limited

The Skymark, 18, Gulshan Avenue, Gulshan-1, Dhaka-1212

www.abbl.com

THE 38TH AGM



38th AGM of the Bank held on digital platform

EVENTS



Agreement signing ceremony between AB Bank and Pan Pacific Sonargaon, Dhaka extending banking services



Business Meeting

EVENTS



AB Women's Social - an event organized for the women employees



Agreement signing ceremony with BURO Bangladesh

EVENTS



The 700th Board of Directors' meeting of the Bank was held at bank's Head Office



Inaugurated of Sub-Branch at The Skymark, 18 Gulshan Avenue, Dhaka

EVENTS



Agreement signing ceremony with Green Delta Insurance Company Limited regarding Bankers Blanket Bond (BBB) & Electronic Computer Crime (ECC) insurance policy



AB Bank signed an agreement with Shaheda Higher Education Consultancy

EVENTS



AB Bank organized a training program of Financial Statement Analysis



Banking Foundation Course for the Front Desk Officers organized by AB Training Academy

NEW PRODUCT LAUNCHING



AB Bank launched new banking service titled "AB 360° Banking Services (One-Stop Service)" and Rebranding AB Agent banking logo



AB Jonmobhumi - a new product launched for encouraging remittance

NEW PRODUCT LAUNCHING



The Bank launched AB Nishchinto - a new product providing insurance coverage for the fixed deposit customers

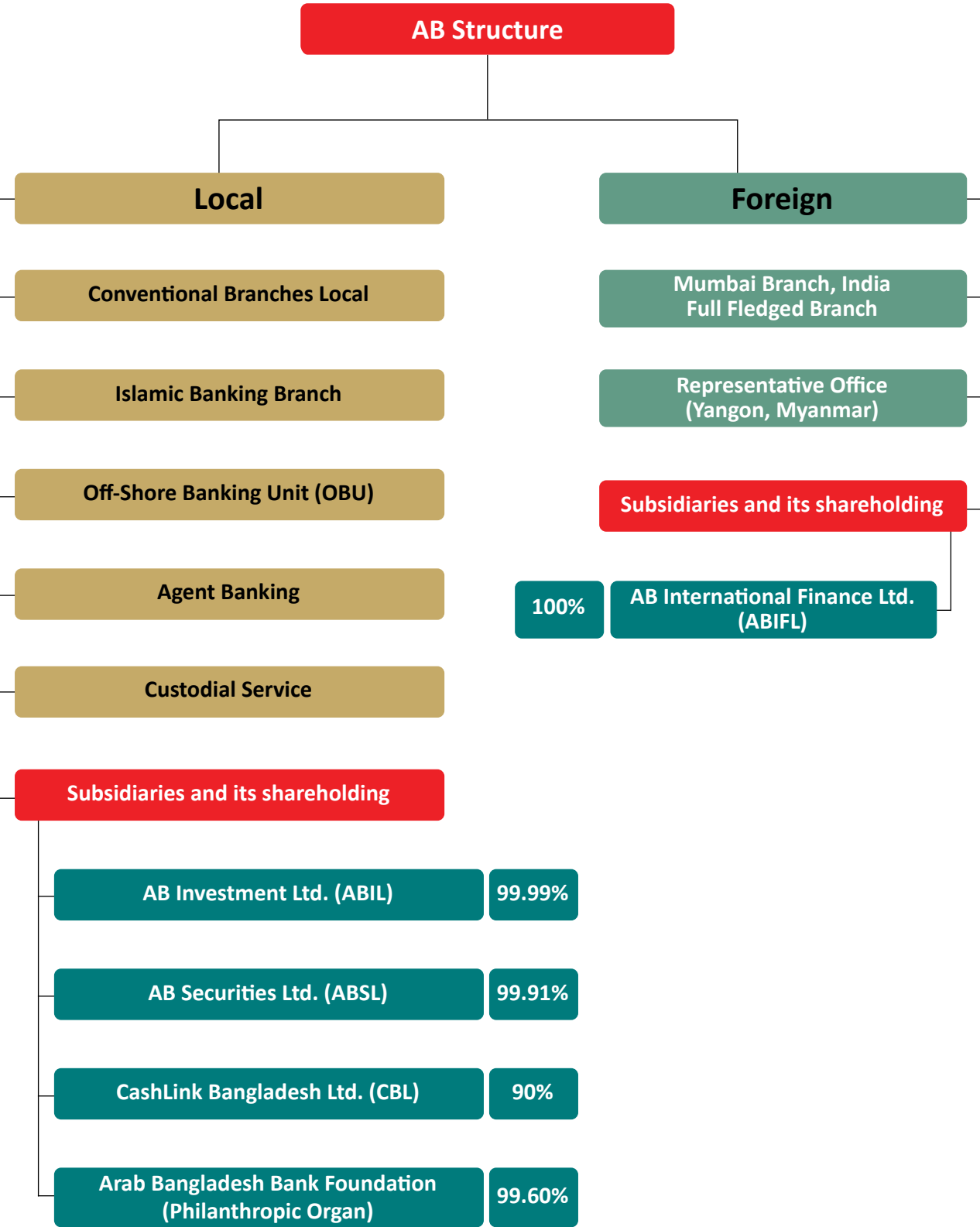


Inaugurating an ATM Booth at Pan Pacific Sonargaon, Dhaka

CORPORATE GOVERNANCE



AB STRUCTURE



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 are 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 Bank Limited comprises of 7 (seven) Members including President & Managing Director. Board of Directors of AB Bank 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 2020, 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 3 (three) 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 7 (seven) 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 Bank 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 2020

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 2020 with respect to Business Plan Target are given below:

Amount in Crore Tk.

Performance	BGT 2020	ACT 2020	Variance	
			Amount	%
Operating Profit	972	647	(325)	(33)
Provisions for loans and others	617	514	(103)	(17)
Profit before Tax	355	132	(222)	(63)
Provision for Tax	206	93	(113)	(55)
Net Profit After Tax	149	39	(110)	(74)
Loans and Advances	27,651	27,483	(133)	(0)
Import	10,000	3,265	(6,735)	(67)
Export	8,272	4,680	(3,592)	(43)
Guarantee	2,000	818	(1,182)	(59)
Inward Remittance (USD)	100	21	(79)	(79)

Inspection by Bangladesh Bank

Bangladesh Bank conducted comprehensive inspection for the year ended December 31, 2020. 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 82% 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 Bank was rated by ARGUS Credit Rating Services Limited (ACRSL) based on the financials of the Bank up to December 31, 2019 (audited) as well as for the period ended September 30, 2020 (unaudited) and other relevant quantitative and qualitative information up to the date of rating declaration i.e. December 09, 2020.

The summary of their ratings are given below:

CREDIT RATING	CURRENT	PREVIOUS
Long-Term*	AA-	A+
Short-Term	ST-2	ST-2
Date of Rating	December 09, 2020	
Date of Validity	December 08, 2021	

*AA-: equivalent Bangladesh Bank Rating Grade 1

A+: equivalent Bangladesh Bank Rating Grade 2

Rating Description

AA-	Investment grade. Very high credit quality and minimal expectation of credit risk. When assigned this rating indicates the obligor has very strong capacity to meet its financial obligations and is unlikely to be impacted adversely by foreseeable events.
ST-2	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.

S. F. Ahmed & Co.
House 51 (3rd Floor)
Road 9, Block F, Banani
Dhaka 1213, Bangladesh

Phone: (880-2) 989-4258, 987-1018, 987-0619
987-0561, 881-6467 & 881-5101
Cell: (880) 1911-341-139
Fax : (880-2) 882-5135
E-mails: (i)sfaco@citechco.net
(ii)sfaco@sfahmedco.org
Website: www.sfahmedco.org

[Certificate issued as per 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 with the Corporate Governance Code by AB Bank Limited ("The Company") for the year ended 31 December 2020. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities and Exchange Commission.

Such compliance with 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 with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance with 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 Corporate Governance Code as stipulated in above mentioned Corporate Governance Code issued by the Commission; except condition no.1(7), 4(ii) and 6 due to regulations of Bangladesh Bank as stated in Annexure-A;
- (b) The Company has complied with the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the Company is satisfactory.

Dhaka, Bangladesh
Dated, 11 May 2021



S. F. Ahmed & Co.
Chartered Accountants
Md. Moktar Hossain, FCA
Senior Partner

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	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1(1)	Board size (number of Board members - minimum 5 and Maximum 20)	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	√		
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 Capital 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	√		
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.	√		
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)	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude	√		
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	√		
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	√		

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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			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)	√		
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 Managing Director or Chief Executive 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)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	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.

Annexure: A

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(v)	Discussion on continuity of any Extra-Ordinary 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)	Utilization of proceeds from 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)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance	√		
1(5)(x)	Remuneration to directors including independent directors	√		
1(5)(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	Proper books of account have been maintained	√		
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	√		
1(5)(xv)	The system of Internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	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)	Going Concern (ability to continue as going concern)	√		
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 aggregate number of shares (along with name-wise details where stated below) held by			
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 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 & Compliance.	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		Nil
1(5) (xxiv)	The appointment or reappointment of a director, a disclosure on the following information to the shareholders			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5) (xxiv)(b)	Nature of his or her expertise in specific functional areas	√		

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
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	√		
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 and Chief Executive Officer			
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 October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC.
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	-		
2	Governance of Board of Directors of Subsidiary Company			

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	√		
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), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
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 shall 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 Officer (CEO) and Chief Financial 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	√		
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	√		

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4	Board of Directors Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	-		Clause#5 of BRPD Circular no. 11 dated October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC.
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Audit Committee is the sub-committee of the BoD	√		
5(1)(b)	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	√		
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	√		

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	√		
5(5)(l)	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 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)			

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee 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.
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	-		
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)	-		
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 October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee 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.
6(2)(b)	All members of the Committee is non-executive directors	-		
6(2)(c)	Members of the Committee is nominated and appointed by the Board	-		
6(2)(d)	The Board has authority to remove and appoint any member of the Committee	-		
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	-		
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	-		
6(2)(g)	The company secretary acted as the secretary of the Committee	-		
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 October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee 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.
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	-		
6(3)(c)	The Chairperson of the NRC attended the annual general meeting (AGM) to answer the queries of the shareholders	-		

Condition No	Title	Compliance Status ("✓" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)	Meeting of the NRC			
6(4)(a)	The NRC has conducted at least one meeting in a financial year	-		Clause#5 of BRPD Circular no. 11 dated October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
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)	-		
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	-		
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 October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC.
6(5)(b)	NRC oversees, among others, the following matters and make report with recommendation 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 October 27, 2013 issued by Bangladesh Bank does not permit any Bank in Bangladesh to form any other Committee except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC.
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	-		
6(5)(b)(i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	-		
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	-		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	-		
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	-		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	-		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	-		

Condition No	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System	√		
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	Non-engagement in Broker-dealer services	√		
7(1)(v)	Non-engagement in actuarial services	√		
7(1)(vi)	Non-engagement in internal audit services	√		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines	√		
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Non-engagement in any other service that creates conflict of interest	√		
7(2)	No partner or employees of the external audit firms possesses any share of the company during the tenure of their assignment	√		
7(3)	Representative of external or statutory auditors remained 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 has an official website linked with the website of the stock exchange	√		
8(2)	The company kept the website functional from the date of listing	√		
8(3)	The company made 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)	Obtaining certificate from a practicing Professional Accountant/ Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
9(2)	The professional will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	Directors statement in the directors' report whether the company has complied with these conditions	√		

DIVIDEND DISTRIBUTION POLICY

Preface

This Dividend Distribution Policy of AB Bank Ltd. is framed and approved by Board of Directors of the Bank in compliance with Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/3-dated, 14 January 2021.

The Policy is aimed to set out the criteria and parameters, which the board of directors of the Bank shall take into consideration at the time of recommendation for dividend.

The Board of Directors may declare interim dividend and recommend final dividend complying the Companies Act, 1994; the Bank Company Act, 1991 and provisions of all Rules, Regulations, Notifications, Orders, Guidelines, etc. in force or to be enforced and issued or to be issued from time to time by Regulatory Authorities.

Effective Date

This Dividend Distribution Policy is applicable with effect from 27th May 2021.

Parameters to be considered for declaration of dividend:

The Board of Directors of the Bank will consider the following internal or external parameters while recommending dividend:

1. Financial performance and growth opportunities of the Bank.
2. Positive impacts on capital market
3. Dividend payout trend of the Bank
4. Capital to Risk Weighted Assets Ratio (CRAR) position of the Bank
5. Tax implication
6. Economic factors
7. Any other Regulatory requirements

For fixing the dividend payout ratio, the Board needs to consider the operating results of the Bank and the Shareholders return as well. Dividend should be paid out of Divisible profit of the Bank. If the eligibility criteria for recommendation of dividend has not been met by the Bank or any threshold has been fixed by the Regulators or any restriction has been imposed by the Regulatory Authorities; the Board of Directors of the Bank may recommend dividend within the threshold or may not recommend any dividend according to restrictions.

Procedure of declaration/recommendation of dividend

Interim Dividend

The Bank shall notify the Exchange and the Commission in advance the date and time of its board of directors'

meeting specially called for consideration/adoption of its quarterly financial statements and for declaration of any entitlement (interim dividend) for the shareholders before 3 (three) working days of holding such meeting:

Provided that no stock/bonus entitlement shall be declared as interim dividend and Provided that the decision about recommending dividend and entitlement for such dividend cannot be changed.

Annual Dividend/ Final Dividend

The Bank shall notify the Exchange and the Commission in advance the date and time of its board of directors' meeting specially called for consideration/adoption of its annual audited financial statements and for declaration of any entitlement for the shareholders before 7 (seven) days of holding such meeting.

The Board of Directors while considering/adopting annual audited financial statements shall, in the same Board of Directors' meeting also fix the date of the relevant annual general meeting and take specific decisions with regard to (a) recommending or not recommending dividend for the shareholders on the basis of said financial statements; and (b) the shareholders who shall be entitled to such dividend, if recommended:

Provided that the decision about recommending or not recommending dividend and entitlement for such dividend, if recommended, cannot be changed prior to holding of the annual general meeting and no dividend shall be paid other than out of profits of the year or any other undistributed profits.

Dividend is required to approve by the shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board. All requisite approvals and clearances, where necessary as applicable, are obtained before recommendation and approval of dividend.

Entitlement to Dividend

Only the shareholders of the Bank whose names appear in the depository register maintained with Central Depository Bangladesh Ltd and or members register of the Bank. on the record date fixed by the Bank shall be entitled to receive the dividend.

Payment of Dividend

The Bank should maintain detailed information of Beneficiary Owners (BO) account, bank account, mobile phone number, email and address of the shareholder as maintained with the Depository Participants (DP) by itself or by appointing an agent for the purpose of proper distribution of dividend. These information shall be kept confidential.

Annual Dividend shall be paid off within 30 days from the date of its declaration in the Annual General Meeting or General Meeting of the Bank, as the case may be; and Interim Dividend shall be paid off within 30 days of record date. Provided, however, that the period of 30 days shall not apply in case where- (i) there is a dispute regarding to right to receipt the payment; or (ii) the dividend has been fully adjusted by the company against any sum due to it from the shareholders; or (iii) there is any restraint order by any court of law.

a) Cash dividend

Cash dividend shall be distributed in the following manner and procedures, namely:-

- (i) Within 10 (ten) days of declaration of cash dividend by the board of director of the Bank an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Bank dedicated for this purpose;
- (ii) The Bank shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO Account maintained with the depository participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):

Provided that the Bank may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;
- (iii) The bank, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN:

Provided that if the stock broker or merchant banker or portfolio manager fails to provide detailed information (e.g., BO account number, bank account number, intention, etc. of the client or customer including CCBA to the Bank for such claim, then the Bank shall immediately inform Bangladesh Securities & Exchange Commission.

- (iv) The bank, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall end it by registered post to the shareholder or unit holder;

- (v) The Bank shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- (vi) The bank, immediately after disbursement of cash dividend subject to deduction of Advance Income Tax or other tax, if applicable, and also after issuance of a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;
- (vii) The Bank shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or mane-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the manner report and shall also report in the statements of financial position (Quarterly/ annually) as a separate line item 'Unclaimed Dividend Account':

Provided that the Bank shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the Bank as maintained for this purpose within 1 (one) year from the date of declaration or record date, as the case may be.

b) Stock dividend or bonus shares

The Bank shall credit stock dividend or bonus shares directly to the BO Account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration in Annual General Meeting/General Meeting or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL).

Compliance of law

The Bank shall comply with all laws, rules, regulations and other legal requirements having force of law for recommending dividend, be it cash dividend or stock dividend, including compliance of Regulation 46 of ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, 2003 for issuance of stock dividend or bonus shares.

The procedures to follow for ascertaining rightful ownership of dividend

The Bank shall follow the following procedures for ensuring the rightful ownership:

- (i) The Bank shall send at least 3 (three) reminders to the entitled shareholders;
- (ii) The Bank shall maintain detail information of unpaid or unclaimed dividend and rationale thereof. Unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remain, shall be transferred to a separate bank account named 'Unclaimed Dividend Account' within one year from the date of approval.
- (iii) In case of stock dividend or bonus shares, the Bank shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares. The said suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the bank:

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the said Suspense BO Account.

- (iv) The Bank shall, upon receiving application from the allottee and/or after proper verification of identity and his entitlement, credit the cash dividend/bonus shares lying with the said Unclaimed Dividend Account in favour of the shareholder or the said Suspense BO Account to the BO Account of the allottee, as the case may be, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange(s);
- (v) Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established with finality.

Unpaid/Unclaimed dividend

- (i) The Bank must not forfeit any unclaimed cash or stock dividend till the claim becomes barred by the law of land in force. Unclaimed dividend is paid off as per procedure set by the Bangladesh Securities and Exchange Commission and the Stock Exchanges.
- (ii) If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3

(three) years from the date of declaration or record date, as the case may be, shall be transferred by the Bank to the Fund as directed or prescribed by the Commission under the law of the country:

Provided that the Bank shall provide detailed information to the manager of the Fund during transfer of cash dividend as directed or prescribed by the Commission under the law of the country:

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the Bank shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission under the law of the country.

Provided however that the claim becomes barred by the law of land in force, the Bank shall claim back the said cash dividend from the fund upon forfeiture of the same.

- (iii) If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned in the preceding clause.

Provided that the Bank shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission under the law of the country:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the Bank shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the Commission under the law of the country.

Provided however that after the claim becomes barred by the law of land in force, the Bank shall claim back the said stock dividend or bonus shares from the fund upon forfeiture of the same.



Maintenance of record.

The Bank, by itself or by appointing an agent, shall maintain detailed information of BO Account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that the Bank and its agent shall keep confidentiality of information. Any officer of the Bank shall personally be liable to indemnify the Bank for any loss or damage the Bank sustains due to breach of confidentiality of information of the shareholder or unit holder in this regard.

Updating Record

The Bank shall update its record upon receiving any information regarding the BO Account, bank account, mobile phone number, email and address of the shareholder or unit holder from CDBL (Central Depository Bangladesh Ltd.) or its DP (Depository Participants) for the purpose of proper distribution cash dividend or stock dividend and other compliances:

Provided that in case of holding of paper share, the issuer shall update the information as above.

Clarification

The Bank shall seek clarification from Bangladesh Securities & Exchange Commission in the event of any confusion or difference of opinion on any matter whatsoever

regarding the part of this Policy adopted as per direction of Bangladesh Securities & Exchange Commission under Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021; and the decision of Bangladesh Securities & Exchange Commission shall be final and binding on the Bank.

Compliance Report

The Bank shall submit a compliance report to Bangladesh Securities & Exchange Commission as well as Stock Exchanges in the specified format prescribed under Directive No. BSEC/CMRRCD/2021-386/3- dated, 14 January 2021.

Amendment

The board of directors shall review an update, if needed, once in a year before each Annual General Meeting.

Disclosure

The policy will be available on the Bank's website and will also be disclosed in the Bank's Annual Report.

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 2020 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 2020, seventeen (17) 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. (Rume) Ali
Chairman

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 Policies & 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. Shafiqul Alam - Chairman
2. Shajir Ahmed - Member
3. Md. Maqsoodul Huq Khan - 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 09 (nine) Meetings during the year 2020.

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 2020.
- 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 AntiFraud 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 2020 prepared by the Management and audited by the External Auditor ACNABIN, 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.



Shafiqul Alam

Chairman, Audit Committee

REPORT OF THE SHARIAH SUPERVISORY COMMITTEE FOR THE YEAR 2020

In the name of Allah, the Beneficent, the Merciful

The city of the Shariah Supervisory Committee is to give independent opinion and nary 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.

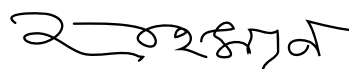
During the Pandemic Year 2020, AB Bank Shariah Supervisory Committee met physically and reviewed different operational issues including those referred to it by the Management of the Bank and gave opinion and decisions related to Islamic Shariah.

The important issues attended by the AB Bank Shariah Supervisory Committee as follows:

1. Reviewing the yearly Shariah Audit Report 2019 of Islami Banking Branch.
2. Approving the Final Accounts, 2019 of Islami Banking Branch.
3. Approving the Report of Shariah Supervisory Committee for the year 2019 on Islamic Banking.
4. Reviewing the half-yearly Shariah Audit Report (July-December, 2019) of Islami Banking Branch.
5. Gave opinion on 'Islamic Banking Guideline' provided by Bangladesh Bank.
6. Approving of Mourning news of Late M. Azizul Huq, former Chairman of AB Bank Shariah Supervisory Committee.
7. Reconstitute of Shariah Supervisory Committee.
8. Commencement of litigation process against the Bad & Loss (BL) client resulting which Honorable High Court passed a verdict in favor of the Bank.
9. Bangladesh Securities and Exchange Commission expressed its willingness to participate the suit as a party in favor of AB Bank.

The Supervisory Committee after reviewing the Shariah Inspection Reports, Balance Sheet and Profit & Loss Account Statement (as on the 31" December, 2019) of Islamic banking operation of the Bank for the year 2019 gave the following opinion:

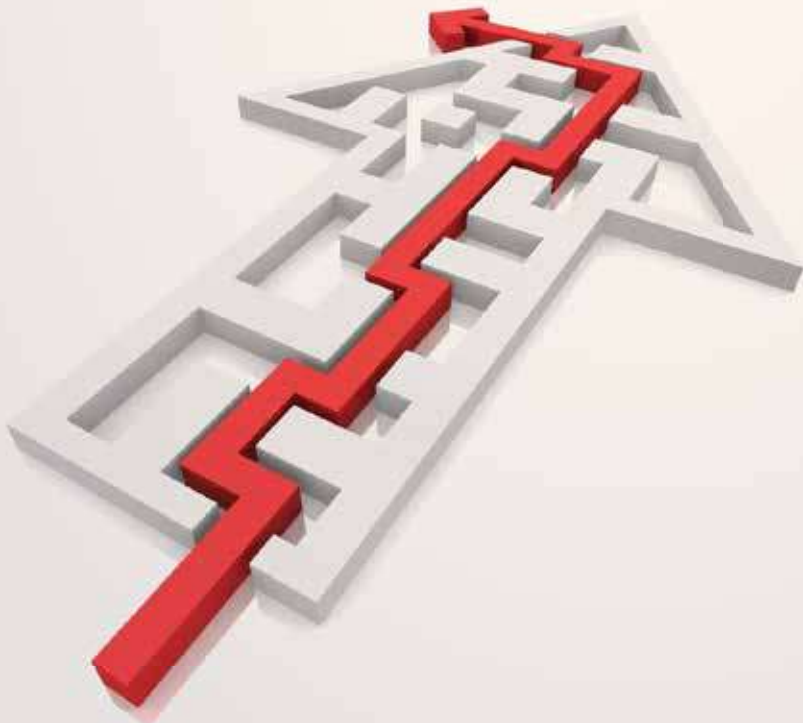
1. In Bai Murabaha /Muajjal mode, buying and selling are being done by ensuring physical/ constructive possession of the goods.
2. The agreements for investment and transactions entered into by Islami Banking Branch during the period concerned have been made in accordance with the Principles of Islamic Shariah.
3. Profit distributed to Mudaraba Depositors has been made following the weightage system. (PSR).
4. The officials of Islami Banking Branch are committed to comply with the Shariah directives.
5. In 2020, Compensation Realized Fund being used for educational purpose and towards upholding the necessities of human mankind. To the best of our knowledge no gross violation and lapses in the Islamic banking operations of the Branch 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.



Justice Siddiqur Rahman Miah

Chairman, AB Bank Shariah Supervisory Committee

ECONOMIC IMPACT REPORT



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.

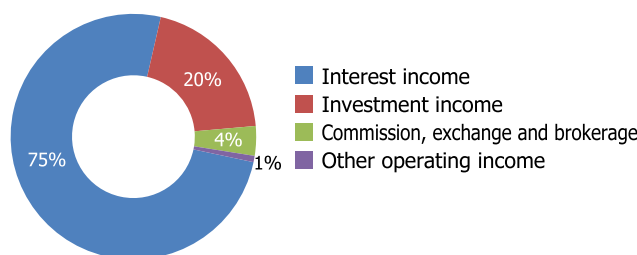
Bank as an institution is woven in to the socio-economic fabric involving numerous sector of the society which together are identified as stakeholders of a bank. Shareholders provide much needed capital depositors and investors invest money, borrowers obtain credit facility, employees put their effort 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

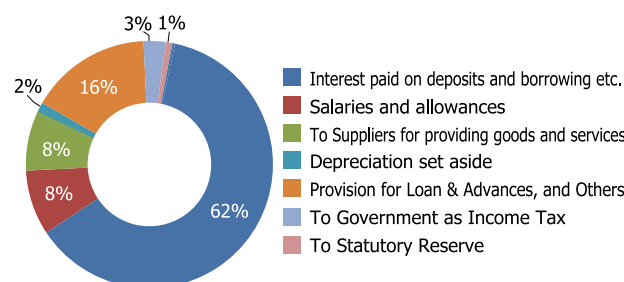
Source of Income	2020	%	2019	%
Interest income	2,429	75%	2,672	84%
Investment income	646	20%	319	10%
Commission, exchange and brokerage	126	4%	175	6%
Other operating income	27	1%	7	0.2%
Total	3,228	100%	3,173	100%

Distribution of Income	2020	%	2019	%
Interest paid on deposits and borrowing etc.	2,013	62%	1,885	59%
Salaries and allowances	274	8%	274	9%
To Suppliers for providing goods and services	243	8%	208	7%
Charges on loan losses	-	0%	111	3%
Depreciation set aside	51	2%	51	2%
Provision for Loan & Advances, and Others	514	16%	514	16%
To Government as Income Tax	93	3%	114	4%
To Statutory Reserve	28	1%	25	1%
To Retained Earnings	11	0.34%	-8	0.25%
Total	3,228	100%	3,173	100%

Income Sources



Income Distribution



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 2020, Bank's total capital reached at BDT 3,697 Crore as against BDT 3,355 Crore on 31 December 2019.

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

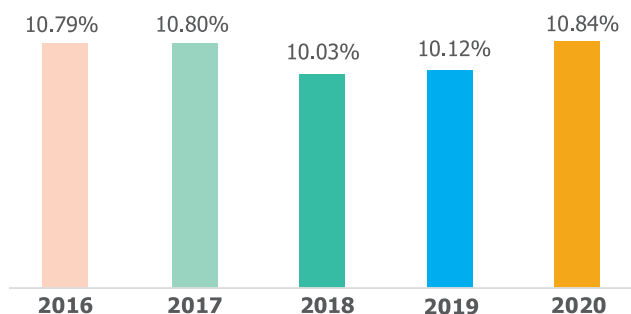
Taka in Crore

	2020	2019
Common Equity Tier-I Capital	1,957	1,871
Tier-2 Capital	1,740	1,484
Total Capital	3,697	3,355
Risk weighted assets	34,106	33,138
CRAR against		
Common Equity Tier-I Capital	5.74%	5.65%
Tier-2 Capital	5.10%	4.48%
Total Capital	10.84%	10.12%

Total Capital (BDT in crore)



Capital to Risk Weighted Assets Ratio (%)



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 2020 according to Bangladesh Bank Bangladesh Bank letter no. DBI-1/101/2021-1026 dated 20 April 2021.

D. Maintenance of Liquidity

Bank maintains liquid assets to carry out the day-to-day 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.

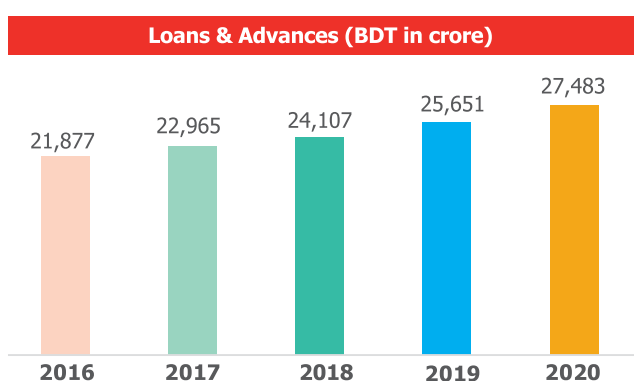
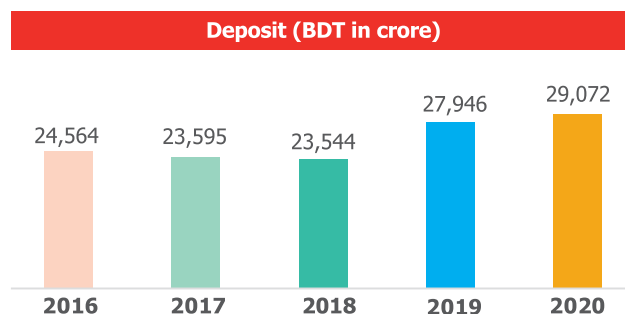
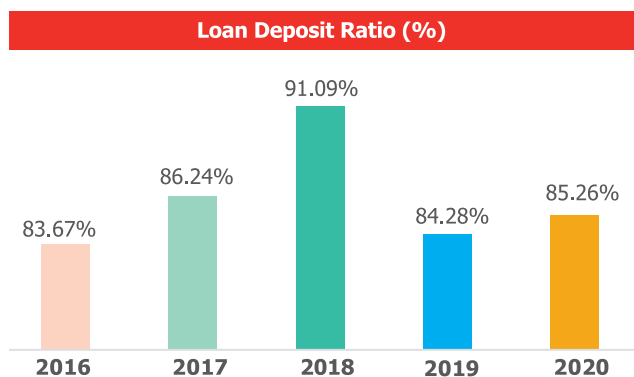
AB maintains positive mismatch in interest earning assets and interest bearing liabilities. Bank has detailed laid down plan for business inflow- outflow to manage liquidity profile and also ensure generation of profitability.

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.

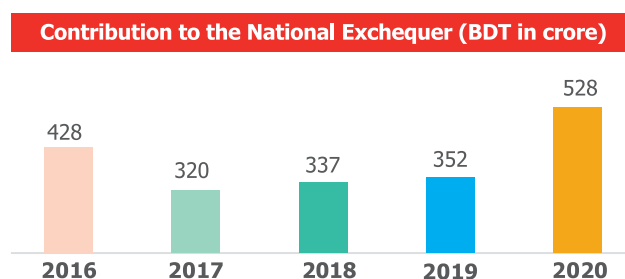
Resource allocation at competitive rate follows the productive sectors including export oriented sectors ship-breaking etc. Sectors like SME, Women Entrepreneur and Agriculture are also in the resource mobilization scheme.

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 528 crore into the national exchequer in the form of VAT, Income Tax and Excise Duty.



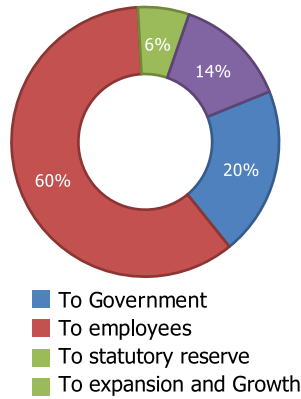
G. Value Added Statement

Value Added Statement (VAS) for the year ended 31 December 2020

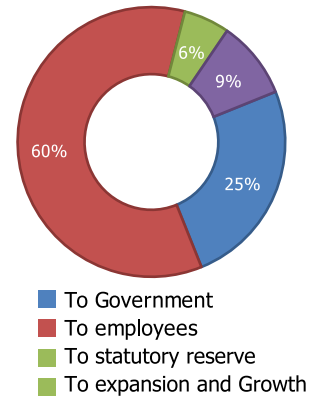
The Value Added Statement for the Bank shows how the value is created and distributed among different stakeholders of the Bank.

	In Crore BDT			
	2020		2019	
Income from Banking Services/Total Income	3,228.10		3,173.08	
Less: Cost of services & supplies :				
Interest paid on deposits and borrowings, etc	2,013.46		1,884.68	
Total operating expenses excluding salary and allowances, loan loss charges and depreciation & amortization	242.53		207.84	
	2,256.00		2,092.52	
Less: Provision for loans & advances and others	514.49		624.77	
Total value added	457.61		455.79	
Distribution of added value				
To Government	93.07	20%	114.14	25%
To employees	274.08	60%	273.85	60%
To statutory reserve	28.18	6%	25.11	6%
To expansion and Growth	62.29	14%	42.69	9%
Retained earning	10.97		-8.33	
Depreciation & amortization	51.32		51.02	
	457.61		455.79	

Distribution of Value Addition 2020



Distribution of Value Addition 2019



H. Economic Value Added Statement

EVA Statement for the year ended 31 December 2020

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.

In Crore BDT

Shareholder's equity

Add: Cumulative provisions

Total Invested fund by shareholders

Average Shareholder's equity [A]

Earnings for the year

Profit after taxation

Add: Total provisions excluding taxation

Earnings for the year [B]

Average Cost of Equity (based on highest rate of Shanchay Patra issued by the Government of Bangladesh) plus 2% risk premium [C]

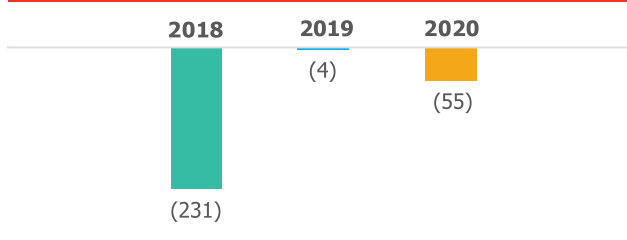
Cost of average equity [D=A X C]

Economic Value Added [B-D]

Growth over last year

	2020	2019	2018
Shareholder's equity	2,449	2,284	2,265
Add: Cumulative provisions	2,253	1,854	1,366
Total Invested fund by shareholders	4,702	4,138	3,631
Average Shareholder's equity [A]	4,420	3,884	3,524
Earnings for the year			
Profit after taxation	39	17	2
Add: Total provisions excluding taxation	514	514	252
Earnings for the year [B]	554	531	254
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]	608	534	485
Economic Value Added [B-D]	-54.5	-3.6	-231.2
Growth over last year	-1,397%	98%	2,802%

Economic Value Added (In Crore BDT)



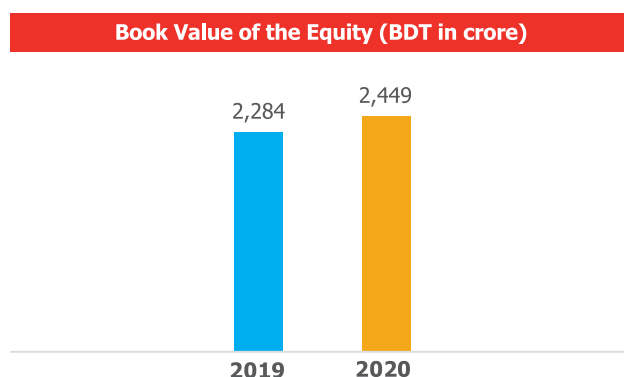
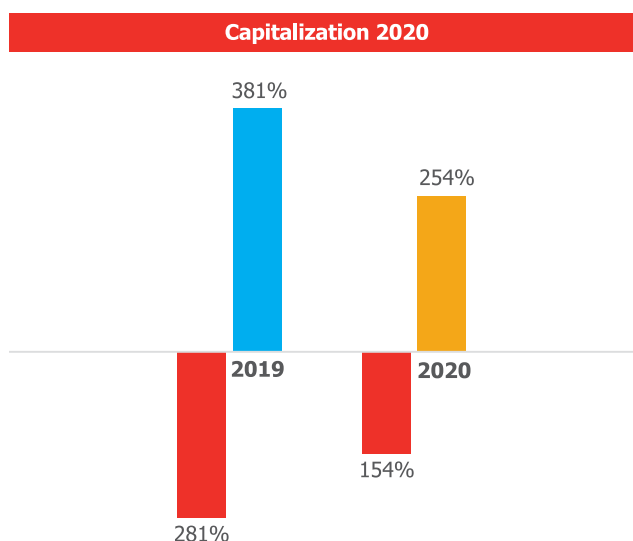
H. Market Value Added (MVA)

EVA Statement for the year ended 31 December 2020

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 963 crore whereas the book value of the Shareholder's Equity stood at Taka 2,449 crore, resulting in a negative Market Value of Taka 1,485 crore as on 31 December 2020. The calculation of Market Value is given below:

	In Crore BDT	
	2020	2019
Total market value of the equity	963	599
Less: Total book value of the equity	2,449	2,284
Market Value Added	-1,485	-1,685



RISK MANAGEMENT REPORT



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.

Risks Areas in Banking

Risks in Banking Sector	
Core Risk Areas	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 Turnover Risk
	7. Environmental and climate change risk

Risk Culture in AB Bank

A sound and consistent risk culture throughout the Bank, is one of the key elements of effective risk management. 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. Risk culture and its impact on effective risk management is a major concern for the Board and Senior Management of AB Bank Limited. 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.

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.

Risk Appetite Framework

AB Bank has its yearly 'Risk Appetite Statement' statement, which is duly approved by the Board of Directors and also submitted to Bangladesh Bank on a regular basis. Risk Appetite framework plays a core instrumental role for better alignment of overall corporate strategy, risk mitigation and capital allocation. It also plays an important role in cascading the Risk Strategy down through the institution. 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 Board approved Risk Appetite statement for the year-2020.

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.

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), Executive Committee 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 Internal Control & Compliance Division (ICCD) 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
- 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

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 obtained 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 1 and Tier 2 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.

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:

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

Latest Stress Testing Report based on December 31, 2020 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 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 (Amendment up to 2018) Act, 1991.


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.

Risk Management Division

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.

Conclusion

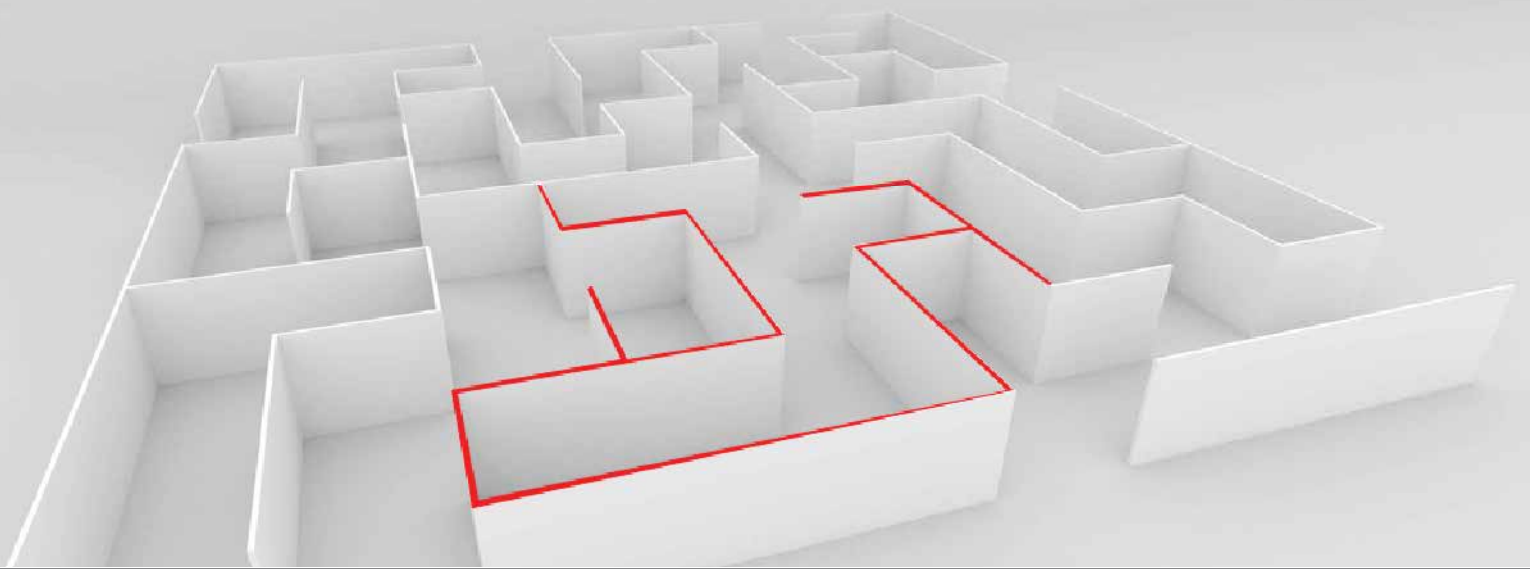
This is an era of change, thus era of Risk Management. With the constant change of macro factors in the economics, along with the change of technology and trends in international business, risks in Banking area are ever changing all the time. Thus to stay safe and to succeed in Banking operation, Risk 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 39 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.



Sajjad Hussain
AMD & Chief Risk Officer



DIRECTORS' REPORT



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 Bank Limited, the first Private Sector Bank of the country, welcomes you all to the 39th Annual General Meeting (AGM) of the Bank and presents before you the Annual Report and the Audited Financial Statements for the year 2020.

Dear Shareholders,

The Board of Directors of AB Bank Limited is pleased to present before you the Directors' Report for the year ended December 31, 2020.

This Report summarizes the global and local macroeconomic trends, projections, outlook, and presents AB Bank's business highlights, retail product lines and key financial indicators of the year ended 2020.

Global Economy

During the first part of 2020, the global economy was hard-hit by the first wave of the COVID-19 pandemic. Just when the global economy was showing signs of recovery in the latter part of 2020, the second wave, propelled by new variants of the virus, swept across many parts of the world partially offsetting the positive effects of vaccine optimism.

According to IMF estimates, the global economy contracted by 3.3 percent in 2020. However, the global output is expected to recover with projected growth rates of 6 percent and 4.4 percent in 2021 and 2022 respectively.

Bangladesh Economy

Although the economy of Bangladesh has shown exceptional resilience during the pandemic, it has not been entirely immune to the adverse effects of the global contraction. In the face of the second wave, ADB recently revised down their original forecast of 6.8 percent growth rate of real GDP for the fiscal year (FY) 2020-21 to 5.6 percent. The growth of exports has dipped recently in November 2020 after a promising rise between the immediate past April and June. The adverse effect of the second wave on the business sector of Bangladesh is evident in the 16.7 percent decline in the import of capital goods and 29.2 percent decline in the import of capital machinery. Net FDI inflow also registered a negative growth of 22 percent during the July-December period of FY 2020-21.

Banking Sector

The banking sector of Bangladesh will undoubtedly play a key role in the recovery process, especially since a

major portion of the stimulus packages in Bangladesh is in the form of liquidity support through the commercial banks.

Bangladesh Bank has taken special measures to ensure adequate liquidity in the financial market. In April 2020, overnight REPO rates were lowered from 6 percent to 5.25 percent and the daily Cash Reserve Ratio (CRR) was lowered to 4.5 percent.

Excess liquidity in the banking sector has nearly doubled from BDT 103 thousand crore in January 2020 to BDT 205 thousand crore in December 2020. The excess liquidity is likely to stimulate investment on the one hand and result in lower yield on savings on the other, both on account of lowering of interest rates. In addition, banks may attempt to manage the excess liquidity through aggressive lending in risk-prone areas leading to higher volume of NPLs, creation of asset bubbles and higher inflation.

Inflation

The beginning of FY 2020-21 witnessed an inflation rate of 5.64 per cent which later peaked at 5.77 per cent in October 2020. It returned to the initial level of 5.64 percent by January 2021. This is consistent with Asian Development Bank's forecast of 5.8 percent inflation rate for the FY 2020-21. Although food inflation has been on the rise recently, non-food inflation is on the decrease with the exception of medical care and health expenses, which rose from 7.47 percent in July 2020 to 8.72 percent in January 2021.

Export and Import

Even though the economic growth of Bangladesh has been exceptional of late, it has lagged behind economies like Cambodia and Vietnam mainly because of the country's excessive reliance on Ready-made Garments (RMG) sector to stimulate export growth; evidence of this argument is found in the recent stagnation and subsequent slump in export growth. During the July-January period of FY 2020-21, total export earnings decreased by 1.1 percent. In this regard, although export of knitwear posted a positive growth of 3.8 percent, performance of woven-wear and that of leather/leather goods declined by 10.9 percent and 10.6 percent respectively.

Imports payments during the first six months of FY 2021 fell by 6.8 percent faster than that of the export earnings causing the trade deficit to narrow. In particular, import of intermediate goods declined by 8.8 percent, import of capital goods declined by 16.7 percent and import of capital machinery declined by 29.2 percent. However, import payments against food grain imports rose by 50.4 percent against a back-drop of plunging food stocks.

Remittance

Saudi Arabia, USA and UAE were the top three sources of remittance inflow during July-December 2020. Compared to July-December 2019, the workers remittance inflow

increased by 37.6 percent during July-December 2020. Due to the exceptional remittance inflow, Current Account balance was at a surplus of USD 4.3 billion as of December 2020. The robust remittance inflow has also led to an increase in the net foreign assets of commercial banks and overall rise of foreign exchange reserves.

Bangladesh's growth of remittance inflow has been significantly greater than India, Philippines, Sri Lanka and marginally greater than that of Pakistan.

BUSINESS OVERVIEW 2020

Corporate Banking

Traditionally, it is the Corporate Clientele that still constitute the main-frame of AB Bank's Loan Portfolio. The Bank, since its inception, has been providing a broad spectrum of products and services and offering Corporate Banking Solutions to the Country's ever-growing Corporate Sector.

With expertise, innovation and customization, the Bank simplifies the complexities of the financial world for the clients and helps them attain their desired objectives. The prime focus is on building and maintaining long-term mutually beneficial relationship with the clients, and become a proud partner in the respective Business areas 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's innovative and insightful support has transformed a good number of Corporate Customers who, with the passage of time, have developed 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 package 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.

