

AB Bank PLC. and Its Subsidiaries

**Consolidated & Separate Financial Statements
For the Year ended 31 December 2023**



**Independent Auditors' Report
 To the Shareholders of AB Bank PLC.**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of AB Bank PLC. and its subsidiaries (the "Group") as well as the separate financial statements of AB Bank PLC. (the "Bank"), which comprise the consolidated and separate Balance Sheets as at December 31, 2023, and the consolidated and separate Profit and Loss Accounts, consolidated and separate Statements of Changes in Equity and consolidated and separate Cash Flows Statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies 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 December 31, 2023, 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 the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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 judgement, were of the 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

The key audit matter	How the matter was addressed in our audit
Measurement of provision for loans and advances	
<p>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.</p> <p>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.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the provisioning process and identification of loss events including early warning indicator.</p>



<p>At December 31, 2023, the Group reported total gross loans and advances of BDT 325,433 million (2022: BDT 320,411 million) and the Bank reported provision for loans and advances of BDT 27,323 million (2022: BDT 28,740 million). Refer to note nos. 7(a), 8(a), & 15(a) to the consolidated financial statements.</p>	<p>Our substantive procedures in relation to the provision for loans and advances were reviewing the adequacy of the provision requirements as per circulars and instructions given by Bangladesh Bank from time to time and communicated the provision requirements with the management and those charged with governance and the representatives of Bangladesh Bank, 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.</p>
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The key audit matter	How the matter was addressed in our audit
<p>Valuation of treasury bill and treasury bonds</p>	
<p>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.</p>	<p>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.</p>

The key audit matter	How the matter was addressed in our audit
<p>Impairment assessment of unquoted investments</p>	
<p>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.</p>	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at December 31, 2023 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.</p>



The key audit matter	How the matter was addressed in our audit
Measurement of deferred tax assets	
<p>The Group and Bank have recognized deferred tax assets for deductible temporary difference that it believes are recoverable.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences where significant judgement is involved.</p> <p>The Bank reports net deferred tax assets totaling to BDT 2,407 million (2022: 3,562 million) as at December 31, 2023.</p> <p>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.</p>	<p>The Group and Bank have recognized deferred tax assets for deductible temporary difference that it believes are recoverable.</p> <p>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.</p> <p>We assessed the completeness and accuracy of the data used for estimation of future taxable income. We also assessed the instruction given by Bangladesh Bank related to the deferred tax assets and checked it accordingly which was properly complied and reflected in the financial statements of the Bank.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against IAS 12 - Income Taxes and the instruction of Bangladesh Bank regarding DTA's.</p>

The key audit matter	How the matter was addressed in our audit
Legal and regulatory matters	
<p>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.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>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.</p> <p>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 Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group's provisions and contingent liabilities disclosure.</p>



IT systems and controls	
<p>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.</p> <p>Our areas of audit focus included user access management, developer access to the production environment, and changes to the IT environment. These are keys to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Group's IT access controls over the information systems that are critical to financial reporting.</p> <p>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.</p> <p>We tested the Group's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

The key audit matter	How the matter was addressed in our audit
Carrying value of investments in subsidiaries by the Bank	
<p>The Bank has invested in equity shares of its five subsidiaries, namely AB Investment Limited, AB Securities Limited, Cash link Bangladesh Limited, AB International Finance Limited, Hong Kong and Arab Bangladesh Bank Foundation.</p> <p>As at December 31, 2023 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.</p> <p>Management has conducted an impairment assessment and calculated the recoverable value of its subsidiaries in accordance with IAS 36. Refer to note no. 10 to the financial statements.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>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.</p> <p>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.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report 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 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 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 the board of directors of the Bank.



Other Matter

1. Please refer to note 1.12 to the Financial Statements, the Bank has to comply with the Bangladesh Bank (BB) Circulars while maintaining the Provision on Loans and Advances, Investments, Other Assets, and Off-Balance Sheet Items. However, the Bank has maintained provisions against these items as per the Bangladesh Bank's DBI letter no: DBI-3/101/2024-656 dated April 30, 2024, and the forbearance letter vide: DOS(CAMS)1157/41(Dividend)/2024-1842 dated April 30, 2024, as explained in Note 15.1, 15.4, 15.6 and 15.7.
2. The financial statements of AB Bank PLC. for the year ended December 31, 2022, were audited by ACNABIN Chartered Accountants who expressed an unmodified opinion on those statements on April 30, 2023.

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 (as amended up to date) 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.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting 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 effectiveness of the Group'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 auditor's 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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, (amended up to date), the Securities and Exchange Rules 2020, the Bank Company Act 1991 (amended up to date), the Financial Reporting Act 2015, 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 9,129 million, BDT 1,637 million, BDT 93 million, BDT 2,020 million, and BDT 592 million respectively as at December 31, 2023 and total revenue of BDT 157 million, BDT 110 million, BDT 3 million, BDT 279 million and BDT 25 million respectively for the year ended December 31, 2023. 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) provisions have been made for loans & advance and other assets as per Bangladesh Bank's DBI letter no: DBI-3/101/2024-656 dated April 30, 2024, and as per forbearance letter vide: DOS(CAMS)1157/41(Dividend)/2024-1842 dated April 30, 2024, which are in our opinion, doubtful of recovery as explained in Note 15.1.
- (x) the information and explanations required by us have been received and found satisfactory.
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank covering 8 branches as well as Head office and spent over 2,804 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) has been maintained during the year based on Bangladesh Bank's forbearance letter ref: DOS(CAMS)1157/41(Dividend)/2024-1842 dated April 30, 2024, against the requirement as explained in notes 15.1 and 16.6 (as explained in Annexure-D).

Name of Firm: **M M Rahman & Co.**
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Syed Mahmud Ahmad FCA
Senior Partner

Enrolment No.

586

Firm's FRC Enlistment No.: **CAF-001-144**

DVC

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Dhaka, Date

May 02, 2024

AB Bank PLC. & Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2023

<u>PROPERTY AND ASSETS</u>	Notes	31.12.2023 Taka	31.12.2022 Taka
Cash	3(a)	24,156,750,529	20,667,871,690
In hand (including foreign currencies)	3.1(a)	1,464,612,421	1,727,135,791
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	22,692,138,107	18,940,735,899
Balance with other banks and financial institutions	4(a)	7,257,475,579	5,515,123,076
In Bangladesh	4.1(a)	914,013,009	1,187,972,612
Outside Bangladesh	4.2(a)	6,343,462,570	4,327,150,465
Money at call and on short notice	5(a)	712,402,966	922,406,358
Investments	6(a)	54,730,762,232	52,466,839,645
Government	6.1(a)	41,702,600,214	38,724,461,083
Others	6.2(a)	13,028,162,018	13,742,378,561
Loans, advances and lease/investments		325,432,966,850	320,410,664,586
Loans, cash credits, overdrafts, etc./Investments	7(a)	322,891,674,985	318,459,654,413
Bills purchased and discounted	8(a)	2,541,291,864	1,951,010,172
Fixed assets including premises, furniture and fixtures	9(a)	3,346,638,239	3,750,552,029
Other assets	10(a)	9,087,821,261	8,479,453,791
Non-banking assets	11	12,666,128,470	334,171,836
Total Assets		437,390,946,132	412,547,083,011
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	2,841,350,611	10,750,218,784
Bonds	13	10,719,686,000	11,497,500,000
Deposits and other accounts	14(a)	354,389,643,709	316,269,218,590
Current account and other accounts		45,822,615,910	46,910,479,125
Bills payable		1,656,192,999	1,887,785,146
Savings bank deposits		42,102,517,365	41,660,803,630
Fixed deposits		174,133,760,096	141,943,695,828
Other deposits		90,674,557,338	83,866,454,861
Other liabilities	15(a)	43,453,842,914	48,256,952,343
Total liabilities		411,404,523,234	386,773,889,717
Capital/Shareholders' equity			
Equity attributable to equity holders of the parent company		25,973,923,398	25,760,909,681
Paid-up capital	16	8,781,321,070	8,609,138,310
Statutory reserve	17	8,523,141,014	8,050,124,639
Other reserve	18(a)	3,855,886,879	3,856,208,923
Retained earnings	19(a)	4,813,574,434	5,245,437,808
Non- controlling interest	19(b)	12,499,505	12,283,617
Total equity		25,986,422,904	25,773,193,298
Total Liabilities and Shareholders' Equity		437,390,946,132	412,547,083,011