2020 has been a very challenging year for the country on account of the pandemic – COVID 19. As with all other business segments, Corporate Customers were also subjected to promote and hardships of the Bank. However, it was the timely steps by Government and Bangladesh Bank manifested incentive package that helped the customers and our continuing to help the Customers the difficult time in the form of sanction of various stimulus and other incentive taken by the Government and Bangladesh Bank that helped customers to sustain the difficulties of the pandemic.

Business Highlight in 2020

Exposure in the Corporate Banking Segment accounted for BDT 23,712 Crore or 86.28% of the Banks total loan portfolio as at December 31, 2020. Exposure is largely concentrated in the following 03 (three) Sectors: a) Textile and RMG-18%, b) Steel Manufacturing Industry-12%, c) Medical Education and Health Service-5%. This amply demonstrates the Bank's involvement in such sectors which are key to our economy. The Bank continues to have long standing relationships with Country's prime names in the Corporate Sector.

Retail Banking

AB Retail Banking Department completely reinvented itself in the year 2020. With launch of market leading products along with intense focus on performance of all sales channels, AB Retail has rewritten every sales record of AB in 2020. Maintaining the pace off continuous campaigns and innovations in products, AB Retail is moving steadfastly to establish itself as one of the top retail focused banks of Bangladesh. Even during a global pandemic, AB Retail has launched new products to specifically suit the customer needs, implemented a state of the art Contact Center to allow customers to connect with the bank without leaving home and took the products to the customers' door step through a dedicated sales team which resulted in overall positive growth. With endeavors in new business areas like "Acquiring", AB Retail is committed to progress at rapid pace through speed, innovation and diversification.

Products Launched in 2020:

'AB নিশ্চিন্ত': AB Nishchinto is a unique product in the banking industry under which the customers enjoys life insurance coverage up to BDT 80 lac from MetLife without paying any premium. The Bank bears the premium cost on behalf of customers. AB Nishchinto customers receive insurance coverage from MetLife.

'AB জন্মভূমি': A Cash Incentive of 1% is offered by AB Bank to ensure an additional income for Non-resident Bangladeshis (NRBs) in addition to Government provided 2% Cash Incentive on inward remittances (2% Bangladesh Govt. +1% AB Bank = Total 3% Cash Incentive). NRBs receive this additional income by remitting their hard earned money from any part of the world directly to his/her own or his/her Nominees Account with AB Bank.

The following Accounts have been particularly developed for expatriate Bangladeshis to suit their convenience:

- AB Jonmobhumi Savings Account
- AB Jonmobhumi MSDS Account (Monthly Savings Deposit Scheme)
- AB Jonmobhumi FD Account (Fixed Deposit Account)

"AB HEIGHT": It is a transactional deposit account with associated credit card facility and further attractive features aligning with the needs of middle and upper middle class population segment. Minimum amount required to open an Account is BDT 100,000 which can only be withdrawn at the time of Account closure.

AB stands for AB Bank Limited

H stands for Honor

E stands for Education

I stands for Insurance

G stands for Goods

H stands for Health

T stands for Travel & Trust

Retail Deposit Portfolio of the Bank as of 31st December 2020 (excluding Islamic Banking):

SL	Product / Portfolio	BDT in Crore
1.	Total Retail FD + Scheme	10,922.00
2.	Total Savings Deposits	3,478.02
	Savings	2,650.64
	AB Height	254.89
	MaxSaver	309.70
	Shampurna	262.79
3.	Other Retail Current Account	131.20
4.	Retail Deposit source by Agent Banking	83.65
	Total Retail Deposits	14,614.87

On the Assets side, exposure in Retail Banking was BDT 525.12 crore at year ending 2020, which was 1.91% of total Loan Portfolios.

AB Agent Banking

Background

Agent Banking is defined as the banking services provided (outside of regular bank branches) by engaging Agents under a valid agreement between the Bank and the selected Agent. The Agent is the owner of an outlet who conducts banking transactions on behalf of a Bank. It was introduced by Bangladesh Bank (BB) in 2013. The aim is to provide financial services to the vastly unbanked segment of the population, especially those from the geographically dispersed locations. This concept of alternative

method to provide banking services is increasingly becoming an important distribution channel to reach the unbanked population of the society in addition to the existing customer base. Over the years, Agent Banking has gained popularity and proved to be very effective for developing countries.



Our Beginning

AB Agent Banking started its operation from 17th January 2018. Since its inception, the goal has been to bring the unbanked population within the fold of financial inclusion and create opportunities for entrepreneurship. The customers of Agent Banking Outlets are able to avail all basic banking services at all the Agent Outlets as well as at all the AB Bank Branches across the country. AB Bank is committed to promote Agent Banking so that the true spirit of Digital Bangladesh can be well supported by bringing the unbanked population of the nation under this unique banking platform.

Our Journey



Current Services

A/C Opening	Cash Deposit	Cash Withdrawal	Mini Bank Statement	Fund Transfer	IFR Disbursement
Debit Card & Cheque	Internet Banking	Payroll Management	RTGS	Loan	Utility Bill

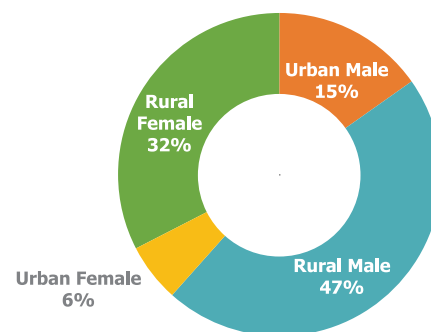
Transformation

Year 2021 has been declared as the year of transformation for AB Agent Banking. After successful completion of 3 years, AB Agent Banking is now set to expand its operation across all the Districts of the country in full swing. Total Agent Outlets have already increased to 110 which is a 48% growth in 4 months ending April 30, 2021; Total Deposit crossed BDT 100 crore for the first time and reached BDT 142 crore which is 60% increase during the same period. Current demography of the Agent Outlets covers 55% of the Districts across the country with a vision to cover more than 90% of the Districts by end 2021.

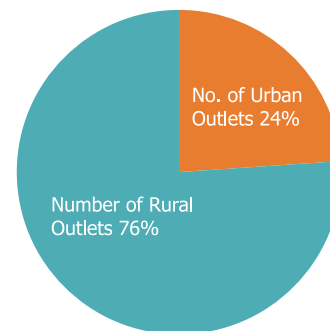
Current Business

Components	Mar, 20	Jun, 20	Sep, 20	Dec, 20	Mar, 21
Number of Accounts	18,241	18,964	21,091	23,749	26,131
Deposit Value (In Crore)	60.49	66.29	80.60	87.95	142.71

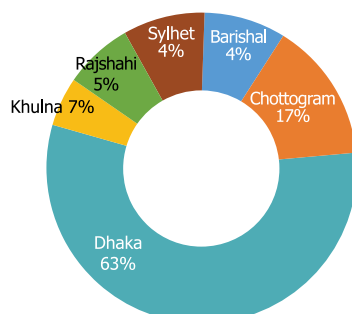
Percentage of Account



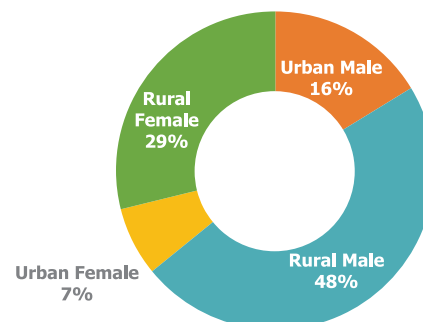
Urban and Rural Segregation of Outlets



Deposit by Division



Percentage of Deposit



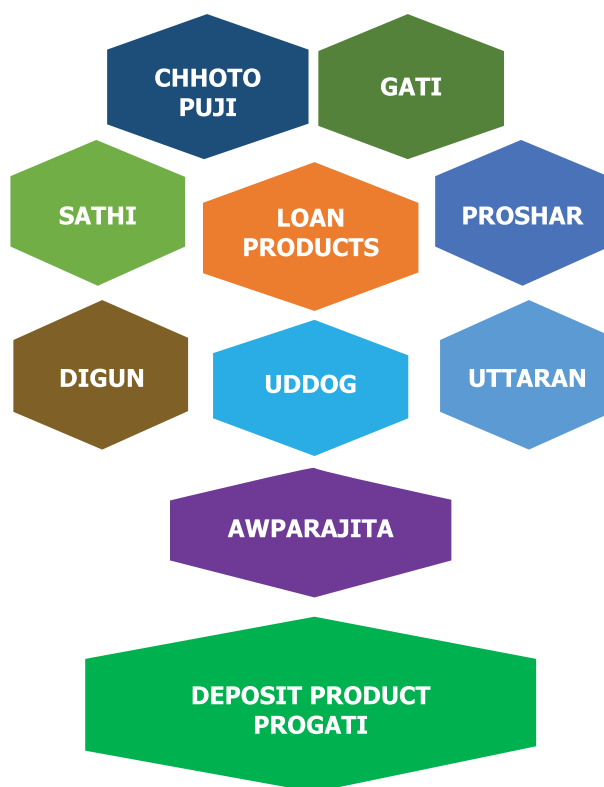
SME Banking

SME's played a vital role in helping our country graduates from being among the Least Developed Countries into being bracketed as a Developing Country. SME financing uplifts our economy in a sustainable form through diversified portfolio, financial inclusion and employment generation. AB has strengthened its SME Banking operation to effectively accommodate the financial needs of clientele in this thrust sector.

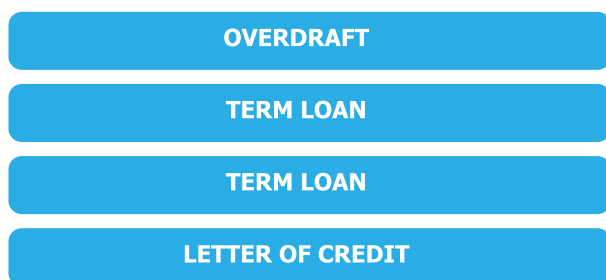
ABBL, SME Division performs the pivotal role for all SME related issues, programs, projects and is also responsible for providing best financial solutions to SME Customers of the Bank. AB is very much committed to SME Banking complying with the appropriate policy guidelines and offering customized products to its Customers thereby contributing to the growth of SME Business in the country.

Since its inception, AB Bank has been encouraging Small endeavors through providing necessary financial support. AB set examples in the field of entrepreneur creation. AB can feel rightly proud with the fact that a number of entrepreneurs who started its journey with AB's support in a small way have, over the years of nourishment, flourished into reputed large business entities.

As at year end 2020, the Banks exposure in SME Banking stand at BDT 2,916.44 crore, which was 10.61% of the Bank's total Loan Portfolios, Signifying the importance that Bank attach to this business segment.

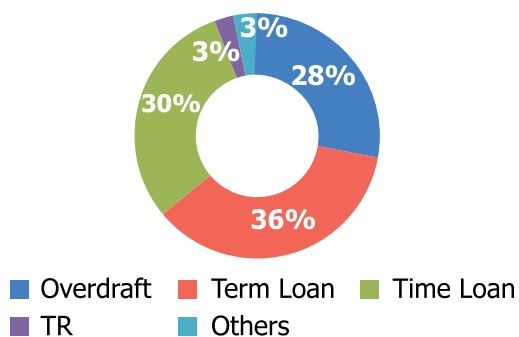


SME Products and Facilities

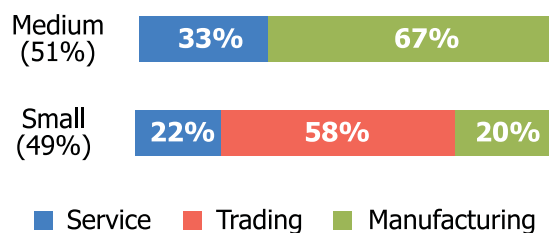


SME Portfolio Mix

SME Portfolio Segmentation



SME Portfolio

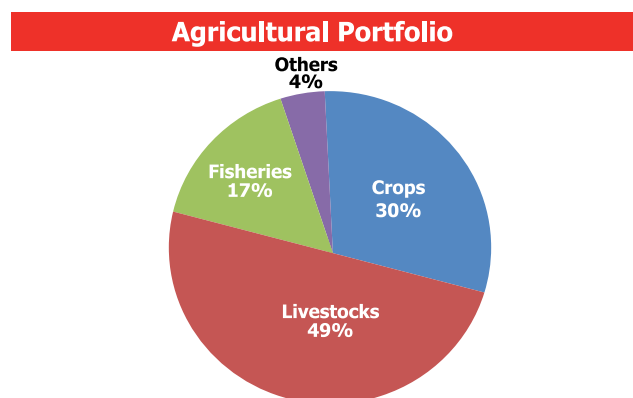
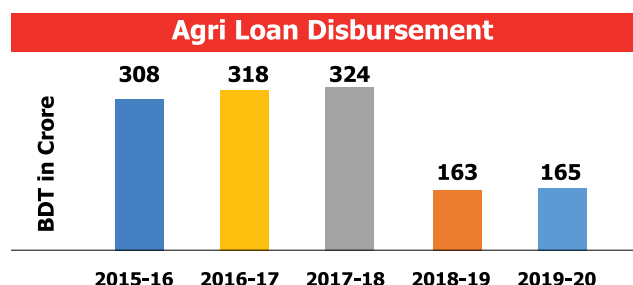




Agricultural & Rural Credit

AB places strong emphasis on financing of the Agricultural Sector, particularly in the area of Crop Cultivation, through its own countrywide branch network as well as through renowned NGO/MFI linkages having strong network at grassroot levels.

Advances Agricultural & Rural Credit as at end 2020, amounted to BDT 329.41 crore, which was 1.20% of the Banks total Loan Portfolio.



AB Bank Alternate Delivery Channel

AB Bank Limited is a strong brand in the banking arena with a country wide network of ATMs located in 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 takes pride in introducing International Debit Cards (under the VISA network) - a first of its kind in Bangladesh. Such cardholders are facilitated to tag their Savings Account balance for meeting expenses abroad (endorsement rules apply). This brings into convenience of using one's own Account Balance during foreign travel without resorting to applying for separate Credit Cards. The product has since become immensely popular, and few other banks of Bangladesh have followed suit.

Debit Cards

A Debit Card which can be used at all AB Bank ATMs without any fee. However, subject to a nominal fee, Debit Card is also accepted at all ATMs under National Payment Switch of Bangladesh (NPSB) network across the country. AB Bank Debit Cardholders can also use their Cards at all Visa labeled POS terminals around the country for purchasing goods and services. Moreover, the Customers can also use this card to withdraw up to BDT 300,000 from Branches using Branch POS terminals.



Automated Teller Machines (ATMs)

AB Bank has the fourth largest ATM network with 254 ATMs placed across the country. Usage of AB Bank ATMs are seen to be on the rise for availing cash withdrawal and other banking services. Notably, the Bank's ATM Booths are largely frequented to avail such facilities as Collection of DESCO Bills, Online and Mobile Top-up(AB Bank Visa Debit Cards are used for the purpose).

Services available at the ATM Booths are:

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

AB Bank has also joined the National Payment Switch of Bangladesh (NPSB) which is operated by Bangladesh Bank. Through this arrangement, any Member Banks' Cardholder can withdraw cash from AB Bank's ATMs similarly, AB Bank's Cardholders can also withdraw cash from other NPSB Member Banks' ATMs. Nearly 3.87 million transactions were made through AB Bank ATMs in 2020. Interestingly, other Banks' Cardholders use AB Bank's ATMs more due to maximum availability and consistent uptime.

AB Bank is also ready with MFS integration via NPSB and will be able to serve its Customers as soon as this facility is launched by the Bangladesh Bank.

Credit Cards

AB Bank, in partnership with MasterCard, launched the World MasterCard Line of Credit Cards in 2014. The World MasterCard 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 facilitates Banking on the Mobile 24 hours a day. All that SMS Banking Customer needs to do is to send a Text message to AB Bank Short Code (16207) to avail their desired service.

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 offers 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 the 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

In execution of the 2nd phase of AB Direct initiative, AB Bank 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, Payment, Utility Bills etc.

This version has a strong multi-layer authentication workflow for payments along 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 offering technology-based Retail Banking products. This service

was introduced primarily to facilitate AB Bank Visa Debit Cardholders enabling higher cash withdrawals through POS terminals in any AB Bank Branch.

Utility Payments

AB Bank is also managed to collect Utility bills of the undernoted customers via its Branches and SMS Banking and Internet Banking Channel:

- Dhaka Water Supply and Sewerage Authority (DHAKA WASA)
- Dhaka Electric Supply Company Limited (DESCO)
- Dhaka Power Distribution Company Limited (DPDC)
- Bangladesh Telecommunications Company Limited (BTCL)
- Titas Gas Transmission and Distribution Company Limited (TITAS GAS)
- Chattogram Water Supply and Sewerage Authority (CTG WASA)

AB Bank customers are also able to pay these Utility Bills through Internet Banking and SMS Banking avenues.

Call Center

The Call Center, accessed through the short code 16207, was set up by IT & eBiz Division and is currently serving a significant number of ABL customers by way of responding to all 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, Branch locations etc. 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)

AB Bank IT Division is relentlessly working to expand the horizon of AB through rolling out initiatives, up-gradations, system consolidations among others and providing a platform for facilitating best possible customer service along with enablement for execution of strategic business needs. All the ADC-related services, entire AB network infrastructure, cyber-security, core and ancillary systems are powered by IT.

The rapidly evolving banking needs have also led AB Bank to give increased focus on information technology dependent products and solutions by adapting to state of the art technology platform. This is ever so important with the COVID-19 backdrop where physical movement and interactions are greatly reduced and customers appreciate services that can be provided at the comfort of their safety zone.

Major IT activities in 2020 were:

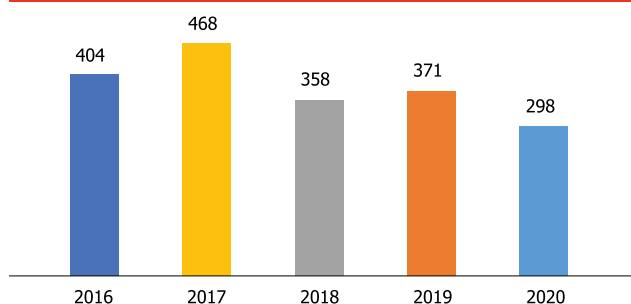
- Continuation of core banking transformation project
- Rollout of FB Teller solution gradually replacing the outdated teller software EBA
- Complete customization in FB Teller for better branch operations
- Support Mumbai CBS upgradation project
- Develop a dispute management and tracking system to improve eBiz customer service
- Implement two levels of Next Generation Firewalls (from two different top-tier OEMs) to ensure increased security
- Set up network infrastructure of new HO at SkyMark, Gulshan
- Implementation of SIEM (Security Information and Event Management)
- Complete development of AB Trade Portal (planned to go live in 2021)
- Successful launching of RemitBook – facilitating faster inward foreign remittance and integration with Exchange Houses as well as Buro Bangladesh

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 providing one-stop services to NRB's and Foreign Investors interested to invest in Capital Market in Bangladesh. IBD also plays a monitoring and supervisory role to oversee the performance of AB Investment Limited and AB Securities Limited. AB's last five years portfolio investments (Quoted shares) are shown below:



Portfolio investment in IBD (BDT in crore)



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 2020, the "AB Bank 1st Mutual Fund" has reported Net Asset Value (NAV) of BDT 10.96 per unit on the basis of current market price and BDT11.76 per unit on the basis of cost price against face value of BDT 10.00. The total Net Assets of the Fund stood at BDT 2,621 million on the basis of market price and BDT 2,812 million on the basis of cost price after considering all assets and liabilities of the Fund.

AML & CFT Compliance Division (ACCD)

One of the most important area requiring constant surveillance of financial institutions today is the area concerning Anti-Money Laundering and Combating Financing of Terrorism. The importance of combating Money Laundering and Terrorism Finance is increasing day by day. The regulators worldwide are also taking new initiatives and implementing new laws, regulations, guidelines, etc. to counter and prevent Money Laundering and terrorism financing 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, organized crime and domestic 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 Non-resident Bangladeshis (NRB) working abroad, etc. make it a prime target for criminals to commit ML & TF related crimes. Therefore, we need to be vigilant to encounter the efforts of these criminals.

AB understands that the fight against money laundering and terrorist financing is an individual as well as a collective task. AML & CFT knowledge is essential for every officer of the Bank for maintenance of safety and ethical standards.

On June 16, 2020; BFIU issued Circular No. 26 which brings clarity and clear guidance to implement AML/CFT Program in the most effective way to strengthen a Bank's capacity to mitigate money laundering and terrorist financing risks.

AB Bank has in place the following documented Manuals and Systems/procedures to combat money laundering and terrorist financing:

- Anti money Laundering (AML) & Combating Financing of Terrorism (CFT) Policies
- Guidelines for Prevention of Trade Based Money Laundering (TBML)
- Well defined Internal Control System
- Functional Central Compliance (CC) Committee
- Staff Screening at the time of recruiting
- Arrangement of Trainings Programs for all Employees
- Customer Acceptance Policy (CAP)
- Risk Management Guidelines (RMG)
- Embargo Program & Screening Mechanism
- Prohibition of Business Relationship with Shell Banks/ Companies
- Combating Terrorist Financing (TF) & Proliferation of Financing Weapons of Mass Destruction (WMD)
- Annual Review of Correspondent Relationship
- Appropriate supervision on Agent Banking activities
- Filing of Suspicious Transactions Report/Suspicious Activity Report
- Anti-corruption & Bribery (ABC) policy
- Well defined responsibilities of Employees

Off-shore Banking Unit (OBU)

AB Bank introduced OBU operation located in EPZ Branch, CEPZ, Chattogram. Since inception OBU extended Banking facilities to a substantial number of foreign owned companies as well as Corporate resident Customers with due permission from the regulatory body. On May 31, 2016 OBU was declared as a separate branch. Subsequently, an Offshore Banking Division was created for the purpose of supervising Off-shore 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 Deposits and Advances of OBU as of 31 December 2020 was USD 156,386 and USD 72,041,892 respectively.

Department of Internal Control & Compliance (DICC)

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

- Audit & Inspection Division
- Compliance Division and
- Monitoring Division

Audit & Inspection Division conducts Risk-Based Audit and Annual Comprehensive Audit of the Branches and Departments/Divisions/Units of Head Office including Concurrent Audit on FIT Division. Special Audit of some specific issues (e.g. year-end Branches' Cash Position, Security Stock Verification etc.), Audit of Card Division and AML & CFT issues are also conducted by the Division. It also carries out investigative functions as and when warranted. The Division also summarizes the major audit findings of the Internal Audit & Inspection Teams during the course of audit and inspection and presents these before the Board Audit Committee periodically for their perusal. It also prepares the Annual Integrated Health Report of the Bank and submits the same to Bangladesh Bank after taking the approval from the Board of Directors.

Compliance Division ensures compliance of Internal, External and Bangladesh Bank (BB) Inspection Reports on Head Office, Branches and Core Risks Areas. It arranges special Board Meetings for review and discussion of the BB Comprehensive Inspection Report and maintains constant liaison with the Central Bank on compliance issues.

Monitoring Division screens operational activities of the Branches through Internal Control tools e.g. DCFL, LDCL and QOR and summarizes the findings and reports

for submission to the Board Audit Committee. It also summarizes the decisions of Board Audit Committee (BAC) Meetings quarterly and submits the same to the Board of Directors along with the status of compliance. Monitoring Division also conducts surprise visits of Branches as and when required.

In the year 2020, DICC conducted the following audit and inspections activities:

Risk-Based Audit of Branches: 96 Branches

Annual Comprehensive Audit of Branches: 96 Branches

Annual Comprehensive Audit of Div./Dept.: 14 Div./Dept

Special Inspection of AML & CFT activities: 06 Branches & 05 Agents of ABBL

Special Investigation: 09 Numbers

Special Audit: 01 Division

Surprise Visit: 15 Branches

Operations Department

General Banking Operations

General Banking Operations (GBO) is responsible to set certain standards in delivery of products and services within a regulated framework. It continuously monitors Branch activities to mitigate risks and ensures regulatory compliance and also provides necessary support all Branches as and when required.

In 2020, the Department undertook quite a few initiatives to ensure a) superior service standards, b) effective operational controls, c) improved process flows besides taking steps for combating COVID-19 related health hazards. Some of the key initiatives are listed below:

- To improve the service quality GBO implemented the AB 360° Customer Service Program (one stop service) through which customers are designed to receive all General Banking services from a 'single desk'. The novel initiative has been introduced at 11 Branches and will be gradually rolled out at all large and mid-size Branches of the Bank by 2021.
- Arranged trainings sessions on major operational processes e.g. Account Opening & Customer Service Excellence, Effective Cash Management etc; training programs were also designed for the newly formed Customer Sales & Service Officers (CSSO) and Service Settlement Officers (SSO).
- Preventive measures have been ensured at all branches as precaution against risks of fraud related to banking operations.
- Awareness build up activities continued during the year as an on-going exercise to prevent occurrence of any operational lapses.

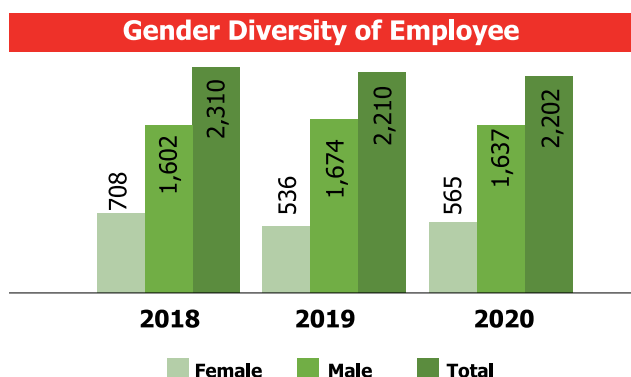
Covid-19 pandemic initiatives:

- A Central Rapid Response Team was formed at Head Office and also at each Region to respond to any emergency health related issue of any employee.
- Commenced delivering limited banking services from March 29, 2020. In line with Bangladesh Bank regulations, a limited number of branches were kept open and a list of such branches was circulated and updated on daily basis on ABBL website and Facebook page for Customers' convenience. SMS Notifications in this regard were sent to Customers. SMS were also sent to Customers advising them to make use of ATMs, Cards and Internet Banking as alternative channels to avail banking services during lockdown period.
- Arranged Cash Pick up service from our Customers' residence/office within Dhaka City.

Department of Human Resource Management & Development

AB HR ensures that the Bank's employees are equipped with the necessary competencies and commitment to serve our Customers and that, to its support, the appropriate culture and climate are in place. HR formulates strategies to develop core competencies of our employees, valuing their perceptions and enabling them to engage and contribute positively to our Bank's success.

AB Bank has created a diverse workforce which provides a secure and equal opportunity work environment for all its employees.



Human Resources Strategies

- Foster High Performance Work culture by effective Performance Management System & Job allocation delegation, constant focus on serving Customers in each and every horizon.

- Implement HR Systems and Practices.
- Create awareness of our competitive advantage, working with teams from different backgrounds as an integrated AB Family.
- Increase performance along with training and development.
- Employee Motivation through Reward and Recognition (Promotion, Increment, Incentives, etc.) on the basis of Performance, Employee Engagement Events, skill and competency development.
- Develop a work environment in which employees will choose to be motivated / contributing,
- Manpower planning through right-sizing and Assessment Strategy aligned with mission, goals, and organizational objectives and strategic plans and budgets.
- Identifying high-value talent as well as succession planning as a key element of business continuity strategy.

Financial Institutions & Treasury

The strategic function of any Treasury Division is effective management of such risks as Liquidity Risk, Interest Rate Risk and Foreign Exchange Risk. Being an integrated Treasury unit, AB Bank Treasury is engaged in managing these risks within the laid down different 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 (PD) desk. Core responsibility of Treasury operations is the maintenance of statutory requirements i.e. CRR, SLR and Liquidity Ratios. 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 Bank's risk appetite. As a Primary Dealer, AB Bank performs its responsibility as an underwriter to 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 the last couple of years with respect to contribution to Bank's bottom line.

Highlights of 2020

- Interest Income on Money Market Products stood at BDT 279.80 million in 2020 compared to BDT 457.20 million in 2019.

- Investment Income increased to BDT 5,969.50 million in 2020 from BDT 2,484.80 million in 2019.
- Income from Foreign Exchange decreased to BDT 270.00 million in 2020 compared to BDT 415.60 million in 2019.

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 centres around 334 Correspondents which covers most of the important Banks and Financial Institutions in the world. This strong platform helps expand the Bank's international trade business and provide better customer service to its Customers.

International Trade

During 2020, Import and Export business of AB Bank has experienced negative growth compared to previous year mainly due to COVID-19 related disruptions.

Import Business has decreased by 31.07% to BDT 3,265 crore in 2020 from BDT 4,737 crore in 2019. Items of Import were mainly industrial raw materials, food items, chemicals, medicines, textiles, capital machinery etc.

Export Business has also experienced a negative growth 15.08% in the year 2020 compared to the previous year. Total Export was BDT 4,680 crore in 2020 as against BDT 5,511 crore in 2019. Items of Export were mainly frozen fish, readymade garments, knitwear and other indigenous products.

FI Marketing

FI Marketing Team facilitates trade business activities originating with different Banks in Bangladesh. FI Marketing Team procures foreign trade related business i.e. Reimbursement Authorities/Payment Instructions, Advising of Documentary Credits and Adding Confirmation to L/Cs of different Banks in Bangladesh on behalf of ABIFL, Hong Kong and AB Mumbai Branch. During the year 2020, our FI Marketing Team collected a good number of Reimbursement Authorities/Payment Instructions and provided support towards to our Mumbai Branch, India and ABIFL, Hongkong enable them to Advise a significant number of L/Cs from different Commercial Banks in Bangladesh.

Remittance Initiatives

AB has introduced a state-of-the-art API enabled remittance software to Augment the Bank's remittance operation. AB has strengthened its existing remittance

relationship with various exchange houses. AB is maintaining its focus on preserving its high standard of 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 Bank continues to remain as a major source of its foreign currency. Bank is also trying to broaden its base through solicitation of indigenous export clients. Total remittance at the end of the year 2020 was USD 215 million compared to USD 270 million in 2019.

Overseas Operations

Mumbai Branch

Since its inception AB Bank Mumbai Branch, has remained engaged in handling of Letters of Credit and documents of export from India to Bangladesh in addition to Retail Banking activities. The Branch also provides Advising, Confirmation, Negotiation and Bill Discounting facilities to its Customers.

At present, our Mumbai Branch is maintaining VOSTRO accounts of 44 Bangladeshi Banks. Mumbai Branch's Operating Profit for the year-end of 2020 was INR 21.33 Million.

Highlights of Mumbai Branch Business

INR in Million

Particulars	2020	2019	2018
Total Assets	2,914.70	2,576.59	2,548.48
Total Loans and Advances	468.00	566.93	750.24
Total Deposits	1,827.52	1,451.26	1,437.48
CRAR – Overall	36.65%	36.51%	33.05%
CRAR – Tier 1	36.25%	36.30%	32.76%
CRAR – Tier 2	0.40%	0.21%	0.28%
Fee based income to Total income	82.24%	82.73%	82.99%
Return on Total Assets	1.50%	3.60%	3.86%

Operating results of Mumbai Branch

INR in Million

Particulars	2020	2019	2018
Operating Profit	21.33	159.28	178.3
Profit after Tax (PAT)	41.14*	92.15	87.65
Return on Assets (%)	1.50	3.60	3.86
Return on Equity (%)	4.15	9.59	9.30

*Reversal of excess tax provision of INR 19.41 million.

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 segment with clearly defined tools for risk management in line with exposure, purpose, type, industry etc. A uniform Credit processing matrix is in place which has been disseminated to the Branch level. 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 safeguards the total asset book of the Bank. This department is focused in complying with all post-approval credit processes relating to Corporate SME and Retail loans which includes documentation, monitoring transactions and reporting. In carrying out its responsibilities it keeps continuous liaison with Business, Risk Management and senior Branch Managers and of course with the Senior Management and the Board.

The Division helps the bank to manage the level of credit risk exposure by segregating its functions under three broad heads - Credit Administration, Monitoring and handling of classified loans. 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.

Department of Accounts & Finance (A&F)

Department of Accounts & Finance works towards achieving high standards befitting 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 Responsibility (CSR)

AB believes that Corporate Social Responsibility (CSR) is the first and foremost means to contribute to the society for improving the quality of lives of people, particularly for that who are underprivileged and less fortunate in terms of basic needs such as food, health, education etc. 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. 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 responded to the crying needs of the society and to stood beside the affected ones in times of national crisis.

In 2020, the Bank contributed BDT 17.01 crore as a part of its Corporate Social Responsibility.

Risk Management Division (RMD)

Risk Management acts as one of the main operational activities in every sphere of operations for any bank. It is the fundamental to any bank that it should ensure its profitability and soundness. It also serves as an essential auxiliary tool to board strategic plans towards achieving bank's overall objectives. AB Bank recognizes the need for risk management to facilitate strategic and operational planning. In accordance with the spirit of Bangladesh Bank guidelines, Risk Management Division (RMD) is equipped with adequate resources and infrastructure. The principal objective of this Department is to protect the organization from unexpected losses caused by unfavorable downgrade in financial areas and reputational issues through early flag raising, 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 of 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 Trigger (MAT), Comprehensive Risk Rating (CRR) with a view to enhancing the level of understanding on risk management, its importance and its application.

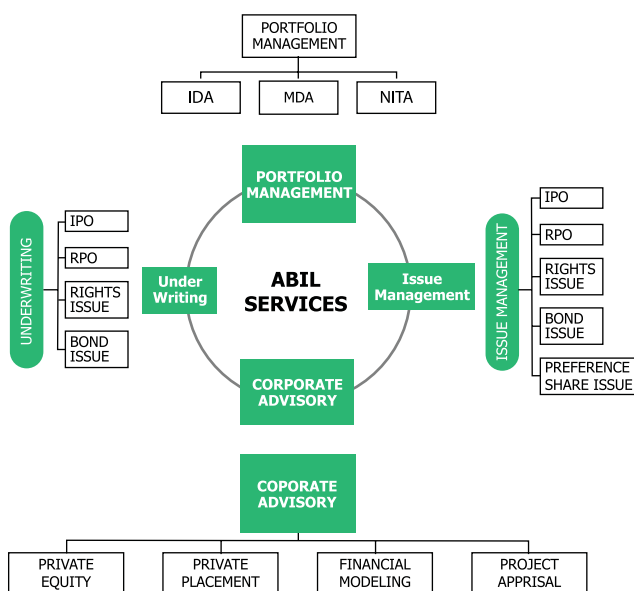
AB Subsidiaries

AB International Finance Limited (ABIFL), Hong Kong, a wholly owned subsidiary of AB Bank Limited started its operation in 1995. ABIFL is primarily engaged in Advising, Adding Confirmation to Documentary Credits, Negotiating and Discounting of Bills under Letters of Credit etc. ABIFL's performance in 2020 is presented below:

Particulars	2020	2019	2018
Profit after Tax (PAT)-HKD Million	6.84	10.18	9.57
Return on Assets (%)	6.38	9.82	10.22
Return on Equity (%)	38.81	53.56	53.72
Earnings per Share-HKD	68.45	101.76	95.69

AB Investment Limited

AB Investment Limited (ABIL), a wholly owned subsidiary company of AB Bank Limited, was incorporated on 24th December 2009 and it started its operation on 10th March, 2010. ABIL provides the following services:



The number of clients of AB Investment Limited is 2,326 and it comprises of Local Individual & Institutional clients along with NRBs and Foreign Individuals. ABIL has 7(seven) panel brokers to conduct trading on behalf its clients and also to manage its own portfolio. Total portfolio of ABIL was more than Tk. 6.35 billion in 2020 which is 0.14% of total market capitalization. Currently, ABIL operates from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet.

Performance of ABIL

Particulars	2020	2019	2018
Number of Clients (in number)	2,326	2,349	2,388
Margin Loan provided to Clients (BDT in million)	6,957	6,752	6,781
Operating Income (BDT in million)	175	57	308
Operating Profit (BDT in million)	100	9	264
Net Profit (BDT in million)	(4)	(58)	17
Earnings Per Share (BDT)	(0.006)	(0.089)	0.027

*Restated EPS

AB Securities Limited (ABSL)

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

The number of clients of ABSL is 3,117 and it comprises of Local Individual & Institutional clients 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 2020, total turnover of ABSL was approximately BDT 46.29 billion.

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	2020	2019	2018
Number of Clients	3,117	2,942	3,385
Margin Loan provided to Clients (BDT in mn)	919	931	882
Operating Income (BDT in mn)	130	28	125
Operating Profit (BDT in mn)	70	(20)	80
Earnings Per Share-EPS (BDT)	0.16	0.01	0.15
Total Turnover-Trade (BDT in bn)	46	18	20

Cashlink Bangladesh Limited (CBL)

CBL is a subsidiary of AB Bank Limited. CBL was 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 clients.

Performance of Cashlink

BDT in lac

Particulars	2020	2019	2018
Total Operating Income	40.31	135.55	36.89
Total Operating Expense	4.19	4.53	5.08
Profit After Tax	24.38	127.37	31.82
Total Shareholder's Equity	769.04	744.66	617.29
Total Asset	856.41	823.94	791.88

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 2020, as with other sectors, The Banking Sector as a whole experienced adverse effect of COVID 19 pandemic. Within these challenging economic and business environment, the Bank registered following financials:

BDT in crore

Particulars	Consolidated		Change %	Solo		Change %
	2020	2019		2020	2019	
Interest Income/Profit on Investments	2,442.69	2,695.42	-9%	2,429.15	2,671.55	-9%
Interest Paid/Profit on Deposits and Borrowings, etc.	2,017.16	1,886.85	7%	2,013.46	1,884.68	7%
Net Interest Income	425.53	808.57	-47%	415.68	786.87	-47%
Other Income	825.90	496.84	66%	798.95	501.53	59%
Operating Expenses	586.21	658.29	-11%	567.93	643.43	-12%
Operating Profit	665.22	647.11	3%	646.70	644.97	0.27%
Provisions for Loans & Others	531.99	510.85	4%	514.49	514.05	0.09%
Profit before Taxation	133.23	136.26	-2%	132.21	130.92	1%
Provisions for Tax	93.80	123.93	-24%	93.07	114.14	-18%
Profit after Tax	39.43	12.33	220%	39.14	16.77	133%
Earnings Per Share (BDT)	0.50	0.15	0.34	0.49	0.21	0.28

From April 2020, Loan Interest Rate caps were fixed by Bangladesh Bank. As a result, the Bank registered a negative growth in Net Interest Income. However, the Bank was able to increase Investment Income by more than 102% than the previous year, which has contributed to the Other Income segment. Operating Expenses of the Bank also decreased appreciably by 12% in the same period. These resulted in the Bank posting in 2020, a profit after Tax of BDT 39.43 crore and BDT 39.14 crore on Consolidated & Solo basis respectively. The three-fold increase in the Consolidated figure is commendable against the background of the pandemic.

Asset Quality:

BDT in crore

Particulars	Consolidated		Change %	Solo		Change %
	2020	2019		2020	2019	
Total Loans and Advances	28,290.09	26,438.50	7.00%	27,482.99	25,651.25	7.14%
Unclassified	23,674.63	21,749.45	8.85%	22,867.53	20,962.20	9.09%
Standard	22,010.99	20,185.80	9.04%	21,203.89	19,398.55	9.31%
Special Mention Account	1,663.64	1,563.65	6.39%	1,663.64	1,563.65	6.39%
Classified	4,615.46	4,689.05	-1.57%	4,615.46	4,689.05	-1.57%
Sub-standard	234.57	221.97	5.67%	234.57	221.97	5.67%
Doubtful	309.68	325.47	-4.85%	309.68	325.47	-4.85%
Bad Loss	4,071.21	4,141.61	-1.70%	4,071.21	4,141.61	-1.70%

Though classified loans have been reduced by 1.49% in 2020, the main challenge of the Bank remains the same - maintaining the quality of its assets. At the end of 2020, classified loan position of the Bank was 16.79%, which affects the profitability of the Bank adversely. Prime focus set by the Board to improve the asset quality, recover classified and written off loans and restructure the loan portfolio in order to improve the profitability.

Capital Position:

BDT in crore

Particulars	Consolidated		Change %	Solo		Change %
	2020	2019		2020	2019	
Risk Weighted Assets	34,461.71	33,421.14	3.11%	34,105.67	33,137.52	2.92%
Credit Risk	31,751.21	30,292.97	4.81%	31,556.50	30,131.81	4.73%
Market Risk	835.96	806.09	3.71%	726.80	692.12	5.01%
Operational Risk	1,874.54	2,322.09	-19.27%	1,822.36	2,313.59	-21.23%
Regulatory Requirement	12.50%	12.50%		12.50%	12.50%	
Capital Requirement	4,307.71	4,177.64		4,263.21	4,142.19	
Capital Maintained	3,905.10	3,539.83	10.32%	3,696.60	3,354.71	10.19%
Tier-1	2,067.39	1,981.36	4.34%	1,957.01	1,871.16	4.59%
Tier-2	1,837.70	1,558.48	17.92%	1,739.59	1,483.55	17.26%
Capital deficit	(402.62)	(637.81)		(566.61)	(787.48)	
Capital to Risk Weighted Asset Ratio (CRAR)	11.33%	10.59%		10.84%	10.12%	
Tier-1	6.00%	5.93%		5.74%	5.65%	
Tier-2	5.33%	4.66%		5.10%	4.48%	

At the end of 2020, the Bank was able to maintain CRAR at 11.33% and 10.84% on Consolidated and Solo basis respectively against the Regulatory requirement of 12.50% (10% minimum and 2.50% Capital Conservation Buffer). Risk Weighted Assets of the Bank increased by 3.11%, whereas Capital increased approximately by 10.32%. The Bank is aiming to strengthen its capital base by issuing Tier-I Capital through Rights Issue and Perpetual Bond. Simultaneously, the Bank is also moving towards reducing the Risk Weighted Assets level.

Cash Flow Position

BDT in crore

Particulars	Consolidated		Change %	Solo		Change %
	2020	2019		2020	2019	
Net cash flow from/(used in) operating activities	(367.19)	2,864.75	-112.82%	(382.93)	2,870.27	-113.34%
Net cash flow from/(used in) investing activities	(178.80)	(1,855.22)	90.39%	(194.24)	(1,846.35)	89.48%
Net cash flow from/(used in) financing activities	366.02	(139.92)	361.59%	366.02	(139.92)	361.59%
Net decrease in cash	(179.97)	869.60	-120.63%	(211.15)	884.00	-123.89%
Net Operating Cash Flow Per Share (NOCFPS) (BDT)	(4.61)	35.99	-40.60	(4.81)	36.06	(40.87)

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.

Key Ratio

Particulars	2020	2019
Capital to Risk Weighted Assets Ratio	10.84%	10.12%
Loan Deposit Ratio	85.26%	84.28%
Cost Income Ratio	46.76%	41.35%
CL Ratio	16.79%	18.28%
Return on Investment (ROI)	10.34%	6.07%
Return on Assets (ROA)	0.10%	0.05%
Return on Equity (ROE)	1.65%	0.74%
Assets Utilization Ratio	78.62%	77.80%
Operating Profit Per Employee (Lac/Taka)	29.37	29.18

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, 2020;

Name of the Directors, CEO, CS, CFO and HIAC	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
Mr. Muhammad A. (Rume) Ali Nominated by Pacific Traders Ltd.	Chairman	79,480,564	9.9845%	Ms. Tamara R. Ali	-	-
Mr. Feroz Ahmed	Director	15,730,196	2.0749%	Ms. Salvana Ahmed	325,960	0.0409%
Mr. Shajir Ahmed Nominated by Hexagon Chemical Complex Ltd	Director	21,804,184	2.7391%	Ms. Fahmida Islam	-	-
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Ltd	Director	77,865,692	9.7817%	Ms. Mariya Rakhi Chowdhury	-	-
Mr. Shafiqul Alam	Independent Director	-	-	Ms. Najma Shafiq	-	-

Name of the Directors, CEO, CS, CFO and HIAC	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
Mr. Kaiser A. Chowdhury	Ex-Independent Director	-	-	Ms. Nadira Chowdhury	-	-
Mr. Tarique Afzal	President & Managing Director	-	-	Ms. Ornita Afzal	-	-
Mr. K.M. Mohiuddin Ahmed	Chief Financial Officer	-	-	Dr. Khairun Nessa	-	-
Mr. Munir Ahmed	Head of Internal Control and Compliance (In-charge)	-	-	Ms. Tahmina Begum	-	-
Mr. Md. Jasim Uddin, ACS	Company Secretary (In-charge)	-	-	Ms. Jannatul Bakia	-	-

- Bangladesh Bank on January 20, 2021 approved the reappointment of Mr. Md. Maqsoodul Huq Khan, Director, nominated by Emkay Holdings Limited.
 - Mr. Kaiser A. Chowdhury resigned in the Bank's 702nd Board Meeting held on January 18, 2021.
 - As on January 20, 2021 Sponsor & Directors total shareholding - 31.67% of the total shares of the Bank.
- c) Shares held by top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, and Head of Internal Audit.

Sl. No	Employee Name	Designation	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	-

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

Dividend

The Board in its 708th Meeting held on April 27, 2021, recommended 5.00% Stock Dividend to all the Shareholders which is subject to Shareholders approval in the 39th Annual General Meeting scheduled to be held on Thursday, June 10, 2021 through Digital Platform. The Record date has been set at May 19, 2021 (Wednesday)

Board has recommended a Stock Dividend in order to strengthen the Capital base of the Bank which would go towards supporting the Bank's business growth and further comply with the dictates of Bangladesh Bank DOS Circular No: 01 dated February 07, 2021 on Dividend Policy for Banks for the year 2020.

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

In Compliance with BSEC Directives dated January 14, 2021, year wise break-up of Unpaid Dividend as on December 31, 2020 are provided below:

Sl.No.	Year	Amount in Taka
1	2014	144,402.76
2	2015	97,290.09
3	2016	114,373.84
4	2019	97,619.53
Total		453,686.22



Board of Directors

At present, AB Bank's Board comprise of 7 (seven) members including the President and Managing Director. The Board also has three Committees in operation viz. Executive Committee, 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". The Committees operate on the basis of respective TOR's set by the Board or Bangladesh Bank as the case may be.