Notes	31.12.2023 Taka	31.12.2022 Taka
Off-Balance Sheet Items		
Contingent liabilities	53,871,346,210	52,641,472,323
Acceptances and endorsements	7,873,986,033	8,065,947,969
Letters of guarantee	15,494,312,313	14,285,640,393
Irrevocable letters of credit	10,983,999,316	6,949,812,040
Bills for collection	8,883,292,027	8,403,053,218
Other contingent liabilities	10,635,756,522	14,937,018,703
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	53,871,346,210	52,641,472,323

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

-Sd-
Tarique Afzal
Managing Director & CEO

-Sd-
Md. Eskandar Miah
Independent Director

-Sd-
Shafiqul Alam
Independent Director

-Sd-
Khairul Alam Choudhury
Chairman

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

Dhaka,
May 02, 2024

Signed for & on behalf of
M M Rahman & Co.
Chartered Accountants

-Sd-
Syed Mahmud Ahmad, FCA
Senior Partner
ICAB Enrollment No.: 0586
Firm's FRC Enlistment No. CAF-001-144

AB Bank PLC. and Its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
OPERATING INCOME			
Interest income/profit on investments	22(a)	25,788,193,376	21,639,730,544
Interest/profit paid on deposits and borrowings, etc.	23(a)	(20,630,431,933)	(17,080,619,531)
Net interest income		5,157,761,442	4,559,111,013
Investment income	24(a)	3,926,602,919	3,976,352,040
Commission, exchange and brokerage	25(a)	2,193,168,999	2,874,655,734
Other operating income	26(a)	348,985,434	494,906,959
		6,468,757,352	7,345,914,732
Total operating income (a)		11,626,518,794	11,905,025,746
OPERATING EXPENSES			
Salary and allowances	27(a)	3,217,679,157	3,247,679,962
Rent, taxes, insurance, electricity, etc.	28(a)	750,253,482	631,053,682
Legal expenses	29(a)	19,382,811	24,123,289
Postage, stamps, telecommunication, etc.	30(a)	119,758,084	114,709,213
Stationery, printing, advertisement, etc.	31(a)	170,434,242	128,052,812
Chief executive's salary and fees	27.1	22,700,000	18,958,549
Directors' fees	32(a)	4,302,205	3,054,670
Auditors' fees	33(a)	3,994,218	3,710,113
Depreciation and repairs of Bank's assets	34(a)	634,564,648	742,489,335
Other expenses	35(a)	1,338,878,016	1,273,208,447
Total operating expenses (b)		6,281,946,865	6,187,040,072
Profit before provision (c = (a-b))		5,344,571,929	5,717,985,674
Provision against loans and advances	36(a)	2,123,415,199	2,214,861,712
Provision for investments	37(a)	254,389,358	576,280,660
Other provisions	38(a)	317,407,560	80,500,000
Total provision (d)		2,695,212,117	2,871,642,372
Profit before tax (c-d)		2,649,359,812	2,846,343,302
Provision for taxation		1,755,619,548	2,131,989,347
Current tax		485,703,458	2,194,307,943
Deferred tax		1,269,916,091	(62,318,597)
Net profit after tax		893,740,264	714,353,956
Appropriations			
Statutory reserve		450,257,648	535,933,103
Start-up Fund		7,218,181	6,772,387
Coupon payment for Perpetual Bonds		701,759,257	351,368,346
		1,159,235,087	894,073,836
Retained surplus		(265,494,823)	(179,719,880)
Non- controlling interest		215,642	157,979
Net Profit/(Loss) attributable to the shareholders of parent company		(265,710,465)	(179,877,859)
Consolidated Basic Earnings Per Share (EPS)	40(a)	1.02	0.81