Present composition of the Board as on May 25, 2021 is as below:

1. Mr. Muhammad A. (Rumee) Ali, Chairman, nominated by Pacific Traders Limited
2. Mr. Feroz Ahmed, Director
3. Mr. Shajir Ahmed, Director, nominated by Hexagon Chemical Complex Limited
4. Mr. Khairul Alam Choudhury, Director, nominated by Pacific Industries Limited
5. Mr. Shafiqul Alam, Independent Director*
6. Mr. Md. Maqsdul Huq Khan, Director, nominated by Emkay Holdings Limited**
7. Mr. Tarique Afzal, President and Managing Director

*Bangladesh Bank, in terms of Letter No: BRPD(R-2)651/9(1) DL/2020-7137 dated September 07, 2020, approved the appointment of Mr. Shafiqul Alam as an Independent Director and his brief Resume is as under:

Mr. Shafiqul Alam joined AB Bank as an Independent Director with effect from September 7, 2020. Mr. Alam, a seasoned banker having 40 years of banking experience, served in different Senior Management positions in local and multinational banks. He obtained his M.Sc degree from the University of Dhaka. Mr. Alam started his career with ANZ Grindlays Bank (Bangladesh) in 1980, in which institution he continued until 2001. He served Prime Bank Limited, First Security Islami Bank Limited and United Commercial Bank Limited holding senior positions and during 2013-2019 he served Jamuna Bank Limited as its Managing Director & CEO.

**Bangladesh Bank, in terms of Letter No: BRPD(R-2)651/9(1) DL/2021-752 dated January 20, 2021, approved the appointment of Mr. Md. Maqsdul Huq Khan as Director and his brief resume is as under:

Mr. Maqsdul H. Khan is a Supply Chain and Compliance professional. Currently he is working as General Manager, Supply Chain & Commercial Division of Millennium Automotive Group. Prior to holding this position he had served Bureau Veritas, a renowned French multinational conglomerate for about a decade. He has a successful professional career in Operations, Compliance and Legal Affairs. He also worked as the Head of International Trade Division (ITD) of a multinational organization (BVQI) which is the global leader in Quality Assurance, Health, Safety and Environmental Solutions.

Maqsdul holds an International Diploma in Supply Chain Management from ITC-UNCTAD/WTO, Geneva. Prior to obtaining Bachelor of Laws (LLB) and Masters in Business Administration (MBA), he completed the Certified Supply Chain Professional (CSCP) course from American Production and Inventory Control Society (APICS).

Mr. Md. Maqsdul Huq Khan is also the Member of the Audit Committee and the Risk Management Committee of the Bank. He does not hold Directorship in any other Company.

Subsequently to the 38th Annual General Meeting, Mr. Kaiser A. Chowdhury, Independent Director, resigned from the Board in cognizance of Bangladesh Bank Letter regarding the appointment of Independent Directors and Board approved the same on January 18, 2021.

Board Meeting/Committees Meeting and Attendance

Board Meeting

17 (seventeen) Board Meetings were held during the year 2020. Below is the Table showing details of attendance of Directors in the Meetings during their respective tenure:

Name of Directors	Designation	Number of Meeting	
		Held	Attended
Mr. Muhammad A. (Rumee) Ali	Chairman	17	17
Mr. Feroz Ahmed	Director	17	15
Mr. Shajir Ahmed	Director	16	15
Mr. Khairul Alam Choudhury	Director	17	17
Mr. Kaiser A. Chowdhury*	Ex-Independent Director	17	17
Mr. Shafiqul Alam**	Independent Director	08	08
Mr. Md. Maqsubul Huq Khan***	Director	03	03
Mr. Khairul Alam Choudhury	Director	17	17
Mr. Tarique Afzal	President and Managing Director	17	17

Total number of Board Meetings held = 17 (seventeen)

*Mr. Kaiser A. Chowdhury, Independent Director resigned in the 702nd Board Meeting held on January 18, 2021.

** Mr. Shafiqul Alam was appointed as an Independent Director on September 07, 2020.

*** Mr. Md. Maqsubul Huq Khan was appointed as a Director on June 28, 2020 and resigned in the 38th AGM held on September 02, 2020 and was re-appointed as Director in the 702nd Board Meeting held on January 18, 2021.

Audit Committee Meeting

09 (Nine) Meeting of the Audit Committee were held during the year 2020. Below is the Table showing details of attendance of Directors in the Meetings during their respective tenure:

Name of Directors	Status	Number of Meeting	
		Held	Attended
Mr. Kaiser A. Chowdhury* (Up to 18.01.2021)	Ex-Chairman	09	09
Mr. Shajir Ahmed	Member	09	09
Mr. Shafiqul Alam ** (From 13.10.2020)	Member	04	04
Mr. Khairul Alam Choudhury (Up to 18.08.2020)	Member	05	05

Total number of Audit Committee Meetings held = 09 (Nine)

* Mr. Kaiser A. Chowdhury, Independent Director resigned in the 702nd Board Meeting held on January 18, 2021.

** Mr. Shafiqul Alam was elected as Member of the Committee in the 695th Board Meeting held on October 13, 2020. He was also elected as Chairman of the Committee in the 703rd Board Meeting held on January 28, 2021.



Risk Management Committee Meeting

04 (Four) Meetings of the Risk Management Committee were held during the year 2020. Below is the Table showing details of attendance of Directors in the Meetings during their respective tenure:

Name of Directors	Status	Number of Meeting	
		Held	Attended
Mr. Shafiqul Alam* (From 13.10.2020)	Chairman	02	02
Mr. Kaiser A. Chowdhury**	Ex-Chairman	04	04
Mr. Feroz Ahmed (From 10.10.2020)	Member	02	02
Mr. Shajir Ahmed (Up to 02.09.2020)	Member	02	02

Total number of Risk Management Committee Meetings held = 4 (four)

* Mr. Shafiqul Alam was appointed as Independent Director on September 07, 2020 and elected as the Chairman of the Committee in the 695th Board Meeting held on October 13, 2020.

** Mr. Kaiser A. Chowdhury, Independent Director resigned in the 702nd Board Meeting held on January 18, 2021

Remuneration paid to Directors

During the year 2020, total remuneration paid to the Directors including Independent Director was Tk.866, 800.00 (Taka eight lakh sixty-six thousand eight hundred only). In 2019, it was Tk.12,73,200.00 (Taka twelve lakh seventy three thousand two hundred only).

Election of Directors

Bangladesh Bank on January 20, 2021 approved the appointment of Mr. Md. Maqsoodul Huq Khan, Director nominated by Emkay Holdings Limited who will retire in the ensuing 39th 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 Association of the Bank and Regulation 79 of Schedule-I of the Companies Act 1994, at each Annual General Meeting, at least one third of the Directors other than the President & Managing Director shall retire. Mr. Feroz Ahmed, Director and Mr. Khairul Alam Choudhury nominated by Pacific Industries Limited will retire in the ensuing 39th Annual General Meeting and eligible for reappointment. Mr. Feroz Ahmed submitted his intention for re-appointment and Pacific Industries Limited has nominated Mr. Khairul Alam Choudhury as their representative to be re-appointed as Director in the 39th Annual General Meeting of the Bank.

Mr. Shafiqul Alam, Independent Director, appointed by the Board and subsequently Bangladesh Securities and Exchange Commission and Bangladesh Bank has accorded their consent on August 26, 2020 and September 07, 2020 respectively. His appointment will be placed to the shareholders of ensuing 39th AGM of the Bank for approval in compliance with Corporate Governance Code of BSEC.

Resignation of Director

In cognizance of Bangladesh Bank Letter regarding appointment of Independent Directors Mr. Kaiser A. Chowdhury resigned from the Board on January 18, 2021.

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 Minority Shareholders. The Bank 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 a timeframe.

Related Party Transaction Disclosure

A party is related to the company if

- directly or indirectly through one or more intermediaries, the Party controls, or 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;
- 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
- 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 Mohakhali and Savar Branch of AB Bank Limited	Pacific Industries Ltd	Mr. Khairul Alam Choudhury	Nominated Director of Pacific Industries Ltd in the Board of AB Bank
Lease agreement with ABBL	Elite International Ltd	Mr. Feroz Ahmed	Common Director

Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Pacific Industries Ltd	Nominated Director of Pacific Industries Ltd in the Board of AB Bank	Office Rent	15,270,390
Elite International Ltd.	Common Director	Office Rent	2,484,000

Loans/placement given to subsidiary of the Bank:

Sl.	Name of the party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and Advances	755,898,828
02	AB Securities Limited	99.91% owned Subsidiary	Loans and Advances	167,548,156
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	964,604,550
Total loans/placement to subsidiary				1,888,051,534

Credit Rating

AB Bank was rated by ARGUS Credit Rating Services Limited (ACRSL) based on the financials of the Bank up to December 31, 2019 (audited) as well as for the period ended September 30, 2020 (unaudited) and other relevant quantitative and qualitative information up to the date of rating declaration i.e. December 09, 2020.

The summary of their ratings are given below:

Credit Rating	Current	Previous
Long-Term *	AA-	A+
Short-Term	ST-2	ST-2
Date of Rating	December 09, 2020	
Date of Validity	December 08, 2021	

* AA-: equivalent Bangladesh Bank Rating Grade 1

A+: equivalent Bangladesh Bank Rating Grade 2

Rating Description:

AA-	Investment grade. Very high credit quality and minimal expectation of credit risk. When assigned this rating indicates the obligor has very strong capacity to meet its financial obligations and is unlikely to be impacted adversely by foreseeable events.
ST-2	High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

39th 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. May 19, 2021, Wednesday, shall be eligible to attend the Annual General Meeting (AGM) and also shall be entitled to receive the Dividend.

The 39th Annual General Meeting is scheduled to be held on June 10, 2021 (Thursday) through Digital Platform at 04:00 p.m.

A Member entitled to attend and vote at the Annual General Meeting, can appoint a Proxy to attend and, in the event of a poll, vote on its/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

Despite the onslaught of the second wave of the ensuing pandemic, the Bangladesh economy is showing some positive signs. Remittance inflow increased by 33.5 per cent between July 2020 and February 2021. Foreign exchange reserves have also grown to a record US\$44 billion by the end of February 2021. The Current Account balance posted a healthy positive balance of US\$4.3 billion as on 2020.

Government of Bangladesh forecasts that the country's economy would grow by 7.40 percent in the current fiscal year (FY21). World Bank predicts the growth will be supported by a recovery in manufacturing, a rebound in construction sector by accelerating public investment, and robust service sector growth. Nonetheless, inclusive growth is going to be a major challenge as benefits of the stimulus packages are likelier to be concentrated mostly among large corporations rather than the small-medium enterprises, blue-collar workers and the middle class.

Gratitude

It is the privilege of the Members of the Board of Directors, to express its appreciation and gratitude to all the valued Sponsors and General Shareholders, Clients, Patrons and well-wishers for their unwavering support and co-operation extended to the Bank 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 declared Vision & Mission Statement and also towards creation of Shareholders' Value. The Bank will also continue its endeavors to improve the lot of the teeming millions and accelerate its efforts to make positive contributions towards economic and social development of the country.



Muhammad A. (Rume) Ali
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Economic perspective

Global economic activity in 2020 was defined entirely amid COVID-19 pandemic and the decisions taken by nations to respond to the crisis. Therefore, the global economy which appeared to be gradually strengthening at the start of 2020 after years of slow growth, found itself completely derailed as most countries began announcing stringent lockdown measures and social distancing protocols at the very onset of the pandemic.

The year 2020 began with a cloud of uncertainty hanging over the horizon. The novel coronavirus was spreading in Europe, the destination of over 60 percent exports from Bangladesh, after wreaking havoc in China, its largest trading partner. Bangladesh felt the heat of a looming global crisis though the virus had not yet made its way into the country. The recent fallout in global output growth due to coronavirus pandemic is being recognized as the worst and unprecedented since the Great Depression of the 1930s. Like everywhere else, the Bangladesh economy too has had to bear a substantial economic losses resulting insignificantly lower real GDP growth for FY20 of 5.24% that the targets well as actual growth (8.15 percent) recorded in FY19. Annual average CPI-based general inflation stood at 5.65 percent in FY 20, slightly up from the target (5.50 percent) ceiling as well as actual inflation of 5.47 percent in FY19. The annual average non-food inflation, particularly concerning to medical care and health expenses, and disruption of supply chains due to coronavirus pandemic were largely responsible for this higher inflation.

Performance of the Bank - Comparative analysis

Business Position

BDT in crore

Particulars	2020	2019	2018	2017	2016
Loans & Advances	27,483	25,651	24,107	22,965	21,877
Deposits	29,072	27,946	23,544	23,595	24,564
Export	4,680	5,511	7,345	7,511	7,605
Import	3,265	4,737	8,963	10,492	11,579
Remittance (USD)	21	27	33	30	25

Financial and operational performance

BDT in crore

Particulars	2020	2019	2018	2017	2016
Interest Income/profit on investment	2,429.15	2,671.55	1,946.75	1,756.70	1,891.40
Interest paid/profit on deposit & borrowings etc	2,013.46	1,884.68	1,755.74	1,489.69	1,607.70
Net interest income	415.68	786.87	191.01	267.01	283.70
Other income	798.95	501.53	673.77	767.69	818.10
Operating expenses	567.93	643.43	557.27	587.09	599.86
Operating profit	646.70	644.97	307.51	447.61	501.94
Provisions for loans & others	514.49	514.05	251.91	463.41	301.73
Profit before Taxation	132.21	130.92	55.60	(15.80)	200.21
Provision for Tax	93.07	114.14	53.77	(18.76)	69.75
Profit after Tax	39.14	16.77	1.83	2.96	130.46
Earnings per share (Tk.)	0.49	0.21	0.02	0.04	1.64

Equity Position

BDT in crore

Particulars	2020	2019	2018	2017	2016
Paid-up Capital	796.04	758.13	758.13	758.13	673.90
Retained Earnings	568.66	581.72	590.52	601.19	680.96
Statutory Reserve	714.42	687.21	662.34	654.92	649.60
Other Reserves	369.57	257.00	254.07	262.87	307.02
Total	2,448.69	2,284.05	2,265.06	2,277.11	2,311.48

Cash Flow Movement

BDT in crore

Particulars	2020	2019	2018	2017	2016
Net cash flow from operating activities	(382.93)	2,870.27	(681.27)	(918.36)	2,045.86
Net cash flow from investing activities	(194.24)	(1,846.35)	226.47	166.69	(1,511.23)
Net cash flow from financing activities	366.02	(139.92)	264.90	(61.61)	21.68
Net operating cash flow peer share (NOCFPS)	(4.81)	36.06	(8.58)	(11.54)	25.70

Key Ratios

BDT in crore

Particulars	2020	2019	2018	2017	2016
Capital to Risk Weighted Assets Ratio	10.84%	10.12%	10.03%	10.80%	10.79%
Loan Deposit Ratio	85.26%	84.28%	91.09%	86.24%	83.67%
Cost Income Ratio	46.76%	41.35%	64.44%	56.74%	54.44%
Return on Investment (ROI)	10.34%	6.07%	9.58%	10.18%	13.50%
Return on Asset (ROA)	0.10%	0.05%	0.01%	0.01%	0.44%
Return on Equity (ROE)	1.65%	0.74%	0.08%	0.13%	5.68%
Assets Utilization Ratio	78.62%	77.80%	66.61%	85.86%	86.59%

a) 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, 2020 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.

b) Changes in Accounting policies and Estimation:

There is no change in accounting policies and estimates during the year.

c) 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 182nd meeting of the Board Audit Committee, financial statements have been analyzed. After reviewing the financials, Board Audit Committee recommended the Board for their approval. Accordingly, Financials Statements has been approved by the Board of Director in its 708th meeting.

d) KEY RISKS IMPACTING THE BANK'S BUSINESS

The Covid-19 pandemic has impacted several countries including Bangladesh since the beginning of 2020. Different countries announcing lockdowns and quarantine measures that sharply stalled economic activity. The Bangladesh Government declared a nation-wide lockdown in different phases. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis. The Bangladesh Bank (BB) has announced several measures to ease stress in the financial system, including enhancing system liquidity, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium has been granted and relaxation in liquidity coverage requirement, among others. The banking system is expected to be impacted by lower lending opportunities and revenues in the short to medium term and an increase in credit costs. The impact of the Covid-19 pandemic on Bank's results remains uncertain and dependent on the spread of Covid-19, further steps taken by the government and the central bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume at normal levels.

Certain risks and uncertainties that are common in the Banking industry and may affect future performance of the Bank. The risks described below are not exhaustive. We operate in a very competitive and ever-changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can we assess the impact of all such risk factors on our business

Risk	Mitigations
Credit Risk The Bank's core business is lending which exposes it to various types of credit risks, especially failure in repayments and increase in non-performing loans.	The credit portfolio of the Bank has been operating by the Bangladesh Bank guidelines and board approved policy. The Bank measures, monitors and manages credit risks at an individual borrower level and at the portfolio level. Bank has maintained required provision in its books. Bank has also taken various steps to minimize the NPL at a reasonable level.
Capital Risk According to BASEL-III requirement, Banks have to maintain its capital adequacy @ 12.50% including capital conservation buffer. In this respect, Bank maintained CRAR @ 10.84% and 11.33% on solo and consolidated basis respectively.	In addition to internal capital generation, Bank has taken an initiative to issue Rights Shares (6:1R) and BDT 500 crore Perpetual Bond which already approved by its Board of Directors. In 2020, Bank has issued BDT 325 crore sub-ordinated Bonds to strengthen Tier-2 capital Base.
Interest Rate Risk Interest rate risk in the banking book (IRRBB) refers to the current or prospective risk to the bank's capital and earnings arising from adverse movements in interest rates that affect the bank's banking book positions. When interest rates change, the present value and timing of future cash flows change. This in turn changes the underlying value of a bank's assets, liabilities and off-balance sheet items and hence its economic value. Changes in interest rates also affect a bank's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII).	From April 2020, Bangladesh Bank fixed the lending caps for all the banks at single digit which ultimately adversely impacted Net Interest Income of the Bank. For mitigating this interest rate risk, bank is trying to reprice its deposit and borrowing books.

e) Financial performance and financial position as well as cash flows with the peer industry scenario:

Bank regularly analyzed its performance with peer bank and the major indicators of the performance with peer bank is given below:

Financial Position

BDT in Crore

Particulars	AB (Conso)	Peer Bank (AVG)*
Total Loans and Advances	28,290.09	24,866.78
Total Assets	38,856.99	37,046.52
Total Deposits	29,054.72	27,065.98
Total Equity	2,568.91	2,676.15
Total Off-Balance Sheet Items	5,919.14	10,106.95

Financial Performance

BDT in Crore

Particulars	AB (Conso)	Peer Bank (AVG)
Net Interest Income	425.53	579.63
Total Operating Income	1,251.44	1,408.76
Operating Expenses	586.21	811.92
Profit before Provision	665.22	607.29
Net Profit after Tax	39.43	287.10

Note: Covered some of the peer banks data

In 2020 Bank's net cash used in operating activities and investing activities was BDT 367.19 crore and BDT 178.80 crore and net cash flow from financing activities was BDT 366.02 crore. Considering all factors, Bank used net cash in 2020 was BDT 179.97 crore. In 2020, Peer banks' net cash used in position was BDT 106.05 crore.



Tarique Afzal

President and Managing Director

STATEMENT FROM PRESIDENT & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

April 25, 2021

The Board of Directors

AB Bank Limited


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, 2020 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;
3. The form and substance of transactions and the Bank's state of affairs have been reasonably and fairly 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, 2020 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



Tarique Afzal

President & Managing Director

AUDITOR'S REPORT AND AUDITED CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS



Independent Auditor's Report

To the Shareholder of 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 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

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 2020, 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:

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 282,901 million (2019: BDT 264,385 million) and provision for loans and advances of BDT 21,311 million (2019: BDT 16,039 million). Refer to the note nos. 7(a), 8(a), 15 and 15(a) to the consolidated 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 loans and advances 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 were undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2020 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 reported net deferred tax assets totaling to BDT 3,271 million (2019: 2,559 million) as at 31 December 2020. 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.

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 assessed the completeness and accuracy of the data used for estimation of future taxable income. We also assessed the Emphasis of Matter given in the auditor's report of subsidiary related to the deferred tax assets and checked it accordingly which was properly reflected in the consolidated financial statements of the Bank. 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 authorized. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization. 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 2020 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.

Impact of COVID-19 on financial reporting

The effects of the COVID-19 pandemic have significant global implications for economies, markets and businesses, including volatility and possible material uncertainties. The operations of the Bank itself have been affected due to the restrictions brought about by the COVID-19 pandemic. There is an increasing probability that assertions and estimates related to reporting may be materially impacted due to impact of financial market volatility, deteriorating credit or liquidity concerns, government interventions, and disruptions in production and supply chain, among other matters.

Detailed substantive tests were conducted in order to mitigate the additional risks of material misstatements due to the impact of COVID-19. Testing the Bank's and Group's ability to function as a going concern by reviewing profitability, liquidity and operations, we performed detailed analytical procedures on the financial statements of the Bank, including but not limited to variance and common size analysis of balances. We have evaluated the appropriateness and sufficiency of the Management's explanations for the deviations amongst balances and ratios of current year to that of the comparative. We analyzed the disclosures provided by the Bank to rationalize the impact of COVID-19 on financial statements, and checked their appropriateness and sufficiency. We also checked that all COVID-19 impacts are accurately reflected in the financial statements, and disclosed in their entirety of magnitude to the financial statements as a whole; and scrutinize that the impacts of events after the reporting period, and ensure their true and fair reflection and disclosure in the financial statements. Our testing did not identify any issues with regards to impact of COVID-19 on financial reporting.

Other matter

The financial statements of the Bank for the year ended 31 December 2019 were audited by S.F. AHMED & CO Chartered Accountants, who expressed an unmodified opinion on those statements on 29 June 2020.

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 auditor's 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.

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 (amendment upto 2018) 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 anti-fraud 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 exercised professional judgment and maintained 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 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 (amendment upto 2018) 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 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;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the 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 8,621 million, BDT 1,637 million, BDT 86 million, BDT 1,200 million and BDT 530 million respectively as at 31 December 2020 and total revenue of BDT 175 million, BDT 130 million, BDT 0, BDT 137 million and BDT 29 million respectively for the year ended 31 December 2020. 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;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 84% of the risk weighted assets of the Bank and spent over 6,250 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,
27 April 2021

Signed for & on behalf of

ACNABIN

Chartered Accountants



Md Moniruzzaman FCA

Partner

Enrollment No.# 787
DVC: 2104280787AS135719

AB Bank Limited & Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3(a)	20,930,795,104	19,872,575,058
In hand (including foreign currencies)	3.1(a)	1,010,038,871	1,136,228,324
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	19,920,756,233	18,736,346,733
Balance with other banks and financial institutions	4(a)	4,857,240,927	5,314,835,916
In Bangladesh	4.1(a)	1,690,034,988	1,022,559,568
Outside Bangladesh	4.2(a)	3,167,205,939	4,292,276,348
Money at call and on short notice	5(a)	1,535,077,827	3,927,493,241
Investments	6(a)	64,092,712,647	62,416,398,807
Government	6.1(a)	53,824,738,002	51,271,643,217
Others	6.2(a)	10,267,974,644	11,144,755,589
Loans, advances and lease/investments		282,900,906,689	264,385,001,408
Loans, cash credits, overdrafts, etc./Investments	7(a)	281,211,180,652	262,549,979,066
Bills purchased and discounted	8(a)	1,689,726,038	1,835,022,342
Fixed assets including premises, furniture and fixtures	9(a)	5,032,485,136	5,426,768,812
Other assets	10(a)	8,886,511,119	6,389,899,899
Non-banking assets	11	334,171,836	342,984,836
Total Assets		388,569,901,291	368,075,957,980
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	19,107,866,247	14,820,181,442
AB Bank subordinated bond	13	9,350,000,000	7,400,000,000
Deposits and other accounts	14(a)	290,547,160,441	279,394,742,017
Current account and other accounts		28,628,792,668	24,205,281,483
Bills payable		6,423,928,975	4,568,375,122
Savings bank deposits		35,246,391,164	29,888,590,539
Fixed deposits		121,516,359,127	122,907,395,174
Other deposits		98,731,688,508	97,825,099,698
Other liabilities	15(a)	43,875,728,453	42,420,983,644
Total liabilities		362,880,755,141	344,035,907,103
Capital/Shareholders' equity			
Equity attributable to equity holders of the parent company		25,677,210,495	24,028,362,861
Paid-up capital	16	7,960,368,300	7,581,303,150
Statutory reserve	17	7,144,204,404	6,872,052,329
Other reserve	18(a)	3,866,859,865	2,740,036,949
Retained earnings	19(a)	6,705,777,925	6,834,970,432
Non- controlling interest	19(b)	11,935,655	11,688,017
Total equity		25,689,146,150	24,040,050,878
Total Liabilities and Shareholders' Equity		388,569,901,291	368,075,957,980

AB Bank Limited & Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
Off-Balance Sheet Items			
Contingent liabilities	20	59,191,446,731	47,836,302,228
Acceptances and endorsements		8,043,330,855	9,765,796,881
Letters of guarantee	20.1	12,837,291,873	14,058,371,146
Irrevocable letters of credit		6,094,462,753	6,195,569,825
Bills for collection		32,213,798,567	17,605,068,585
Other contingent liabilities		2,562,682	211,495,791
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		59,191,446,731	47,836,302,228

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Tarique Afzal

President & Managing Director

Khairul Alam Choudhury

Director

Shafiqul Alam

Independent Director

Muhammad A. (Rume) Ali

Chairman

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

Dhaka,
27 April 2021

Signed for & on behalf of
ACNABIN

Chartered Accountants

Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC: 2104280787AS135719

AB Bank Limited & Its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
OPERATING INCOME			
Interest income/profit on investments	22(a)	24,426,913,281	26,954,154,381
Interest/profit paid on deposits and borrowings, etc.	23(a)	(20,171,603,415)	(18,868,484,499)
Net interest income		4,255,309,865	8,085,669,883
Investment income	24(a)	6,491,860,999	2,922,021,590
Commission, exchange and brokerage	25(a)	1,440,094,270	1,897,836,728
Other operating income	26(a)	327,089,387	148,494,928
Total operating income (a)		8,259,044,657	4,968,353,246
		12,514,354,523	13,054,023,129
OPERATING EXPENSES			
Salary and allowances	27(a)	2,807,245,751	2,805,079,169
Rent, taxes, insurance, electricity, etc.	28(a)	607,753,336	580,714,352
Legal expenses	29(a)	13,884,020	12,497,065
Postage, stamps, telecommunication, etc.	30(a)	98,178,164	107,333,496
Stationery, printing, advertisement, etc.	31(a)	95,661,222	135,924,466
Chief executive's salary and fees	27.1	12,890,968	5,885,484
Directors' fees	32(a)	1,999,238	2,605,473
Auditors' fees	33(a)	3,256,296	7,606,315
Charges on loan losses		-	1,107,189,105
Depreciation and repairs of Bank's assets	34(a)	729,314,539	701,322,318
Other expenses	35(a)	1,491,959,291	1,116,768,196
Total operating expenses (b)		5,862,142,825	6,582,925,440
Profit before provision (c = (a-b))		6,652,211,697	6,471,097,689
Provision against loans and advances	36(a)	5,100,057,853	4,747,311,840
Provision for investments	37(a)	140,000,000	342,996,243
Other provisions	38(a)	79,842,723	18,227,696
Total provision (d)		5,319,900,576	5,108,535,778
Profit before tax (c-d)		1,332,311,121	1,362,561,911
Provision for taxation		937,982,865	1,239,311,637
Current tax		1,700,309,391	2,077,004,469
Deferred tax		(762,326,526)	(837,692,832)
Net profit after tax		394,328,256	123,250,274
Appropriations			
Statutory reserve		281,750,388	251,073,528
General reserve		-	-
Dividends, etc.		-	-
		281,750,388	251,073,528
Retained surplus		112,577,868	(127,823,254)
Non- controlling interest		247,638	1,273,877
Net Profit/(Loss) attributable to the shareholders of parent company		112,330,230	(129,097,131)
Consolidated Earnings Per Share (EPS)	40(a)	0.50	0.15

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



Tarique Afzal

President & Managing Director



Khairul Alam Choudhury

Director



Shafiqul Alam

Independent Director



Muhammad A. (Rume) Ali

Chairman

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

Dhaka,
27 April 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC: 2104280787AS135719

AB Bank Limited & Its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2020

	2020 Taka	2019 Taka
Cash Flows from Operating Activities		
Interest receipts	13,885,091,531	23,170,672,611
Interest payments	(21,692,853,673)	(18,655,223,342)
Dividend receipts	82,108,288	174,026,446
Fee and commission receipts	1,111,430,603	1,347,903,819
Recoveries on loans previously written off	172,931,675	109,176,042
Payments to employees	(2,820,136,719)	(2,810,964,653)
Payments to suppliers	(95,661,222)	(135,924,466)
Income taxes paid	(2,402,738,880)	(1,058,411,978)
Receipts from other operating activities	7,065,505,766	3,446,422,981
Payments for other operating activities	(2,732,083,753)	(2,204,966,439)
Operating profit before changes in operating assets & liabilities	(7,426,406,384)	3,382,711,021
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(7,974,083,532)	(12,891,180,222)
Other assets	(1,681,357,381)	759,324,475
Deposits from other banks	2,828,027,511	362,544,953
Deposits from customers	9,845,641,171	43,435,645,062
Trading liabilities (short-term borrowings)	2,577,354,858	(3,353,112,220)
Other liabilities	(1,841,075,812)	(3,048,482,415)
	3,754,506,815	25,264,739,633
Net cash (used in)/ flow from operating activities (a)	(3,671,899,568)	28,647,450,655
Cash Flows from Investing Activities		
Purchase of government securities	(2,505,380,069)	(17,718,213,702)
Sale/ (Purchase) of trading securities, shares, bonds, etc.	876,780,945	(316,329,093)
Purchase of property, plant and equipment	(159,374,075)	(517,699,399)
Net cash used in investing activities (b)	(1,787,973,199)	(18,552,242,194)
Cash Flows from Financing Activities		
Increase/(decrease) of long-term borrowings	3,660,329,947	(1,399,156,097)
Dividend paid	(159,676)	(62,226)
Net cash flow from/ (used in) Financing activities (c)	3,660,170,271	(1,399,218,323)
Net (decrease)/ increase in cash (a+b+c)	(1,799,702,496)	8,695,990,137
Effects of exchange rate changes on cash and cash equivalents	7,693,939	16,803,746
Cash and cash equivalents at beginning of the year	29,116,507,715	20,403,713,833
Cash and cash equivalents at end of the year (*)	27,324,499,158	29,116,507,715
(*) Cash and cash equivalents:		
Cash	1,010,038,871	1,136,228,324
Prize bonds	1,385,300	1,603,500
Money at call and on short notice	1,535,077,827	3,927,493,241
Balance with Bangladesh Bank and its agent bank(s)	19,920,756,233	18,736,346,733
Balance with other banks and financial institutions	4,857,240,927	5,314,835,916
	27,324,499,158	29,116,507,715
Net Operating Cash Flow Per Share (NOCFPS)	(4.61)	35.99

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



Tarique Afzal

President & Managing Director



Khairul Alam Choudhury

Director



Shafiqul Alam

Independent Director



Muhammad A. (Rumee) Ali

Chairman

Dhaka,
27 April 2021

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non controlling interest	Retained earnings	Total Equity
Balance at 01 January 2020	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
Adjustment:									
Bonus for 2019:									
5% Stock Dividend	379,065,150	-	-	-	-	-	-	(379,065,150)	-
Restated balance at 01 January 2020	7,960,368,300	6,872,052,329	1,304,649,867	1,296,690,729	1,710,590	136,985,764	11,688,017	6,455,905,282	24,040,050,878
Net profit after taxation for the year	-	-	-	-	-	-	247,638	394,080,618	394,328,256
Addition/(Adjustment) made during the year	-	281,750,388	1,080,000,000	(2,158,304)	-	47,932,916	-	(131,882,192)	1,275,642,808
Foreign exchange rate fluctuation	-	(9,598,312)	228,187	-	820,116	-	-	(12,325,784)	(20,875,793)
Balance at 31 December 2020	7,960,368,300	7,144,204,404	2,384,878,054	1,294,532,425	2,530,706	184,918,680	11,935,655	6,705,777,925	25,689,146,150
Balance at 31 December 2019	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

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.



Khairul Alam Choudhury

5

Tarique Afzal
President & Managing Director

Khairul Alam Choudhury
Director

Shafiqul Alam
Independent Director

Muhammad A. (Rumeen) Ali
Chairman

Dhaka,
27 April 2021

AB Bank Limited

Balance Sheet

As at 31 December 2020



	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3	20,930,650,119	19,872,447,371
In hand (including foreign currencies)	3.1	1,009,893,886	1,136,100,637
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	19,920,756,233	18,736,346,733
Balance with other banks and financial institutions	4	4,363,793,449	5,248,790,344
In Bangladesh		1,212,295,681	960,214,284
Outside Bangladesh		3,151,497,768	4,288,576,060
Money at call and on short notice	5	2,499,682,377	4,776,493,241
Investments	6	63,437,394,797	61,578,564,387
Government	6.1	53,824,738,002	51,271,643,217
Others	6.2	9,612,656,795	10,306,921,170
Loans, advances and lease/investments	7	274,829,861,346	256,512,476,640
Loans, cash credits, overdrafts, etc./Investments		274,258,221,380	255,778,280,956
Bills purchased and discounted	8	571,639,966	734,195,684
Fixed assets including premises, furniture and fixtures	9	4,488,991,390	4,871,210,242
Other assets	10	14,877,104,936	12,365,703,251
Non-banking assets	11	334,171,836	342,984,836
Total Assets		385,761,650,252	365,568,670,314
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	19,107,865,842	14,820,039,741
AB Bank subordinated bond	13	9,350,000,000	7,400,000,000
Deposits and other accounts	14	290,719,342,438	279,457,593,298
Current accounts and other accounts		28,639,222,340	24,205,740,688
Bills payable		6,423,928,975	4,568,375,122
Savings bank deposits		35,246,391,164	29,888,590,539
Fixed deposits		121,537,588,967	122,908,353,612
Other deposits		98,872,210,992	97,886,533,336
Other liabilities	15	42,097,503,740	41,050,555,751
Total liabilities		361,274,712,019	342,728,188,791
Capital/Shareholders' equity			
Shareholders' equity		24,486,938,234	22,840,481,523
Paid-up capital	16	7,960,368,300	7,581,303,150
Statutory reserve	17	7,144,204,404	6,872,052,329
Other reserve	18	3,695,739,782	2,569,965,170
Retained earnings	19	5,686,625,747	5,817,160,874
Total Liabilities and Shareholders' Equity		385,761,650,252	365,568,670,314

AB Bank Limited

Balance Sheet

As at 31 December 2020

Off-Balance Sheet Items

Contingent liabilities

Acceptances and endorsements

Letters of guarantee

Irrevocable letters of credit

Bills for collection

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 off-balance sheet items

Notes	31.12.2020 Taka	31.12.2019 Taka
	59,191,446,731	47,836,302,228
20	8,043,330,855	9,765,796,881
20.1	12,837,291,873	14,058,371,146
	6,094,462,753	6,195,569,825
	32,213,798,567	17,605,068,585
	2,562,682	211,495,791
	-	-
	-	-
	-	-
	-	-
	59,191,446,731	47,836,302,228

The annexed notes from 1 to 49 form an integral part of these financial statements.



Tarique Afzal

President & Managing Director



Khairul Alam Choudhury

Director



Shafiqul Alam

Independent Director



Muhammad A. (Rume) Ali

Chairman

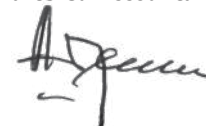
This is the Balance Sheet referred to in our separate report of even date.

Dhaka,
27 April 2021

Signed for & on behalf of

ACNABIN

Chartered Accountants



Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC: 2104280787AS135719

AB Bank Limited

Profit and Loss Account

For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
OPERATING INCOME			
Interest income/profit on investments	22	24,291,453,339	26,715,497,527
Interest paid/profit on deposits and borrowings, etc.	23	(20,134,646,639)	(18,846,782,511)
Net interest income		4,156,806,700	7,868,715,017
Investment income	24	6,464,470,219	3,193,192,033
Commission, exchange and brokerage	25	1,259,012,038	1,752,591,584
Other operating income	26	266,019,048	69,510,357
		7,989,501,305	5,015,293,974
Total operating income (a)		12,146,308,005	12,884,008,991
OPERATING EXPENSES			
Salary and allowances	27	2,727,898,981	2,732,602,396
Rent, taxes, insurance, electricity, etc.	28	603,021,052	565,877,510
Legal expenses	29	13,232,598	11,038,914
Postage, stamps, telecommunication, etc.	30	87,203,322	92,753,460
Stationery, printing, advertisement, etc.	31	94,329,907	134,693,521
Chief executive's salary and fees	27.1	12,890,968	5,885,484
Directors' fees	32	1,109,890	2,076,187
Auditors' fees	33	2,338,550	6,956,164
Charges on loan losses		-	1,107,189,105
Depreciation and repairs of Bank's assets	34	702,031,345	679,740,496
Other expenses	35	1,435,273,997	1,095,487,977
		5,679,330,610	6,434,301,214
Total operating expenses (b)		6,466,977,395	6,449,707,777
Profit before provision (c = (a-b))			
Provision against loans and advances	36	4,925,057,853	4,747,311,840
Provision for investments	37	140,000,000	374,987,754
Other provisions	38	79,842,723	18,227,696
		5,144,900,576	5,140,527,289
Total provision (d)			
Profit before taxation (c-d)		1,322,076,819	1,309,180,488
Provision for taxation		930,660,427	1,141,439,224
Current tax		1,642,402,204	1,977,784,220
Deferred tax		(711,741,777)	(836,344,996)
Net profit after taxation		391,416,392	167,741,264
Appropriations			
Statutory reserve		281,750,388	251,073,528
General reserve		-	-
Dividends, etc.		-	-
		281,750,388	251,073,528
Retained surplus		109,666,004	(83,332,264)
Earnings Per Share (EPS)	40	0.49	0.21

The annexed notes from 1 to 49 form an integral part of these financial statements.

Tarique Afzal

President & Managing Director

Khairul Alam Choudhury

Director

Shafiqul Alam

Independent Director

Muhammad A. (Rume) Ali

Chairman

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

Dhaka,
27 April 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC: 2104280787AS135719

AB Bank Limited

Cash Flow Statement

For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Cash flows from Operating Activities			
Interest receipts		13,749,631,590	22,932,015,757
Interest payments		(21,655,896,896)	(18,633,521,354)
Dividend receipts		137,581,947	235,761,409
Fees and commission receipts		929,742,512	1,209,120,076
Recoveries on loans previously written off		172,931,675	109,176,042
Payments to employees		(2,740,789,949)	(2,738,487,880)
Payments to suppliers		(94,329,907)	(134,693,521)
Income taxes paid		(2,329,156,442)	(984,829,539)
Receipts from other operating activities	41	6,741,551,232	3,553,608,744
Payments for other operating activities	42	(2,550,630,827)	(2,150,212,354)
Operating profit before changes in operating assets & liabilities		(7,639,365,065)	3,397,937,379
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(7,775,562,957)	(13,133,819,317)
Other assets	43	(1,695,382,143)	957,175,755
Deposits from other banks		2,828,027,511	362,544,953
Deposits from customers		9,954,971,886	43,436,937,697
Trading liabilities (short-term borrowings)		2,577,496,154	(3,353,253,921)
Other liabilities	44	(2,079,503,473)	(2,964,856,134)
		3,810,046,978	25,304,729,034
Net cash (used in)/ flow from operating activities (a)		(3,829,318,087)	28,702,666,413
Cash Flows from Investing Activities			
Purchase of government securities		(2,505,380,069)	(17,718,213,702)
Sale/ (Purchase) of trading securities, shares, bonds, etc.		694,264,375	(236,459,523)
Purchase of property, plant and equipment		(131,253,641)	(508,813,368)
Net cash used in investing activities (b)		(1,942,369,335)	(18,463,486,593)
Cash Flows from Financing Activities			
Increase/(decrease) of long-term borrowings		3,660,329,947	(1,399,156,097)
Dividend paid		(159,676)	(62,226)
Net cash flow from/ (used in) Financing activities (c)		3,660,170,271	(1,399,218,323)
Net (decrease)/ Increase in cash (a+b+c)		(2,111,517,151)	8,839,961,497
Effects of exchange rate changes on cash and cash equivalents		7,693,939	16,803,746
Cash and cash equivalents at beginning of the year		29,899,334,457	21,042,569,215
Cash and cash equivalents at end of the year (*)		27,795,511,245	29,899,334,456
(*) Cash and cash equivalents:			
Cash		1,009,893,886	1,136,100,637
Prize bonds		1,385,300	1,603,500
Money at call and on short notice		2,499,682,377	4,776,493,241
Balance with Bangladesh Bank and its agent bank(s)		19,920,756,233	18,736,346,733
Balance with other banks and financial institutions		4,363,793,449	5,248,790,344
		27,795,511,245	29,899,334,456
Net Operating Cash Flow Per Share (NOCFPS)	45	(4.81)	36.06

The annexed notes from 1 to 49 form an integral part of these financial statements.



Tarique Afzal
President & Managing Director



Khairul Alam Choudhury
Director



Shafiqul Alam
Independent Director



Muhammad A. (Rume) Ali
Chairman

Dhaka,
27 April 2021

AB Bank Limited

Statement of Changes in Equity

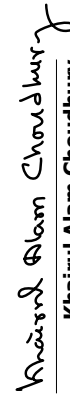
For the year ended 31 December 2020

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total Equity
Balance at 01 January 2020	7,581,303,150	6,872,052,329	1,222,199,200	1,296,690,729	51,075,241	5,817,160,874	22,840,481,523
Adjustment:							
Bonus for 2019:							
5% Stock Dividend	379,065,150	-	-	-	-	(379,065,150)	-
Restated Balance at 01 January 2020	7,960,368,300	6,872,052,329	1,222,199,200	1,296,690,729	51,075,241	5,438,095,724	22,840,481,523
Net profit after taxation for the year	-	-	-	-	-	391,416,392	391,416,392
Addition/(Adjustment) made during the year	-	281,750,388	1,080,000,000	(2,158,304)	47,932,916	(131,882,192)	1,275,642,808
Foreign exchange rate fluctuation	-	(9,598,312)	-	-	-	(11,004,177)	(20,602,490)
Balance at 31 December 2020	7,960,368,300	7,144,204,404	2,302,199,200	1,294,532,425	99,008,157	5,686,625,747	24,486,938,234
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	22,840,481,523

The annexed notes from 1 to 49 form an integral part of these financial statements.



Tarique Afzal
President & Managing Director



Khairul Alam Choudhury
Director



Shafiqul Alam
Independent Director



Muhammad A. (Rumee) Ali
Chairman

Dhaka,

27 April 2021

AB Bank Limited
Liquidity Statement

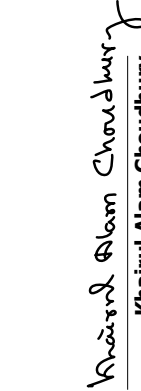
Analysis of Maturity of Assets and Liabilities

As at 31 December 2020

Particulars	Amount in taka				
	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity
Assets					
Cash in hand and with banks	9,940,201,683	-	-	-	10,990,448,436
Balance with other banks and financial institutions	3,633,793,449	730,000,000	-	-	4,363,793,449
Money at call and on short notice	1,714,801,937	761,820,561	23,059,879	-	2,499,682,377
Investments	943,270,250	7,438,514,139	9,264,322,735	25,607,579,032	20,183,708,641
Loans, advances and lease/investments	33,910,761,022	68,084,379,741	125,115,097,684	31,719,521,979	16,000,100,920
Fixed assets including premises, furniture and fixtures	-	-	-	-	4,488,991,390
Other assets	429,745,746	3,274,541,530	3,490,927,592	1,647,863,090	6,034,026,978
Non-banking assets	-	-	-	334,171,836	-
Total Assets	50,572,574,087	80,289,255,971	137,893,407,891	59,309,135,936	57,697,276,365
Liabilities					
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	13,215,147,886	3,045,897,657	3,101,133,612	5,512,271,648	3,583,415,039
Deposit and other accounts	35,923,836,731	72,722,536,630	129,178,831,637	46,613,421,773	6,280,715,668
Provision and other liabilities	867,949,294	1,324,764,711	9,049,098,137	30,365,653,241	490,038,357
Total Liabilities	50,006,933,911	77,093,198,998	141,329,063,386	82,491,346,662	10,354,169,064
Net liquidity excess/(shortage)	565,640,176	3,196,056,972	(3,435,655,495)	(23,182,210,725)	47,343,107,301
					385,761,650,252



Tarique Afzal
President & Managing Director



Khairul Alam Choudhury
Director



Shafiqul Alam
Independent Director



Muhammad A. (Rumeen) Ali
Chairman

Dhaka,

27 April 2021



AB Bank Limited and Its Subsidiaries

Notes to the Consolidated and Separate Financial Statements

As at and for the year ended 31 December 2020

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 guidelines of the Bangladesh Securities and Exchange Commission (BSEC). These two subsidiaries are being put into operations to cater the merchant banking and brokerage business which were previously carried out by the Bank itself.

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

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, 2020 in accordance with the measurement and recognition requirements of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) which have replaced Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) 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, 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 2020.

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 2020 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. Income-expenditures of Custodian Wing have been incorporated in similar heads of account of the Bank's Profit and Loss Account. Profit and Loss Account of Custodian Wing has been shown separately in **Annexure-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**.

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, Sri Lanka which is a licensed commercial bank and established under the Banking Act No. 30 of 1988 (Sri Lankan 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 Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of 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 Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of 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 Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of the CBL have been shown separately in **Annexure-M**.

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. Statement of Financial Position and Statement of Income and Retained Earnings of 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 Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of 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 2020 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

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

Commitment

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

Translation gain and losses

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

Foreign operations

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

- assets and liabilities for each items of Balance Sheet have been translated at the closing rate on the date of Balance sheet.
- 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 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

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 2020.
- 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.
- Commission on bills purchased and discounting are recognised at the time of realisation.
- Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 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, BRPD Circular No. 03 dated 21 April 2019 and BRPD Circular No. 56 dated 10 December 2020. The rates for provisions are stated below:

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

1% Special General Provision for COVID-19 has been kept as per BRPD circular letter no. 56 dated 10 December 2020.

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:

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
Shares	Cost	Lower of cost and market value	Realised gain or loss, recognised in P&L
			Unrealized gain is not recognized in accounts. Provision is maintained for unrealized loss, if any

Investment in listed securities

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

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.

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 if-
- iii) 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	2.50%
Furniture and fixtures	10%
Electrical appliances	20%
Motor vehicles	20%
Core banking hardware	12.50%

- iv) Depreciation on fixed assets is charged when the respective asset is ready to use.
- v) The cost and accumulated depreciation of disposed assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the Profit and Loss Account.
- vi) Useful lives and method of depreciation of fixed assets are reviewed periodically. If useful lives of assets do not differ significantly as these were previously estimated, revaluation of assets does not consider to be done.
- vii) Bank capitalised items value of which is over Taka 50,000 and the items below Taka 50,000 were booked as non-capitalised items under the broader head of other expenses with effect from 01 March 2009 in accordance with the relevant policy of the Bank.
- viii) Bank also follows a policy for amortisation of expenditure considering the durability and useful lives of items. These are treated as intangible assets and are booked under the head "Fixed Assets" and amortised over their estimated useful lives by charging under the broad head "Depreciation".

Intangible assets

An intangible asset is recognised if-

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

Other assets

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

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 Lease since 2019.

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.

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.

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 3,694 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". There is no significant change in market value of revalued assets, hence the assets were not further revalued. Management will continuously assess the fair market value.

Deposits and other accounts

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

Borrowing

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

Provision for taxation

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

Current tax

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

Provision for current income tax has been made @ 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).

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.

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

Interest paid on deposits and borrowings

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

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.

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2020

1.10 Segment Reporting

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

Particulars	AB Bank Limited						Subsidiaries				Adjustment	AB Bank and its subsidiaries	
	Inside Bangladesh			Off- Shore Banking Unit	Mumbai Branch, India	Adjustment	Total	Inside Bangladesh					AB Int. Finance Ltd. (Hong Kong)
	Conventional Banking	Islamic Banking	Investment Banking					AB Investment Limited	AB Securities Limited	Cash Link Bangladesh Ltd. (CBL)			
Profit and loss account													
Interest income	2,404.32	63.21	-	15.80	3.89	(58.08)	2,429.15	6.00	3.57	0.40	4.44	(0.87)	2,442.69
Int. paid on deposits & borrowings, etc.	1,954.88	61.03	29.12	25.33	1.18	(58.08)	2,013.46	-	3.93	-	0.63	(0.87)	2,017.16
Net interest income	449.44	2.18	(29.12)	(9.53)	2.72	-	415.68	6.00	(0.36)	0.40	3.81	-	425.53
Investment income	641.76	1.24	0.75	-	2.70	-	646.45	6.37	3.86	-	-	(7.49)	649.19
Commission, exchange and brokerage	100.46	0.24	-	0.01	25.19	-	125.90	4.14	9.96	-	4.21	(0.21)	144.01
Other operating income	26.46	0.02	-	-	0.12	-	26.60	1.01	0.29	-	5.72	(0.91)	32.71
Total operating income	1,218.12	3.68	(28.38)	(9.52)	30.73	-	1,214.63	17.52	13.75	0.40	13.74	(8.61)	1,251.44
Operating Expenses													
Salary and allowances	269.91	2.08	-	0.28	1.81	-	274.08	1.72	3.12	0.03	3.07	-	282.01
Rent, taxes, insurance, electricity, etc.	57.73	0.14	-	-	2.42	-	60.30	0.22	0.22	-	0.94	(0.91)	60.78
Legal expenses	1.32	-	-	-	-	-	1.32	0.01	-	-	0.05	-	1.39
Postage, stamps, telecom., etc.	8.23	0.02	-	-	0.46	-	8.72	0.09	0.16	-	0.85	-	9.82
Stationery, printing, advertisement, etc.	9.25	0.04	-	-	0.13	-	9.43	0.02	0.08	-	0.03	-	9.57
Directors' fees	0.10	0.01	-	-	-	-	0.11	0.04	0.05	0.00	-	-	0.20
Auditors' fees	0.16	-	-	-	0.07	-	0.23	0.02	0.02	0.00	0.05	-	0.33
Charges on loan losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & repairs of Bank's assets	69.76	0.11	-	0.03	0.30	-	70.20	1.89	0.78	-	0.05	-	72.93
Other expenses	119.21	0.65	0.56	0.03	23.07	-	143.53	3.54	2.29	0.01	0.04	(0.21)	149.20
Total operating expenses	535.68	3.06	0.56	0.35	28.28	-	567.93	7.54	6.73	0.04	5.10	(1.13)	586.21
Profit before provision	682.44	0.62	(28.94)	(9.86)	2.45	-	646.70	9.98	7.03	0.36	8.64	(7.49)	665.22

Provision against loans and advances

Provision for investments

Other provisions

Total provision

Profit before taxation

Provision for taxation

Net profit after taxation

492.51	510.01
14.00	14.00
7.98	7.98
514.49	531.99
132.21	133.23
93.07	93.80
39.14	39.43

AB Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2020

By geographical location and segment business (cont.)

Balance Sheet

BDT in Crore

Particulars	AB Bank Limited							Subsidiaries				Adjustment	AB Bank and it's subsidiaries
	Inside Bangladesh				Mumbai Branch, India	Adjustment	Total	Inside Bangladesh			AB Int. Finance Ltd. (Hong Kong)		
	Conventional Banking	Islamic Banking	Investment Banking	OBU				AB Investment Limited	AB Securities Ltd.	Cash Link Bangladesh Ltd. (CBL)			
PROPERTY AND ASSETS													
Cash	2,065.90	26.83	-	-	0.34	-	2,093.07	-	-	0.01	-	-	2,093.08
Balance with other banks & fin.institution	165.63	134.82	-	0.66	174.46	(39.21)	436.38	13.60	45.67	4.53	2.60	(17.06)	485.72
Money at call and on short notice	1,003.04	-	-	96.46	41.51	(891.04)	249.97	-	-	-	-	(96.46)	153.51
Investments	5,804.37	39.78	321.61	163.79	46.60	(32.41)	6,343.74	55.17	10.36	-	-	-	6,409.27
Loans and advances	26,167.60	651.03	-	610.92	53.96	(0.52)	27,482.99	695.74	91.90	-	111.81	(92.34)	28,290.09
Fixed assets	448.54	0.67	-	-	0.57	(0.88)	448.90	52.89	1.44	-	0.01	-	503.25
Other assets	2,021.69	9.92	28.91	0.08	18.62	(591.51)	1,487.71	23.71	9.82	3.16	4.77	(640.51)	888.65
Non-banking assets	33.42	-	-	-	-	-	33.42	-	-	-	-	-	33.42
Total Assets	37,710.19	863.05	350.51	871.92	336.06	(1,555.57)	38,576.17	841.12	159.19	7.69	119.20	(846.38)	38,856.99
LIABILITIES AND CAPITAL													
Liabilities													
Borrowings from other banks, financial institutions and agents	2,918.50	81.65	-	896.65	-	(1,051)	2,845.79	75.59	16.75	-	96.27	(188.62)	2,845.79
Deposits and other accounts	2,8157.10	743.61	-	1.33	210.71	(40.81)	29,071.93	-	-	-	-	(17.22)	29,054.72
Other liabilities	3,896.67	3780	359.22	19.07	8.70	(111.69)	4,209.75	91.18	91.00	-	5.46	(9.82)	4387.57
Total Liabilities	34,972.26	863.05	359.22	917.04	219.41	(1,203.51)	36,127.47	166.77	107.76	-	101.74	(215.66)	36,288.08
Total Shareholders' Equity	2,737.93	-	(8.70)	(45.13)	116.65	(352.06)	2,448.69	674.35	51.43	7.69	17.46	(631.91)	2,567.72
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	1.19	1.19
Total Liabilities & Shareholders' Equity	37,710.19	863.05	350.51	871.92	336.06	(1,555.57)	38,576.17	841.12	159.19	7.69	119.20	(846.38)	38,856.99

1.11 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

While preparing the financial statements, Bank applied most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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	Employee Benefits	19	Complied
9	Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
10	The Effects of Changes in Foreign Exchanges Rates	21	Complied
11	Borrowing Costs	23	Complied
12	Related Party Disclosures	24	Complied
13	Accounting and Reporting by Retirement Benefit Plans	26	Complied
14	Separate Financial Statements	27	Complied
15	Investments in Associates and Joint Ventures	28	Complied
16	Financial Reporting in Hyperinflationary Economics	29	N/A
17	Interests in Joint Ventures	31	N/A
18	Financial Instruments: Presentation	32	*
19	Earnings Per Share	33	Complied
20	Interim Financial Reporting	34	Complied
21	Impairment of Assets	36	Complied
22	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
23	Intangible Assets	38	Complied
24	Investment Property	40	Complied
25	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.

1.12 Compliance of Bangladesh Bank regulations over IAS/IFRS

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

Sl 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.
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	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.
6	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.
7	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 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.	As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), 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 sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also for disclosure such provision shall be shown as liability as opposed to netting of against loans and advances.

8	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.
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.

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 and Supplementary Duty Act, 2012
- x. The Value Added Tax and Supplementary Duty Rules, 2016
- xi. The Financial Reporting Act 2015 and other regulations of Financial Reporting Council, Bangladesh
- xii. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
- xiii. Central Depository Bangladesh Limited (CDBL) rules and regulations
- xiv. Financial Reporting Disclosure (as per BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated, 20 June 2018)
- xv. Other applicable laws and regulations

1.14 Reporting period

Sl no.	Name of the entity/segment	Reporting period
1	AB Bank Limited	01 January 2020 to 31 December 2020
2	Off Shore Banking Unit	01 January 2020 to 31 December 2020
3	Mumbai Branch, India	01 January 2020 to 31 December 2020
4	AB Investment Limited	01 January 2020 to 31 December 2020
5	AB Securities Limited	01 January 2020 to 31 December 2020
6	Cashlink Bangladesh Limited	01 January 2020 to 31 December 2020
7	AB International Finance Limited	01 January 2020 to 31 December 2020
8	Arab Bangladesh Bank Foundation	01 January 2020 to 31 December 2020

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 policies. 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 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. 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.

1.17 Credit rating of the Bank

Year	Date of Rating	Long term	Short term
Year 2019 & Jan-Sep 2020	December 09, 2020	AA-	ST-2
Year 2018 & Jan-Sep 2019	December 19, 2019	A+	ST-2
Jan to Sept 2018	January 10, 2019	A2	ST-2
Jan to Dec 2017	June 04, 2018	A1	ST-2
Jan to Dec 2016	May 28, 2017	A1	ST-2
Jan to Dec 2015	May 19, 2016	AA3	ST-2
Jan to Dec 2014	April 30, 2015	AA3	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
- those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

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
 - (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 Mohakhali and Savar Branch of ABBL	Pacific Industries Ltd.	Mr. Khairul Alam Choudhury	Nominated Director of Pacific Industries Ltd. In ABBL Board
Lease agreement with ABBL	Elite International Ltd.	Feroz Ahmed	Common Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Pacific Industries Ltd.	Common Director	Office Rent	15,270,390
Elite International Ltd.	Common Director	Office Rent	2,484,000

c) Loans/placement given to subsidiary of the Bank

Sl. no.	Name of Party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	755,898,828
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	167,548,156
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	964,604,550
Total loans/placement to subsidiary				1,888,051,534

d) Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January – December 2020 is given below:

Particulars	Amount in BDT
Short-term employee benefit	151,391,398
Post-employment benefits	-
Other long-term employee benefits	-
Termination benefits	-

Key Management personnel includes President and Managing Director, Additional Managing Director, 04 nos. Deputy Managing Director, 11 nos Senior Executive Vice President, Company Secretary, Head of Internal Control & Compliance Division and Chief Financial Officer.

Key management personnel get gratuity and superannuation fund benefits are provided as per service rule if eligible.

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 (2020) 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. Shafiqul Alam	Independent Director	Member	With effect from 13 October, 2020	MSC from Dhaka University
3	Mr. Shajir Ahmed	Director	Member	With effect from 15 September 2019	B.SC from University of London

* Mr. Kaiser A. Chowdhury has resigned from Board of Directors of the Bank on its 702nd Board Meeting held on 18 January 2021.

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

ii) Meeting held with Audit Committee

During the year 2020, the Audit Committee conducted 09 (nine) meeting in which, among others, focused on the following activities (not an exhaustive test):

- Reviewed Internal Audit Plan for the year 2020
- 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 2020 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:

Sl no.	Name	Status with the Committee	Educational/ Professional Qualification
1	Jb. Justice Siddiquir Rahman Miah	Chairman	L.L.B, Dhaka University. President of Governing body, Islamic Foundation Bangladesh former Justice Bangladesh Supreme Court. Bangladesh
2	Jb. Tarique Afzal, President & Managing Director , ABBL	Vice-Chairman	Masters of Business Administration - MBA (Major: Finance & Marketing), Victoria University, Melbourne, Australia
3	Jb.Kaiser A. Chowdhury, Director, AB Bank Ltd.*	Member	Masters of Arts (Economics), Dhaka University
4	Jb.Firoz Ahmed, Director, AB Bank Ltd.	Member	B.Com (Hons.) Accounting, Chittagoang University
5	Jb. Najmul Ehsan, Chief of Credit Review and Process Management, AB Bank Ltd.	Member	MBA, Institute of Business Administration, Dhaka University
6	Jb. Iftekhar Enam Awal, Head of SME	Member	M. Com.(Finance), Dhaka University
7	Jb. Moulana Muhammad Musa	Member-Secretary	Prominent author and research Scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Dhaka University,

* Mr. Kaiser A. Chowdhury has resigned from Board of Directors of the Bank on its 702nd Board Meeting held on 18 January 2021.

During the year 2020, AB Bank Shariah Supervisory Committee met Tow 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 2020, are:

- Reviewing the Half-Yearly Shariah Audit Report (January-June, 2019) of Islami Banking Branch and its observations.
- Approving the Final Accounts, 2019 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2019 on Islamic banking operation of the Bank.
- Reviewing the Half-Yearly Shariah Audit Report (July-December, 2019) of Islami Banking Branch and its observations.
- Gave opinion on 'Islamic Banking Guideline' Provide by Bangladesh Bank.
- Approving of Mourning news of Late M. Azizul Huq, Former Chairman of AB Bank Shariah Supervisory Committee

1.22 Auditors of Subsidiaries

Name of the Company	Relationship	Name of the Auditors
AB Investment Limited (ABIL)	Subsidiary	ACNABIN Chartered Accountants
AB Securities Limited (ABSL)	Subsidiary	AHMED KHAN & CO. Chartered Accountants
Cashlink Bangladesh Limited (CBL)	Subsidiary	SHAHA & CO. Chartered Accountants
AB International Finance Limited (ABIFL)	Subsidiary	T.O. YIP & CO. LTD. Certified Public Accountants
Arab Bangladesh Bank Foundation (ABBF)	Subsidiary	S.R. Bose & Co. Chartered Accountants

1.23 Impact of COVID-19

On 11 March 2020, the World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease, commonly known as COVID-19. To contain the spread of this disease along with many other countries of the world, the Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing, etc. As a result of these measures, all businesses and economic activities in the country have been adversely affected and this has also affected the Bank. Although the business operation and profitability of the Bank have been impacted by COVID-19, but due to the constantly changing nature of the situation and lack of certainty at present regarding how long this situation will prevail, the potential impact of COVID-19 related matters on the Bank's operation and financial results cannot be reasonably assessed. The management of the Bank assessed the going concern and found no uncertainty regarding this for the upcoming 12 (twelve) months due to COVID-19. The global economy including Bangladesh has been seriously affected since March 2020 due to the outbreak of COVID-19 that has caused serious disruption in Export and Import business, especially in the month of April and May 2020. As a result, commission income has been reduced significantly during the period.

1.24 Going Concern

The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will remain in business for the foreseeable future. Conversely, the Bank has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. Key financial parameters (including liquidity, profitability, asset quality and credit rating) of the Bank continued to demonstrate a healthy trend for a couple of years. The management is not aware of any material uncertainties that may cause to believe that significant doubt upon the Bank's ability to continue as a going concern.

1.25 Worker's Profit Participation Fund (WPPF)

In consistent with widely accepted industry practice and in line section 11(1) of the Banking Companies Act, 1991 (As amended up to date) and subsequent clarification given by Bank & Financial Industries Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers' Profit Participation Fund (WPPF)."

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.



AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
3. Cash			
Cash in hand	(Note 3.1)	1,009,893,886	1,136,100,637
Balance with Bangladesh Bank and its agent bank(s)	(Note 3.2)	19,920,756,233	18,736,346,733
		20,930,650,119	19,872,447,371
3 (a) Consolidated Cash			
AB Bank Limited		20,930,650,119	19,872,447,371
AB Investments Limited		25,000	25,000
AB International Finance Limited		28,096	62,958
AB Securities Limited		35,000	35,000
Cashlink Bangladesh Limited (CBL)		56,889	4,729
		20,930,795,104	19,872,575,058
3.1 Cash in hand			
In local currency		967,306,177	1,112,273,983
In foreign currency		42,587,709	23,826,654
		1,009,893,886	1,136,100,637
3.1(a) Consolidated Cash in hand			
AB Bank Limited		1,009,893,886	1,136,100,637
AB Investments Limited		25,000	25,000
AB International Finance Limited		28,096	62,958
AB Securities Limited		35,000	35,000
Cashlink Bangladesh Limited (CBL)		56,889	4,729
		1,010,038,871	1,136,228,324
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency	(Note: 3.2.1)	12,333,756,678	16,933,745,693
In foreign currency	(Note: 3.2.2)	7,185,461,249	1,325,358,012
		19,519,217,927	18,259,103,705
Sonali Bank Limited		401,538,306	477,243,028
(as an agent bank of Bangladesh Bank) - local currency		19,920,756,233	18,736,346,733
3.2.1 Balance with Bangladesh Bank- local currency			
Balance as per Bank Ledger		12,333,756,678	16,933,745,693
Unresponded debit entries		3,962,064	27,432,347
Bangladesh Bank statement		3,503,071	27,050,707
AB Bank's ledger		458,993	381,640
Unresponded credit entries		215,464,260	71,797,332
Bangladesh Bank statement		206,630,001	70,971,774
AB Bank's ledger		8,834,259	825,557
		12,545,258,875	16,978,110,678

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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 2020 is given below:

Year of Unreconciliation	Number of Unresponded Entries		Unresponded amount in BDT	
	Debit	Credit	Debit	Credit
Less than 3 months	6	10	3,962,064	215,464,260
3 months to less than 6 months	-	-	-	-
6 months to less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	6	10	3,962,064	215,464,260

**31.12.2020
Taka**

**31.12.2019
Taka**

3.2.2 Balance with Bangladesh Bank-foreign currency

Balance as per Bank Ledger

Unresponded debit entries

Bangladesh Bank statement

AB Bank's ledger

Unresponded credit entries

Bangladesh Bank statement

AB Bank's ledger

Balance as per Bangladesh Bank Statement

7,185,461,249

1,325,358,012

5,340,200

-

-

-

5,340,200

-

37,565,433

230,889,365

21,210,223

147,117,201

16,355,210

83,772,165

7,217,686,482

1,556,247,378

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 2020 is given below:

Year of Unreconciliation	Number of Unresponded Entries		Unresponded amount in BDT	
	Debit	Credit	Debit	Credit
Less than 3 months	1	59	5,340,200	33,299,045
3 months to less than 6 months	-	3	-	4,266,388
6 months to less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	1	62	5,340,200	37,565,433

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

AB Bank Limited

AB Investments Limited

AB International Finance Limited

AB Securities Limited

Cashlink Bangladesh Limited (CBL)

19,920,756,233

18,736,346,733

-

-

-

-

-

-

-

-

19,920,756,233

18,736,346,733

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. 03 dated 09 April 2020.

31.12.2020
Taka31.12.2019
Taka

The statutory cash reserve requirement is on the Bank's time and demand liabilities at the rate 4.00% and has been calculated and maintained with Bangladesh Bank in current account while statutory liquidity ratio of 13.00% is required, on the same liabilities is also maintained in the form of Government Securities and other regulatory components which supported to SLR. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

(a) Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD Circular No.-03 dated 09 April 2020, Bank has to maintain CRR @ 4.00% on fortnightly cumulative average basis and minimum CRR @ 3.50% on daily basis.

i) Daily position as on the reporting date

Required reserve	10,729,742,384	14,624,226,903
Actual reserve maintained	12,270,941,451	16,685,285,892
Surplus	1,541,199,067	2,061,058,989

As per Bank ledger, balance with Bangladesh Bank (local currency) is BDT 12,073,050,626 while as per Bangladesh Bank Statements balance is BDT 12,281,941,451. 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. 03 dated 09 April 2020, Bank has to maintain CRR @ 4.00% on fortnightly cumulative average basis.

Required reserve (4.00% of total time & demand liabilities)	182,405,620,528	248,611,857,351
Actual reserve maintained	186,988,926,189	254,990,473,770
Surplus	4,583,305,661	6,378,616,419

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time & demand liabilities)

Required reserve (13% of total time & demand liabilities)	34,874,383,466	34,566,354,498
Actual reserve maintained	56,369,820,548	54,656,019,144
Total surplus	21,495,437,082	20,089,664,646

As per Bangladesh Bank MPD Circular No. 03 dated 09 April 2020, all scheduled Banks have to maintain CRR and SLR @ 4.00% and @ 13.00% respectively of their total time and demand liabilities on bi-weekly average basis, where the Bank maintained @ 4.57% and @ 21.01% respectively at the year end.

(c) Components of Statutory Liquidity Ratio (SLR)

Cash in hand	1,001,530,477	1,127,677,409
Balance with Sonali Bank	401,538,306	477,243,028
HTM Securities	36,434,249,577	32,553,153,570
HFT Securities	16,991,303,121	18,436,886,147
Excess Reserve of CRR	1,541,199,067	2,061,058,989
	56,369,820,548	54,656,019,144

Islamic Banking**Cash Reserve Requirement and Statutory Liquidity Ratio**

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with section 33 of the Banking Companies Act, 1991 (amendment up to 2018) and subsequent Bangladesh Bank's DOS circular no. 01 dated 19 January 2020 and MPD Circular No. 03 dated 09 April 2020.

The Statutory Cash Reserve is required on the Bank's Time and Demand Liabilities at the rate of 4.00 % 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), Bangladesh Government Investment Sukuk (BGIS) 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:

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
(a) Cash Reserve Requirement (CRR)			
Required reserve		251,615,000	280,362,170
Actual reserve maintained		263,317,424	281,824,758
Surplus		11,702,424	1,462,588
(b) Statutory Liquidity Ratio (SLR)			
Total required reserve		345,970,000	280,362,170
Total actual reserve held		414,435,550	285,952,050
Total surplus		68,465,550	5,589,880
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 18.50% for 31.12.2019 & 18.00% for 31.12.2020 is required, on the same liabilities is also maintained in the form of treasury bills, and bonds including foreign currency balance with RBI. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:			
(a) Cash Reserve Ratio (CRR)			
Required reserve		7,627,095	9,278,344
Actual reserve maintained		53,180,972	28,774,868
Surplus		45,553,877	19,496,524
(b) Statutory Liquidity Ratio (SLR)			
Required reserve		307,637,695	325,891,006
Actual reserve maintained		757,522,153	609,263,692
Surplus		449,884,458	283,372,686
Total required reserve		315,264,790	335,169,350
Total actual reserve held		810,703,125	638,038,560
Surplus		495,438,335	302,869,210
4. Balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1)	1,212,295,681	960,214,284
Outside Bangladesh	(Note: 4.2)	3,151,497,768	4,288,576,060
		4,363,793,449	5,248,790,344
4 (a) Consolidated balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1.a)	1,690,034,988	1,022,559,568
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a)	3,167,205,939	4,292,276,348
		4,857,240,927	5,314,835,916



AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

4.1 In Bangladesh

Current Deposits

Standard Chartered Bank, Dhaka City Centre Branch
Agrani Bank Ltd., Local Office, Dhaka
Islami Bank Bangladesh Ltd., Local Office
Agrani Bank Ltd., Bhairab Bazar Branch
Janata Bank Ltd., Jessore Branch
Agrani Bank Ltd., Mymensingh Branch
Trust Bank Ltd., Mymensingh Branch
Janata Bank Ltd., Corporate Branch, Bogura
Rupali Bank Ltd., Bogura Branch
Agrani Bank Ltd., Thana Road Branch, Bogura
RAKUB, Bogura Branch
Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi
Janata Bank Ltd., Rajshahi Branch
Rupali Bank Ltd., Rajshahi Branch
Janata Bank Ltd., Rangpur Branch
RAKUB, Rangpur Branch
Rupali Bank Ltd., Rangpur Branch
Janata Bank Ltd., Chapai Nawabganj Branch
Janata Bank Ltd., Sirajgonj Branch

31.12.2020
Taka

31.12.2019
Taka

26,675,395	2,582,845
24,885	24,885
17,277	17,277
534	534
43,225	34,284
10,000	475
5,046,476	59,166
4,891	4,005,581
5,605	5,950
6,058,242	7,508,242
6,834	7,581
5,000	5,000
5,575	5,575
9,425	9,425
6,848,369	647,737
-	343
400,395	10,308
21,251	16,024
1,177	1,867
45,184,553	14,943,097

Special Notice Deposits

Agrani Bank Ltd., Rangpur Branch
Agrani Bank Ltd., Saidpur Branch
Agrani Bank Ltd., VIP Road Branch, Sylhet
Agrani Bank Ltd., Bogura Branch
Agrani Bank Ltd., Pabna Branch
Janata Bank Ltd., Pabna Branch
Agrani Bank Ltd., Jhikargachha Branch
Agrani Bank Ltd., Sirajgonj Branch
RAKUB, Sirajgonj Branch
Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna Br.
Agrani Bank Ltd., Naogaon Branch
Agrani Bank Ltd., Jashore Branch
Agrani Bank Ltd., Moulvi Bazar Branch
Agrani Bank Ltd., Satkhira Branch
Agrani Bank Ltd., Principal Branch, Dhaka
Agrani Bank Ltd., Barisal Branch
Bangladesh Krishi Bank, Barisal Branch
Janata Bank Ltd., Barisal Branch
Standard Chartered Bank, Dhaka City Centre Branch
Islami Bank Bangladesh Ltd., HO Complex Corp Br.
Bank Asia Ltd., Islami Banking Window, Shantinagar Br.
First Security Islami Bank Ltd, Dilkusha Br.
Al-Arafah Islami Bank Ltd, Dilkusha Branch
Shahjalal Islami Bank Ltd, Dhaka Main Branch
The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka
Bank Alfalah Ltd, Main Branch, Dhaka
Southeast Bank Ltd., Islami Banking Br, Motijheel
EXIM Bank Ltd, Motijheel Branch

270,016	3,549,371
20,003,505	442
4,734	4,586
7,530	7,530
1,000	1,000
1,000	1,000
36,686,585	34,794,735
492,936	15,514,224
770	770
37,794	32,117
2,024,612	2,564,634
3,106	33,106
965,268	1,468,968
6,568	6,568
1,510,098	3,204,524
82,046	86,253
5,623	54,157
76,323	74,532
1,038,033	1,038,033
580,873	567,670
40,030	40,083
446,244	555
2,503,216	1,553,826
12,309	9,030
350,446	345,378
17,031	17,418
54,184	54,096
251,328	50,064

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
Special Notice Deposits (cont.)		
Agrani Bank Ltd., Islami Bank Window, Amin Court Corp. Br.	5,087	3,317
Jamuna Bank Ltd., Islami Banking Br, Nayabazar	7,957	6,193
Union Bank Ltd., Dilkusha Branch	6,437,941	67,428
Premier Bank Ltd., Islami Banking Br, Mohakhali	696,705	41,485
Pubali Bank Ltd., Islamic Branch, 26 Dilkusha, Dhaka	33,486	36,073
	74,654,385	65,229,167
Savings Deposits		
Social Islamic Bank Ltd. Principal Branch	12,452,188	37,634
ICB Islamic Bank Ltd., Principal Br, Motijheel	4,556	4,386
	12,456,744	42,020
Fixed Deposits		
Hajj Finance Company Ltd.	50,000,000	100,000,000
Phoenix Finance and Investment Ltd.	230,000,000	230,000,000
Exim Bank Ltd.	250,000,000	-
Union Capital Ltd.	150,000,000	150,000,000
IIDFC	100,000,000	200,000,000
IPDC Finance Ltd.	150,000,000	150,000,000
Islami Finance Ltd.	150,000,000	-
BD Finance Ltd.	-	50,000,000
	1,080,000,000	880,000,000
	1,212,295,681	960,214,284
4.1.a Consolidated In Bangladesh		
AB Bank Limited	1,212,295,681	960,214,284
AB Investment Limited	136,001,739	207,700
AB International Finance Limited	-	-
AB Securities Limited	456,707,020	81,563,768
Cashlink Bangladesh Limited (CBL)	45,305,051	41,974,568
	1,850,309,491	1,083,960,320
Less: Inter company transaction	160,274,503	61,400,752
	1,690,034,988	1,022,559,568
4.2 Outside Bangladesh		
Current Deposits		
The Bank of Tokyo Mitsubishi Limited	445,548	1,197,949
MFT, Yangon	84,800	84,900
JP Morgan Chase Bank	823,199,273	1,124,349,954
Sonali Bank (Kolkata)	6,030,102	1,587,576
Myanmar Economic Bank	34,768	34,809
Citibank NA	136,782,639	355,350,812
Hatton National Bank Limited	57,711,947	1,710,155
Commerz Bank AG	28,800,706	48,782,002
MCB Bank Ltd	3,860,685	4,234,667
Mashreq Bank Psc	128,271,243	1,121,283,017
Nepal Bangladesh Bank Limited	4,099,951	4,219,212
Bank of Bhutan	623,285	1,031,675



AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

Current Deposits (cont.)

Habib America Bank
Commerz Bank AG
Habib Metro Bank
Commerz BK CAD
Commerz BK CHF
JPMC NY
Commerz Bank
Reserve Bank of India
HDFC Bank CSGL
HDFC Bank Limited
Kotak Mahindra Bank
Habib American Bank Limited
JP CHASE ACU
Standard Chartered Bank, NY, USA
Standard Chartered Bank, Singapore
Standard Chartered Bank, UK, GBP

31.12.2020 Taka	31.12.2019 Taka
97,311,321	229,731,363
82,490,389	54,526,958
5,325,350	15,691,603
965,642	4,251,086
4,120,869	1,584,200
91,182,868	97,305,715
1,478,988	1,366,527
53,180,886	28,775,184
5,297,196	787,977
223,688,896	50,974,451
13,542,368	11,752,640
890,080	1,640,659
1,371,313,144	1,045,603,523
7,956,182	68,940,720
140,773	7,344,621
2,667,866	4,432,107
3,151,497,768	4,288,576,060

(Details are given in **Annexure - A**)

4.2.a Consolidated Outside Bangladesh (Nostro Accounts)

AB Bank Limited
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)

3,151,497,768	4,288,576,060
-	-
26,029,982	4,084,192
-	-
-	-
3,177,527,750	4,292,660,252
10,321,811	383,904
3,167,205,939	4,292,276,348

Less: Inter company transactions

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

Current deposits
Savings deposits
Short-Notice Deposits
Fixed deposits

3,196,682,320	4,303,519,157
12,456,744	87,698
74,654,385	65,183,489
1,080,000,000	880,000,000
4,363,793,449	5,248,790,344

4.4 Maturity grouping of balance with other banks

Repayable – on demand
– up to 3 months
– over 3 months but below 1 year
– over 1 year but below 5 years
– over 5 years

3,274,315,029	4,303,519,157
1,089,478,421	945,271,187
-	-
-	-
-	-
4,363,793,449	5,248,790,344

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
5. Money at call and on short notice			
In Bangladesh	(Note 5.1)	1,120,000,000	3,640,000,000
Outside Bangladesh	(Note 5.2)	1,379,682,377	1,136,493,241
		2,499,682,377	4,776,493,241
5.1 In Bangladesh			
<u>With banking companies</u>			
Local Currency:			
Bank Asia Limited		-	1,500,000,000
Midland Bank Limited		-	290,000,000
Modhumoti Bank Limited		250,000,000	550,000,000
Rupali Bank Limited		-	100,000,000
National Bank Limited		300,000,000	700,000,000
The City Bank Limited		-	500,000,000
Jamuna Bank Limited		570,000,000	-
		1,120,000,000	3,640,000,000
Foreign Currency:		-	-
<u>With non-banking financial institutions</u>		-	-
		1,120,000,000	3,640,000,000
<u>At short notice</u>		-	-
<u>On calls and placements</u>			
Bank Asia Limited		-	1,500,000,000
Midland Bank Limited		-	290,000,000
Modhumoti Bank Limited		250,000,000	550,000,000
Rupali Bank Limited		-	100,000,000
National Bank Limited		300,000,000	700,000,000
The City Bank Limited		-	500,000,000
Jamuna Bank Limited		570,000,000	-
		1,120,000,000	3,640,000,000
5.2 Outside Bangladesh			
AB International Finance Limited		964,604,550	849,000,000
Commerz Bank, AG		-	2,334,750
Kotak Mahindra Bank		-	-
HDFC Bank Limited		415,077,827	285,158,491
		1,379,682,377	1,136,493,241
5(a) Consolidated money at call and on short notice			
AB Bank Limited		2,499,682,377	4,776,493,241
AB Investment Limited		-	-
AB International Finance Limited		-	-
AB Securities Limited		-	-
Cashlink Bangladesh Limited (CBL)		-	-
		2,499,682,377	4,776,493,241
Less: Inter-group transaction		(964,604,550)	(849,000,000)
		1,535,077,827	3,927,493,241

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
6. Investments	63,437,394,797	61,578,564,387
Nature wise (Bangladesh operation)		
Held for Trading	16,991,303,125	18,436,886,147
Held to Maturity	36,434,249,577	32,553,153,570
Others	9,545,830,795	10,066,205,208
	62,971,383,497	61,056,244,925
Nature wise (Mumbai branch)		
Held for Trading/Available for Sale	175,650,675	284,497,280
Held to Maturity	290,360,625	237,822,182
Others	-	-
	466,011,300	522,319,462
Claim wise		
Government securities	(Note 6.1) 53,824,738,002	51,271,643,217
Other investments	(Note 6.2) 9,612,656,795	10,306,921,170
	63,437,394,797	61,578,564,387
6 (a) Consolidated investments		
AB Bank Limited	63,437,394,797	61,578,564,387
AB International Finance Limited	-	-
AB Investment Limited	551,741,963	736,423,365
AB Securities Limited	103,575,886	101,411,055
Cashlink Bangladesh Limited (CBL)	-	-
	64,092,712,647	62,416,398,807
6.1 Government securities		
T.Bill-Local-RE.REPO	2,773,230,075	4,594,340,150
T.Bill	3,832,710,742	7,805,539,669
Treasury bonds	46,819,611,886	38,590,159,898
Bangladesh Bank Islami Investment bonds	397,800,000	280,000,000
Prize bonds	1,385,300	1,603,500
	53,824,738,002	51,271,643,217
6.1.1 Maturity wise Treasury Bonds		
(a) 30 Days Bangladesh Bank Bill	-	-
(b) Treasury Bill		
(i) 91 Days Treasury Bill	1,249,621,250	3,953,566,779
(ii) 182 Days Treasury Bill	749,876,250	2,005,595,561
(iii) 364 Days Treasury Bill	1,833,213,240	1,846,377,329
Total Treasury Bill	3,832,710,740	7,805,539,669
Treasury Bond		
(i) 02 Years Treasury Bond	4,040,822,394	301,639,593
(ii) 05 Years Treasury Bond	10,012,437,402	9,156,974,865
(iii) 10 Years Treasury Bond	18,808,231,975	17,177,320,369
(iv) 15 Years Treasury Bond	7,478,868,393	6,463,769,873
(v) 20 Years Treasury Bond	6,479,251,719	5,490,455,198
Total Treasury Bond	46,819,611,886	38,590,159,898

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
6.1(a) Consolidated Government securities			
AB Bank Limited		53,824,738,002	51,271,643,217
AB Investment Limited		-	-
AB International Finance Limited		-	-
AB Securities Limited		-	-
Cashlink Bangladesh Limited (CBL)		-	-
		53,824,738,002	51,271,643,217
6.2 Other investments			
Shares	(Note 6.2.1)	3,508,722,377	4,144,754,812
Bond	(Note 6.2.2)	4,000,000,000	4,000,000,000
Pinnacle Global Fund Pte Limited	(Note 6.2.3)	1,637,923,118	1,639,846,896
		9,146,645,495	9,784,601,708
Investments -ABBL, Mumbai branch			
Treasury bills		466,011,300	522,319,462
		466,011,300	522,319,462
Total other investments		9,612,656,795	10,306,921,170
6.2 (a) Consolidated other investments			
AB Bank Limited		9,612,656,795	10,306,921,170
AB Investment Limited		551,741,963	736,423,365
AB International Finance Limited		-	-
AB Securities Limited		103,575,886	101,411,055
Cashlink Bangladesh Limited (CBL)		-	-
		10,267,974,644	11,144,755,589
6.2.1 Investments in shares			
Quoted (Publicly traded)		2,978,945,276	3,705,139,231
Unquoted		529,777,101	439,615,580
		3,508,722,377	4,144,754,812
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		1,637,923,118	1,639,846,896
Investment in Pinnacle Global Fund Pte Limited has been reduced due to Foreign Currency Rate fluctuation.			
6.3 Maturity grouping of Investment			
Repayable – on demand		-	-
– upto 3 months		8,381,784,389	11,743,358,670
– over 3 months but below 1 year		9,264,322,735	6,523,081,683
– over 1 year but below 5 years		25,607,579,032	22,516,592,280
– over 5 years		20,183,708,641	20,795,531,753
		63,437,394,797	61,578,564,387

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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 2020:

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

(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2020:

Counter party name	Agreement date	Reversal date	Amount (1st leg cash consideration)
SBAC Bank Ltd.	30-Dec-20	06-Jan-21	309,498,470
SBAC Bank Ltd.	30-Dec-20	06-Jan-21	382,059,732
Pubali Bank Ltd.	30-Dec-20	04-Jan-21	985,185,000
Pubali Bank Ltd.	30-Dec-20	04-Jan-21	504,872,235
Pubali Bank Ltd.	30-Dec-20	04-Jan-21	592,338,600

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	-	22,847,423,000	7,266,943,560
ii) with other banks & FIS	-	22,780,512,000	4,907,247,352
Securities purchased under reverse repo:			
i) from Bangladesh Bank	-	-	-
ii) from other banks & FIS	-	4,380,368,504	345,901,234

7. Loans, advances and lease/investments

31.12.2020
Taka

31.12.2019
Taka

274,829,861,346

256,512,476,640

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

4,744,672,744
94,150,468,018
128,215,097,684
31,719,521,979
16,000,100,920
274,829,861,346

3,759,884,860
80,155,045,832
129,654,604,804
31,986,069,463
10,956,871,681
256,512,476,640

7.2 Broad category-wise breakup excluding bills purchased and discounted

In Bangladesh

Loans
Overdrafts
Cash credits

255,617,832,404
18,606,517,253
-
274,224,349,658

235,031,177,819
20,715,446,412
-
255,746,624,231

Outside Bangladesh: ABBL, Mumbai branch

Loans
Overdrafts
Cash credits

705,896
-
33,165,826
33,871,722
274,258,221,380

660,680
-
30,996,046
31,656,725
255,778,280,956

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

7.3 Product wise loans and advances

	31.12.2020 Taka	31.12.2019 Taka
Overdraft	18,600,377,953	20,715,446,412
Cash Credit	33,165,826	30,996,046
Time loan	45,728,905,658	40,434,384,083
Term loan	186,322,303,029	172,292,406,439
Forced loan	12,956,187,214	11,003,893,368
Bills under LC	36,160,169	48,935,376
Trust Receipt	6,222,152,680	6,755,526,597
Packing credit	95,704,310	183,774,936
Loan against accepted bills	46,492,698	215,471,226
Loan-EDF	1,548,410,272	1,410,264,178
Consumer Loan	1,361,563,536	1,286,598,412
Staff loan	1,306,798,037	1,400,583,882
Bills purchased & discounted	571,639,966	734,195,684
	274,829,861,346	256,512,476,640

7.4 Net loans, advances and lease/investments

Gross loans and advances	274,829,861,346	256,512,476,640
Less:		
Interest suspense	16,114,355,797	18,134,825,637
Provision for loans and advances	20,224,381,003	15,279,405,791
	36,338,736,801	33,414,231,427
	238,491,124,546	223,098,245,212

7.5 Significant concentration

Advances to industries	162,625,517,198	152,298,688,498
Advances to customer groups	102,971,788,159	95,158,135,431
Advances to allied concerns of Directors	9,231,828,714	9,054,439,814
Advances to Chief Executive	727,276	1,212,896
	274,829,861,346	256,512,476,640

7.6 Advances to customers for more than 10% of Bank's total capital

Total capital of the Bank	36,965,972,064	33,547,104,748
Number of clients	25	28
Amount of outstanding advances	132,359,600,000	121,991,900,000
Amount of classified advances	13,431,139,259	13,000,288,414
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	4,861,801,894	3,819,666,523
Large and medium scale industry	84,212,134,265	70,152,695,242
Working capital	57,010,075,866	54,853,641,156
Export	1,540,950,961	3,756,901,699
Commercial lending	51,867,690,218	52,742,624,554
Small and cottage industry	4,492,946,279	2,967,096,717
Others	70,844,261,863	68,219,850,750
	274,829,861,346	256,512,476,640



AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

7.8 Geographical location-wise (division) distribution

In Bangladesh

Urban branches

	31.12.2020 Taka	31.12.2019 Taka
Dhaka	180,226,670,090	168,071,608,239
Chattagram	54,086,938,844	50,440,051,697
Khulna	13,687,644,566	12,764,736,077
Sylhet	2,176,330,866	2,029,588,728
Barishal	412,351,525	384,548,150
Rajshahi	8,789,106,635	8,196,488,885
Rangpur	8,146,725,396	7,597,421,095
Mymensingh	4,902,308,681	4,571,763,694
	272,428,076,604	254,056,206,564

Rural branches

Dhaka	1,053,670,312	1,008,673,360
Chattagram	650,319,802	622,547,919
Khulna	-	-
Sylhet	109,735,922	105,049,653
Barishal	-	-
Rajshahi	19,942	19,091
Rangpur	591,198	565,951
Mymensingh	47,852,010	45,808,492
	1,862,189,187	1,782,664,465

Outside Bangladesh

ABBL, Mumbai branch	539,595,555	673,605,611
	274,829,861,346	256,512,476,640

7.9 Classification of loans, advances and lease/investments

In Bangladesh

Unclassified

Standard	211,499,306,154	193,311,858,904
Special Mention Account	16,636,366,950	15,636,520,911
	228,135,673,104	208,948,379,815

Classified

Sub-Standard	2,345,665,401	2,219,729,829
Doubtful	3,096,787,235	3,254,684,217
Bad/Loss	40,712,140,051	41,416,077,168
	46,154,592,688	46,890,491,214
	274,290,265,791	255,838,871,028

Outside Bangladesh-Mumbai Branch

Unclassified Loan	539,595,555	673,605,611
Classified Loan	-	-
	539,595,555	673,605,611
	274,829,861,346	256,512,476,640

Classification of Loans and advances have been made as per Bangladesh Bank Letter no. DBI-1/101/2021-1026 dated April 20, 2021.

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
7.10 Particulars of loans, advances and lease/investments		
(i) Loans considered good in respect of which the Bank is fully secured	237,668,028,697	221,827,066,935
(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	37,161,832,649	34,685,409,705
(iv) Loans adversely classified but provision not maintained there against	-	-
	274,829,861,346	256,512,476,640
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,306,798,037	1,400,583,882
(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)]	1,408,719,698	1,595,718,150
(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)	1,984,888,448	1,146,653,215
(b) Amount of loan written off	-	1,474,965,854
(c) Amount realised against loan previously written off	172,931,675	109,176,042
(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	7,440,688,448	5,455,756,706
(e) Interest creditable to interest suspense account	103,308,393	1,250,180,046
(xi) Written off loan:		
Opening written off loan	16,960,853,604	15,485,887,750
Add: Written off during the year	-	1,474,965,854
Cumulative Written off loans	16,960,853,604	16,960,853,604
Less: Adjustments/ recoveries/ Settlement up to the year	3,698,852,518	3,209,310,777
Closing Balance of Written off loan	13,262,001,086	13,751,542,827
The amount of written off loans for which lawsuits have been filed for its recovery	13,262,551,152	13,663,089,179

7.10 (a) The amount represents loans Tk.1,408,719,698 due by the employees of the Bank.