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

-Sd-	-Sd-	-Sd-	-Sd-
Tarique Afzal	Md. Eskandar Miah	Shafiqul Alam	Khairul Alam Choudhury
Managing Director & CEO	Independent Director	Independent Director	Chairman

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

Dhaka,
May 02, 2024

Signed for & on behalf of
M M Rahman & Co.
Chartered Accountants

-Sd-
Syed Mahmud Ahmad, FCA
Senior Partner
ICAB Enrollment No.: 0586
Firm's FRC Enlistment No. CAF-001-144

AB Bank PLC. and Its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	2023	2022
	Taka	Taka
Cash Flows from Operating Activities		
Interest receipts	18,058,475,327	16,348,354,323
Interest payments	(19,663,261,862)	(16,780,253,459)
Dividend receipts	126,894,626	168,610,250
Fee and commission receipts	1,732,363,634	1,615,419,585
Recoveries on loans previously written off	242,890,673	354,617,876
Payments to employees	(3,240,379,157)	(3,266,638,511)
Payments to suppliers	(170,434,242)	(128,052,812)
Income taxes paid	(1,285,135,302)	(1,927,700,198)
Receipts from other operating activities	4,609,499,092	5,561,884,898
Payments for other operating activities	(2,627,088,517)	(2,565,639,820)
Operating profit before changes in operating assets & liabilities	(2,216,175,729)	(619,397,869)
Increase/decrease in operating assets and liabilities		
Loans and advances to customers	(13,244,850,618)	(17,718,112,078)
Other assets	(700,484,744)	1,671,052,189
Deposits from other banks	4,579,785,848	1,760,969,742
Deposits from customers	32,573,469,199	16,128,886,812
Trading liabilities (short-term borrowings)	(7,569,322,918)	(17,383,748,837)
Other liabilities	(3,590,561,646)	(630,112,948)
	12,048,035,121	(16,171,065,120)
Net cash flow from/(used in) operating activities (a)	9,831,859,392	(16,790,462,989)
Cash Flows from Investing Activities		
(Purchase)/Sale of government securities	(2,985,237,242)	14,061,357,478
Sale/(Purchase)of trading securities, shares, bonds, etc.	714,216,543	(808,617,406)
Purchase of fixed assets including premises, furniture and fixtures	(108,119,578)	(190,906,165)
Net cash (used in)/flow from investing activities (b)	(2,379,140,277)	13,061,833,907
Cash Flows from Financing Activities		
(Decrease) of long-term borrowings	(1,117,359,254)	(2,010,740,864)
Dividend paid including coupon payment of perpetual bond	(701,759,257)	(519,257,430)
Net cash (used in) Financing activities (c)	(1,819,118,511)	(2,529,998,294)
Net decrease in cash (a+b+c)	5,633,600,604	(6,258,627,375)
Effects of exchange rate changes on cash and cash equivalents	(612,281,453)	(827,921,179)
Cash and cash equivalents at beginning of the Year	27,106,928,824	34,193,477,378
Cash and cash equivalents at end of the Year (*)	32,128,247,975	27,106,928,824
(*) Cash and cash equivalents:		
Cash	1,464,612,421	1,727,135,791
Prize bonds	1,618,900	1,527,700
Money at call and on short notice	712,402,966	922,406,358
Balance with Bangladesh Bank and its agent bank(s)	22,692,138,107	18,940,735,899
Balance with other banks and financial institutions	7,257,475,579	5,515,123,076
	32,128,247,975	27,106,928,824
Net Operating Cash Flow Per Share (NOCFPS)	11.20	(19.12)

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

-Sd-
Tarique Afzal
Managing Director & CEO

-Sd-
Md. Eskandar Miah
Independent Director

-Sd-
Shafiqul Alam
Independent Director

-Sd-
Khairul Alam Choudhury
Chairman

Dhaka,
May 02, 2024

AB Bank PLC. and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

(Amount in Taka)