7.11 Securities wise loans, advances and lease/investments

Nature of security

Collateral of movable/immovable assets	233,413,751,391	215,739,231,713
Cash collateral	12,584,902,761	9,704,567,415
Banks and financial institutions guarantee	-	-
Personal guarantee	12,665,038,466	11,065,552,891
Corporate guarantee	6,847,773,600	6,909,180,542
Other securities	9,318,395,128	13,093,944,081
	274,829,861,346	256,512,476,640

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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	376,096,028
Beximco Ltd.	Term Loan	29 Mar 2028	1,144,333,442
Beximco Ltd.	Term Loan	29 Jun 2022	144,803,757
BEL Construction SDN BHD Ltd.	Term Loan	31 Dec 2027	4,562,363,112
BEL Construction SDN BHD Ltd.	Term Loan	30 Dec 2021	592,597,459
R & R Aviation Limited	Term Loan	23 Dec 2027	110,794,495
International Knitwear & Apparels Ltd.	Term Loan	29 Jun 2028	863,115,103
Beximco Ltd.	Term Loan	29 Jun 2022	645,794,716
New Dacca Industries Ltd.	Term Loan	29 Jun 2022	3,275,062,087
New Dacca Industries Ltd.	Term Loan	29 Jun 2028	894,652,570
R & R Holdings	Term Loan	23 Dec 2027	3,301,443,852
			15,911,056,620

31.12.2020
Taka

31.12.2019
Taka

7(a) Consolidated loans, advances and lease/investments excl. Bills purchased

AB Bank Limited	274,258,221,380	255,778,280,956
AB Investment Limited	6,957,399,993	6,752,714,392
AB International Finance Limited	-	-
AB Securities Limited	919,006,263	930,528,911
Cashlink Bangladesh Limited (CBL)	-	-
	282,134,627,636	263,461,524,259
Less: Inter company transaction	923,446,984	911,545,194
	281,211,180,652	262,549,979,066

8 Bills purchased and discounted

In Bangladesh	65,916,133	92,246,798
Outside Bangladesh - ABBL, Mumbai Branch	505,723,833	641,948,886
	571,639,966	734,195,684

8 (a) Consolidated Bills purchased and discounted

AB Bank Limited	571,639,966	734,195,684
AB Investment Limited	-	-
AB International Finance Limited	1,118,086,071	1,100,826,659
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	1,689,726,038	1,835,022,342

8.1 Maturity grouping of Bills Purchased and discounted

Repayable – within 1 month	118,013,770	169,204,134
– over 1 month but within 3 months	179,342,439	234,126,640
– over 3 months but within 6 months	274,283,756	122,851,863
– over 6 months	-	208,013,047
	571,639,966	734,195,684

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

9. Fixed assets including premises, furniture and fixtures

Cost:

	31.12.2020 Taka	31.12.2019 Taka
Land and Building	2,962,553,953	2,968,097,272
Furniture and fixtures	252,394,773	250,083,131
Office appliances	65,411,271	64,178,283
Electrical appliances	1,933,469,202	1,901,779,739
Motor vehicles	838,058,314	781,076,227
Intangible Assets	783,812,337	758,525,505
Right of Use Assets	1,329,421,828	1,329,421,828
	8,165,121,677	8,053,161,986
Less: Accumulated depreciation and amortization	3,676,130,287	3,181,951,744
	4,488,991,390	4,871,210,242

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

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

Cost:

AB Bank Limited	8,165,121,677	8,053,161,986
AB Investments Limited	688,571,092	688,571,092
AB International Finance Limited	4,731,583	4,718,520
AB Securities Limited	56,999,872	37,778,532
Cashlink Bangladesh Limited (CBL)	81,471,369	81,471,369
	8,996,895,593	8,865,701,499

Accumulated depreciation:

AB Bank Limited	3,676,130,287	3,181,951,744
AB Investments Limited	159,634,894	141,044,753
AB International Finance Limited	4,601,076	4,403,501
AB Securities Limited	42,572,830	30,061,320
Cashlink Bangladesh Limited (CBL)	81,471,369	81,471,369
	3,964,410,457	3,438,932,687
	5,032,485,136	5,426,768,812

10. Other Assets:

Income generating-Equity Investment

In Bangladesh:

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

Outside Bangladesh:

AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
	5,203,944	5,203,944
	6,229,114,922	6,229,114,922

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
Non-income generating			
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)		19,920,000	19,920,000
Deferred tax assets	(Note 10.1)	3,270,784,720	2,559,125,266
Accounts receivable		1,586,836,210	1,358,719,057
Preliminary, formation, organisational, renovation, development, prepaid expenses and others		757,841,435	699,855,925
Exchange for clearing		1,580,837,111	26,837,111
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables		1,221,859,948	1,250,896,297
Security deposits		73,046,316	75,798,791
Advance rent and advertisement	(Note 10.2)	103,540,859	113,443,319
Stationery, stamps, printing materials, etc.		33,323,414	31,978,415
Inter-branch adjustment		-	14,147
		8,647,990,013	6,136,588,329
		14,877,104,936	12,365,703,251
10(a) Consolidated Other assets			
AB Bank Limited		14,877,104,936	12,365,703,251
AB Investment Limited		237,079,608	300,379,486
AB International Finance Limited		47,698,127	37,219,501
AB Securities Limited		98,164,731	11,989,506
Cashlink Bangladesh Limited (CBL)		31,571,199	32,515,580
		15,291,618,600	12,747,807,325
Less: Inter-group transaction		6,405,107,481	6,357,907,426
		8,886,511,119	6,389,899,899
10.1 Deferred tax assets			
a) Deferred tax assets for specific provisions of loans and advances			
Opening Deferred Tax Assets		2,622,704,984	1,995,567,400
Add: Deferred Tax Income during the year		736,387,500	796,087,500
Less: Write-Off adjustment		-	118,861,316
Less: Adjustment during the year		-	50,088,601
Closing deferred tax assets		3,359,092,484	2,622,704,984
b) Deferred tax liabilities against property, plant & equipment			
Balance at 01 January		63,579,718	103,787,730
Add/(less): Provision made during the year		24,645,723	(40,257,496)
Add/(Less): Adjustment for Rate Fluctuation during the year		82,324	49,483
Closing deferred tax liabilities		88,307,764	63,579,718
Net Deferred Tax Assets (a-b)		3,270,784,720	2,559,125,266
Net Deferred Tax Income during the year		711,741,777	836,344,996
Deferred tax liabilities against Property, Plant & Equipment			
Accounting base of Property, Plant & Equipment		3,556,621,763	3,700,011,239
Tax base of Property, Plant & Equipment		3,314,479,078	3,523,048,120
Difference		242,142,685	176,963,119

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
(Deductible)/Taxable Temporary Difference	242,142,685	176,963,119
Effective Tax Rate	37.50%	37.50%
Deferred Tax (Assets)/Liabilities	90,803,507	66,361,170
Deferred Tax (Assets)/Liabilities of Mumbai Branch	(2,495,745)	(2,781,455)
Closing Deferred Tax (Assets)/Liabilities	88,307,764	63,579,715
10.1.2 Consolidated deferred tax liabilities		
AB Bank Limited	88,307,764	63,579,718
AB Investment Limited	-	11,437,840
	88,307,764	75,017,557
10.1.3 Consolidated deferred tax assets		
AB Bank Limited	3,359,092,484	2,622,704,984
AB Securities Limited	1,979,667	2,265,570
AB Investment Limited	39,432,812	-
	3,400,504,963	2,624,970,554
10.2 Advance rent and advertisement		
Advance rent BDT 17,56,92,139.02 as on 31 December 2020 is included with Right of Use (ROU) assets as per IFRS 16 Leases.		
11. Non-Banking Assets	334,171,836	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) 19,107,865,842	14,820,039,741
Outside Bangladesh	-	-
	19,107,865,842	14,820,039,741
12.1 In Bangladesh:		
12.1.1 Bangladesh Bank		
Export Development Fund	1,537,686,974	1,401,605,286
Islamic Investment Bond	816,485,540	1,816,519,380
Refinance against IPFF	246,135,320	284,034,590
Refinance against Women Entr., Small Enterprise, ETP, Covid 19 & Others	1,893,766,663	145,537,446
	4,494,074,497	3,647,696,701
12.1.2 Call & Term Borrowing from		
NCC Bank Ltd.	500,000,000	924,500,000
NRB Commercial Bank Limited	-	500,000,000
Agrani Bank Limited	9,496,008,000	2,900,000,000
Sonali Bank Limited	848,004,000	3,000,000,000
Simanto Bank Limited	400,000,000	-
Uttara Bank Limited	1,924,002,000	500,000,000
Bank Asia Limited	-	1,500,000,000
Midland Bank Ltd	-	300,000,000
South Bangla Bank Ltd	-	500,000,000
Rupali Bank Limited	924,002,000	500,000,000
National Bank Limited	296,801,400	254,700,000
South East Bank Limited	169,600,800	169,800,000
Accrued interest	55,373,145	123,343,040
	14,613,791,345	11,172,343,040
Total in Bangladesh	19,107,865,842	14,820,039,741

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
12.2 Analysis by security		
Secured (assets pledge as security for liabilities)	-	-
Unsecured	19,107,865,842	14,820,039,741
	19,107,865,842	14,820,039,741
12.3 Repayment pattern		
Repayable on demand	-	1,000,000,000
Repayable on maturity (Note 12.3.1)	19,107,865,842	13,820,039,741
	19,107,865,842	14,820,039,741
12.3.1 Repayable on maturity		
Bangladesh Bank :		
Export Development Fund	1,537,686,974	1,401,605,286
Islamic Investment Bond	816,485,540	1,816,519,380
Refinance against IPFF	246,135,320	284,034,590
Refinance against Women Entr., Small Ent., ETP & Others	1,893,766,663	145,537,446
	4,494,074,497	3,647,696,701
Term borrowings:		
Agrani Bank Limited	9,496,008,000	2,900,000,000
NCC Bank Limited	500,000,000	924,500,000
Uttara Bank Limited	1,924,002,000	500,000,000
Bank Asia Limited	-	1,500,000,000
Rupali Bank Limited	924,002,000	500,000,000
Shimanto Bank Limited	400,000,000	-
Sonali Bank Limited	848,004,000	2,000,000,000
Uttara Bank Limited	-	-
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	296,801,400	254,700,000
Krishi Bank Limited	-	-
Southeast Bank Limited	169,600,800	169,800,000
Janata Bank Limited	-	-
Accrued interest	55,373,145	123,343,040
	14,613,791,345	10,172,343,040
	19,107,865,842	13,820,039,741
12(a) Consolidated Borrowings from other banks, financial institutions and agents		
AB Bank Limited	19,107,865,842	14,820,039,741
AB Investment Limited	755,898,828	737,184,319
AB International Finance Limited	962,746,929	845,905,526
AB Securities Limited	167,548,561	174,502,576
Cashlink Bangladesh Limited (CBL)	-	-
	20,994,060,160	16,577,632,162
Less: Intercompany transactions	1,886,193,913	1,757,450,720
	19,107,866,247	14,820,181,442
13. AB Bank Subordinated Bond		
AB Bank Subordinated Bond-I	500,000,000	1,000,000,000
AB Bank Subordinated Bond-II	1,600,000,000	2,400,000,000
AB Bank Subordinated Bond-III	4,000,000,000	4,000,000,000
AB Bank Subordinated Bond-IV	3,250,000,000	-
	9,350,000,000	7,400,000,000

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
Bank has issued 7 years Sub-Ordinated bonds in four 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, AB Bank Subordinated Bond-III for BDT 400 crore in May 2018 and AB Bank Subordinated Bond-IV for BDT 325 crore in December 2020 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.		
Jamuna Bank Limited	2,300,000,000	2,300,000,000
Sonali Bank Limited	2,000,000,000	800,000,000
National Credit & Commerce Bank Limited	1,700,000,000	1,700,000,000
Janata Bank Limited	1,200,000,000	300,000,000
Agrani Bank Limited	1,050,000,000	500,000,000
Rupali Bank Limited	400,000,000	600,000,000
BRAC	200,000,000	400,000,000
BRAC Bank Limited	140,000,000	220,000,000
NRB Commercial Bank Limited	140,000,000	220,000,000
Uttara Bank Limited	120,000,000	180,000,000
Midland Bank Limited	40,000,000	80,000,000
National Life Insurance Co. Limited	40,000,000	60,000,000
Mutual Trust Bank Limited	16,000,000	32,000,000
Grameen Capital Management Limited	4,000,000	8,000,000
	9,350,000,000	7,400,000,000

14. Deposit and other accounts

Inter-bank deposits	5,191,520,116	2,363,492,605
Other deposits	285,527,822,321	277,094,100,693
	290,719,342,438	279,457,593,298

14(a) Consolidated Deposit and other accounts

AB Bank Limited	290,719,342,438	279,457,593,298
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	290,719,342,438	279,457,593,298
Less: Inter-group transaction	172,181,996	62,851,282
	290,547,160,441	279,394,742,017

14.1 Maturity analysis of inter-bank deposits

Repayable – on demand	1,726,356,465	1,437,087,689
– within 1 month	2,601,623,560	812,627,277
– over 1 month but within 3 months	336,309,536	82,535,972
– over 3 months but within 1 year	527,230,556	31,241,667
– over 1 period but within 5 years	-	-
– over 5 periods but within 10 years	-	-
– over 10 years	-	-
	5,191,520,116	2,363,492,605

14.2 Maturity analysis of other deposits

Repayable – on demand	3,382,104,377	2,292,090,161
– within 1 month	28,219,742,148	27,284,686,711
– over 1 month but within 3 months	72,380,237,274	68,451,857,539
– over 3 months but within 1 year	128,651,601,082	124,699,894,407
– over 1 year but within 5 years	46,613,421,773	45,545,001,949
– over 5 years	6,280,715,668	8,820,569,927
	285,527,822,321	277,094,100,692

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

14.3 Demand and time deposits

a) Demand Deposits

Current accounts and other accounts
Savings Deposits (9%)
Bills Payable

b) Time Deposits

Savings Deposits (91%)
Short Notice Deposits
Fixed Deposits
Other Deposits

Total Demand and Time Deposits

	31.12.2020 Taka	31.12.2019 Taka
a) Demand Deposits	38,235,326,520	31,464,088,959
Current accounts and other accounts	28,639,222,340	24,205,740,688
Savings Deposits (9%)	3,172,175,205	2,689,973,149
Bills Payable	6,423,928,975	4,568,375,122
b) Time Deposits	252,484,015,917	247,993,504,339
Savings Deposits (91%)	32,074,215,959	27,198,617,391
Short Notice Deposits	47,144,703,134	50,930,113,957
Fixed Deposits	121,537,588,967	122,908,353,612
Other Deposits	51,727,507,857	46,956,419,379
Total Demand and Time Deposits	290,719,342,438	279,457,593,298

14.4 Sector-wise break up of deposits and other accounts

Government
Deposit money Banks
Autonomous & Semi-Autonomous Bodies
Public Non-Financial Organisation
Other Public
Foreign Currency
Private

Government	1,890,797,992	1,931,164,623
Deposit money Banks	5,191,520,116	2,363,492,605
Autonomous & Semi-Autonomous Bodies	5,305,444,172	4,675,303,846
Public Non-Financial Organisation	64,957,043,101	69,231,731,617
Other Public	2,666,271,479	2,992,553,242
Foreign Currency	13,690,452,844	11,910,287,442
Private	197,017,812,733	186,353,059,922
Total	290,719,342,438	279,457,593,298

15. Other liabilities

Accumulated provision against loans and advances
Inter-branch adjustment
Provision for current tax (net of advance tax)
Interest suspense account
Provision against other assets
Accounts payable - Bangladesh Bank
Accrued expenses
Lease Liabilities
Provision for off balance sheet items
Provision against investments
Start-up Fund *
Others **

(Note 15.1)

(Note 15.2)
(Note 15.3)
(Note 15.4)

(Note 15.5)
(Note 15.6)
(Note 15.7)

Accumulated provision against loans and advances	20,224,381,003	15,279,405,791
Inter-branch adjustment	145,930	-
Provision for current tax (net of advance tax)	1,649,440,346	2,330,977,161
Interest suspense account	16,114,355,797	18,134,825,637
Provision against other assets	348,873,106	336,573,038
Accounts payable - Bangladesh Bank	69,049,890	186,368,159
Accrued expenses	133,009,666	170,706,883
Lease Liabilities	688,375,584	842,847,290
Provision for off balance sheet items	270,000,000	710,000,000
Provision against investments	1,689,603,000	2,209,603,000
Start-up Fund *	64,669,774	-
Others **	845,599,643	849,248,793
Total	42,097,503,740	41,050,555,751

* Start-up Fund has been maintained as per Bangladesh Bank SMESPD Circular no. 04 dated 29 March 2021.

** 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.

15.1 Accumulated provision against loans and advances

The movement in specific provision for bad and doubtful debts

Balance at 01 January
Fully provided debts written off during the period
Recovery of amounts previously written off
Specific provision made during the period

(-)
(+)
(+)

Balance at 01 January	6,993,879,956	5,078,767,423
Fully provided debts written off during the period	-	(316,963,509)
Recovery of amounts previously written off	-	109,176,042
Specific provision made during the period	1,963,700,000	2,122,900,000
	1,963,700,000	1,915,112,534
Balance at 31 December	8,957,579,956	6,993,879,956
Provision made by ABBL, Mumbai Branch	-	-
Total provision on classified loans and advances	8,957,579,956	6,993,879,956

AB Bank Limited

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On unclassified loans

		31.12.2020 Taka	31.12.2019 Taka
Balance at 01 January		8,282,733,658	5,557,133,658
Transferred from Investment provisions	(+)	20,000,000	100,000,000
General provision made during the year	(+)	2,961,992,000	2,625,600,000
		2,981,992,000	2,725,600,000
Balance at 31 December		11,264,725,658	8,282,733,658
Provision made by ABBL, Mumbai Branch		2,075,389	2,792,177
Total provision on un-classified loans and advances		11,266,801,047	8,285,525,835
Total provision on loans and advances		20,224,381,003	15,279,405,790

Provision for

	Required	31.12.2020 Maintained	31.12.2020 Excess
Un-classified loans and advances	11,257,075,389	11,266,801,047	9,725,658
Classified loans and advances	8,950,000,000	8,957,579,956	7,579,956
	20,207,075,389	20,224,381,003	17,305,614

Provision against loans and advances has been maintained as per Bangladesh Bank letter no. DBI-1/101/2021-1026 dated 20 April 2021. According to letter, there is a provision shortfall of Tk. 4,946.33 crore against loans and advances which requires to be kept in next 9 years equally from 2021-2029.

15.1.1 Special General Provision-COVID-19

206,561,420	-
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Special General Provision-COVID-19 has been kept as per Bangladesh Bank, BRPD circular no. 56 dated 10 December 2020. This amount is included with the total provision on un-classified loans and advances under note-15.1.

15.1.2 Details of provision for loans and advances

General Provision

	31.12.2020 Required	31.12.2020 Maintained
Standard	11,257,075,389	11,266,801,047
Special Mention Account	10,862,299,965	10,872,025,623
	394,775,424	394,775,424

Specific Provision

	31.12.2020 Required	31.12.2020 Maintained
Substandard	8,950,000,000	8,957,579,956
Doubtful	272,748,255	272,748,255
Bad/Loss	1,244,143,254	1,244,143,254
	7,433,108,491	7,440,688,448

Excess provision maintained at 31 December 2020

17,305,614

15.2 Provision for current tax (net of advance tax)

		31.12.2020 Taka	31.12.2019 Taka
Current Tax	(note 15.2.1)	5,604,721,360	4,034,349,742
Advance Income Tax	(note 15.2.2)	3,955,281,014	1,703,372,580
Provision for current tax (net of advance tax)		1,649,440,346	2,330,977,161

15.2.1 Provision for current tax

	31.12.2020	31.12.2019
Opening Balance	3,895,988,647	14,835,831,960
Add: Provision made during the year	1,665,743,353	1,895,469,161
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	5,561,731,999	3,895,988,647
Provision held by ABBL, Mumbai Branch	42,989,360	138,361,095
	5,604,721,360	4,034,349,742

AB Bank Limited

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For the year ended 31 December 2020

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2018 (Assessment Year 2019-20). Corporate income tax return for the year 2019 submitted under section 82BB corresponding to Assessment Years 2020-21. 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.

	31.12.2020 Taka	31.12.2019 Taka
15.2.1a Reconciliation of Provision for Current Tax made during the year (Bangladesh Operation)		
Income tax @ 37.50% on estimated taxable Business Profit	1,638,240,554	2,149,145,001
Income tax @ 20.00% on Dividend Income	27,502,800	47,152,282
Income tax @ 10% on Capital Gain on Sale of Shares	-	4,788,129
Estimated Total Provision Required	1,665,743,353	2,201,085,412
Effective Tax Rate on Profit before Provision	25.84%	35.20%

15.2.2 Advance corporate income tax

In Bangladesh:

Opening Balance	1,584,282,901	13,330,000,239
Paid during the year	2,282,669,951	920,645,219
<u>Less:</u> Transfer/Adjustment during the year	-	12,666,362,557
Closing balance (Bangladesh operations)	3,866,952,852	1,584,282,901
Advance tax of ABL, Mumbai Branch	88,328,162	119,089,679
	3,955,281,014	1,703,372,580

15.3 Interest suspense account

Balance at 01 January	18,134,825,637	19,704,000,511
<u>Add:</u> Transferred during the year	103,308,393	1,250,180,046
<u>Less:</u> Recovery/adjustment during the year	(2,004,941,382)	(2,473,928,682)
<u>Less:</u> Waiver during the year	(118,836,850)	(294,613,000)
<u>Less:</u> Written off during the year	-	(50,813,239)
Balance at 31 December	16,114,355,797	18,134,825,637

15.4 Provision against other assets

<u>Provision for</u>		
Prepaid legal expenses	136,030,000	121,030,000
Protested bills	73,355,678	76,055,610
Others	139,487,428	139,487,428
	348,873,106	336,573,038

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

15.4.1 Calculation of Provision against other assets

Particulars	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal expenses	135,994,832	135,994,832	50%	67,997,416	136,030,000
Protested bills	72,370,749	72,370,749	100%	72,370,749	73,355,678
Others	101,417,560	101,417,560	100%	101,417,560	139,487,428
Required provision for other assets				241,785,725	348,873,106
Total provision requirement					241,785,725
Total provision maintained					348,873,106
Excess provision maintained at 31 December 2020					107,087,380

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	31.12.2020 Taka	31.12.2019 Taka
15.5 Leasehold Liabilities		
Opening balance of present value of lease liability	842,847,290	979,237,360
Finance Cost @ 8%	67,427,783	49,896,645
Rental payment during the year	221,899,489	186,286,715
Closing balance of lease liability	688,375,584	842,847,290

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.

15.6 Provision for off balance sheet items

Opening balance	710,000,000	810,000,000
<u>Less:</u> Transferred to general reserve	(440,000,000)	(100,000,000)
	270,000,000	710,000,000

15.6.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	31 Dec 2020	31 Dec 2019
Acceptances and endorsements	7,844,189,334	1%	78,441,893	97,347,035
Letters of guarantee	12,830,765,335	1%	128,307,653	140,566,747
Irrevocable letters of credit	6,094,462,753	1%	60,944,628	61,955,698
Bills for collection	-	1%	-	-
Others	2,562,682	1%	25,627	2,114,958
Total Off Balance Sheet Items & required provision	26,771,980,105		267,719,801	301,984,438
Total provision maintained			270,000,000	710,000,000
Excess provision at 31 December 2020			2,280,199	408,015,562

Provision is not required against Off Balance Sheet items of Mumbai Branch BDT 29,902,686,092.22 as per Reserve Bank of India (RBI) guidelines.

15.7 Provision against investments

Provision against quoted shares:

Opening balance	1,830,353,000	1,650,053,000
<u>Add/(less):</u> Provision transferred during the year	(660,000,000)	180,300,000
	1,170,353,000	1,830,353,000
Total provision maintained for Investment	1,170,353,000	1,830,353,000
Total provision requirement for Investment	1,169,528,839	1,826,516,990
Excess provision	824,161	3,836,010

Provision for Pinnacle Global Fund Pte Limited:

Opening balance	379,250,000	239,250,000
<u>Add:</u> Provision made during the year	140,000,000	140,000,000
	519,250,000	379,250,000

Provision for Pinnacle Global Fund Pte Limited of BDT 111.86 crore has been deferred as per Bangladesh Bank letter no. DBI-1/101/2021-1026 dated April 20, 2021 for 9 years from 2021-2029.

Total Provision maintained against investment:

Provision against quoted shares	1,170,353,000	1,830,353,000
Provision for Pinnacle Global Fund Pte Limited	519,250,000	379,250,000
	1,689,603,000	2,209,603,000

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	31.12.2020 Taka	31.12.2019 Taka		
15(a) Consolidated Other liabilities				
AB Bank Limited	42,097,503,740	41,050,555,751		
AB Investment Limited	911,761,681	852,726,243		
AB International Finance Limited	54,610,986	86,150,229		
AB Securities Limited	910,021,973	448,712,800		
Cashlink Bangladesh Limited (CBL)	28,750	28,750		
	43,973,927,130	42,438,173,774		
Less: Inter-group transaction	98,198,677	17,190,130		
	43,875,728,453	42,420,983,644		
16. Share Capital	7,960,368,300	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		
781,036,830 ordinary shares of BDT 10 each issued as bonus shares	7,810,368,300	7,431,303,150		
	7,960,368,300	7,581,303,150		
16.3 Percentage of shareholding				
	As at 31 December 2020	As at 31 December 2019		
	No. of shares	No. of shares		
	%	%		
Sponsors and public	791,473,869	753,784,637		
Government	4,562,961	4,345,678		
	796,036,830	758,130,315		
	100.00	100.00		
16.4 Classification of shareholders by holding				
	No. of holders	% of total holding		
	31.12.2020	31.12.2019		
	31.12.2020	31.12.2019		
Upto 500	28,708	31,442	48.16	49.69
501 to 5,000	22,734	23,976	38.14	37.89
5,001 to 10,000	3,626	3,663	6.08	5.79
10,001 to 20,000	2,214	2,092	3.71	3.31
20,001 to 30,000	742	701	1.24	1.11
30,001 to 40,000	379	326	0.64	0.52
40,001 to 50,000	230	231	0.39	0.37
50,001 to 100,000	472	404	0.79	0.64
100,001 to 1,000,000	443	385	0.74	0.61
Over 1,000,000	61	56	0.10	0.09
	59,609	63,276	100	100

AB Bank Limited

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31.12.2020
Taka

31.12.2019
Taka

16.5 Names of the Directors and their shareholding as at 31 December 2020

Name of the Director	Status	No. of Shareholding including nominating institution/individual	
		31.12.2020	31.12.2019
Mr. Muhammad A. (Rume) Ali Nominated by Pacific Traders Ltd.	Chairman	79,480,564	75,696,901
Mr. Feroz Ahmed	Director	16,516,704	15,730,196
Mr. Shajir Ahmed Nominated by Mr. Salim Ahmed	Director	21,804,184	17,907,293
Mr. Khairul Alam Choudhury Nominated by Pacific Industries Limited	Director	77,865,692	74,157,802
Mr. Kaiser A. Chowdhury*	Independent Director	-	-
Mr. Shafiqul Alam	Independent Director	-	-
Mr. Tarique Afzal	President & Managing Director	-	-

* Mr. Kaiser A. Chowdhury has resigned from Board of Directors of the Bank on its 702nd Board Meeting held on 18 January 2021.

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, 2020 is Taka 43,077,137,076 as against available Total Common Equity Tier-I Capital of Taka 20,673,912,073 and Total Tier-2 Capital available of Taka 18,377,040,442 that is, a total of Taka 39,050,952,515 thereby showing a deficit capital of Taka 4,026,184,561 at that date. Details are shown below:

Tier I Capital (Going-Concern Capital)

Common Equity Tier-I Capital

Fully Paid-up Capital/Capital Deposited with BB
Statutory Reserve
Non-repayable share premium account
General Reserve
Retained earnings
Minority interest in Subsidiaries
Non-Cumulative irredeemable Preference shares
Dividend Equalization Account

7,960,368,300	7,581,303,150
7,144,204,404	6,872,052,329
-	-
2,384,878,054	1,304,649,867
6,705,777,925	6,834,970,432
11,935,655	11,688,017
-	-
-	-
24,207,164,338	22,604,663,795

Regulatory adjustment:

Goodwill and all other Intangible Assets
Shortfall in provisions required against Non Performing Loans (NPLs)
Shortfall in provisions required against investment in shares
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.
Deferred Tax Assets (DTA)
Defined benefit pension fund assets
Gain on sale related to securitization transactions
Investment in own CET-1 Instruments/Shares
Reciprocal crossholdings in the CET-1 capital of Banking, Financial and Insurance Entities
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

125,974,104	138,569,481
-	-
-	-
-	-
3,359,092,484	2,622,704,984
-	-
-	-
-	-
38,225,677	19,862,175
-	-
9,960,000	9,960,000
-	-
3,533,252,265	2,791,096,640

Total Common Equity Tier-I Capital

20,673,912,073 **19,813,567,155**

Additional Tier-I Capital

- -

AB Bank Limited

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	31.12.2020 Taka	31.12.2019 Taka
<u>Tier-2 Capital (Gone concern Capital)</u>		
General Provision/General loan-loss reserve	12,623,546,062	9,754,729,283
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)	7,990,000,000	5,840,000,000
Minority Interest	-	-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities & 10% of Equities)	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	20,613,546,062	15,594,729,283
Regulatory Adjustments:		
Revaluation Reserves for Fixed Assets, Securities & Equity Securities	-	-
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other (if any)	-	-
Total Tier-2 Capital Available	20,603,586,062	15,584,769,283
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)	18,377,040,442	17,612,279,844
Excess amount over maximum limit of T 2	-	-
Total admissible Tier 2 Capital	18,377,040,442	15,584,769,283
Total Eligible Capital	39,050,952,515	35,398,336,438
Total assets including off-Balance Sheet items	447,761,348,022	415,912,260,208
Total risk-weighted assets (RWA)	344,617,096,606	334,211,410,226
B. Total required capital (12.50% of Total RWA)	43,077,137,076	41,776,426,278
Capital Surplus / (Shortfall) [A-B]	(4,026,184,561)	(6,378,089,840)
Capital to Risk Weighted Assets Ratio (CRAR)	11.33%	10.59%

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 2020 is BDT 42,632,085,911 as against available Common Equity Tier-I capital of BDT 19,570,105,386 and Total Tier-2 Capital Available capital of BDT 17,395,866,678 that is, a total of BDT 36,965,972,064 thereby showing a deficit capital of BDT 5,666,113,847 at that date. Details are shown below:

Tier I Capital (going-concern capital)

Common Equity Tier-I Capital

Fully Paid-up Capital/Capital Deposited with BB	7,960,368,300	7,581,303,150
Statutory Reserve	7,144,204,404	6,872,052,329
Non-repayable share premium account	-	-
General Reserve	2,302,199,200	1,222,199,200
Retained earnings	5,686,625,747	5,817,160,874
Minority interest in Subsidiaries	-	-
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	23,093,397,651	21,492,715,553

AB Bank Limited

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Regulatory adjustment :

	31.12.2020 Taka	31.12.2019 Taka
Goodwill and all other Intangible Assets	125,974,104	138,569,481
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)	3,359,092,484	2,622,704,984
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	38,225,677	19,862,175
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	-	-

Total Common Equity Tier-I Capital

Additional Tier-I Capital

Tier-2 Capital (Gone concern Capital)

General Provision/General loan-loss reserve	11,536,801,047	8,995,525,835
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)	7,990,000,000	5,840,000,000
Non-controlling interest	-	-
HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital	-	-
Revaluation Reserves as on 31 December, 2014(50% of Fixed Assets and Securities & 10% of Equities)	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	19,526,801,047	14,835,525,835

Regulatory adjustments:

Revaluation Reserves for Fixed Assets, Securities & Equity Securities	-	-
Investment in own T-2 Instruments/Shares	-	-
Reciprocal crossholdings in the T-2 capital of Banking, Financial and Insurance Entities	-	-
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991. (50% of Investment)	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other (if any)	-	-

Total Tier-2 Capital Available

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)	17,395,866,678	16,632,722,496
Excess amount over maximum limit of T 2	-	-

Total admissible Tier 2 Capital

Total Eligible Capital

Total assets including off-Balance Sheet items	444,953,096,983	413,404,972,542
Total risk-weighted assets (RWA)	341,056,687,284	331,375,189,363
B. Total required capital (12.50% of Total RWA)	42,632,085,911	41,421,898,670

Capital Surplus / (Shortfall) [A-B]

Capital to Risk Weighted Assets Ratio (CRAR)

(5,666,113,847)	(7,874,793,922)
10.84%	10.12%

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
17. Statutory reserve			
<u>In Bangladesh</u>			
Opening balance		6,547,756,164	6,324,553,560
Add: Addition during the year		272,411,703	223,202,604
		6,820,167,867	6,547,756,164
<u>Outside Bangladesh - ABBL, Mumbai Branch</u>			
Opening balance		324,296,165	298,809,180
Add: Addition during the period		9,338,685	27,870,923
Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation		(9,598,312)	(2,383,939)
		324,036,537	324,296,165
		7,144,204,404	6,872,052,329
18. Other reserve			
General reserve	(Note 18.1)	2,302,199,200	1,222,199,200
Assets revaluation reserve	(Note 18.2)	1,294,532,425	1,296,690,729
Investment revaluation reserve	(Note 18.3)	99,008,157	51,075,241
		3,695,739,782	2,569,965,170
18.1 General reserve		2,302,199,200	1,222,199,200
Opening balance		1,222,199,200	1,222,199,200
Addition/(adjustment) during the year		1,080,000,000	-
		2,302,199,200	1,222,199,200
18.2 Assets revaluation reserve			
Opening balance		1,296,690,729	1,298,209,633
Less: Transferred to retained earnings		(2,158,304)	(1,518,904)
		1,294,532,425	1,296,690,729
18.3 Investment revaluation reserve (T.Bills & T.Bonds)			
<u>In Bangladesh</u>			
Revaluation Reserve for:			
Held to Maturity (HTM)	Note (18.3.1)	5,601,811	38,000,145
Held for Trading (HFT)	Note (18.3.2)	88,953,608	13,075,096
		94,555,419	51,075,241
<u>Outside Bangladesh</u>			
ABBL, Mumbai Branch		4,452,738	-
		99,008,157	51,075,241
18.3.1 Revaluation Reserve for Held to Maturity (HTM)			
Opening balance		38,000,145	4,789,464
Add: Addition during the year		1,281,174	33,210,681
		39,281,319	38,000,145
Less: Adjustment during the year		33,679,508	-
		5,601,811	38,000,145
18.3.2 Revaluation Reserve for Held for Trading (HFT)			
Opening balance		13,075,096	15,464,707
Add: Addition during the year		1,067,382,545	109,482,697
		1,080,457,641	124,947,404
Less: Adjustment during the year		991,504,033	111,872,308
		88,953,608	13,075,096

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
18(a) Consolidated Other reserve		
AB Bank Limited	3,695,739,782	2,569,965,170
AB Investment Limited	-	-
AB International Finance Limited	85,209,560	84,161,257
AB Securities Limited	85,910,523	85,910,523
Cashlink Bangladesh Limited (CBL)	-	-
	3,866,859,865	2,740,036,949
19. Retained earnings		
Opening balance	5,817,160,874	5,905,152,980
Add: Post-tax profit for the year	391,416,392	167,741,264
Less: Transfer to statutory reserve	(281,750,388)	(251,073,528)
Bonus Share Issued	(379,065,150)	-
	5,547,761,728	5,821,820,716
Add/(Less): Transferred from Assets Revaluation Reserve	2,158,304	1,518,905
Add/(Less): Adjustments during the year	147,709,892	-
Add/(Less): Foreign Exchange Translation gain/(loss)	(11,004,177)	(6,178,746)
	5,686,625,747	5,817,160,874
19(a) Consolidated Retained earnings		
AB Bank Limited	5,686,625,747	5,817,160,874
AB Investment Limited	286,624,182	290,465,910
AB International Finance Limited	81,002,494	117,098,561
AB Securities Limited	156,316,938	152,001,606
Cashlink Bangladesh Limited (CBL)	(165,295,612)	(167,733,872)
	6,045,273,749	6,208,993,079
Add/(Less): Adjustment made during the year	644,113,334	609,338,872
Non-controlling Interest	16,390,843	16,638,480
	6,705,777,925	6,834,970,432
19(b) Non-controlling interest		
AB Investment Limited	10,204	10,210
AB Securities Limited	455,012	451,195
Cashlink Bangladesh Limited	11,470,439	11,226,613
	11,935,655	11,688,017
20. Contingent liabilities	59,191,446,731	47,836,302,228
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	99,230,755	101,954,959
Others	12,738,061,119	13,956,416,188
	12,837,291,873	14,058,371,146

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
21. Profit and loss account		
Income:		
Interest, discount and similar income	28,616,217,021	30,924,132,550
Dividend income	137,581,947	235,761,409
Fee, commission and brokerage	929,742,512	1,209,120,076
Gains less losses arising from investment securities	(55,232,043)	47,881,292
Gains less losses arising from dealing in foreign currencies	329,269,526	543,471,508
Other operating income	266,019,048	69,510,357
Gains less losses arising from dealing securities	2,057,356,633	(1,299,085,690)
	32,280,954,644	31,730,791,501
Expenses:		
Interest, fee and commission	20,134,646,639	18,846,782,511
Administrative expenses	3,730,865,808	3,721,383,466
Other operating expenses	1,435,273,997	1,095,487,977
Depreciation and amortization on banking assets	513,190,806	510,240,666
Loss on loans and advances	-	1,107,189,105
	25,813,977,249	25,281,083,725
	6,466,977,395	6,449,707,777
22. Interest income/profit on investments		
Interest on loans and advances:		
Loans and advances	24,035,731,283	26,334,224,445
Bills purchased and discounted	45,320,107	94,133,659
	24,081,051,390	26,428,358,104
Interest on:		
Calls and placements	160,283,848	219,436,245
Balance with foreign banks	6,343,029	13,629,765
Reverse Repo	9,547,178	36,547,386
Balance with Bangladesh Bank	34,227,893	17,526,027
	210,401,949	287,139,423
	24,291,453,339	26,715,497,527
22(a). Consolidated Interest income/profit on investments		
AB Bank Limited	24,291,453,339	26,715,497,527
AB International Finance Limited	44,383,765	51,909,386
AB Investment Limited	59,982,280	138,400,793
AB Securities Limited	35,743,715	40,048,959
Cashlink Bangladesh Limited (CBL)	4,031,392	13,555,475
	24,435,594,491	26,959,412,140
Less: Intercompany transactions	8,681,210	5,257,759
	24,426,913,281	26,954,154,381
23. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	9,186,586,325	10,314,702,844
Savings deposits	1,083,050,201	970,183,410
Special notice deposits	2,423,408,692	2,463,058,998
Other deposits	4,775,278,315	2,905,596,924
	17,468,323,533	16,653,542,176
Interest on borrowings:		
Local banks, financial institutions including BB	1,965,685,706	1,341,067,732
Subordinated Bond	700,637,399	852,172,602
	20,134,646,639	18,846,782,511

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
23(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank Limited	20,134,646,639	18,846,782,511
AB Investment Limited	-	15,609
AB International Finance Limited	6,323,019	5,737,888
AB Securities Limited	39,314,968	23,092,701
Cashlink Bangladesh Limited (CBL)	-	-
	20,180,284,626	18,875,628,709
Less: Intercompany transactions	8,681,210	7,144,210
	20,171,603,415	18,868,484,499
24. Investment income		
Capital gain on sale of shares	(55,232,043)	47,881,292
Interest on treasury bills	113,159,438	144,931,290
Dividend on shares	137,581,947	235,761,409
Interest on treasury bonds	3,826,008,638	3,667,650,750
Gain/(Loss) on treasury bills and treasury bonds	2,057,356,633	(1,299,085,690)
Interest on other bonds & others	385,595,606	396,052,983
	6,464,470,219	3,193,192,033
24(a). Consolidated Investment income		
AB Bank Limited	6,464,470,219	3,193,192,033
AB Investment Limited	63,705,087	(131,590,144)
AB International Finance Limited	-	-
AB Securities Limited	38,553,642	(29,937,889)
Cashlink Bangladesh Limited (CBL)	-	-
	6,566,728,948	3,031,664,000
Less: Intercompany transactions	74,867,949	109,642,410
	6,491,860,999	2,922,021,590
(*) Inter-company transactions includes dividend income from AB International Finance Limited.		
25. Commission, exchange and brokerage		
Other fees, commission and service charges	545,014,241	683,277,518
Commission on letters of credit	301,177,301	402,917,767
Commission on letters of guarantee	83,550,969	122,924,791
Exchange gains less losses arising from dealings in foreign currencies	329,269,526	543,471,508
	1,259,012,038	1,752,591,584
25(a). Consolidated Commission, exchange and brokerage		
AB Bank Limited	1,259,012,038	1,752,591,584
AB Investment Limited	41,426,241	38,422,671
AB International Finance Limited	42,142,542	68,000,562
AB Securities Limited	99,649,888	38,821,911
Cashlink Bangladesh Limited (CBL)	-	-
	1,442,230,709	1,897,836,728
Less: Intercompany transactions	(2,136,438)	-
	1,440,094,270	1,897,836,728
26. Other income		
Locker rent, insurance claim and others	36,328,741	4,701,789
Recoveries on loans previously written off	172,931,675	-
Recoveries on telex, telephone, fax, etc.	29,673,586	40,577,496
Recoveries on courier, postage, stamp, etc.	5,566,912	12,578,455
Non-operating income (*)	21,518,134	11,652,617
	266,019,048	69,510,357

(*) Non-operating income includes sale of scrap items, Employee's Provident Fund forfeiture amount, Gain on sale of properties etc.

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
26(a). Consolidated other income		
AB Bank Limited	266,019,048	69,510,357
AB Investment Limited	10,100,020	11,903,569
AB International Finance Limited	57,196,991	72,732,498
AB Securities Limited	2,889,848	1,751,475
Cashlink Bangladesh Limited (CBL)	-	-
	336,205,907	155,897,899
<u>Less: Inter company transactions</u>	9,116,520	7,402,971
	327,089,387	148,494,928
27. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	2,555,271,066	2,554,284,167
Festival and incentive bonus	172,627,915	178,318,228
	2,727,898,981	2,732,602,396
27.1 Chief executive's salary and fees	12,890,968	5,885,484
27(a). Consolidated salary and allowances		
AB Bank Limited	2,727,898,981	2,732,602,396
AB Investment Limited	17,230,235	15,286,399
AB International Finance Limited	30,674,196	31,257,162
AB Securities Limited	31,165,104	25,665,708
Cashlink Bangladesh Limited (CBL)	277,234	267,504
	2,807,245,751	2,805,079,169
28. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes (Note 28.1)	320,038,820	293,648,499
Electricity, gas, water, etc.	93,434,082	96,014,966
Insurance	189,548,150	176,214,045
	603,021,052	565,877,510
28.1 Rent, rates and taxes		
Right of Use (ROU) assets has been calculated for the year 2020 as per IFRS-16 leases considering monthly rental expenses excluding low value assets.		
28(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank Limited	603,021,052	565,877,510
AB Investment Limited	2,181,018	2,176,232
AB International Finance Limited	9,431,493	10,050,587
AB Securities Limited	2,236,293	8,126,543
Cashlink Bangladesh Limited (CBL)	-	-
	616,869,856	586,230,872
<u>Less: Inter company transactions</u>	9,116,520	5,516,520
	607,753,336	580,714,352
29. Legal expenses		
Legal expenses	13,232,598	11,038,914

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
29(a). Consolidated legal expenses		
AB Bank Limited	13,232,598	11,038,914
AB Investment Limited	104,550	448,450
AB International Finance Limited	546,872	1,009,701
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	13,884,020	12,497,065
30. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	69,079,154	63,825,996
Telephone	5,585,305	6,224,708
Postage, stamp and shipping	12,538,863	22,702,756
	87,203,322	92,753,460
30(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank Limited	87,203,322	92,753,460
AB Investment Limited	857,518	862,866
AB International Finance Limited	8,518,855	12,229,015
AB Securities Limited	1,598,469	1,488,154
Cashlink Bangladesh Limited (CBL)	-	-
	98,178,164	107,333,496
31. Stationery, printing, advertisements, etc.		
Printing and stationery	82,429,377	125,196,656
Publicity, advertisement, etc.	11,900,530	9,496,866
	94,329,907	134,693,521
31(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank Limited	94,329,907	134,693,521
AB Investment Limited	186,595	242,605
AB International Finance Limited	303,087	349,802
AB Securities Limited	841,633	638,538
Cashlink Bangladesh Limited (CBL)	-	-
	95,661,222	135,924,466
32. Directors' fees		
Directors' fees	866,800	1,273,200
Meeting expenses	243,090	802,987
	1,109,890	2,076,187
Directors' fees includes fees for attending the meeting of the Board, Executive Committee, Audit Committee, Risk Management Committee and Shariah Council.		
32(a). Consolidated Directors' fees		
AB Bank Limited	1,109,890	2,076,187
AB Investment Limited	366,680	146,342
AB International Finance Limited	-	-
AB Securities Limited	476,668	279,444
Cashlink Bangladesh Limited (CBL)	46,000	103,500
	1,999,238	2,605,473



AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

33. Auditors' fees

Statutory
Others

2020 Taka	2019 Taka
1,394,428	1,429,700
944,122	5,526,463
2,338,550	6,956,164

33(a). Consolidated Auditors' fees

AB Bank Limited
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)

2,338,550	6,956,164
167,500	-
546,872	452,901
174,625	168,500
28,750	28,750
3,256,296	7,606,315

34. Depreciation and repairs of Bank's assets

Depreciation :

Electrical appliances
Furniture and fixtures
Office appliances
Building
Motor vehicles

115,679,965	120,618,360
9,694,695	11,055,354
1,823,600	2,075,238
15,615,159	16,019,742
74,689,848	70,361,966
217,503,267	220,130,661

Depreciation of ROU (Right Of Use) assets

257,599,987	207,977,884
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Repairs:

Motor vehicles
Electrical appliances
Office premises and others
Furniture and fixtures
Office appliances

25,542,124	24,804,902
58,202,864	67,465,593
99,102,318	70,305,608
1,162,288	1,874,670
4,830,945	5,049,058
188,840,540	169,499,830
663,943,793	597,608,375

Amortization of Intangible Assets

38,087,552	82,132,121
702,031,345	679,740,496

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

AB Bank Limited
AB Investment Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)

702,031,345	679,740,496
18,937,439	19,035,165
498,034	504,821
7,847,721	2,041,837
-	-
729,314,539	701,322,318

35. Other expenses

Contractual service
Petrol, oil and lubricant
Software expenses
Entertainment
Travelling
Subscription, membership and sponsorship
Training, seminar and workshop
Local conveyance

491,530,952	473,242,793
48,187,703	55,452,530
211,014,944	192,999,375
28,366,072	35,695,817
9,601,923	14,346,126
40,063,417	10,234,925
6,780,480	9,506,987
8,337,014	9,233,680

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
Professional charges	65,423,479	37,972,254
Books, newspapers and periodicals	1,169,721	1,444,370
Finance charge under lease liability	67,427,783	49,896,645
Donation	172,734,854	37,646,544
Bank Charges	10,507,695	12,819,190
Sundry expenses (*)	274,127,959	154,996,740
	1,435,273,997	1,095,487,977
(*) Sundry expenses includes business promotion, rebate to foreign correspondents and dress of support staff etc.		
35(a). Consolidated other expenses		
AB Bank Limited	1,435,273,997	1,095,487,977
AB Investment Limited	35,399,586	9,847,339
AB International Finance Limited	437,568	1,989,081
AB Securities Limited	22,917,406	9,390,101
Cashlink Bangladesh Limited (CBL)	67,171	53,698
	1,494,095,729	1,116,768,196
Less: Inter company transactions	2,136,438	-
	1,491,959,291	1,116,768,196
36. Provision against loans and advances		
On un-classified loans	2,961,357,853	2,624,411,840
On classified loans	1,963,700,000	2,122,900,000
	4,925,057,853	4,747,311,840
36(a). Consolidated provision against loans and advances		
AB Bank Limited	4,925,057,853	4,747,311,840
AB Investment Limited	135,000,000	-
AB International Finance Limited	-	-
AB Securities Limited	40,000,000	-
Cashlink Bangladesh Limited (CBL)	-	-
	5,100,057,853	4,747,311,840
37. Provisions for investments		
Provision for quoted shares in Bangladesh operations	-	180,300,000
Provision for Pinnacle Global Fund Pte Limited	140,000,000	140,000,000
Provision for Amana Bank Plc	-	54,687,754
Total provision for investments	140,000,000	374,987,754
37(a). Consolidated provisions for diminution in value of investments		
AB Bank Limited	140,000,000	374,987,754
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	(31,991,511)
Cashlink Bangladesh Limited (CBL)	-	-
	140,000,000	342,996,243
38. Other provision		
Provision for off balance sheet items	-	-
Provision for Other assets	15,172,949	18,227,696
Start-up Fund	64,669,774	-
	79,842,723	18,227,696

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.



AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
38(a). Consolidated other provisions		
AB Bank Limited	79,842,723	18,227,696
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	79,842,723	18,227,696
39. Appropriations		
Retained earnings - brought forward	5,817,160,875	5,905,152,980
Add: Post-tax profit for the year	391,416,392	167,741,264
	6,208,577,266	6,072,894,244
Less: Dividend-		
Bonus shares issued	379,065,150	-
	5,829,512,116	6,072,894,244
Transferred to		
Statutory reserve	281,750,388	251,073,528
General reserve	-	-
Proposed dividend	-	-
	281,750,388	251,073,528
Retained earnings	5,547,761,728	5,821,820,716
Add: Transferred from Assets Revaluation Reserve	2,158,304	1,518,905
Less: Adjustment during the year	147,709,892	-
Add: Foreign Exchange translation gain/(Loss)	(11,004,177)	(6,178,746)
	5,686,625,747	5,817,160,875
40. Earnings Per Share (EPS)		
Profit after taxation	391,416,392	167,741,264
Number of ordinary shares outstanding	796,036,830	796,036,830
Earnings Per Share	0.49	0.21
40.(a) Consolidated Earnings Per Share		
Net Profit attributable to the shareholders of parent company	394,080,618	121,976,397
Number of ordinary shares outstanding	796,036,830	796,036,830
Earnings Per Share	0.50	0.15
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, 2020. There is no convertible instruments of the Bank, thus no dilution effect has been considered.		
41. Receipts from other operating activities		
Interest on treasury bills, bonds, debenture and others	6,326,888,272	2,957,430,624
Exchange earnings	321,575,586	526,667,762
Recoveries on telex, telephone, fax, etc.	29,673,586	40,577,496
Recoveries on courier, postage, stamp, etc.	5,566,912	12,578,455
Non-operating income	21,518,134	11,652,617
Others	36,328,741	4,701,789
	6,741,551,232	3,553,608,744

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka
42. Payments for other operating activities		
Rent, taxes, insurance, electricity, etc.	927,825,057	822,296,467
Postage, stamps, telecommunication, etc.	87,203,322	92,753,460
Repairs of Bank's assets	188,840,540	169,499,830
Legal expenses	13,232,598	11,038,914
Auditor's fees	2,338,550	6,956,164
Directors' fees	1,109,890	2,076,187
Other Expenses	1,330,080,871	1,045,591,332
	2,550,630,827	2,150,212,354
43. Increased/(Decrease) in other assets		
Investment in subsidiaries	6,229,114,922	6,229,114,922
Advance rent and advertisement	279,232,998	393,495,546
Stationery, stamps, printing materials, etc.	33,323,414	31,978,415
Security deposits	73,046,316	75,798,791
Commission and brokerage receivable on shares and debentures, and other income receivables	1,221,859,948	1,250,896,297
Accounts receivable	1,586,836,210	1,358,719,057
Preliminary, formation, organizational, renovation, development and prepaid expenses	757,841,435	699,855,925
Exchange for clearing	1,580,837,111	26,837,111
Inter-branch adjustment	-	14,147
Arab Bangladesh Bank Foundation	19,920,000	19,920,000
	11,782,012,355	10,086,630,212
Net Decrease/(Increase)	1,695,382,143	(957,175,755)
44. Increase/(decrease) in other liabilities		
Accumulated provision against loans and advances	20,224,381,003	15,279,405,791
Provision for current tax	1,649,440,346	2,330,977,161
Interest suspense account	16,114,355,797	18,134,825,637
Accounts payable - Bangladesh Bank	69,049,890	186,368,159
Provision against other assets	348,873,106	336,573,038
Accrued expenses	133,009,666	170,706,883
Provision against investments	1,689,603,000	2,209,603,000
Provision against off balance sheet items	270,000,000	710,000,000
Others	845,599,643	849,248,793
	41,344,312,451	40,207,708,462
<u>Less: Adjustment for provision and others</u>	<u>24,968,962,509</u>	<u>21,752,855,045</u>
	16,375,349,943	18,454,853,417
Net decrease	(2,079,503,473)	(2,964,856,134)
45. Net Operating Cash Flow Per Share (NOCFPS)		
Net Operating Cash Flow	(3,829,318,087)	28,702,666,413
Number of ordinary shares outstanding	796,036,830	796,036,830
Net Operating Cash Flow Per Share (NOCFPS)	(4.81)	36.06
45(a) Consolidated Net Operating Cash Flow Per Share (NOCFPS)		
Net Operating Cash Flow	(3,671,899,568)	28,647,450,655
Number of ordinary shares outstanding	796,036,830	796,036,830
Net Operating Cash Flow Per Share (NOCFPS)	(4.61)	35.99

AB Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

	2020 Taka	2019 Taka	
46 Net Asset Value Per Share (NAVPS)			
Net Asset Value	24,486,938,234	22,840,481,523	
Number of ordinary shares outstanding	796,036,830	758,130,315	
Net Asset Value Per Share (NAVPS)	30.76	30.13	
46(a) Consolidated Net Asset Value Per Share (NAVPS)			
Net Asset Value	25,677,210,495	24,028,362,861	
Number of ordinary shares outstanding	796,036,830	758,130,315	
Net Asset Value Per Share (NAVPS)	32.26	31.69	
47 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities			
Cash flows from operating activities			
Net Profit after Taxation	391,416,392	167,741,264	
Provision for Tax	930,660,427	1,141,439,224	
Provision for Loans, Invstment and others	5,144,900,576	5,140,527,289	
Increase in interest receivable	(10,541,821,749)	(3,783,481,770)	
(Decrease)/Increase interest Payable on Deposits	(1,521,250,258)	213,261,156	
Non cash items, Lease impact and others	293,579,928	412,894,396	
Income tax paid	(2,329,156,442)	(984,829,539)	
Charges on loan losses	-	1,107,189,105	
Effect of exchange rate changes on cash & cash equivalents	(7,693,939)	(16,803,746)	
Operating Profit before changes in operating assets & liabilities	(7,639,365,065)	3,397,937,379	
48. Conversion Rates			
Assets and liabilities as at December 31, 2020 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	114.0650
European Currency	EURO	1.00	103.5922
Indian Rupee	INR	1.00	1.1530
US Dollar	USD	1.00	84.8004

AB Bank Limited**Notes to the Financial Statements**

For the year ended 31 December 2020

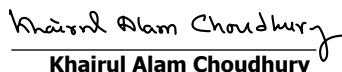
49. Highlights of the overall activities of the Bank

SI no.	Particulars	31 Dec 2020	31 Dec 2019
		BDT	BDT
1	Paid-up capital	7,960,368,300	7,581,303,150
2	Total capital	36,965,972,064	33,547,104,748
3	Capital surplus/(shortfall)	(5,666,113,847)	(7,874,793,922)
4	Total assets	385,761,650,252	365,568,670,314
5	Total deposits	290,719,342,438	279,457,593,298
6	Total loans and advances	274,829,861,346	256,512,476,640
7	Total contingent liabilities and commitments	59,191,446,731	47,836,302,228
8	Credit-deposit ratio*	85.26%	84.28%
9	Ratio of classified loans against total loans and advances	16.79%	18.28%
10	Profit after tax and provision	391,416,392	167,741,264
11	Loans classified during the year	678,221,000	13,254,526,917
12	Provision kept against classified loans	8,957,579,956	6,993,879,956
13	Provision surplus/ (deficit)	17,305,614	14,840,614
14	Cost of fund	8.35%	8.71%
15	Interest earning assets	303,275,615,385	284,417,267,558
16	Non-interest earning assets	82,486,034,868	81,151,402,756
17	Return on investments (ROI)	10.34%	6.07%
18	Return on assets (ROA)	0.10%	0.05%
19	Income from investments	6,464,470,219	3,193,192,033
20	Earnings per share	0.49	0.21
21	Net Income per share	0.49	0.21
22	Price-earnings ratio (Times)	24.61	35.71

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


Tarique Afzal

President & Managing Director


Khairul Alam Choudhury

Director


Shafiqul Alam

Independent Director


Muhammad A. (Rume) Ali

Chairman

Dhaka,

27 April 2021

AB Bank Limited**Currency wise Balances**

As at 31 December 2020

Annexure-A

Name of the bank	Location	Name of currency	As at December 31, 2020		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in BDT
Commerzbank AG, Germany	Germany	CAD	14,629	66.008	965,642
Commerzbank AG, Germany	Germany	CHF	43,186	95.421	4,120,869
Commerzbank AG, Germany	Germany	EUR	796,299	103.592	82,490,389
The Bank of Tokyo-Mitsubishi	Japan	JPY	545,346	0.817	445,548
Standard Chartered, Singapore	Singapur	SGD	2,208	63.750	140,773
Standard Chartered, UK	London	GBP	23,389	114.065	2,667,866
JP Morgan Chase Bank, NY	Newyork	USD	9,707,493	84.800	823,199,273
Myanma Economic Bank	Myanmer	ACU	410	84.800	34,768
Citibank, NA, NY, USA	Newyork	USD	1,612,995	84.800	136,782,639
Hatton National Bank Ltd, Colombo	Colombo	ACU	680,562	84.800	57,711,947
Commerzbank AG, Germany	Germany	USD	339,629	84.800	28,800,706
MCB Bank Ltd, Karachi, Pakistan	Karachi	ACU	45,527	84.800	3,860,685
Mashreq Bank, NY, USA	Newyork	USD	1,512,625	84.800	128,271,243
Nepal Bangladesh	Nepal	ACU	48,348	84.800	4,099,951
Bank of Bhutan, Thimpu, Bhutan	Bhutan	ACU	7,350	84.800	623,285
Habib American Bank, NY, USA	Newyork	USD	1,147,534	84.800	97,311,321
Habib Metro Bank, Karachi	Karachi	ACU	62,799	84.800	5,325,350
MFT Bank, Yangon	Yangon	ACU	1,000	84.800	84,800
Standard Chartered, NY, USA	Newyork	USD	93,822	84.800	7,956,182
Sonali Bank, Kolkata, India	Kolkata	ACU	71,109	84.800	6,030,102
JP Morgan Chase	Newyork	USD	1,016,557	84.800	86,204,467
JP Chase ACU	Newyork	USD	16,171,069	84.800	1,371,313,144
Habib American	Newyork	USD	10,496	84.800	890,080
Reserve Bank of India	India	INR	46,124,167	1.153	53,180,886
HDFC Bank CSGL	India	INR	4,594,297	1.153	5,297,196
HDFC Bank Limited	India	INR	194,006,997	1.153	223,688,896
Kotak Mahindra Bank	India	INR	11,745,393	1.153	13,542,368
JPMC NY-OBU	USA	USD	58,707	84.800	4,978,401
COMMERZ BANK-OBU	Germany	EUR	14,277	103.592	1,478,988
Total					3,151,497,768

AB Bank Limited

Investment in Shares

Annexure-B

As at 31 December 2020

Amount in Taka

Particulars	Number of shares	Market price per share	Total market price	Cost per Share	Total cost
Dhaka Bank Limited	3,368,346	11.90	40,083,317	15.45	52,038,103
Mercantile Bank Limited	1,317,879	12.70	16,737,063	12.03	15,856,819
National Bank Limited	2,160,052	7.00	15,120,364	21.53	46,512,856
Southeast Bank Limited	1,371,411	12.50	17,142,638	13.50	18,507,570
Premier Bank Limited	2,052,962	11.00	22,582,582	10.96	22,493,551
First Janata Bank Mutual Fund	1,165,067	6.00	6,990,402	6.54	7,621,712
AB Bank 1st Mutual Fund	42,086,435	6.30	265,144,541	6.27	264,040,965
EBL NRB Mutual Fund	1,252,585	5.70	7,139,735	6.42	8,042,311
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	5.40	4,041,787	5.12	3,829,325
Trust Bank 1st Mutual Fund	1,000,000	6.10	6,100,000	6.20	6,200,000
Crystal Insurance Company Limited	10,879	39.40	428,633	10.00	108,790
Pragati Insurance Limited	1,243,866	63.30	78,736,718	100.96	125,579,301
Dhaka Electric Supply Company Limited	7,023,760	34.80	244,426,848	87.73	616,189,388
Jamuna Oil Company Limited	26,521	165.50	4,389,226	158.72	4,209,507
Khulna Power Company Limited	345,865	45.30	15,667,685	88.49	30,606,883
Padma Oil Company Limited	347,094	205.10	71,188,979	299.66	104,010,918
Powergrid Company of Bangladesh Limited	3,366,500	41.80	140,719,700	81.61	274,723,472
Shahjibazar Power Co. Limited	229,417	73.30	16,816,266	103.04	23,639,315
Titas Gas T & D Co. Ltd.	186,883	30.80	5,755,996	35.48	6,630,913
United Power Gen. & Dis. Com. Limited	475,280	263.50	125,236,280	270.50	128,562,605
Active Fine Chemicals Limited	756,000	16.90	12,776,400	31.45	23,775,889
Beximco Pharmaceuticals Limited	250,000	190.50	47,625,000	177.83	44,458,234
Orion Pharma Limited	1,200,000	54.70	65,640,000	83.33	100,000,001
Square Pharmaceuticals Limited	79,818	219.50	17,520,051	174.48	13,926,524
Appollo Ispat Complex Limited	3,146,999	6.50	20,455,494	14.64	46,066,078
BBS Cables Limited	1,179,922	54.80	64,659,726	89.86	106,029,299
Bangladesh Building Systems Limited	116,054	17.50	2,030,945	25.08	2,910,878
BSRM Steels Limited	2,454,161	42.50	104,301,843	98.32	241,287,030
GPH Ispat Limited	2,895,781	30.60	88,610,899	34.16	98,916,561
IFAD Autos Limited	462,099	47.20	21,811,073	103.40	47,780,491
Olympic Industries Limited	138,542	191.10	26,475,376	222.14	30,776,387
Heidelberg Cement Bangladesh Limited	66,720	149.60	9,981,312	555.88	37,088,160
LafargeHolcim Bangladesh Limited	125,000	47.80	5,975,000	134.50	16,812,600
Union Capital Limited	2,440,006	8.40	20,496,050	61.08	149,037,209
Robi Axiata Limited	87,459	29.80	2,606,278	10.00	874,590
SAIF Powertec Limited.	360,612	18.00	6,491,016	23.03	8,305,002
Sea Pearl Beach Resort & Spa Limited	3,916	79.10	309,756	9.53	37,301
Argon Denims Limited	2,205,000	19.70	43,438,500	34.71	76,525,583
Ring Shine Textiles Limited	50,767	6.40	324,909	7.62	386,655
Shasha Denims Limited	1,935,378	21.60	41,804,165	38.52	74,546,499
Total quoted shares (a)			1,776,220,213		2,978,945,276

Shares/Bond (unquoted)

Particulars	Number of shares	Cost per Share	Book Value/ Cost
CDBL	5,000,000	2.00	10,000,000
CDBL (Placement)	711,804	8.00	5,694,430
IIDFCL	2,667,923	6.16	16,421,700
Bangladesh Fund	2,000,000	100.00	200,000,000
Stock Market Stabilization Fund	500,000	10.00	5,000,000
Total un-quoted shares (b)			237,116,130

Strategic Investment:

Particulars	Number of shares	Cost price	Book Value
Amana Bank PLC, Sri Lanka	187,784,490	616,735,915	292,660,971
Total Strategic Investment (c)	187,784,490	616,735,915	292,660,971
Total investment (a+b+c)			3,508,722,377

AB Bank Limited
Schedule of Fixed Assets

As of 31 December 2020

Annexure-C

Particulars	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Right of Use Assets	Total
Amount in Taka								
Cost / Revaluation								
Balance at 01 January 2020	2,968,097,272	250,083,132	64,178,283	1,901,779,739	781,076,228	758,525,505	1,329,421,828	8,053,161,986
Addition during the year	-	2,705,090	1,384,145	46,393,108	59,759,500	25,879,116	-	136,120,959
Less: Disposal/Adjustment during the year	5,543,319	300,000	-	14,004,721	2,574,000	-	-	22,422,040
Adjustment for FEX. Rate Fluctuation	-	93,449	151,158	698,923	203,414	592,282	-	1,739,226
At 31 December 2020	2,962,553,953	252,394,773	65,411,271	1,933,469,202	838,058,314	783,812,337	1,329,421,828	8,165,121,677
Accumulated Depreciation								
Balance at 01 January 2020	158,812,694	160,111,385	55,757,837	1,385,607,361	593,728,559	619,956,024	207,977,884	3,181,951,744
Addition during the year	15,615,159	9,694,696	1,823,601	115,689,964	74,689,848	38,077,552	257,599,987	513,190,807
Less: Disposal/Adjustment during the year	880,121	278,330	-	13,822,273	2,573,998	-	-	17,554,722
Adjustment for FEX. Rate Fluctuation	-	80,835	141,651	901,327	138,383	195,342	-	1,457,538
At 31 December 2020	173,547,733	169,446,916	57,439,787	1,486,573,725	665,706,026	657,838,233	465,577,871	3,676,130,287
Net Book Value								
At 31 December 2020	2,789,006,220	82,947,857	7,971,484	446,895,477	172,352,288	125,974,104	863,843,957	4,488,991,390
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

AB Bank Limited
Detailed of Risk Weighted Assets under Basel III
Annexure-D

As at 31 December 2020

Amount in BDT

Risk Weighted Assets (RWA) for		31.12.2020		31.12.2019	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A.	Credit Risk				
	On- Balance sheet (as shown below)	354,874,524,692	302,078,775,686	335,157,579,669	284,923,595,570
	Off-Balance sheet (as shown below)	14,947,910,227	13,486,261,747	18,932,374,334	16,394,468,326
B.	Market Risk	-	7,268,033,562	-	6,921,248,850
C.	Operational Risk	-	18,223,616,289	-	23,135,876,616
	Total RWA (A+B+C)	369,822,434,920	341,056,687,284	354,089,954,003	331,375,189,363

Credit Risk - On Balance Sheet

Amount in BDT

Sl.	Exposure Type	31.12.2020		31.12.2019	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and Cash Equivalents	1,011,279,186	-	1,137,704,137	-
b)	Claims on Bangladesh Government and Bangladesh Bank	56,620,510,177	-	51,400,800,742	-
c)	Claims on other Sovereigns & Central Banks*	466,011,300	233,005,650	522,319,462	261,159,731
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	433,183,756	116,785,116	228,194,361	87,985,668
	ii) Maturity less than 3 months	7,449,963,040	1,489,992,608	11,223,999,161	2,244,799,832
h)	Claims on Corporate (excluding equity exposure)	163,943,625,193	165,496,078,730	140,747,146,880	137,705,968,922
i)	Claims on SME	24,946,589,167	21,657,669,903	27,062,694,720	23,967,358,760
j)	Claims under Credit Risk Mitigation	8,186,664,702	3,574,453,006	7,347,885,801	3,345,104,198
	Fixed Risk Weight Groups:				
k)	Claims categorized as retail portfolio (excluding consumer loan)	706,795,517	530,096,638	421,492,695	316,119,521
l)	Consumer Loan	834,387,519	834,387,519	928,116,330	928,116,330
m)	Claims fully secured by residential property	659,603,576	329,801,788	1,042,542,729	521,271,364
n)	Claims fully secured by commercial real estate	6,486,980,000	6,486,980,000	6,604,519,403	6,604,519,403
o)	Past Due Claims (Risk weights are to be assigned net of specific provision)	53,778,531,689	77,093,210,863	55,539,438,169	80,709,149,655
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	54,847,992	54,847,992	34,894,000	34,894,000
q)	Investments in venture capital	474,821,302	474,821,302	474,821,302	712,231,954
r)	Claim on Capital Market Exposure	1,216,107,955	1,520,134,943	1,114,044,644	1,392,555,805
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	3,674,641,701	3,674,641,701	3,889,793,471	3,889,793,471
u)	Claims on all fixed assets under operating lease	-	-	-	-
v)	All other assets	13,918,651,169	5,997,705,738	15,425,841,911	9,688,404,769
	Total	354,874,524,692	302,078,775,686	335,157,579,669	284,923,595,570

Credit Risk - Off Balance Sheet

Amount in BDT

Sl.	Exposure Type	31.12.2020		31.12.2019	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
1	2	3	4	5	6
a)	Claims on Bangladesh Government and Bangladesh Bank	-	-	-	-
b)	Claims on other Sovereigns & Central Banks*	-	-	-	-
c)	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-	-	-	-
d)	Claims on Multilateral Development Banks (MDBs):	-	-	-	-
e)	Claims on Public Sector Entities (other than Government) in Bangladesh	-	-	-	-
f)	Claims on Banks:	-	-	-	-
	i) Maturity over 3 months	-	-	-	-
	ii) Maturity less than 3 months	49,615,377	9,923,075	50,977,479	10,195,496
g)	Claims on Corporate (excluding equity exposure)	11,679,169,693	10,788,265,650	15,967,160,028	13,890,590,309
h)	Against retail portfolio (excluding consumer loan)	160,218,132	120,163,599	180,226,822	135,170,116
hi)	Claims on SME	3,058,907,024	2,567,909,423	2,666,560,385	2,291,062,785
i)	Consumer Loan	-	-	67,449,620	67,449,620
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	14,947,910,227	13,486,261,747	18,932,374,334	16,394,468,326

As on 31 December 2020

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 1
 - b) Additional Tier 1
- 2) Tier 2 capital (gone concern)

1. (a) Common Equity Tier 1 Capital

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

- a) Paid up capital
- b) Non repayable share premium account
- c) Statutory reserve
- d) General reserve
- e) Retained earnings
- f) Dividend equalization reserve
- g) Noncontrolling 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) Noncontrolling 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) Noncontrolling 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
- 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:

- 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.

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

Transitional arrangements

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

Bank level disclosure of the leverage ratio and its components will start from 01 January 2015. However, Banks should report their Tier 1 leverage ratio to the BB (Department of Off-Site Supervision) along with CRAR report from the quarter ending March, 2015. Based on the results of the parallel run period, any final adjustments to the definition and calibration of the leverage ratio will be made by BB in 2017, with a view to setting the leverage ratio requirements as a separate capital standard from 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).

b) Methodology

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

The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:

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

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

10. a) Operational risk

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

b) Measurement methodology

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

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

11. Disclosure under Pillar III

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

A) Scope of application

Qualitative disclosure

(a)	The name of the top corporate entity in the group to which this guidelines applies.	AB Bank Limited
(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	<p>The consolidated financial statements of the Bank include the financial statements of (a) AB Bank Limited (b) AB Investment Limited (c) AB Securities Limited (d) Cash Link Bangladesh Limited and (e) AB International Finance Limited. A brief description of these are given below:</p> <p>AB Bank Limited (ABBL)</p> <p>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).</p>

		<p>AB Investment Limited</p> <p>AB Investment Limited (ABIL), a Subsidiary of AB Bank Limited was incorporated under the Companies Act, 1994 on 24 December 2009 with a view to run and manage the operations of Merchant Banking Wing of AB Bank Limited independently. AB Investment Limited started its operation on 10 March 2010. AB Investment Limited has achieved an unparalleled reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship. ABIL's Registered Office is located at WW Tower (Level 7), 68 Motijheel C.A., Dhaka. ABIL has two branch offices at Agrabad, Chittagong and Chowhatta, Sylhet.</p> <p>AB Securities Limited</p> <p>Brokerage business of Arab Bangladesh Bank Foundation has been transferred to the newly formed AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. Main objective of the company is to act as a stock broker to buy and sell Securities, Bond, Debenture, etc. on behalf of clients. ABSL also manages its own portfolio under Stock Dealer License. ABSL is a member of both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. ABSL started its operation independently on 02 August 2010, before that it was operated under the ABBF License.</p> <p>Cashlink Bangladesh Limited</p> <p>Cashlink Bangladesh Limited (CBL) was incorporated on 24 September 2008 in Bangladesh under the Companies Act 1994 as a private company limited. AB Bank Limited presently holds 90% shares in CBL. The principal activity of the company is to install and operate a switched Automated Teller Machines (ATM) and Point of Sales (POS) network on behalf of a number of local and foreign banks enabling these member bank customers who are active cardholders to withdraw cash, make utility bill payments (e.g. water, gas, electricity and telephone bills) and to purchase commodity goods from any of the ATM and POS terminals established under the network.</p> <p>AB International Finance Limited</p> <p>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.</p> <p>Arab Bangladesh Bank Foundation</p> <p>Bank also has a Subsidiary (99.60% owned by AB Bank) for philanthropic/ CSR activities known as Arab Bangladesh Bank Foundation (ABBF). This has not been included in the consolidation as ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the financial statements of the parent company (the Bank), the Financial Statements of ABBF has not been consolidated.</p>
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not Applicable
(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	<p>Aggregate amount of Capital: BDT. 20,000,000</p> <p>Name of subsidiary: Arab Bangladesh Bank Foundation (ABBF)</p>

B) Capital structure

Qualitative disclosure

(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	<p>The terms and conditions of the main features of all capital instruments have been segregated in line with of the eligibility criteria set forth vide BRPD circular no. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p>Common Equity Tier 1 capital instruments</p> <p>Paid-up share capital: Issued, subscribed and fully paid up share capital of the Bank. It represents Paid up Capital, Right Shares as well as Bonus Shares issued from time to time.</p> <p>Statutory reserve: As per Section 24(1) of the Bank Company 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.</p> <p>General reserve: General Reserve created for fulfilling any purpose of the Bank.</p> <p>Retained earnings: Amount of profit retained with the banking company after meeting up all expenses, provisions and appropriations.</p> <p>In this respect, Bank is complied.</p> <p>Additional Tier 1 Capital Bank has no any type of Additional Tier I Capital.</p> <p>Tier 2 Capital</p> <p>a) General provisions</p> <p>b) Subordinated debt / instruments issued by the banks that meet the qualifying criteria for Tier 2 capital</p> <p>c) Noncontrolling interest i.e. Tier 2 issued by consolidated subsidiaries to third parties as specified</p> <p>Less: Regulatory adjustments applicable on Tier 2 capital</p>

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.			
		BDT in Crore			
		31.12.2020		31.12.2019	
		Solo	Conso	Solo	Conso
(b) Capital requirement for Credit Risk:		3,155.65	3,175.12	3,013.18	3,029.30
(c) Capital requirement for Market Risk:		72.68	83.60	69.21	80.61
(d) Capital requirement for Operational Risk:		182.24	187.45	231.36	232.21
		BDT in Crore			
		31.12.2020		31.12.2019	
		Solo	Conso	Solo	Conso
(e) Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:					
Total minimum capital requirement @10%		3,410.57	3,446.17	3,313.75	3,342.11
Total capital maintained		3,696.60	3,905.10	3,354.71	3,539.83
Minimum Tier 1 capital requirement		6.00%	6.00%	6.00%	6.00%
Minimum Tier 1 capital maintained		5.74%	6.00%	5.65%	5.93%
Tier 2 capital ratio maintained		5.10%	5.33%	4.48%	4.66%
Min. total capital plus capital conservation buffer requirement		12.50%	12.50%	12.50%	12.50%
Min. total capital plus capital conservation buffer maintained		10.84%	11.33%	10.12%	10.59%
(f) Capital Conservation Buffer					
Capital conservation buffer requirement		2.50%	2.50%	2.50%	2.50%
Capital conservation buffer maintained		0.00%	0.00%	0.00%	0.00%
(g) Available Capital under Pillar 2 requirement		286.03	458.92	40.96	197.72

Provision against loans and advances has been maintained as per Bangladesh Bank letter no. DBI-1/101/2021-1026 dated 20 April 2021. According to letter, there is a provision shortfall of Tk. 4,946.33 crore against loans and advances which requires to be kept in next 9 years equally from 2021-2029.

D) Credit Risk

Qualitative disclosure

<div>(a)</div> <div>></div> <div>The general qualitative disclosure requirement with respect to credit risk, including: Definitions of past due and impaired (for accounting purposes)</div>	<div>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, 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)".</div>																																																															
<div>></div> <div>Description of approaches followed for specific and general allowances and statistical methods</div>	<div>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, BRPD Circular No. 03 dated 21 April 2019 and BRPD Circular No. 56 dated 10 December 2020. The rates for provisions are stated below:</div> <table><tr><th colspan="2" rowspan="2">Particulars</th><th rowspan="2">Short Term Agri Credit</th><th colspan="4">Consumer Financing</th><th rowspan="2">SMEF</th><th rowspan="2">Loans to BHs/ MBs/ SDs</th><th rowspan="2">All Other Credit</th><th rowspan="2">Off Balance Sheet Exposures</th></tr><tr><th>Other than HF, LP</th><th>HF</th><th>LP</th><th>Credit Card</th></tr><tr><td rowspan="2">UC</td><td>Standard</td><td>1%</td><td>5%</td><td>1%</td><td>2%</td><td>2%</td><td>0.25%</td><td>2%</td><td>1%</td><td rowspan="5">1%</td></tr><tr><td>SMA</td><td>-</td><td>5%</td><td>1%</td><td>2%</td><td>2%</td><td>0.25%</td><td>2%</td><td>1%</td></tr><tr><td rowspan="3">Classified</td><td>SS</td><td>5%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td></tr><tr><td>DF</td><td>5%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td><td>50%</td></tr><tr><td>BL</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td><td>100%</td></tr></table> <div>1% Special General Provision for COVID-19 has been kept as per BRPD circular letter no. 56 dated 10 December 2020.</div>	Particulars		Short Term Agri Credit	Consumer Financing				SMEF	Loans to BHs/ MBs/ SDs	All Other Credit	Off Balance Sheet Exposures	Other than HF, LP	HF	LP	Credit Card	UC	Standard	1%	5%	1%	2%	2%	0.25%	2%	1%	1%	SMA	-	5%	1%	2%	2%	0.25%	2%	1%	Classified	SS	5%	20%	20%	20%	20%	20%	20%	20%	DF	5%	50%	50%	50%	50%	50%	50%	50%	BL	100%	100%	100%	100%	100%	100%	100%	100%
Particulars					Short Term Agri Credit	Consumer Financing							SMEF	Loans to BHs/ MBs/ SDs	All Other Credit	Off Balance Sheet Exposures																																																
		Other than HF, LP	HF	LP		Credit Card																																																										
UC	Standard	1%	5%	1%	2%	2%	0.25%	2%	1%	1%																																																						
	SMA	-	5%	1%	2%	2%	0.25%	2%	1%																																																							
Classified	SS	5%	20%	20%	20%	20%	20%	20%	20%																																																							
	DF	5%	50%	50%	50%	50%	50%	50%	50%																																																							
	BL	100%	100%	100%	100%	100%	100%	100%	100%																																																							
<div>></div> <div>Discussion of the Bank's credit risk management policy</div>	<div>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.</div>																																																															

			31.12.2020		31.12.2019	
			In (%)	BDT/Cr.	In (%)	BDT/Cr.
(b)	Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	6.77%	1,860	8.08%	2,072
		Cash credit	0.01%	3	0.01%	3
		Time loan	16.64%	4,573	15.76%	4,043
		Term loan	67.80%	18,632	67.17%	17,229
		Forced loan	4.71%	1,296	4.29%	1,100
		Bills under LC	0.01%	4	0.02%	5
		Trust receipt	2.26%	622	2.63%	676
		Packing credit	0.03%	10	0.07%	18
		Loan against accepted bills	0.02%	5	0.08%	22
		Loan-EDF	0.56%	155	0.55%	141
		Consumer Loan	0.50%	136	0.50%	129
		Staff loan	0.48%	131	0.55%	140
		Bills purchased and discounted	0.21%	57	0.29%	73
		Total	100%	27,483	100%	25,651
(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Urban branches				
		Dhaka	66.16%	18,023	76.57%	19,453
		Chittagong	19.85%	5,409	17.70%	4,498
		Khulna	5.02%	1,369	1.44%	365
		Sylhet	0.80%	218	0.46%	118
		Barisal	0.15%	41	0.08%	21
		Rajshahi	3.23%	879	1.58%	402
		Rangpur	2.99%	815	1.94%	493
		Mymensingh	1.80%	490	0.22%	56
			100%	27,243	100%	25,406
		Rural branches				
		Dhaka	56.58%	105	68.55%	122
		Chittagong	34.92%	65	24.64%	44
		Khulna	0.00%	-	0.00%	-
		Sylhet	5.89%	11	2.54%	5
		Barisal	0.00%	-	0.00%	-
		Rajshahi	0.00%	0.002	0.00%	-
		Rangpur	0.03%	0.06	0.00%	-
		Mymensingh	2.57%	5	4.28%	8
			100%	186	100%	178
		Outside Bangladesh				
		ABBL, Mumbai branch	0.20%	54	0.26%	67
			100%	27,483	100%	25,651
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.77%	486	1.49%	382
		Large and medium scale indus.	30.64%	8,421	27.35%	7,015
		Working capital	20.74%	5,701	21.38%	5,485
		Export	0.56%	154	1.46%	376
		Commercial lending	18.87%	5,187	20.56%	5,274
		Small and cottage industry	1.63%	449	1.16%	297
		Others	25.78%	7,084	26.60%	6,822
			100%	27,483	100%	25,651
(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	1.73%	474	1.47%	376
		– upto 3 months	34.26%	9,415	31.25%	8,016
		– over 3 months but below 1 year	46.65%	12,822	50.55%	12,965
		– over 1 year but below 5 years	11.54%	3,172	12.47%	3,199
		– over 5 years	5.82%	1,600	4.27%	1,096
			100%	27,483	100%	25,651

		31.12.2020		31.12.2019	
		In (%)	BDT/Cr.	In (%)	BDT/Cr.
(f)	By major industry or counterparty type:				
	i. Amount of impaired loans and if available, past due loans, provided separately	16.79%	4,615	18.28%	4,689
	ii. Specific and general provisions	-	2,022	-	1,528
	iii. Charges for specific allowances and charge-offs during the period	-	196	-	192

(g)	Gross Non Performing Assets (NPAs) (NPAs) to outstanding Loans & advances		2020	2019
			BDT/Cr.	BDT/Cr.
	Non Performing Assets (NPAs)		4,615	4,689
	NPAs to outstanding loans and advances		16.79%	18.28%
	Movement of NPAs Bangladesh Operations:			
	Opening balance		4,689.05	7,972.78
	Additions		88.63	1,325.45
	Reductions		162.22	4,609.18
	Closing balance		4,615.46	4,689.05
	Movement of specific provision for NPAs			
	Opening balance		699.39	507.88
	Provision made during the period		196.37	223.21
	Write-off		-	(31.70)
	Closing balance		895.76	699.39

E) Equities: Disclosures for Banking book positions

Qualitative Disclosure

(a)	The general qualitative disclosure requirement with respect to the equity risk, including:	
	<ul style="list-style-type: none"> > differentiation between holdings on which capital gains are expected and those taken under other objectives including 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 	<p>Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.</p> <p>Quoted shares are valued at cost. Necessary provision is maintained if market price fall below the cost price. Unquoted shares are valued at cost.</p>
(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 (2020)	BDT in Crore (5.52)

E) Equities: Disclosures for Banking book positions

Qualitative Disclosure (cont.)

(d)	> Total unrealized gains (losses)	(120.27)
	> Total latent revaluation gains (losses)	Nil
	> Any amounts of the above included in Tier 2 capital	Nil
(e)	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	Nil

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

Qualitative Disclosure

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

(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	BDT in Crore	
		31.12.20	31.12.19
	Market value of assets	38,574	35,822
	Market value of liability	36,126	34,163
	Weighted avg. duration GAP	0.58	0.77
	CRAR after different level of Shocks:		
	Minor level	10.27%	9.44%
	Moderate level	9.69%	8.74%
	Major level	9.10%	8.03%

G) Market Risk

Qualitative Disclosure

(a)	> Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.
	> Methods used to measure Market risk	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.

		BDT in Crore	
		31.12.2020	31.12.2019
(b)	The capital requirements for:		
	Interest rate risk	30.15	23.16
	Equity position risk	35.52	35.27
	Foreign exchange risk	7.01	10.78
	Commodity risk	-	-
		72.68	69.21

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.
	> Performance gap of executives and staffs	AB has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. AB's strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.
	> Potential external events	No potential external events is expected to expose the Bank to significant operational risk.

> Policies and processes for mitigating operational risk	The policy for operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Policy guidelines on Risk Based Internal Audit system is in operation as per RBA branches are rated according to their risk status and branches scoring more on risk status are subjected to more frequent audit by Internal Control and Compliance Division (ICCD). It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. ICCD directly reports to Audit Committee of the Board. In addition there is a Vigilance Cell established in 2009 to reinforce operational risk management of the bank. Bank's Anti-Money laundering activities are headed by CAMELCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.
> Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.

Quantitative Disclosure

(b) The capital requirements for Operational Risk

BDT in Crore	
31.12.20	31.12.19
182.24	231.36

I) Liquidity Ratio

Qualitative Disclosure

(a)	> Views of BOD on system to reduce liquidity Risk	<p>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.</p> <p>To mitigate liquidity risk Bank assesses 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.</p> <p>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)</p>
	> Methods used to measure Liquidity risk	<p>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:</p> <ul style="list-style-type: none"> > 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 short term borrowing is monitored as this can put the Bank's balance sheet in a very critical and risky position. > Bank has a Contingency Funding Plan (CFP) in place. Contingency Funding Plan (CFP) is a set of policies and procedures that serves as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost. Bank maintains sufficient high quality liquid assets to meet the liquidity crisis period.

	<ul style="list-style-type: none"> > Bank estimates the funding requirement both is normal and stress conditions arising from on and off balance sheet exposures. Bank monitors its products which are interest rate sensitive. Those are taken care of at the time of interest rate movement in the market based on behavior of clients and other competitors. > Bank monitors liability concentration level. Highly concentrated deposits means bank is relying on too few providers or funding sources. Bank has to be ready for arranging fund if concentrated deposits are withdrawn at a time or Bank place this fund for short term lending. > Bank uses variety of ratios to quantify the liquidity and interpret them taking into account the qualitative factors.
> Liquidity risk management system	<p>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).</p> <p>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.</p> <p>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.</p>
> Policies and processes for mitigating liquidity risk	<p>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.</p> <p>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.</p> <p>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.</p>

(b)	BDT/Cr.	
	31.12.2020	
Liquidity Coverage Ratio	146.45%	
Net Stable Funding Ratio (NSFR)	102.49%	
Stock of high quality liquid assets	7,168.62	
Total net cash outflows over the next 30 calendar days	4,895.09	
Available amount of stable funding	30,236.65	
Required amount of stable funding	29,501.47	

J) Leverage Ratio

Qualitative Disclosure

(a)	> Views of BOD on system to reduce excessive leverage	<p>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.</p> <p>Key initiatives of the Board:</p> <ul style="list-style-type: none"> • 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.
	> Policies and processes for managing excessive on and off-balance sheet leverage	<p>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.</p> <p>All these above measures as a whole, helps the Management to keep the exposures at sound level.</p>
	> Approach for calculating exposure	<p>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:</p> <ol style="list-style-type: none"> 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). Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. Netting of loans and deposits is not allowed. <p>On Balance Sheet Items</p> <p>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.):</p> <p>Repurchase agreements and securities financing:</p> <p>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:</p> <ul style="list-style-type: none"> • 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:																																														
		<table><tr><th rowspan="2">Exposures Types</th><th rowspan="2">CCF</th><th>Notional Amount</th><th>Exposure</th></tr><tr><th>BDT/Cr.</th><th></th></tr><tr><td>Direct credit substitutes</td><td>100%</td><td>710</td><td>710</td></tr><tr><td>Performance related contingencies</td><td>50%</td><td>949</td><td>475</td></tr><tr><td>Short-term self-liquidating trade letters of credit</td><td>20%</td><td>557</td><td>111</td></tr><tr><td>Lending of securities or posting of securities as collateral</td><td>100%</td><td>-</td><td>-</td></tr><tr><td>Other commitments with certain drawdown</td><td>100%</td><td>-</td><td>-</td></tr><tr><td>Commitments with original maturity of one year or less</td><td>20%</td><td>992</td><td>198</td></tr><tr><td>Commitments with original maturity of over one year</td><td>50%</td><td>-</td><td>-</td></tr><tr><td>Other commitments that can be unconditionally cancelled by any time</td><td>0%</td><td>1,496</td><td>-</td></tr><tr><td>Market related Off-Balance sheet exposure</td><td>1%</td><td>0.26</td><td>0.003</td></tr><tr><td>Total</td><td></td><td>4,705</td><td>1,495</td></tr></table>	Exposures Types	CCF	Notional Amount	Exposure	BDT/Cr.		Direct credit substitutes	100%	710	710	Performance related contingencies	50%	949	475	Short-term self-liquidating trade letters of credit	20%	557	111	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%	992	198	Commitments with original maturity of over one year	50%	-	-	Other commitments that can be unconditionally cancelled by any time	0%	1,496	-	Market related Off-Balance sheet exposure	1%	0.26	0.003	Total		4,705	1,495
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(b)	<table><tr><td rowspan="6">Leverage Ratio On balance sheet exposure Off balance sheet exposure Total deduction from On and Off-Balance Shhet Exposure Total exposure</td><td>BDT/Cr. 31.12.2020</td></tr><tr><td>5.02%</td></tr><tr><td>37,680</td></tr><tr><td>1,645</td></tr><tr><td>352</td></tr><tr><td>38,973</td></tr></table>			Leverage Ratio On balance sheet exposure Off balance sheet exposure Total deduction from On and Off-Balance Shhet Exposure Total exposure	BDT/Cr. 31.12.2020	5.02%	37,680	1,645	352	38,973																																						
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	37,680																																															
	1,645																																															
	352																																															
	38,973																																															

K) Remuneration

Qualitative Disclosure

(a)	Information relating to the bodies that oversees remuneration.	
>	Name of the bodies that oversees remuneration	The primary body that currently oversees remuneration practices includes: In charge of remuneration & payroll, Head of HR, and Managing Director of the Bank.
>	Name, composition and mandate of the main body overseeing remuneration.	Board of Directors of the bank is the main body which approves the remuneration proposals/changes as when needed based on the recommendation of the primary body
>	External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.	Periodically services of external consultants are sought in the process of remuneration update/survey in every 2/3 years to ensure competitive effectiveness of remuneration structure. Survey focuses on gross remuneration package in each job grade i.e. minimum, mid point and maximum in the given scale. Gross salary includes different elements like Basic pay and other admissible emoluments.
>	A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.	Key objective of the remuneration policy is to offer competitive remuneration package to employees in each job grade commensurate with job responsibilities irrespective of any location/region. It is done through periodical remuneration survey with local comparators engaging consultant. Similarly, for foreign subsidiaries, it is done in context of specific country remuneration market status to remain competitive in the foreign market that ensures attracting and retention of the best performers.