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Foreign exchange revaluation reserve on investment in foreign operation	Investment revaluation reserve	Non controlling interest	Retained earnings	Total Equity
Balance at 01 January 2023	8,609,138,310	8,050,124,639	2,952,407,375	758,153,907	2,299,187	143,348,455	12,283,617	5,245,437,808	25,773,193,298
Bonus share issued for 2022	172,182,760	-	-	-	-	-	-	(172,182,760)	-
Net profit after taxation for the period	-	-	-	-	-	-	215,642	893,524,622	893,740,264
Addition/(Adjustment) made during the period	-	450,257,648	280,021	(16,701)	-	(7,189,559)	248	(1,161,295,216)	(717,963,559)
Foreign exchange rate fluctuation	-	22,758,726	6,055,557	-	548,638	-	-	8,089,981	37,452,903
Balance at 31 December 2023	8,781,321,070	8,523,141,014	2,958,742,953	758,137,206	2,847,826	136,158,896	12,499,506	4,813,574,434	25,986,422,904

For the year ended 31 December 2022

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 2022	8,358,386,710	7,484,909,773	2,935,284,011	758,171,036	(6,937,675)	128,057,444	12,125,636	5,906,433,556	25,576,430,492
Bonus share issued for 2021	250,751,600	-	-	-	-	-	-	(250,751,600)	-
Cash Dividend paid for 2021	-	-	-	-	-	-	-	(167,167,734)	(167,167,734)
Net profit after taxation for the period	-	-	-	-	-	-	157,979	714,195,976	714,353,956
Addition/(Adjustment) made during the period	-	535,933,103	-	(17,129)	-	15,291,011	-	(920,025,330)	(368,818,345)
Foreign exchange rate fluctuation	-	29,281,763	17,123,364	-	9,236,862	-	-	(37,247,061)	18,394,928
Balance at 31 December 2022	8,609,138,310	8,050,124,639	2,952,407,375	758,153,907	2,299,187	143,348,455	12,283,617	5,245,437,808	25,773,193,298

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

-Sd
Tarique Afzal
 Managing Director & CEO

-Sd
Md. Eskandar Miah
 Independent Director

-Sd-
Shafiqul Alam
 Independent Director

-Sd-
Khairul Alam Choudhury
 Chairman

Dhaka,
 May 02, 2024

AB Bank PLC.
Balance Sheet
As at 31 December 2023

<u>PROPERTY AND ASSETS</u>	Notes	31.12.2023 Taka	31.12.2022 Taka
Cash	3	24,156,109,070	20,667,539,978
In hand (including foreign currencies)	3.1	1,463,970,963	1,726,804,079
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	22,692,138,107	18,940,735,899
Balance with other banks and financial institutions	4	6,946,291,308	4,830,559,266
In Bangladesh		611,320,686	525,610,648
Outside Bangladesh		6,334,970,622	4,304,948,618
Money at call and on short notice	5	2,298,290,466	1,929,552,107
Investments	6	54,129,811,953	51,812,774,278
Government	6.1	41,702,600,214	38,724,461,083
Others	6.2	12,427,211,739	13,088,313,195
Loans, advances and lease/investments	7	317,122,559,016	312,068,149,520
Loans, cash credits, overdrafts, etc./Investments		316,466,975,518	311,356,394,628
Bills purchased and discounted	8	655,583,498	711,754,892
Fixed assets including premises, furniture and fixtures	9	2,855,028,355	3,249,162,881
Other assets	10	14,105,364,885	14,193,450,527
Non-banking assets	11	12,666,128,470	334,171,836
Total Assets		<u>434,279,583,525</u>	<u>409,085,360,391</u>
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	2,841,350,611	10,750,218,784
Bonds	13	10,719,686,000	11,497,500,000
Deposits and other accounts	14	354,774,379,687	316,697,269,309
Current accounts and other accounts		45,849,000,507	46,923,030,071
Bills payable		1,656,192,999	1,887,785,146
Savings bank deposits		42,102,517,365	41,660,803,631
Fixed deposits		174,170,888,715	141,978,941,534
Other deposits		90,995,780,101	84,246,708,928
Other liabilities	15	41,474,954,444	45,714,434,841
Total liabilities		<u>409,810,370,743</u>	<u>384,659,422,934</u>
Capital/Shareholders' equity			
Shareholders' equity		24,469,212,783	24,425,937,456
Paid-up capital	16	8,781,321,070	8,609,138,310
Statutory reserve	17	8,523,141,014	8,050,124,639
Other reserve	18	3,660,585,027	3,667,791,039
Retained earnings	19	3,504,165,672	4,098,883,468
Total Liabilities and Shareholders' Equity		<u>434,279,583,525</u>	<u>409,085,360,391</u>