	<p>> A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p>	<p>Divisional Heads, Departmental Heads, Senior Members of Management, Head of Branches/Business Units supported by SMT are the material risk takers in business.</p>
(b)	Information relating to the design and structure of remuneration processes.	
	<p>> An overview of the key features and objectives of remuneration policy.</p>	<p>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.</p> <p>Salary progression in the form of annual merit pay linked to individual performance within the scale etc. Service benefits like Provident Fund, Gratuity, Group term insurance, festival bonus, car facilities and related cost as per bank's service rules are components of total compensation.</p>
	<p>> 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.</p>	<p>Objective of remuneration policy is to pay competitively within industry norms in order to attract and retain good employees</p> <p>Pay for performance link to merit measured in terms of delivery of set KPI annually (annual merit pay)</p> <p>Bank's service rules stands as a guide besides instructions and guidance from the Board from time to time</p> <p>Remuneration structure is updated periodically usually in an interval of 2/3 years to remain competitive in the market with the approval of the Board of Directors of the Bank. No major change made in the recent past</p>
	<p>> A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>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</p>
(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes.	
	<p>> An overview of the key risks that the bank takes into account when implementing remuneration measures.</p>	<p>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.</p>
	<p>> An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure</p>	<p>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 ratio), 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.</p>
	<p>> A discussion of the ways in which these measures affect remuneration.</p>	<p>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.</p>

	> 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.
(d)	Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.	
	> An overview of main performance metrics for bank, top-level business lines and individuals.	Performance matrix in terms of broad KPI is set by the Board for the Management covering business lines/different segments of businesses each year. The Management in turn develops strategies and set performance KPI for individual employees across functions/business to activate and achieve the set targets/KPI in delivering business results. The most common KPIs are loan deposit ratio, cost of fund, cost income ratio, yield on loan, quality of asset, profit target, provision coverage ration, capital to risk weighted ratio, ROE, ROA, Liquidity position, maintenance of CRR and SLR etc. beside non-financial KPI.
	> A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	Annual merit pay i.e. merit increment of employees are linked to performance outcome based on individual performance criteria (KPI). Merit increase is also linked to other elements of remuneration package, so aggregate of all employees has reasonable impact on the remuneration package and not insignificant.
	> A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak	No documented criteria as such is available to adjust remuneration of employees in the event of weak business performance matrix. If profit target is not met in a given year, generally annual merit increment is lower.
(e)	Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.	
	> A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	The concept of variable remuneration or for that matter deferred payment system is not in practice. A share of profit in the form of incentive bonus is allowed to employees as approved by the board when profit target is favourably met.
	> A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.	Not applicable

(f)	Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.	
	> An overview of the forms of variable remuneration offered (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
(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	The main body that oversees remunerations organizes meeting as & when needed to discuss issues arising in the process of administration.
	> Number of employees having received a variable remuneration award during the financial year.	Not applicable (Variable remuneration practice is not available)
	> Number and total amount of guaranteed bonuses awarded during the financial year.	Bank has disbursed 02 (two) festival bonus among the employees amounting to taka 173,467,915 during the year 2020.
	> 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

k) Remuneration

	> Total amount of deferred Remuneration paid out in the financial year.	Not applicable
(h)	Breakdown of amount of remuneration awards for the financial year to show:	
	> Fixed and variable	BDT 274.08 crore (Fixed including annual merit pay)
	> Deferred and non-deferred.	Not applicable
	> Different forms used (cash, shares and share linked instruments, other forms).	Not applicable

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

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 2020

Annexure E

	31.12.2020 INR	31.12.2019 INR
PROPERTY AND ASSETS		
Cash	49,099,278	27,529,238
In hand (including foreign currencies)	2,975,111	3,310,972
Balance with Reserve Bank India (including foreign currencies)	46,124,167	24,218,266
Balance with other banks and financial institutions	1,467,013,519	1,015,876,165
In India	210,346,687	53,456,646
Outside India	1,256,666,832	962,419,520
Money at call and on short notice	360,000,000	240,000,000
Investments	404,174,970	439,603,500
Government	404,174,970	439,603,500
Loans and advances	467,995,126	566,931,554
Loans, cash credits, overdrafts, etc.	29,377,189	26,643,478
Bills purchased and discounted	438,617,937	540,288,076
Fixed assets including premises, furniture and fixtures	4,932,319	7,152,271
Other assets	161,485,475	279,495,461
Total Assets	2,914,700,687	2,576,588,188
LIABILITIES AND CAPITAL		
Liabilities		
Deposits and other accounts	1,827,518,908	1,451,258,495
Current deposits	1,657,348,235	1,299,551,703
Demand deposits	123,609	123,613
Bills payable	110,148	456,650
Savings deposits	21,305,255	18,527,874
Fixed deposits	148,631,661	132,598,655
Other liabilities	75,436,396	154,726,939
Total Liabilities	1,902,955,303	1,605,985,435
Capital/Shareholders' Equity		
Total Shareholders' Equity	1,011,745,384	970,602,753
Paid-up capital	369,822,602	369,822,602
Statutory reserve	281,039,231	272,939,722
Other reserve	3,861,892	-
Retained earnings	357,021,659	327,840,429
Total Liabilities and Shareholders' Equity	2,914,700,687	2,576,588,188
Off-Balance Sheet Items		
Contingent liabilities	26,096,215,667	12,569,919,604
Acceptances and endorsements	172,716,881	26,169,384
Letters of guarantee	5,660,514	1,427,800
Bills for collection	25,917,838,272	12,542,322,420
Other commitments	-	-
Total	26,096,215,667	12,569,919,604

AB Bank Limited
Mumbai Branch
Profit and Loss Account
For the year ended 31 December 2020

Annexure E-1

	2020	2019
	INR	INR
Operating Income		
Interest income	33,970,764	47,045,867
Interest paid on deposits and borrowings, etc.	(11,174,395)	(15,830,545)
Net interest income	22,796,369	31,215,322
Investment income	23,567,619	23,880,813
Commission, exchange and brokerage	219,673,239	267,420,344
Other operating income	1,070,871	1,656,674
	244,311,729	292,957,831
Total operating income (a)	267,108,098	324,173,153
Operating Expenses		
Salary and allowances	15,680,733	16,492,779
Rent, taxes, insurance, electricity, etc.	21,132,480	19,920,587
Legal expenses	7,085	82,295
Postage, stamps, telecommunication, etc.	4,054,805	6,424,883
Stationery, printing, advertisement, etc.	1,173,778	1,365,588
Auditors' fees	649,640	887,260
Depreciation and repairs of Bank's assets	2,658,334	4,375,350
Other expenses	200,425,551	115,341,620
Total operating expenses (b)	245,782,405	164,890,361
Profit before provision (c = a-b)	21,325,693	159,282,793
Provision against loans and advances	(550,000)	(1,000,000)
Other provisions	150,000	(650,000)
Total provision (d)	(400,000)	(1,650,000)
Profit before taxation (c-d)	21,725,693	160,932,793
Provision for taxation	(19,416,938)	68,785,834
Current tax	(19,593,336)	69,252,841
Deferred tax	176,397	(467,007)
Net profit after taxation (PAT)	41,142,631	92,146,959

AB Bank Limited

Islami Banking Branch

Balance Sheet

As at 31 December 2020

Annexure F

	31.12.2020 Taka	31.12.2019 Taka
<u>PROPERTY AND ASSETS</u>		
Cash in hand	268,250,549	286,314,047
Cash in Hand (Including foreign currencies)	4,933,125	4,489,262
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	263,317,424	281,824,785
Balance with Other Banks and Financial Institutions	1,348,247,393	1,739,470,715
In Bangladesh	1,348,247,393	1,739,470,715
Investment in shares & other financial institutions	397,800,000	280,000,000
Government (BGIIB For SLR)	397,800,000	280,000,000
Investments	6,510,299,811	6,041,664,709
Fixed Assets	6,685,044	7,337,839
Other Assets	99,243,204	58,133,724
	8,630,526,001	8,412,921,035
<u>LIABILITIES AND CAPITAL</u>		
Liabilities		
Placement from Banks (BGIIB) & Other Financial Institutions	816,485,540	1,816,519,380
Deposits and Other Accounts	7,436,081,443	6,276,313,435
Mudaraba Savings Deposits	137,255,111	94,959,349
Mudaraba Term Deposits	5,444,950,896	4,490,609,538
Other Mudaraba Deposits	1,804,024,982	1,639,998,318
Al-Wadeeah Current and Other Deposit Accounts	40,223,141	35,340,300
Bills Payable	9,627,313	15,405,931
Other Liabilities	377,959,018	320,088,220
Total Liabilities	8,630,526,001	8,412,921,035
Contingent Liabilities		
Letter of Guarantee	19,806,054	16,806,354
Irrevocable Letters of Credit (including Back to Back Bills)	58,861,855	123,881,000
Total	78,667,909	140,687,354
Other Commitments	-	-
Total Off-Balance Sheet items including Contingent Liabilities	78,667,909	140,687,354

AB Bank Limited

Islami Banking Branch

Profit and Loss Account

For the year ended 31 December 2020

Annexure F-1

	2020 Taka	2019 Taka
Investment Income	632,085,776	654,575,625
Profit paid on Deposits	610,282,050	580,595,526
Net Investment Income	21,803,726	73,980,099
Income from Investments in Shares/Securities	12,391,069	15,268,651
Commission, Exchange and Brokerage	2,397,793	3,115,023
Other Operating Income	223,250	149,769
Total Operating Income	36,815,838	92,513,541
Operating Expenses		
Salaries and Allowances	20,787,688	27,336,509
Rent, Taxes, Insurance, Electricity etc.	1,440,142	1,510,532
Postage, Stamps, Telecommunication etc.	240,570	238,572
Stationeries, Printing and Advertisement etc.	407,504	525,228
Shariah Supervisory Committee's Fees & Expenses	98,320	111,262
Depreciation and repair to Bank's Assets	1,100,186	1,514,140
Other Expenses	6,547,846	6,564,644
Total Operating Expenses	30,622,256	37,800,886
Operating Profit	6,193,583	54,712,655

AB Bank Limited

Islami Banking Branch

Profit paid on deposits

Annexure G

Profit and loss of Islami Banking Branch is calculated annually as on 31 December in every year. More than 60% of investment income is distributed among the different types of Mudaraba depositors following the 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 2020 final profit has been paid to the depositors as per following weightage and rates:

Types of Deposit	Weightage	Provisional Profit Rate	Final Rate
1. Mudaraba Savings Deposits	0.29	3.5	3.51
2. Mudaraba Savings Deposits (School Banking)	0.67	8	8.01
3. Mudaraba Special Notice Deposits			
a. General	0.21-0.29	2.50-3.50	2.51-3.51
b. Inter - Bank	0.25-0.63	3.00-7.50	3.00-7.50
4. Mudaraba Term Deposits (Core deposit)			
24 Months	0.67-0.83	8.00-10.00	8.01-10.01
12 Months	0.52-0.96	6.25-11.50	6.26-11.51
9 Months	0.48-0.73	5.75-8.75	5.76-8.76
6 Months	0.50-0.92	6.00-11.00	6.01-11.01
4 Months	0.46-0.90	5.50-10.75	5.51-10.76
3 Months	0.46-0.96	5.50-11.50	5.51-11.51
1 Month	0.33-0.50	4.00-6.00	4.00-6.01
5. Mudaraba Hajj Deposit Scheme	0.75-0.96	9.00-11.50	9.01-11.51
6. Mudaraba Pension Deposit Scheme	0.60-1.00	6.00-12.00	6.01-12.01
7. Mudaraba Monthly Profit Payment Scheme	0.05-0.96	6.00-11.50	6.01-11.51
8. Mudaraba Cash WAQF Deposit	0.67-0.88	8.00-10.50	8.01-10.51

A competent Shariah Supervisory Committee consisting of Islamic scholars, Ulema, Fuqaha and Islamic bankers headed by **Justice Siddiqur Rahman Miah**, a prominent Islamic scholar guides the Islamic banking operations of the Kakrail Islami Banking Branch (KIBB). During the year 2020, Shariah Supervisory Committee met physically and reviewed different operational issues. The Committee also audited the branch operations through its Muraqib and reviewed the audit report in its 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 2020 and the statement of profit or loss and other comprehensive income (profit and loss account) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the AB Bank Limited (Custodian Wing) as at 31 December 2020, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank 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.

Other matter

The financial statements of the AB Bank Limited (Custodian Wing) for the year ended 31 December 2019 were audited by S.F. AHMED & CO Chartered Accountants, who expressed an unmodified opinion on those statements on 29 June 2020.

Other Information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report of AB Bank Limited which includes the report of AB Bank Limited, Custodian Wing is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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 the financial statements.

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, 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 achieves fair presentation.

We communicate with those charged with governance, 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.

Report on Other Legal and Regulatory Requirements

We also report that:

- a. 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;
- b. in our opinion, proper books of account as required by law have been kept by the AB Bank Limited (Custodian Wing) so far as it appeared from our examination of those books; and
- c. the statement of financial position (balance sheet) and the statement of profit or loss and other comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account and returns.

Dhaka,
27 April 2021

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner

ICAB Enrolment No. # 787



AB Bank Limited

Custodian Wing

Balance Sheet

As at 31 December 2020

Annexure H

	31.12.2020 Taka	31.12.2019 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	52,528	-
Intangible Assets	-	-
Total Non Current Assets	52,528	-
Current Assets		
Accounts Receivables	12,494,889	12,494,889
Total Current Assets	12,494,889	12,494,889
Total Assets	12,547,418	12,494,889
LIABILITIES		
Non-Current Liabilities		
	-	-
Current Liabilities		
Payable to AB Bank	5,405,334	5,352,806
Accounts Payable	7,092,083	7,092,083
Provision for Audit Fees	50,000	50,000
Total Current Liabilities	12,547,418	12,494,889
Total Liabilities	12,547,418	12,494,889

Profit and Loss Account

For the year ended 31 December 2020

Annexure H-1

	2020 Taka	2019 Taka
Operating Income		
Commission, exchange and brokerage	16,520	53,483
Total Operating Income	16,520	53,483
Operating Expenses		
Rent, taxes and insurance	11,500	11,500
Auditor's fees	57,500	77,500
Depreciation and repair of bank's assets	8,471	5,275
Other expenses	182,162	138,920
Total operating expenses	259,633	233,195
Operating Profit	(243,113)	(179,712)

AB Bank Limited

Off-Shore Banking Unit (OBU)

Balance Sheet

As at 31 December 2020

Annexure I

	31.12.2020 Taka	31.12.2020 USD	31.12.2019 Taka	31.12.2019 USD
PROPERTY AND ASSETS				
Cash in hand	-	-	-	-
Balance with Other Banks and FIs'	6,640,740	78,310	12,646,842	148,962
In Bangladesh	183,351	2,162	113,280	1,334
Outside Bangladesh	6,457,389	76,148	12,533,562	147,627
Money at call and on short notice (Placement)	964,604,550	11,375,000	849,000,000	10,000,000
Investment	1,637,923,118	19,315,041	1,639,846,896	19,315,040
Loans and Advances:	6,109,181,062	72,041,892	6,262,330,005	73,761,249
Loans & Advances - Regular	2,847,969,831	33,584,392	2,997,288,408	35,303,750
Loans & Advances - Classified	3,261,211,230	38,457,499	3,265,041,597	38,457,498
Premises and Fixed Assets (WDV)	-	-	556,063	6,550
Other Assets:	813,310	9,591	1,010,906	11,907
Accrued Interest	746,527	8,803	918,069	10,814
Pre-paid Advances	66,784	788	92,837	1,093
Total Assets	8,719,162,780	102,819,834	8,765,390,712	103,243,707
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Bank & FIs'	8,966,465,025	105,736,120	8,911,059,861	104,959,480
In Bangladesh	8,966,465,025	105,736,120	8,911,059,861	104,959,480
Outside Bangladesh	-	-	-	-
Deposits and Other Accounts	13,261,591	156,386	16,506,535	194,423
Demand Deposits	11,193,359	131,997	11,147,339	131,300
Demand Deposits - Others	2,068,233	24,389	5,359,196	63,124
Other Liabilities	190,709,001	2,248,916	190,932,993	2,248,916
Total Liabilities	9,170,435,617	108,141,422	9,118,499,389	107,402,820
Capital and Shareholders' Equity				
Profit/(Loss)	(451,272,837)	(5,321,589)	(353,108,677)	(4,159,113)
Total Shareholders' Equity	(451,272,837)	(5,321,589)	(353,108,677)	(4,159,113)
Total Liabilities and Shareholders' Equity	8,719,162,780	102,819,834	8,765,390,712	103,243,707



AB Bank Limited

Off-Shore Banking Unit (OBU)

Profit and Loss Account

For the year ended 31 December 2020

Annexure I-1

	2020 Taka	2020 USD	2019 Taka	2019 USD
Interest income	158,003,805	1,861,820	203,880,011	2,413,269
Interest paid on deposits and borrowing etc.	253,296,559	2,984,692	348,688,583	4,127,326
Net Interest income	(95,292,754)	(1,122,872)	(144,808,572)	(1,714,057)
Commission, exchange and brokerage	125,968	1,484	(21,985)	(260)
Total operating income	(95,166,786)	(1,121,387)	(144,830,557)	(1,714,317)
Salaries and allowances	2,808,354	33,092	4,970,127	58,830
Rent, taxes, insurance, electricity etc.	5,559	65	50,286	595
Postage, stamps, telecommunication etc.	41,396	488	61,760	731
Stationeries, printing, advertisement etc.	37,760	445	49,180	582
Depreciation and repair of bank's assets	257,168	3,030	1,134,681	13,431
Other expenses	331,720	3,964	696,278	8,242
Total operating expenses	3,481,957	41,084	6,962,312	82,411
Operating Profit/(Loss)	(98,648,743)	(1,162,472)	(151,792,869)	(1,796,728)

Myanmar Representative Office

Statement of Receipts and Payments

Annexure J

For the year ended 31 December 2020

Receipts	Total		Payments	Total	
	USD	BDT		USD	BDT
Opening Balance	52,405	3,860,704	Bank Charges (Nostro & Others)	15	1,273
Received during the year	31,699	2,694,104	Miscel. Contract Service-Tea boys & Cleaners	34	2,886
			Local Conveyance	67	5,686
			Internet bill	216	18,328
			Electricity Bill	9	764
			Other Allowances-Officers	6,000	509,198
			Stationery Others	43	3,650
			Water and Sewerage	3	255
			Other Audit fees	350	29,715
			Mobile bill	11	933
			Repair & Main. - Others	12	1,018
			Other Fees and Taxes	338	28,665
			Postage & Shipping- Domestic	2	170
			Advance rent	10,500	890,402
			Printing & Stationary	16	1,358
			Printing- Security	3	255
			Stamps Judicial non- Judicial	62	5,267
			Closing Balance	66,423	5,054,986
Total	84,104	6,554,808	Closing Balance	84,104	6,554,808

Independent Auditor's Report

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 (the "Company"), which comprise the statement of financial position as on 31 December 2020, 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 and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AB Investment Limited as on 31 December 2020, 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 requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note # 6 of the financial statements, which describes the matter related to recognition of deferred tax assets. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all of the information included in the director's reports, but doesn't include the financial statements and our auditor's report thereon. The director's reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover 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 identified above when it becomes available 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.

When we read the director's reports, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view 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.

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.

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:

- a) 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;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements 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 and returns.

Dhaka,
22 March 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner
ICAB Enrollment No. 787



AB Investment Limited

(A Subsidiary of AB Bank Limited)

Statement of Financial Position (Balance Sheet)

Annexure K

As at 31 December 2020

	31.12.2020 Taka	31.12.2019 Taka
ASSETS		
Non-current assets	568,369,010	547,526,339
Property, Plant and Equipment	216,694,350	547,526,339
Investment Property	312,241,848	-
Deferred Tax Assets	39,432,812	-
Current Assets	8,052,324,539	8,162,907,395
Investment in shares	551,741,963	736,423,365
Loans to clients	6,957,399,993	6,752,714,392
Advances, deposits and prepayments	556,400	656,400
Receivable from brokers & Others	236,523,208	299,723,086
Advance income tax	170,076,236	373,157,452
Cash and bank balances	136,026,739	232,700
TOTAL ASSETS	8,620,693,549	8,710,433,734
EQUITY AND LIABILITIES		
Equity	6,743,523,992	6,747,365,720
Share capital	6,456,899,810	6,456,899,810
Retained earnings	286,624,182	290,465,910
Liabilities		
Non-current liabilities	15,048,050	23,825,515
Provident fund, gratuity fund and recreation club fund	15,048,050	12,387,675
Deferred tax liability	-	11,437,840
Current liabilities	1,862,121,507	1,939,242,499
Borrowing from banks	755,898,828	737,184,319
Liabilities for expenses	834,601	706,217
Provision for taxation	183,159,276	419,270,105
Provision for diminution value of investment	904,818,239	769,818,239
Payable to clients	17,410,563	12,180,799
Lease Liabilities	-	82,820
Total liabilities	1,877,169,557	1,963,068,014
TOTAL EQUITY AND LIABILITIES	8,620,693,549	8,710,433,734

AB Investment Limited

(A Subsidiary of AB Bank Limited)

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Statement)

Annexure K-1

For the year ended 31 December 2020

	2020 Taka	2019 Taka
Operating income	175,213,628	57,136,889
Interest income	59,982,280	138,400,793
Management fee	4,568,307	6,587,586
Transaction/settlement fee	36,857,934	31,835,085
Investment income	63,705,087	(131,590,144)
Other operating income	10,100,020	11,903,569
Operating expenses	75,431,121	48,061,007
Salary and allowances	17,182,331	15,286,399
Audit and consultancy fees	272,050	448,450
Administrative expenses	57,881,438	32,241,483
Financial expenses	95,302	84,675
Profit before provision and tax	99,782,507	9,075,882
Provision for diminution in value of investment	135,000,000	-
Net profit/(loss) before tax for the year	(35,217,493)	9,075,882
Income tax expenses	(31,375,765)	66,625,120
Current tax expenses	19,494,887	68,075,287
Deferred tax expenses	(50,870,652)	(1,450,167)
Net profit/(loss) after tax for the year	(3,841,728)	(57,549,238)
Other Comprehensive Income	-	-
Total Comprehensive Income	(3,841,728)	(57,549,238)
Earnings Per Share (EPS)	(0.006)	(0.089)

Independent Auditor's Report

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, 2020 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flow and 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, 2020 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 and Those Charged with the Governance 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.

Those charged with the 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.

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 the 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
- 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
March 31, 2021



Haider Ahmed Khan FCA
Proprietor
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 2020

Annexure L

	31.12.2020 Taka	31.12.2019 Taka
I Sources of Fund		
A) <u>Shareholders' Equity</u>	514,345,408	510,030,076
Share Capital	272,041,880	272,041,880
Revaluation Reserve	85,986,590	85,986,590
Retained Earnings	156,316,938	152,001,606
B) <u>Non-Current Liabilities</u>	210,989,474	225,834,070
Liabilities for Other Finance	190,000,000	210,000,000
Provision for Gratuity	7,930,439	4,580,523
Provision for Provident Fund	11,602,235	11,253,547
Lease Liabilities	1,456,800	-
Total Source of Fund (A+B)	725,334,882	735,864,146
II Application of Fund		
A) <u>Non-Current Assets</u>	16,406,708	9,982,783
Property, Plant & Equipment	14,427,041	7,717,212
Deferred Tax Assets	1,979,667	2,265,571
B) <u>Investments</u>	103,575,886	101,411,055
C) <u>Current Assets</u>	1,516,996,822	1,119,022,392
Cash and Cash Equivalents	456,742,020	81,598,769
Advance, Deposit & Prepayments	17,376,617	7,812,659
Advance Income Tax	43,083,808	94,941,313
Accounts Receivable	80,788,114	4,140,740
Margin Loan	919,006,263	930,528,911
D) <u>Current Liabilities and Provisions</u>	911,644,535	494,552,084
Accounts Payable	494,550,750	69,578,763
Bank Overdraft	167,548,561	174,502,576
Liabilities for Expense	6,548,349	902,620
Provision for Income Tax	46,292,599	98,150,033
Other Liabilities	191,418,093	151,418,093
Lease Liabilities	5,286,182	-
E) Net Current Assets (C-D)	605,352,287	624,470,308
F) Total Application of Fund (A+B+E)	725,334,882	735,864,146

AB Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

Annexure L-1

For the Year Ended December 31, 2020

	2020 Taka	2019 Taka
A) Operating Income	129,861,217	27,591,754
Brokerage Commission	91,988,986	38,821,911
Interest Income	(3,571,253)	16,956,258
Investment Income	38,553,642	(29,937,890)
Other Operating Income	2,889,843	1,751,475
B) Operating & Other Expense	59,597,012	47,798,825
Operating Expenses	50,361,435	45,711,553
Other Financial Expenses	2,136,843	834,954
Depreciation on Property, Plant & Equipment	7,098,734	1,252,318
C) Profit before Provision (A-B)	70,264,205	(20,207,071)
D) Provision	40,000,000	(31,991,511)
For Diminution in Value of Investments	-	(31,991,511)
For Diminution in Value of Loan	40,000,000	-
E) Profit before Taxation (C-D)	30,264,205	11,784,440
F) Provision for Taxation	25,948,873	11,462,990
Current Tax	25,662,970	11,360,659
Deferred Tax	285,903	102,331
Net Profit After Taxation (E-F)	4,315,332	321,451
Earnings Per Share (EPS)	0.16	0.01

Independent Auditor's Report

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 2020 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 2020 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 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 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.

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:

- 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
- 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
04 April 2021


SHAHA & CO.
Chartered Accountants

Cashlink Bangladesh Limited

Statement of Financial Position

As at 31 December 2020

Annexure M

	31.12.2020 Taka	31.12.2019 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	3	3
Current Assets		
Cash & Bank Balances	1,242,062	116,724
Investment in Fixed Deposits	44,118,875	41,861,572
Investment in Shares	1,000	1,000
Advance, Deposit & Prepayment	38,248,978	38,191,781
Other Receivable	2,030,210	2,223,037
	85,641,125	82,394,114
Total Assets	85,641,128	82,394,117
EQUITY AND LIABILITIES		
Equity		
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Earnings	(165,295,612)	(167,733,871)
Total Equity	76,904,388	74,466,129
Liabilities		
Current Liabilities		
Accrued Expenses	28,750	28,750
Provision for Taxation	8,707,990	7,899,238
Total Liabilities	8,736,740	7,927,988
Total Equity and Liabilities	85,641,128	82,394,117

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

Annexure M-1

	2020 Taka	2019 Taka
Revenue	-	-
Less: General and Administration Expenses	419,155	453,452
Operating Profit/(Loss)	(419,155)	(453,452)
Add: Other Income	4,031,392	13,555,474
Profit Before Provision & Tax	3,612,237	13,102,022
Provision for taxation	1,173,977	365,225
Net Profit/(Loss) After Tax	2,438,260	12,736,797
Other Comprehensive Income	-	-
Total Comprehensive Income	2,438,260	12,736,797
Earnings Per Share (EPS)	0.10	0.54

Independent Auditor's Report

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, 2020, 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, 2020, 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.

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

Samuel Ming Sum Yip
Practising Certificate Number: P05704

AB International Finance Limited

Statement of Financial Position

As at 31 December 2020

Annexure N

NON-CURRENT ASSETS

Property, plant and equipment

CURRENT ASSETS

Discounted bills receivable

Deposits, prepayments and other receivable

Tax refundable

Cash and bank balances

CURRENT LIABILITIES

Accrued liabilities and other payables

Deferred interest income

Provision for long service payments

Due to ultimate holding company

Tax payable

NET CURRENT ASSETS

EQUITY

Share capital

Retained earnings

Proposed final dividend

Capital Reserve

31.12.2020 HK\$	31.12.2019 HK\$
11,936	28,892
102,262,201	100,962,271
4,362,558	3,413,585
734,081	-
2,383,320	380,356
109,742,160	104,756,212
4,667,123	4,616,112
837,511	798,523
350,117	463,002
87,928,750	77,500,000
-	2,105,818
93,783,501	85,483,455
15,958,659	19,272,757
15,970,595	19,301,649
1,000,000	1,000,000
563,904	563,904
6,844,732	10,175,786
7,561,960	7,561,960
15,970,595	19,301,649

Statement of Income and Retained Earnings

For the year ended 31 December 2020

Annexure N-1

Interest income

Interest expenses

Net interest income

Other operating income

Total operating income

Staff costs

Depreciation

Reversal of/(further) provision for long service payments

Other operating expenses

Total operating expenses

Profit before taxation

Income tax

Profit for the year

Retained earnings at start of the year

Dividends

Retained earnings at the end of the year

2020 HK\$	2019 HK\$
3,602,766	4,566,221
(578,108)	(532,105)
3,024,658	4,034,116
9,537,728	13,298,554
12,562,386	17,332,670
(2,359,519)	(2,338,431)
(16,956)	(19,370)
112,885	(1,367)
(2,395,361)	(3,004,932)
(4,658,951)	(5,364,100)
7,903,435	11,968,570
(1,058,703)	(1,792,784)
6,844,732	10,175,786
563,904	563,904
(6,844,732)	(10,175,786)
563,904	563,904

Independent Auditors' Report

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, 2020, 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, 2020, 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 guarantee 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
Dated: 19th May, 2021



Shishir Ranjan Bose, FCA
Partner
S. R. BOSE & CO.
Chartered Accountants

Arab Bangladesh Bank Foundation (ABBF)

Statement of Financial Position

As at 31 December 2020

Annexure O

	31.12.2020 Taka	31.12.2019 Taka
ASSETS		
Non Current Assets	37,893,534	38,517,869
Property, Plant & Equipment	37,892,534	38,516,869
Investment in share	1,000	1,000
Current Assets	492,324,968	465,385,776
Loan to ABSL	190,000,000	210,000,000
Investment in FDR	105,915,271	99,807,518
Rent Receivable	75,338	37,669
Advance Tax	23,405,346	12,255,398
Cash and Cash equivalents	172,929,013	143,285,191
TOTAL ASSETS	530,218,502	503,903,645
EQUITY AND LIABILITIES		
Shareholders' Equity	499,290,836	481,360,333
Share Capital	20,000,000	20,000,000
Retained Earnings	479,290,836	461,360,333
Non-Current Liabilities		
Unearned Income	-	241,350
Current Liabilities	30,927,666	22,301,961
Provision for Income Tax	30,811,666	22,178,461
Provision for expenses	116,000	123,500
TOTAL EQUITY AND LIABILITIES	530,218,502	503,903,645

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

Annexure O-1

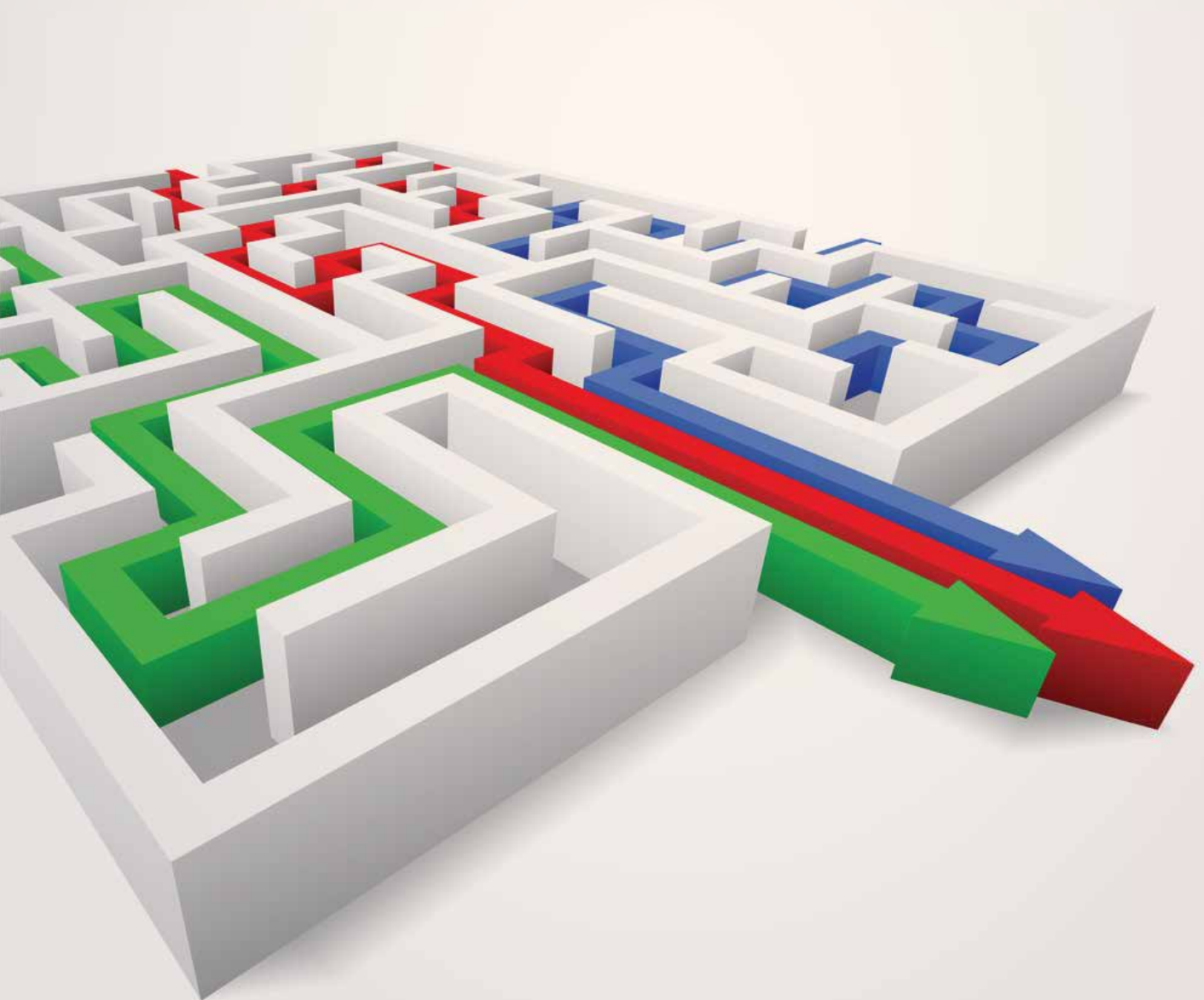
	2020 Taka	2019 Taka
Income		
Operating Income	29,376,192	32,592,809
Interest Income	28,472,140	31,688,757
Rental Income	904,052	904,052
Less : Operating & Other Expenses	2,812,484	1,281,338
Operating expenses	1,212,484	1,181,338
Other expenses	1,600,000	100,000
Profit before Tax	26,563,708	31,311,471
Less: Provision for Tax	8,633,205	10,959,015
Profit carried forward	17,930,503	20,352,456

Name of the Directors and entities in which had interest as on December 31, 2020

Sl. No.	Name	Status	Name of Firms/Companies in which interested as proprietor/partner/director/managing agent/guarantor/employees etc.
1	Mr. Muhammad A.(Rume) Ali	Chairman	1. Bangladesh International Arbitration Centre (BIAC), Chief Executive Officer
			2. Finnova Technologies Limited, Chairman
			3. Finaction Bangladesh Limited, 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
			8. Finnovation Limited, Director
			9. Veon Bangladesh Limited, Advisor
2	Mr. Feroz Ahmed	Director	1. Hexagon Chemical Complex Limited, Chairman
			2. Elite Paint & Chemical Ind. Limited, Chairman
			3. Elite International Limited, Managing Director
			4. FDN Energy Limited, Managing Director
			5. Ahmed Securities Services Limited, Managing Director
			6. Bangladesh General Insurance Company Limited, Shareholder
			7. Holy Crescent Hospital, Shareholder
			8. AB Bank Foundation, Chairman, Nominated by AB Bank Limited
3	Mr. Khairul Alam Choudhury	Director	1. AB Securities Limited, Director, Nominated by AB Bank Limited
			2. AB Investment Limited, Director, Nominated by AB Bank Limited
			3. Cashlink Bangladesh Limited, Director, Nominated by AB Bank Limited
4	Mr. Shajir Ahmed	Director	1. Elite Paint & Chemical Industries Limited, Director
			2. Super Refinery (Pvt.) Limited, Director
			3. Super Share & Securities Limited, Director
			4. Elite Super Plastic Ind. (Pvt.) Limited, Director
			5. Super Sea Fish (Pvt.) Limited, Director
			6. Super Tel Limited, Director
			7. Super Silica Bangladesh Limited, Director
			8. Aurora Décor Limited, Director
			9. Broast Foods Ind (Pvt) Limited, Director
			10. Elite Foods Industries Limited, Director
5	Mr. Kaiser A. Chowdhury*	Independent Director	1. AB Securities Limited, Director, Nominated by AB Bank Limited
			2. AB Investment Limited, Director, Nominated by AB Bank Limited
			3. Cashlink Bangladesh Limited, Director, Nominated by AB Bank Limited
			4. AB International Finance Limited, Hong Kong Independent Director, Nominated by AB Bank Limited
			5. AB Bank Foundation, Member, Nominated by AB Bank Limited
6	Mr. Shafiqul Alam	Independent Director	1. AB Securities Limited, Director, Nominated by AB Bank Limited
			2. AB Investment Limited, Director, Nominated by AB Bank Limited
7	Mr. Tarique Afzal	President & Managing Director	1. AB Investment Limited, Director, Nominated by AB Bank Limited
			2. AB International Finance Limited, Hong Kong. Director, Nominated by AB Bank Limited
			3. Cashlink Bangladesh Limited, Director Nominated by AB Bank Limited
			4. AB Securities Limited, Director, Nominated by AB Bank Limited
			5. AB Bank Foundation, Member, Nominated by AB Bank Limited

*Mr. Kaiser A. Chowdhury, Independent Director, resigned from the Board in the 702nd Board Meeting held on January 18, 2021.

CITIZEN CHARTER



CORPORATE SOCIAL RESPONSIBILITY

AB Bank's CSR activities reflect the Bank's mission, vision and values. AB strongly believes that a strong CSR engagement helps the organization to be socially accountable - to itself, its stakeholders, and to the public. It 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. AB feels that by practicing corporate social responsibility, an organization can be conscious of the kind of impact it is having on all aspects of society, including economic, social, and environmental. It is also one of the ways to contribute to the society as a form of giving back to the community.

With the emergence of COVID-19, the importance of CSR has become even more critical in helping the people and the society at large. AB Bank stepped up and continued its focus more than ever before on CSR initiatives in the areas of education, disaster management, health and sports.

Education: Education is the best way to raise aspiration in the society and therefore, AB Bank redirected its CSR focus more in the field by providing financial assistance to a number of educational institutions to support the studies of poor and meritorious students. AB Bank also provided financial assistance for nursing training courses which helped to build up the frontline health-workers during this COVID pandemic. The Bank also made significant donations to the Society for the Welfare of Autistic Children (SWAC), an organization, directly works for specialized children in the field of education and training.

Disaster Management: Standing by the nation in any national emergency is a call of duty and AB Bank as a corporate citizen has always responded during such times. This year for flood affected people AB made significant donations to Prime Minister's relief fund. During the winter AB distributed blankets through Prime Minister's relief fund

for the people of cold affected region in the country. In order to be part of community development work, AB Bank also provided financial assistance to the urban slum and the rural poor through BRAC during COVID-19, through a campaign "**Dakche Amar Desh**". The Bank has also provided food support to poor people who have come under major food safety related threat due to ongoing coronavirus situation.

Health: The Bank supported to provide medical facilities to the underprivileged so that they can live their lives and function properly in the society. In line with that AB Bank donated to Prime Minister's Relief and Welfare Fund during COVID-19 pandemic. A 24 X 7 "Help -Line" was introduced with specialist doctors for providing COVID related medical emergency to the general people. The Bank also donated and aided "Fazle Rabbi Foundation & Research Center" to hold blood donation program where employees of the Bank participated spontaneously. A fund was also set up for the treatment of subordinated staffs of the Bank.

Sports Arena: AB always contributes in 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 was also involved in sponsoring "Bangladesh Olympic Association" for Bangabandhu 9th Bangladesh Game. As a part of the Cricket frenzy nation AB has also made significant contribution in the development of School Cricket.

CSR activities of an organization have an impact on its brand, its stakeholders, its employees and above all on its customers. People loves to be associated in giving back something to the society for its development and we at AB Bank pledge to all the people around us that we will continue to strive to give back more to the society in the days to come.



Handing over blankets to the Honorable Prime Minister's Relief & Welfare Fund as part of AB Bank's CSR initiatives

CORPORATE SOCIAL RESPONSIBILITY



AB Bank organized an event with the Society for the Welfare of Autistic Children (SWAC) as part of celebration of the Birth Centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman

CORPORATE SOCIAL RESPONSIBILITY



The Bank distributed food to different Orphanage during Ramadan in collaboration with Ministry of Social Welfare

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 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 have has been conducting Environmental Risk Rating (EnvRR) since July 2011.

In - House Environment Management:

We have introduced and practicing Green Office Guide (Green Tips) to better manage In-House Environment. Some of the practices under Green Office Guide is as below:

- Bank prepare & maintain inventory of the consumption of water, paper, electricity, 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 as much as possible. 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 sheet of paper, 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° Celsius, switch off the lights of the common area after banking hour, switch off the computer/printer, when not in use.

Green Monitor

To Ensure Optimum consumption of Electricity and Water, Head Office and all Branches of the Bank is set to control and reduce electricity consumption. 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 ensure that:

- Air Cooler Temperature is maintained preferably at 24° Celsius during office hours.
- Air Coolers are put off after 7:00 p.m. and unnecessary lights are put off when not required.
- 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 NETWORK



BRANCH LOCATION

DHAKA DIVISION		
Austagram Mustari Bhaban, Jamtoli, Austagram Sadar Kishoreganj	Islami Banking Branch 82, Kakrail, Ramna, Dhaka	Narayanganj 109 B.B. Road Narayanganj
Banani S. R. R Commercial Tower, House No. 50 Road No. 11, Block-C, Banani, Dhaka	Jatrabari Tony Tower 33 Shaheed Faruque Road Jatrabari, Dhaka	Nawabpur Road 198-202, Nawabpur Road (Nawabpur Tower) Nawabpur, Dhaka 1100
Bandura Bandura Govt. Super Market (1st floor) Hasnabad, Nawabgonj, Dhaka	Jinjira Hazi Karim Market, Purba Aganagar, Gudara Ghat Road, Keranigonj, Dhaka	New Elephant Road Novera Square House 05, Road 02 Dhanmondi, Dhaka 1205
Bashundhara Green Coronet, Plot No. 07, Block-A Bashundhara Main Road, Dhaka 1229	Joypara Joypara, Dohar, Dhaka	North South Road 9/1 North South Road (Bangshal) Dhaka 1100
Bhairab Bazar 248(W) Tin Potty, Bhairab Bazar, Bhairab Kishoregonj	Kakrail 81, VIP Road, Dhaka 1000	Pagla Al-haj, Afsar Karim Bhaban DN Road, Pagla, Narayanganj
Bhulta Haji Shopping Complex, Bhulta, Golakandail Rupgonj, Narayanganj	Kalampur Kalampur, Dhamrai, Dhaka	Paril Paril Noadha, Boldhara, Singair, Manikganj
Board Bazar Ward No. 35, Gachha, Zone 02, Joydebpur Thana, Gazipur City Corporation, Gazipur 1704	Kalatiya Sufiya Zaman Complex, Kalatiya Bazar Road Shamsherpur, Kalatiya, Keraniganj, Dhaka	Principal 30-31, Dilkusha C/A, Dhaka
Chandra Alhaj Khabiruddin Super Market (1st floor) Kaliakoir Bazar, Poura Shava, Kaliakair, Gazipur	Kamrangirchar Al-Madina Super Market 1201 West Rosulpur Kamrangirchar, Dhaka	Progati Sharani N.R. Tower, 72 Progati Sharani Block: J, Baridhara, Dhaka
Dhanmondi Plot: 45 (new) 286/B (old), Road: 16 (new) 27 (old), Dhanmondi R/A, Dhaka 1209	Karwan Bazar BSEC Bhaban 102 Kazi Nazrul Islam Avenue, Dhaka 1215	Rokeya Sharani 923, Shewrapara Rokeya Sharani Mirpur, Dhaka
Faridpur Faridpur A.R. City Center, 29 Haji Shariatullah Bazar Road, Kotwali, Faridpur	Madhabdi Parkashipur, Madhabdi Bazar Narsingdi	Savar Palash Bari, Baipal, Savar, Dhaka
Garib-E-Newaz Avenue House of veritas, 8 Garib-E-Newaz Avenue Sector -13, Uttara West, Dhaka	Malibagh Advanced Melinda (Level-1), 72 Malibagh Dhaka 1219	Shyamoli Shyamoli Square, Holding # 24/1 & 24/2 Khilzi Road, Ward#45, Mohammadpur Dhaka 1207
Gulshan Ventura Avenue (1st & 2nd floor), Plot No. CWN(C)-8/B, Road No. 34, Gulshan Model Town, Dhaka 1212	Mirpur 5/A, 5/B, Darus Salam Main Road (1st floor) Section 1, Mirpur, Dhaka	Tangail 702 Sabur Khan Tower, Kalibari Road Tangail Sadar, Tangail
Imamganj 40, Imamganj, Dhaka 1211	Mohakhali Pacific Centre (1st floor), 14 Mohakhali C/A Dhaka 1212	Tongi Senakalayan Commercial Complex Plot No- 9, Tongi, Gazipur
Islampur 38-39, Islampur, Dhaka	Motijheel BSB Building, 08, DIT Avenue, Dhaka	Uttara House 11, Road 14D, Sector 4 Uttara, Dhaka
MYMENSINGH DIVISION		
Mymensingh 52 Dr. Bipin Sen Road, Choto Bazar Kotowali, Mymensingh	Seed Store Bazar Al-Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensingh	

BRANCH LOCATION

CHATTOGRAM DIVISION		
Agrabad BCIC Sadan 26, Agrabad C/A, Chattogram	Chaturi Al Amin Super Market, Union: Chaturi, Police Station: Anowara Chattogram	Lohagara "Mostafa City", Amirabad, Lohagara Chattogram
Ashuganj Kashem Plaza, Ashuganj Sadar Brahmanbaria	Chakaria M. Rahman Complex (1st Floor), Ward 4 Chakaria, Cox's Bazar	Momin Road Equity Central, 42-43, Momin Road, Jamal Khan, Chattogram
Anderkilla Universal Chamber (1st Floor) 7 Laldighi East, Anderkilla, Chattogram	Cumilla Moghultoli Super Market (1st floor) Moghultoli Road, Cumilla	Nazu Meah Hat Burischar, Kaptai Road, Hathazari Chattogram 4337
Bahaddarhat 4543, Bahaddarhat, Medina Hotel (1st floor) Chandgaon, Chattogram	Cox's Bazar Digonta Complex (New Market), Bazar Ghata, Cox's Bazar	Pahartoli Abdur Rahim Tower (1st Floor) Hold: 972/1043, D.T. Road, Ward: 098, A. K. Khan Gate, North Pahartoli, Chattogram
Brahmanbaria 1090/128, Court Road Brahmanbaria	Dewanhat 315, Dewan Chamber, Dewanhat Doublemuring, Chattogram	Patherhat Khayez Shopping Center (2nd Floor) Patherrhat, Noyapara, Chattogram
Banshkhali Mohammed Meah Plaza Ramdas Munshirhat, Kokdandi Kalipur Union, Banshkhali, Chattogram	Export Processing Zone (EPZ) Bay Shopping Centre, P.O. South EPZ Halishahar, Chattogram 4223	Port Connecting Road 5, Port Connecting Road, Block G, Barapole Halishahar, Chattogram
Boalkhali TCCA Complex, Gomdandi (East), Boalkhali Chattogram	Feni Haque Plaza (1st floor) 193, SSK Road, Feni	Sandwip Sandwip City Centre, Anam Nahar, Plot No: 22370 & 22371, Union: Haramiah, Sandwip Chattogram
CDA Avenue BMA Bhaban (Ground Floor), 1367 CDA Avenue, East Nasirabad, Chattogram	Hathazari Hajee Siddique Market (1st floor), Hathazari Bus Stand, Hathazari, Chattogram	Sitakunda Aziz Shopping Complex, Mohadevpur Chattogram
Chawk Bazar Moti Tower, 67/68 College Road Chawkbazar, Chattogram	Jubilee Road 175, Jubilee Road, Enayet Bazar Chattogram	Station Road "Equity Anitri", 32, H.S.S. Road, Kotwali Chattogram
Chandpur 123/115 Kalibari Pouro New Market Chandpur Sadar, Chandpur	Khatunganj 395, Khatunganj, Chattogram	Teknaf Teknaf Main Road, Teknaf, Cox's Bazar
Chaumuhani Holding # 886, Feni Road, Chaumuhani Begumganj, Noakhali	Khulshi Khulshi House, Bungalow No. 2, B-2, Road No. 1, P.S.: Khulshi Chattogram	
KHULNA DIVISION		
Benapole Hotel Haque International 607, Local Bus Stand, Benapole, Jashore	Jhikargacha Hanef Super Market, Holding No. 567, Word No. 3, Jashore Benapole Road Jhikargacha Pourashava, Jashore	Satkhira 884/810, Abul Kashem Road Satkhira
Jashore Municipal Road, Kotwali, Jashore	Khulna Mollick Shopping Complex Limited, 99 Jashore Road, Khulna	
Jhenaidah Branch Pushpo prangon 249 Sher-E-Bangla Road Jhenaidah Sadar Jhenaidah	Kushtia 12-14 Nawab Serajuddowla Road, Boro Bazar, Kushtia	

BRANCH LOCATION



RAJSHAHI DIVISION		
Bogura 324, Kazi Nazrul Islam Sarak Jhawtala, Bogura	Naogaon Mozaffer Hossain Marketing Complex, Main Road, Naogaon	Rajshahi 102-103 Shaheb Bazar, Rajshahi
Chapai Nawabganj 16 Godagari Road Chapai Nawabganj	Pabna A. R. Plaza, Abdul Hamid Road, Pabna Pouroshova, Pabna	Sirajganj Friends Plaza (1st Floor), S S Road, Ward 1 Sirajganj
SYLHET DIVISION		
Boroikandi Rongdhonu Biponi Bitan, 1st Floor, Central Bus Terminal Road, Verthokhola, Sylhet	Habiganj Shaistanagar, Habiganj-Shaistaganj Main Road, Habiganj 3300	Tajpur Haji Keramat Ali Super Market, Kadamtala Tajpur, Sylhet
Chhatak Madaris Mansion, Bagbari, Chattak Sunamganj	Madhabpur Munshi Tower (1st Floor), Ward 7 Madhabpur, Habiganj	VIP Road Surma Tower, V.I.P. Road, Taltala, P.S. Kotwali, Sylhet
Dargahgate Raj Manjil, Dargahgate, Sylhet	Moulvibazar Shamsher Nagar Road, Choumuhana Moulvibazar	
Garden Tower Bishwa Road, Shahjalal Uposhohor Point Sylhet 3100	Sreemongal Aziz Super Market, Moulvibazar Road Sreemongal, Moulvibazar	
RANGPUR DIVISION		
Dinajpur 189 Zated Super Market Bahadur Bazar, Dinajpur	Rangpur 91-92, Central Road Kotowali, Rangpur	
Lalmonirhat 5/32 S, Puran Bazar, Ward No. 05 Lalmonirhat Sadar, Lalmonirhat	Saidpur 24, Nur Plaza (1st & 2nd floor), Ward 12 Shaheed Dr. Zikrul Haque Road, Saidpur Nilphamari	
BARISHAL DIVISION		
Barishal Monsur Mansion, 101 Sadar Road, Barishal		
SUB BRANCH-DHAKA DIVISION		
Gulshan Sub Branch The Skymark (Level-2), 18 Gulshan Avenue, Gulshan 1, Dhaka		

ATM BOOTH

SL	ATM Locations	Address	Attached Branch
1	Bashundhara	Green Coronet Plot No-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, Chottogram	Bahaddarhat
4	Mirpur-1	5-B Darus Salam Road, Section 01, Mirpur Dhaka	Mirpur
5	Gulshan	155 Gulshan Avenue Road No 54 Dhaka	Gulshan
6	Siddeswari Road ATM	Total Camelia, 49, Siddeswari Road, Dhaka	Malibag
7	New Senpara Road ATM	House no- 5543, Road No-1, New Senpara Road, Grand Hotel More, Rangpur.	Rangpur
8	Gulshan-1 ATM	Shop No.15,50, South Gulshan, Dhaka	Gulshan
9	Pran RFL ATM	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayanganj	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 ATM	Sayestagonj Main Road Hobigonj	Hobigonj
15	Banasree Main Road	B/4,Block#B,Main Road,Banasree,Dhaka	Malibag
16	Cox's Bazar	Digonta Complex (New Market), Bazar Ghata, Cox's Bazar	Cox's Bazar
17	Asad Avenue	Mohammadpur Housing Estate Plot No. 71/C, Block No. D, Mohammadpur, Dhaka	Shyamoli
18	West Panthapath	89/2, West Panthapath, Dhaka 1215 (Beside Shomorita Hospital)	Karwan Bazar
19	Satmosjid Road	Block-E, Plot No. 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	Comilla
23	PC Culture Housing Society	H - 23, Road - 10, Block – Kha, PC Culture Housing Society, Mohammadpur, Dhaka	Shyamoli
24	NICVD	NICVD, Sher-E-Bangla Nagar, Dhaka	Shyamoli
25	Sadar Road	45, Sadar Road, Barisal	Barisal
26	Doylar More	Municipal Holding No. 1952, Chawk Enayet, Naogaon	Naogaon
27	Lucas More	115 West Nakhalpara, Tejgaon, Dhaka	Karwan Bazar
28	Lake Drive Road	Plot No.19, Lake Drive Road, Sector -0 7 Uttara, Dhaka	Gareeb-E-Newaz
29	Shahjahanpur	714/1, Uttar Shahjahanpur, Dhaka.	Motijheel
30	South Basabo	445, South Bashbo, Sabujbagh, Dhaka	Motijheel
31	Sony Cinema	Crescent Homes, 150/1 Shah Ali bag Mirpur-1, Dhaka	Mirpur
32	Tejture bazar	37 East Tejture Bazar, Farmgate, Dhaka 1215	Karwan Bazar
33	Nazim Uddin Road	1/2 Nazim Uddin Road, Dhaka	Imamganj
34	Gopibagh	1/A Gopibagh, 1st Lane, Dhaka - 1203	Principal
35	Nikunja-2	Plot No.06, Road No.01, Nikunja-02, Dhaka.	Progoti Sharani
36	Simanta Square	Simanta Square Market Premises, Pilkhana, Dhaka.	New Elephant Road
37	Banani	House#50, Road#11, Block-C, Banani, Dhaka	Banani
38	Adabar Bazar	H-32/1/A North Adabar, Mohammadpur, Dhaka	Shyamoli
39	Darus Salam Station	59/D, Darus Salam, Mirpur Road, Dhaka	Shyamoli
40	Ring Road	KPBL Chayapath, House No.16/A/6, Ring Road, Near By Japan Garden City, Mohammadpur, Dhaka	Shyamoli
41	Gulshan	Block B, H-50, Road -3 Avenue Road – 1, Niketan , Gulshan - 1	Mohakhali
42	Comilla	SA Plot No. 634, Shashangacha, Badsha Miar Bazar, Kowtali, Comilla	Comilla
43	Sandwip	Sandwip City Centre, Haramia, Sandwip, District - Chottogram.	Sandwip

SL	ATM Locations	Address	Attached Branch
44	Jatrabari	Holding No. 102/1, Sahid Faruk Road, South Jatrabari, Dhaka.	Principal
45	Lalmatia	House# B/20, Block- E, Zakir Hossain Road, Lalmatia, Dhaka	Dhanmondi
46	Rupnagar	House#57, Road#22, Rupnagar R/A, Mirpur, Dhaka	Mirpur
47	Gulshan Link	TA-137/1, Gulshan Link Road, Dhaka	Gulshan
48	Rampura	City Corporation Holding No. 1, East Rampura, Dhaka	Kakrail
49	Tongi	Sena Kalyan Commercial Complex, Plot No. 9/F, Tongi, Gazipur	Tongi
50	Dhanmondi Takwa Masjid	Block-C, Plot No. 251/F, Road No. 22, at present Plot No. 60/A, Road No. 12/A, Dhanmondi R/A., Dhaka	Dhanmondi
51	Bandar ATM	RSA Complex, South Halishahar, BS Plot No. 8098, Bandar, Chottogram	C-EPZ
52	MDC Square ATM	MDC Square, chawkbazar	Chawk Bazar
53	Segunbagicha	42/1Kha, Segunbagicha, Ramna, Dhaka	Kakrail
54	Kalachandpur	Ka/12, Kalachandpur, Baridhara, Gulshan, Dhaka	Progoti Sharani
55	Amirabad	Best Chowdhury Plaza, Amirabad, Lohagara, Chottogram	Lohagara
56	Chaumuhani	Feni Road, Chaumuhani, Noakhali	Chaumuhani
57	Nawabgonj	Kashimpur, Nawabganj, Bandura, (Nearer to Upazila Parisad), Dhaka	Bandura
58	Notun Bazar	25, Kali Sankar Guha Road, Notun Bazar, Mymensingh	Mymensingh
59	Uttara	Plot No. 05, Rana Bhola Road, Sector-10, Uttara, Dhaka	Uttara
60	Brac Shopping	Shop No-111, Brac Shopping Centre, Faidabad, Azampur, Uttara, Dhaka	Uttara
61	Navaron ATM	Navaron Bazar, Sharsha, District - Jessore	Benapole
62	Uttara#7	Plot-89, Road-28, Sector # 07, Uttara, Dhaka	Uttara
63	Mirpur #12	Plot No. 17, Road No. 02, Block No. E, Section No. 12, Rupnagar R/A., Mirpur Housing Estate, Mirpur, Dhaka.	Mirpur
64	Jublee Road	175, Jubilee Road, Enayet Bazar, Chottogram	Jublee Road
65	Mukda Para	111/C, North Mukda Para, Sabujbagh, Dhaka	Malibag
66	Khilkhet	Concord Lake city, Holding No. Kha-94/3, Khilkhet, Dhaka	Progoti Sharani
67	Ashkuna	Hazi Supper Market, Holding No. 2522, Ashkuna, Uttara, Dhaka.	Uttara
68	Kochukhet	234/6, Kochukhet, Mirpur	Rokeya Sharani
69	PCR Road ATM	Shah Amanat Shopping Complex, Plot No. 12/A, Block-G, Road No#1, Len-2, Hali Shahar Housing Estate, Holding No. 2113/A, Rampur, Chottogram	PCR
70	Polton Tower	Shop No-11,Box Kalbart Road, 87 Purna Polton Road, Polton Tower, Polton, Dhaka	Motijheel
71	Boro Moghbazar	625 Boro Moghbazar (Nayatola)(Opposite Red Cr. Society)	Malibag
72	Kaderabad Housing Society	41/A, Kaderabad Housing Society, Katasur, Mohammadpur, Dhaka	Dhanmondi
73	Lalbag	15, Lalbag Road, Lalbag Kella, Dhaka	New Elephant Road
74	BRRI	Krishi Gobesona Institute, 58/1 58/2 Laksmipura, Chandra, Gazipur	Board Bazar
75	Kaliakair Super Market	Kaliakair Super Market, Kaliakair Bazar Bus Stand, P.O: Kaliakair Bazar P.S: Kaliakoir, Dist: Gazipur	Chandra
76	Konabari Bus Stand	Konabari Bus Stand, Gazipur, Plot No A-146 & A-147, Block Chemical, BSCIC, Konabari, Gazipur.	Chandra
77	Al-Hasan Hotel	144, Sir Iqbal Raod, Khulna	Khulna
78	United Tower	4 KDA, Khulna	Khulna
79	VIP Tower	VIP Tower, Kazir Dewri, Chottogram	Jublee Road
80	Tajpur ATM	Kazi Mansion, Dhaka-Sylhet High Way, Kadamtola, Po-Tajpur, Ps-Osmaninagar, Sylhet	Tajpur
81	Grand Huq Tower	457-458, Grand Huq Tower, Mizan Road, Feni	Feni
82	Nathullabad ATM	Nathullabad Bus Stand, Barisal	Barisal
83	Launch Ghat ATM	Barishal Launch Ghat, Barisal	Barisal
84	Bar House ATM	District Judge Court Bar Associatio (Bhaban No-1), Near Jessore Municipal Eid Ghah Moidan, Mudjib Sarak, Jessore	Jessore

ATM BOOTH

SL	ATM Locations	Address	Attached Branch
85	Shib Bari ATM	B7, Mojib Sharani, Shib Bari, Khulna	Khulna
86	Ashuganj ATM	SA Plot# 10&12, Main Road, Ashuganj City	Ashuganj
87	Monipuripara ATM-2	Lion's Shopping, Old Airport Road, Monipuripara, Dhaka	Karwan Bazar
88	Gabtolli ATM	86, 1st Colony, Mazar Road, Near of Cement House. Gabtolli, Mirpur, Dhaka	Shyamoli
89	Mojumdar Market ATM	Mojumdar Market, Sadar Hospital Road, Feni	Feni
90	Pabna ATM	AR Plaza, (Ground Floor) Abdul Hamid Road, Pabna	Pabna
91	Zigatola ATM	House-43/3/2, Zigatola, Dhanmondi, Dhaka	New Elephant Road
92	Bokshi Bazar ATM	Bokshi Bazar, City Corporation Market, Dhaka Medical College, Dhaka	North South Road
93	Pilkhana ATM	57 Azimpur Pilkhana Road, Opposite Thana Education Office, Dhaka	New Elephant Road
94	Subid Bazar ATM	Indiana Height, Subid Bazar, Sylhet	Dargahgate
95	Baridhara ATM-1	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD, Dhaka	Gulshan
96	Baridhara ATM-2	Baridhara Parishad Office, Baridhara DOHS, Road#5, Opposite to CSD Dhaka	Gulshan
97	Gowsul Azam ATM	Gowsul Azam Avenue, House#57, Sec#14, Uttara, Dhaka 1230	Gareeb-E-Newaz
98	Jhikargacha Branch ATM	Hanif Super Market, Jhikargacha	Jhikargacha
99	Foy's Lake ATM	Concord Amusement World, Foy's Lake, Khulshi, Chittogram	Khulshi
100	Lama Bazar ATM	VIP Road, Lama Bazar, Sylhet	VIP Road
101	Rina Monjil ATM	69, Central Jail Road, Jessore	Jessore
102	Sitakunda ATM	Aziz Shopping Complex, Sitakunda, Chittogram	Sitakunda
103	Pagla Branch ATM	DN Road Pagla, Fatullah, Narayanganj	Pagla
104	Concord Arcadia ATM	Dhanmondi (Concord Arcadia), Plot#122, Road#4, Dhanmondi, Dhaka.	New Elephant Road
105	Khilgaon ATM	425/C, Khilgaon, Dhaka	Malibag
106	Bijoy Sharani ATM	Bijoy Sharani Link Road, Tejgaon, Dhaka	Karwan Bazar
107	Prince Plaza ATM	4/2, Prince Plaza, Sobhanbag, Mirpur Road, Dhaka	Dhanmondi
108	Monipuripara ATM	20/1, Monipuripara (Sangshad Avenue) Dhaka	Rokeya Sharani
109	Jhinaidah ATM	Jhinaidah Road, M. A Razzaq Kushtia	Kushtia
110	Saidabad ATM	17/A, North Saidabad Jatrabari Dhaka	Principal
111	Patuatoli ATM	28, Patuatuli, Hazi Nur Mohammad Road - Old Town Dhaka	Islampur
112	Zinda Bazar ATM	Blue Water Shopping Complex, Zinda Bazaar, Sylhet	VIP Road
113	Shi'ah Mosque ATM	Shi'ah Mosque - House: 16, Road: 1, Mohammadpur, Dhaka-1207	Shyamoli
114	Shewrapara ATM	820, West Shewrapara, Rokeya Sharani Road, Dhaka	Rokeya Sharani
115	Uttara-3 ATM	House: 37, Road: 7, Sector: 3, Uttara, Dhaka-1230	Uttara
116	Farmgate ATM	71-75, Kazi Nazrul Islam Avenue, Farmgate, Dhaka 1215	Karwan Bazar
117	Dewanbazar ATM	82, Nawab Sirajuddowla Road, Chawkbazar, Chittogram	Chawk Bazar
118	Madhabpur Branch ATM	Munshi Tower (1st Floor), Ward 7, Madhabpur, Habiganj	Madhabpur
119	Chapai Nawabganj ATM	Chapai Nawabganj Branch Chapai Nawabganj	Chapai Nawabganj
120	New Eskaton ATM	94, New Eskaton Road, Romna, Dhaka-1000	Karwan Bazar
121	Feni Branch ATM	Haque Plaza(1st Floor), 193 SSK Road, Feni	Feni
122	Royal More ATM	Royal More, Khulna	Khulna
123	Malibag Branch ATM	Advanced Melinda (Level-1), 72 Malibag, Dhaka 1219	Malibag
124	Shyamoli Branch ATM	Shymoli Square, 23/8 - B & C, Block: B Khilji Road, Dhaka-1207	Shyamoli
125	Naya Bazar ATM	Nawab Yousuf Super Market, Naya Bazar - Old Town Dhaka	Islampur
126	Chowhatta ATM	Firoj Tower, Chawhatta Sylhet	Dargahgate
127	Amtola ATM	Amtola, Satkhira	Satkhira
128	Station Road ATM	Kutum Bari, Station Road, Sreemongol	Sreemongol
129	Wari ATM	216, Nawab Street, Wari Dhaka	Nawabpur

SL	ATM Locations	Address	Attached Branch
130	Sabujbagh ATM	78(O),25(N),Sabujbagh, Biswa Road Dhaka	Principal
131	Mirpur # 1 ATM	House. 2, Road. 6, Block. F, Muktiyoddah market- Mirpur, Dhaka	Mirpur
132	Proshika More ATM	Plot. 33, Lane. 1, Block. B, Section-6, Mirpur Dhaka	Mirpur
133	Kushtia Branch ATM	Serajuddowla Road , Al Amin Super Market, Kushtia	Kushtia
134	Bonosree ATM	House. 35, Road. 2, Block. C, Bonosree - Rampura Dhaka	Progoti Sharani
135	Dinajpur Branch ATM	189 Zaved Super Market, Bahadur Bazar, Dinajpur	Dinajpur
136	Mordern More ATM	Modern More, Ganeshtala , Dinajpur	Dinajpur
137	Arakan Road ATM	957/1553,Arakan Road, Bahadarhaat	Bahaddarhat
138	Rangpur ATM	91-92, Central Road, Kotowali, Rangpur (Opposite of Rangpur Bangladesh Bank)	Rangpur
139	Malibag ATM	480, D.I.T Road, Malibag Dhaka	Kakrail
140	Tajmahal Rd. ATM	3/4,Block - C, Taj Mahal Road, Mohammadpur Dhaka 1207	Dhanmondi
141	Fakirapool ATM	1/A Fokirapool D.I.T Ext. Road Dhaka	Motijheel
142	Shantinagar ATM	Eastern Point, 8-9 Shantinagar Dhaka	Kakrail
143	Boalkhali Branch ATM	TCCA Complex, Gomdandi (East), Boalkhali, Chottogram 4366	Boalkhali
144	Khulshi ATM	Khulshi House, Bungalow No. 2, B-2, Road 1, P.S.: Khulshi, Chottogram 4000	Khulshi
145	Boroikandi ATM	Rongdhonu Biponi Bitan, 1st Floor, Central Bus Terminal Road, Verthokhola Sylhet 3100	Boroikandi
146	Dhanmondi Branch ATM	Plot: 45 (new) 286/B (old), Road: 16 (new) 27 (old) Dhanmondi R/A, Dhaka 1209	Dhanmondi
147	Imamganj ATM	40, Imamganj, Dhaka 1211	Imamganj
148	Bandura Branch ATM	Bandura Government Super Market, Nawabgonj, Dhaka	Bandura
149	Teknaf Branch ATM	Teknaf Main Road, Teknaf, Cox's Bazar 4760	Teknaf
150	Sreemongol ATM	Aziz Super Market , Moulvibazar Road, Sreemongol, Moulvibazar 3210	Sreemongol
151	Lohagora Branch ATM	Sicho Shopping Complex, Padua, Lohagara, Chottogram 4397	Lohagara
152	Comilla ATM	Mogholtooly Super Market, Mogholtooly Road, Comilla 3500	Comilla
153	Narayanganj Branch ATM	109, B.B Road Narayanganj	Narayanganj
154	Mymensingh Branch ATM	52 Dr. Bipin Sen Road, Choto Bazar, Kotowali, Mymensingh 2201	Mymensingh
155	Pahartoli ATM	825, Zakir Hossain Road, Amader Bari, Chottogram	Pahartoli
156	Moulovi Bazar Branch ATM	Shamsher Nagar Road, Choumuhana, Moulovibazar 3200	Moulovi Bazar
157	Rajshahi Branch ATM	102-103 Shaheb Bazar, Rajshahi 6000	Rajshahi
158	Saidpur Branch ATM	24, Nur Plaza, Ward 12, Shaheed Dr. Zikrul Haque Road, Saidpur, Nilphamari 5310	Saidpur
159	Midtown Shopping Mall ATM	Plot 22, Main Road 03, Section-7, Pallabi, Mirpur, Dhaka 1216	Mirpur
160	Jessore Branch ATM	38 M. K. Road, Jessore 7400	Jessore
161	Sirajganj Branch ATM	Friends Plaza, S S Road, Ward 1, Sirajganj 6700	Sirajganj
162	C-EPZ Branch ATM	Bay Shopping Centre, P.O: EPZ, South Halishahar P.S. Bandar, Chottogram 4100	C-EPZ
163	Chandpur ATM	123/115 Kalibari Pouro New Market, Chandpur Sadar, Chandpur 3600	Chandpur
164	Satkhira Branch ATM	884/810, Abul Kashem Road, Satkhira 7431	Satkhira
165	Naogaon ATM	Mozaffer Hossain Marketing Complex, Main Road, Naogaon 6500	Naogaon
166	Bhairab Bazar ATM	248(W) Tin Potty, Bhairab Bazar, Bhairab, Kishoregonj 2350	Bhairab Bazar
167	O.R. Nizam Road ATM	862/A, O.R. Nizam Road, Goal Pahar Circle, Chottogram 4000	CDA
168	Brahmanbaria ATM	1090/128, Court Road, Brahmanbaria 3400	Brahmanbaria
169	Benapole Branch ATM	607 Benapole, Local Bus Stand, Benapole, Jessore 7431	Benapole
170	Madhabdi Branch ATM	Parkashipur, Madhabdi Bazar, Narsingdi 1604	Madhabdi
171	Nazumeah Hat Branch ATM	Burishchar, Kaptai Road, Hatazari, Chottogram 4330	Nazumeah Hat
172	Khulna ATM	Mollick Shopping Complex Limited, 99 Khan A Sabur Road, Khulna 9100	Khulna
173	Patherhat Branch ATM	Khayez Shopping Center, Patherhat, Noyapara, Chottogram	Patherhat

ATM BOOTH

SL	ATM Locations	Address	Attached Branch
174	Khatunganj ATM	395, Khatunganj, Chottogram 4000	Khatunganj
175	Agrabad Branch ATM	BCIC Sadan, 26, Agrabad C/A, Chottogram 4100	Agrabad
176	Progoti Sharani Br ATM	N.R. Tower, 72 Progoti Sharani, Block: J, Baridhara Dhaka	Progoti Sharani
177	Bahaddarhat ATM	Bismillah Complex, Arakan Road, Bahaddarhat, Chottogram 4323	Bahaddarhat
178	CDA Avenue ATM	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chottogram 4000	CDA
179	Mohakhali Branch ATM	Pacific Centre, 14 Mohakhali C/A, Dhaka 1212	Mohakhali
180	Kawran Bazar ATM	BSEC Bhaban, 102 Kazi Nazrul Islam Avenue, Dhaka 1215	Karwan Bazar
181	Kakrail Branch ATM	81, VIP Road, Kakrail, Dhaka -1000	Kakrail
182	Elephant Road ATM	Novera Square, House 05, Road 02, Dhanmondi, Dhaka 1205	New Elephant Road
183	Uttara Branch ATM	House 11, Road 14D, Sector 4, Uttara, Dhaka-1230	Uttara
184	Principal Branch ATM	BCIC Bhaban,30-31, Dilkusha C/A, Dhaka 1000	Principal
185	Tangail ATM	702 Sabur Khan Tower, Kalibari Road, Tangail Sadar, Tangail 1900	Tangail
186	Chattak Branch ATM	Madaris Mansion, Bagbari, Chattak, Sunamganj 08723	Chattak
187	Dargahgate ATM	Raj Manjil, Dargahgate, Sylhet 3100	Dargahgate
188	Garden Tower ATM	Bishwa Road, Shahjalal Uposhohor Point, Sylhet 3100	Garden Tower
189	V.I.P Road Branch ATM	Surma Tower, Plot - 6006 (old), 27640 (new), Ward 13, V.I.P. Road, Taltala P.S.: Kotwali, Sylhet City Corporation, Sylhet 4112	VIP Road
190	Kakrail (Islami Br.) ATM	82, V.I.P Road, Kakrail, Dhaka -1000	Kakrail
191	Bogra Branch ATM	324, Kazi Nazrul Islam Sarak, Jhawtala, Bogra 5800	Bogra
192	Gulshan Branch ATM	Ventura Avenue, Plot No. CWN(C)-8, Road No. 34 Gulshan Model Town, Gulshan Dhaka	Gulshan
193	Joypara Branch ATM	Joypara, Dohar, Dhaka-1300	Joypara
194	Board Bazar ATM	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar
195	AGB Colony ATM	Shop No-13, Baitul Aman Jame Mosjeed Market, AGB Colony, Dhaka	Principal
196	Pirerbagh ATM	348/4, Pirerbagh, Mirpur, Dhaka	Shyamoli
197	Jaleswaritola ATM	Shahid Abdul Jabber Road, Jaleswaritola, Bogra.	Bogra
198	Sataish Road ATM	10/11, Sataish Road, Gazipura, Gazipur.	Board Bazar
199	Laila Tower ATM	Laila Tower, 8, Gulshan Avenue, Dhaka	Gulshan
200	Agrabad Branch ATM - 2	BCIC Sadan, 26, Agrabad C/A, Chottogram 4100	Agrabad
201	Police Plaza Concord ATM	Shop No-105, " Police Plaza Concord", Road No-2, Gulshan, Dhaka	Gulshan
202	Gareeb-E-Newaz ATM	Plot No-8, Gareeb-E-Newaz Avenue, Sector-13, Uttara, Dhaka	Gareeb-E-Newaz
203	WW Tower ATM	WW Tower, 68, Motijheel Commercial Area, Dhaka	Principal
204	Sylhet Station Club ATM	Sylhet Station Club Limited, Shahjalal Road, Sylhet	VIP Road
205	Islamic University ATM	Islamic University of Technology (IUT) Board Bazar, Gazipur	Board Bazar
206	Kalampur ATM	Kalampur Branch On-site ATM, Kalampur, Dhamrai, Dhaka	Kalampur
207	Jurain ATM	302/1, Jurain, Dhaka	North South Road
208	Chatterjee Lane ATM	6/3, Shashi Bhushan Chatterjee Lane, Gandaria, Dhaka	Islampur
209	Banani	House No-34,Road-10,Block-D Banani, Dhaka	Banani
210	Eye Hospital ATM	Bangladesh Eye Hospital ATM Booth at Bangladesh Eye Hospital Ltd. 78, Sat Masjid Road Dhanmondi, Dhaka	Dhanmondi
211	Chaturi ATM	Shop No-3, Alam Plaza, Chaturi, Anowara, Chottogram	Chaturi
212	Paril ATM	Paril Branch ATM Booth at Paril Bazar, Singair, Manikgonj	Paril
213	Thengamara Medical College ATM	Thengamara Medical College (TMSS) ATM, Thengamara, Bogra	Bogra
214	Kaptai Link Road ATM	Kaptai Link Road, Mohara, Chandgaon, Chottogram	Nazumeah Hat
215	Lalmonirhat ATM	5/32-S, Puran Bazar, Lalmonirhat	Lalmonirhat

ATM BOOTH

SL	ATM Locations	Address	Attached Branch
216	Faridpur ATM	Holding No-29, Faridpur AR City Center, Haji Shariatullah Bazar Road, Faridpur	Faridpur
217	Raynagar ATM	Raynagar, Sonapara (East Mirabazar), Sylhet	Garden Tower
218	Board Bazar Branch - 2 ATM	Union: Gacha, PO: National University, PS: Gazipur Sadar, Gazipur-1704	Board Bazar
219	CDA Avenue ATM - 2	BMA Bhaban, 1367 CDA Avenue, East Nasirabad, Chottogram 4000	CDA
220	C-EPZ Branch ATM -2	Bay Shopping Centre, P.O: EPZ, South Haliashahar P.S. Bandar, Chottogram 4100	C-EPZ
221	Bhulta Branch ATM	Haji Shopping Complex, Bhulta, Rupgonj, Narayanganj	Bhulta
222	Station Road ATM	Equity Anitri , 32, H.S.S Road, under AB Bank Station Road Branch, Chottogram	Station Road
223	Ramna Bhaban ATM	Shop No-13, Ramna Bhaban, Dhaka	Motijheel
224	Mitford Road ATM	Shop No-12, Red Crescent Market, 14/20, Mitford Road, Dhaka	Imamganj
225	Seed Store Bazar ATM	Al- Madina Shopping Complex, Seed Store Bazar, Bhaluka, Mymensing	Bhaluka
226	Lalkhuti ATM	House No-187, Road No-01, Lalkhuti, Rangpur	Rangpur
227	Austagram Branch ATM	Mustari Bhaban, Jamtoli, Austagram Sadar, Kishoreganj	Austagram
228	Kaliganj ATM	RFL Industrial Park, Mulagaon, Kaliganj, Gazipur.	Madhabdi
229	Jhenaidah ATM	Pospo Prangan, Holding No-249, Sher-e- Bangla Road, Jhenaidah.	Jhenaidah
230	Pran RFL ATM - 2	Rangpur Metal Industries Ltd, Murapara, Rupgonj, Narayanganj.	Madhabdi
231	Matikata ATM	134/3, Matikata, Dhaka Cantonment, Dhaka.	Bashundhara
232	Moghbar ATM	Holding No-115, Shahid Tajuddin Ahmed Sharani, Moghbar, Dhaka.	Malibag
233	North South Road ATM	7/2, North South Road, Bangshal, Dhaka.	North South Road
234	SSS Bhaban ATM	Holding No-4475, SSS Bhaban, Mymensingh-Tangail Road, Tangail.	Tangail
235	Kamrangir Char ATM	Al-Madina Super Market, 1201 Rasulpur, Kamrangir Char, Dhaka.	Kamrangir Char
236	Banshkhali ATM	Mohammed Meah Plaza, Ramdas Munshir Hat, Banshkhali, Chottogram	Banshkhali
237	Jinjira ATM	Shop No-06, Nupur Market, Keraniganj, Jinjira, Dhaka.	Jinjira
238	Signboard Bus Stand ATM	251, Signboard Bus Stand, Board Bazar, WwwwGazipur.	Board Bazar
239	Nilphamari ATM	Entrance of Uttara EPZ, Nilphamari, Saidpur.	Saidpur
240	Chaturi-2	Ittadi Shopping Complex, Bandar Community Center, Mohalkhan Bazar PO-Mohalkhan Bazar, PS-Karnafully, Chottogram	Chaturi
241	World Bank Biswa Colony	Plot No.239, Block-C, Road No.01, Koibulladam Residential Area, World Bank Biswa Colony, Chottogram	Pahartoli
242	Umme Salma Tower	Umme Salma Tower, Kaliakor, Gazipur	Chandra
243	Central Road	Baitus Sayed Super Market, 91- 92 Central Road, Rangpur.	Rangpur
244	J.C Guha Road	15, J.C Guha Road, Nandankanon, Chottogram	Anderkilla
245	Kalatiya	Nur Pur, Chourangi Bridge, Kalatiya Bazar, Keraniganj, Dhaka	Kalatiya
246	Jamal Khan Road	42, Jamal Khan Road, Chottogram	Momin Road
247	Jigatola Main Road	21/3, Jigatola Main Road, Dhaka-1209	New Elephant Road
248	Collectorate School & College	Sirajgonj Collectorate School & College, Sirajgonj	Sirajgonj
249	Green road	148, Green Road, Dhaka	New Elephant Road
250	BSCIC Industrial Area	Fabian Group Corporate Office, Plot: B-18 (part), Block: A, BSCIC Industrial Area, Sagorika Road, Chottogram	PCR
251	Gulshan-Sub Branch	Corporate Office, The Skymark, 18, Gulshan Avenue, Dhaka.	Gulshan (Gulshan Sub-Branch)
252	Gulshan-Sub Branch	Corporate Office, The Skymark, 18, Gulshan Avenue, Dhaka.	Gulshan (Gulshan Sub-Branch)
253	Sonargoan ATM	Pan Pacific Sonargaon Dhaka Hotel Lobby, ATM	Karwan Bazar
254	Brahmanbaria Medical College Hospital	Brahmanbaria Medical College Hospital Ltd , Ghatara, Brahmanbaria.	Brahmanbaria

AGENT BANKING OUTLET

SL	Agent Outlet Name	Opening Date	Address	Contact No.
1	Mridha Traders	March 11, 2018	Molla Market, Kartikpur Bazar, Dohar, Dhaka	01716102596
2	H.R. Trade International	March 12, 2018	Kendriyo Jame Masjid Road, Holding no. 410, Konabari, Gazipur	01711934152
3	ATM Enterprise	May 15, 2018	Time Bazar, Shilkup, Banshkhali, Chittagong	01818441997
4	Bhai Bhai Traders	June 4, 2018	Montola Bazar Station, Madhabpur, Habigonj	01713802341
5	M/S. Farid Iron & Steel Industries	July 30, 2018	Ghoshail Bazar, Kuthuri, Nawabgonj, Dhaka.	01715004742
6	M/S. Purbachal Traders	August 27, 2018	Amtoli Bazar, B. Baria	01714312871
7	M/S L R Traders	August 30, 2018	Ukhyia, Cox's Bazar	01824923268
8	Zahir Enterprise	September 17, 2018	Madhabdi, Choyuti, kuliarchar, kishoregonj	01783362992
9	Labony Decorator	September 24, 2018	Sadapur Bazar, Nawabgonj, Dhaka	01943998390
10	M/S Khan Construction	September 27, 2018	Islampur Bazar, Bijoyanagar, B.Baria	01711667863
11	Parmisha Traders	October 25, 2018	Plot-33, lane-01, Block-B, Sec-06, Proshika Mour, Mirpur-1216	01675561372
12	M/S Arafat Enterprise	November 19, 2018	Gudam Quarter Road, Feni	01712035096
13	Shotorupa Enterprise	December 5, 2018	Pouro Super Market, Kazipur, Sirajgonj	01716065548
14	M/S Dealoara Begum	January 3, 2021	Chatihati Bazar, Kalihati, Tangail	01711316999
15	Oyon Thai Aluminium & Glass House	December 11, 2018	South Jamsha Bazar, Singair, Manikgonj	01714238493
16	M/S. Tangail Traders	December 13, 2018	Adabari Bazar, Mirzapur, Tangail	01718691538
17	Nishat Commercial Center	December 20, 2018	Chakhar Bazar, Banaripara, Barisal	01721676711
18	Akota Traders	December 24, 2018	Shohor Molok Road, Bolir Hat, Khaza Road, Chittagong	01754336633
19	Shahi Shipping & Trading	January 30, 2019	Uttar Sonaichari, Kumira, Sitkunda, Chittagong	01811466703
20	Lalu Traders	February 27, 2019	Kamalpur Bazar, Dolatpur Bazar, Kushtia	01711396275
21	Jewel Digital Studio & Telecom	March 4, 2019	Shyamol Bazar, Doara Bazar, Sunamganj	01714726020
22	M/S. Alhaz Ibrahim Ali & Sons	March 12, 2019	Dohalia Bazar, Doara Bazar, Sunamganj	01711382278
23	Srot Enterprise	March 13, 2019	Rajnagar, College Point, Moulavibazar	01715405104
24	Friends Enterprise	March 21, 2019	Shaheed Moshir Rahman Sarak, Biman Mor, Jessore	01716698192
25	Bondhumahal Sarbik Gram Unnayan Somobay Samity Ltd.	March 21, 2019	Dakuriya, Monirampur, Jessore	01740965249
26	Zara & Zaif Dairy Farm	April 24, 2019	Paris Road Mor, Pollobi, Mirpur, Dhaka	01980237695
27	Rudra Enterprise	April 25, 2019	Nandanpur, Halima Nagar	01755240500
28	Super Speed Shipping Lines	April 30, 2019	Megula Bazar, Dohar, Dhaka	01919106535
29	Afia Medical House	May 6, 2019	Harinarayan Bazar Hall Mor, Islamic University, Kushtia	01716513190
30	M/S. Shan-A Garangia Enterprise	June 27, 2019	CNG Station, Matarbari, Moheshkhali, Cox's Bazar	01740802699
31	Syma Enterprize	January 3, 2021	Parulia, Debhata, Satkhira	01615141000
32	Prochesta Enterprise	July 4, 2019	Dogachi Bazar, Pabna	01713635653
33	M/S Shankar Mistanna Vander	July 8, 2019	Sreepur Bazar, Sreepur, Gazipur	01724020491
34	ICC Communication	July 10, 2019	Vatoi Bazar, Shoilkupa, Jhinaidah	01974010610
35	Swapno Traders	July 14, 2019	Daudpur Bazar, Daudpur, Nawabganj, Dhaka	01840000193
36	A. M Corpotion	July 18, 2018	Masud Tower, Shikaripara Bazar, Nawabganj, Dhaka	01739262456
37	A.k. Enterprise	July 29, 2019	Baliakandi, Rajbari	01717251969
38	Ayan Trading	August 1, 2019	Bakra Bazar, Jhikargacha	01863228502
39	Erfan Pharmacy	August 4, 2019	Kamalapur Bazar, Kushtia	01712141479

AGENT BANKING OUTLET

SL	Agent Outlet Name	Opening Date	Address	Contact No.
40	Vai Bon Garments & Bastralay	August 22, 2019	Rajganj, Manirampur, Jessore	01911296514
41	Aspirant Development Ltd.	September 9, 2019	Shibganj, Chapai Nawabganj	01771836575 01737226012
42	Jony Enterprise	September 19, 2019	Debpara Bazar, Nabiganj, Habiganj	01715136884
43	Tamanna Enterprise	September 25, 2019	Kalinagar English Mor, Chapai Nawabganj	01761584956
44	Shamlapur Ideal Academy	September 29, 2019	Shymlapur, Savar, Dhaka	01819743595
45	M/S Allahar Dan Poultry	October 2, 2019	Vhaluka Chandpur, Satkhira	01725457227
46	Genuine Auto	November 18, 2019	Maizdi Court, Sadar, Noakhali	01714137244
47	Lopa Enterprise	November 20, 2019	Zalmolia Bazar, Puthia, Rajshahi	01723390307
48	MM Enterprise	November 27, 2019	Hospital Road, Bheramara, Kushtia	01612301516
49	S B S Enterprise	November 27, 2019	Baliashisha, Chithalia, Mirpur, Kushtia	01765505030
50	Maisha Mahi Enterprise	November 28, 2019	Hatosh Haripur, Sadar, Kushtia	01743191147
51	Araf Travels & Tours	December 5, 2019	Choumuhani Bazar, Saidpur, Nilphamari	01912818949
52	Nayan Moni Enterprise	December 9, 2019	Noudapara Bazar, Sadar, Rajshahi	01783555454
53	Mim Traders	December 10, 2019	Alalpur Bazar, Nawabganj, Dhaka	01813562914
54	Ocean Agro	December 12, 2019	Char Haziganj, Charvadrasan, Faridpur	01715259498
55	Tasmim Air International	December 12, 2019	Tambulkhana, Sadar, Faridpur	01713567896
56	Shamim Trade	January 8, 2020	1521, S.k Saha Tower, Chouddogram Road, Bypasss, Laksham, Cumilla House-0397, Vill- Godomara, Raster Purba Pash, P.o+P.s- Laksham	01813727072
57	Euro Ashiano Restura	January 20, 2020	Nawabganj Bazar, Nawabganj, Dhaka	01711567520
58	Abedin Electronics & Motors	February 19, 2020	Ismail Center, Nhilla Bazar, Teknaf, Cox's Bazar	01818077151/ 01616445454
59	Mahin Enterprise	February 24, 2020	Bogla Bazar, Doara Bazar, Sunamganj	01749755553
60	M/S. Tama Enterprise	February 27, 2020	Field-Er-Hat, Moharajpur, Chapainawabganj	01743975975
61	M/S Rony Trading Company	September 07, 2020	Ward-05, Girls School Road, Shokhipur, Sador, Tangail	01761597697
62	Purbasha Trading	October 09, 2020	Boroichara, Joynagar, Ishwardi, Pabna	01711251011
63	Vai Vai Traders	September 30, 2020	Gorpara Bazar, Sharsha, Jessore	01735659639
64	Babu Electronic	October 08, 2020	Zajor, National University, Gazipur	01728305658
65	Talukder Enterprise	October 12, 2020	Kakoirtola Bazar, Shahrasti, Chandpur	01823208391
66	Yuan Impex- Mirpur 11, Dhaka	October 24, 2020	11-D, Main Road- 3, Mirpur 11, Dhaka	01622244466
67	M/S Rony Trading Company	November 30, 2020	Jashihati Bazar, Fulki, Basail, Tangail	01761597697
68	S. H Enterprise	December 10, 2020	Court Horogram Bazar, Rajpara, Rajshahi City Corporation, Rajshahi.	01718017767
69	Khan Enterprise-Philipnagar, Kushtia	December 14, 2020	Philipnagar Bazar, Philipnagar, Daulatpur, Kushtia	01711393387
70	New Bismillah Electric House	December 15, 2020	Bhairabgonj Bazar, Kalapur, Sreemangal, Moulvi Bazar	01863919191
71	Taslima Enterprise	December 17, 2020	Alauddin Nagar Bazar, Nondolapur, Kumarkhali, Kushtia, Khulna	01716779531
72	Mayer Doa Enterprise	December 17, 2020	Jhaudia Bazar, Jhaudia, Kushtia Sadar, Kushtia	01741243243
73	M/S Khaleda Agro Farm	December 21, 2020	2 No Word, Noyani Bazar, Sherpur Sadar, Sherpur	01732357294
74	M/S. S. Alam Traders	December 21, 2020	Hazratpur Bazar, Hazratpur, Keraniganj, Dhaka.	01911105131

AGENT BANKING OUTLET

SL	Agent Outlet Name	Opening Date	Address	Contact No.
75	M/S. S R M Corporation	December 23, 2020	Badhal Bazar, Kachua, Bagerhat.	01711649753
76	M/S. Bebortan Store	December 23, 2020	Betua Bazar, Boheratoil, Shakhipur, Tangail	01711649753
77	M/S. S R M Corporation	December 24, 2020	Indurkani Bazar, Pattashi, Indurkani, Pirojpur	01711649753
78	M/S. S R M Corporation	December 27, 2020	Sreeramkathi Bazar, Nazipur, Pirojpur	01819489640
79	M/S. Bebortan Store	December 28, 2020	Hoteya Bazar, Hatibandha, Shakhipur, Tangail	01819489640
80	M/S. Bebortan Store	December 28, 2020	Hamidpur Bazar, Kakrajan, Shakhipur, Tangail.	01819489640
81	Amar Kulaura	December 30, 2020	Mukthihodha Complex, Dakshin Bazar, Kulaura, Moulvi Bazar, Sylhet	01712099774
82	M/S. Mahfuz Enterprise	December 30, 2020	Barpa Bazar, Rupshi, Tarabo, Rupganj, Narayanganj	01735936394
83	A. H. Traders-NSTU	March 22, 2021	Beside Nstu, Sadar, Noakhali	01714137244
84	Star Fabrics	March 22, 2021	Al Marzan Shopping Complex, Zinda Bazar, Sylhet	01711813758
85	Sama Enterprise	March 22, 2021	Kumargaon, Jalalabad, Sylhet	01760400040
86	M/S. M. G. Traders	March 23, 2021	Tilokpur, Akkelpur, Joypurhat	01712887289
87	Sunam Enterprise	March 23, 2021	Lamakazi, Bishwanath, Sunamganj	01716218013
88	Sunam Enterprise	March 23, 2021	Jawa Bazar, Sunamganj	01716218013
89	Aklam Store	March 24, 2021	Mominkhola, South Surma, Sylhet	01745402328
90	M/S Bhai Bhai Store	March 24, 2021	Boroshala, Sadar, Sylhet	01711478122
91	Feroza Enterprise	March 31, 2021	Kasturi Bazar, Kalihati, Tangail	01866141375
92	Shobuz Shohag Telecom	March 28, 2021	Gorar Para, Kushtia	01777929299
93	New Jubel Pagri	March 23, 2021	Modina Market, Sylhet	01917710888
94	M/S. Azad Electronics	March 29, 2021	Bhanughat Bazar, Moulvi Bazar	01711899641
95	M/S. Adnan Traders	March 31, 2021	Poolhat, Dailer Mor, Dinajpur	01761523098
96	S. H Enterprise	March 31, 2021	Binodpur, Rajshahi	01718017767
97	M/S. S R M Corporation	March 29, 2021	Chitolmari Bazar, Pirojpur	01711649753
98	Yuan Impex	March 29, 2021	Near Girls School, Sadar, Shariatpur	01622244466
99	M/S. S R M Corporation	March 29, 2021	Chowrasta Bazar, Pirojpur	01711649753
100	Notun Jibon Chandpur Community Society	March 31, 2021	Raldiya Bazar, Chandpur	01712099774
101	M/S. Rana Enterprise	March 31, 2021	Swarupkati Bazar, Nesarbad, Pirojpur	01917710888

PROXY FORM

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

The Skymark, 18 Gulshan Avenue
Gulshan-1, Dhaka-1212, Bangladesh

GPO Box: 3522

Telephone: +8802 58811711

Fax: +8802 58814290

SWIFT Code: ABBLBDDH

E-mail: info@abbl.com
cs@abbl.com

Web page: www.abbl.com

Islami Banking Branch

82 Kakrail, Ramna, Dhaka-1000

Tel: +8802 833 2235

Fax: +8802 833 2236

E-mail: ibb@abbl.com

Custodian Services

The Skymark, 18 Gulshan Avenue
Gulshan-1, Dhaka-1212, Bangladesh

Tel: +8802 9678555668

Fax: +8802 58814290

SWIFT: ABBLBDDH005

E-mail: custodian@abbl.com

Off-shore Banking Unit (OBU)

EPZ Branch
Bay Shopping Centre
P.O. EPZ, South Halishahar
P.S. Bandar Chittagong-4223

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)

Silvercord Tower: 01, Unit: 08, Floor: 16
30, Canton Road Tsim Sha Tsui
Kowloon West Hong Kong

Tel : +852 2866 8094

Fax : +852 2527 7298

SWIFT: ABFLHKHH

E-mail : abifl@abbl.com
abhk@abbl.com, tayseer@abbl.com

AB Investment Limited (ABIL)

WW Tower (7th Floor), 68 Motijheel C/A
Dhaka 1000, Bangladesh

Tel: +8802 9569732 9571265

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

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 (7th 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. 796 crore

Number of Shareholders: 59,609
(as on: December 31, 2020)

Total Asset (Conso): Tk. 38,857 crore

Earnings per Share (EPS) (Conso): Tk. 0.50

Net Asset Value per Share (Conso): Tk. 32.26

Market Capitalization: Tk. 963 crore

Total Manpower: 2,202

Number of Branches: 105

Number of Sub-Branch: 01

Number of SME Center: 11

Number of Agent Banking Outlet: 101

Auditor: ACNABIN
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
The Skymark, 18 Gulshan Avenue
Gulshan-1, Dhaka-1212, Bangladesh
E-mail: cs@abbl.com





AB Bank Limited

The Skymark, 18 Gulshan Avenue, Gulshan 1, Dhaka 1212, Bangladesh

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