	Notes	31.12.2023 Taka	31.12.2022 Taka
Off-Balance Sheet Items			
Contingent liabilities	20	52,779,894,570	51,667,743,668
Acceptances and endorsements		7,873,986,033	8,065,947,969
Letters of guarantee	20.1	15,494,312,313	14,285,640,393
Irrevocable letters of credit		10,983,999,316	6,949,812,040
Bills for collection		7,791,840,386	7,429,324,563
Other contingent liabilities		10,635,756,522	14,937,018,703
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		52,779,894,570	51,667,743,668

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

-Sd-	-Sd-	-Sd-	-Sd-
Tarique Afzal	Md. Eskandar Miah	Shafiqul Alam	Khairul Alam Choudhury
Managing Director & CEO	Independent Director	Independent Director	Chairman

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

Dhaka,
May 02, 2024

Signed for & on behalf of
M M Rahman & Co.
Chartered Accountants

-Sd-
Syed Mahmud Ahmad, FCA
Senior Partner
ICAB Enrollment No.: 0586
Firm's FRC Enlistment No. CAF-001-144

AB Bank PLC.
Profit and Loss Account
For the year ended 31 December 2023

	Notes	2023 Taka	2022 Taka
OPERATING INCOME			
Interest income/profit on investments	22	25,508,636,581	21,455,624,090
Interest paid/profit on deposits and borrow, etc.	23	(20,623,062,566)	(17,073,891,844)
Net interest income		4,885,574,016	4,381,732,245
Investment income	24	3,917,833,612	4,015,765,616
Commission, exchange and brokerage	25	2,021,222,452	2,664,287,768
Other operating income	26	276,077,536	418,902,916
		6,215,133,600	7,098,956,300
Total operating income (a)		11,100,707,616	11,480,688,545
OPERATING EXPENSES			
Salary and allowances	27	3,105,478,566	3,134,167,707
Rent, taxes, insurance, electricity, etc.	28	742,823,587	624,962,498
Legal expenses	29	18,812,685	23,687,189
Postage, stamps, telecommunication, etc.	30	104,967,328	99,621,626
Stationery, printing, advertisement, etc.	31	169,111,950	126,798,999
Chief executive's salary and fees	27.1	22,700,000	18,958,549
Directors' fees	32	2,658,512	1,772,449
Auditors' fees	33	3,032,512	2,857,078
Depreciation and repairs of Bank's assets	34	608,415,523	716,542,206
Other expenses	35	1,311,296,916	1,249,465,558
		6,089,297,580	5,998,833,861
Total operating expenses (b)		6,089,297,580	5,998,833,861
Profit before provision (c = (a-b))		5,011,410,036	5,481,854,684
Provision against loans and advances	36	2,030,000,000	2,146,178,398
Provision for investments	37	254,189,358	506,247,806
Other provisions	38	317,127,536	80,500,000
		2,601,316,894	2,732,926,204
Total provision (d)		2,601,316,894	2,732,926,204
Profit before taxation (c-d)		2,410,093,142	2,748,928,481
Provision for taxation		1,688,275,024	2,071,689,766
Current tax		533,277,889	2,075,375,711
Deferred tax		1,154,997,135	(3,685,946)
Net profit after taxation		721,818,118	677,238,715
Appropriations			
Statutory reserve		450,257,648	535,933,103
Start-up Fund		7,218,181	6,772,387
Coupon payment for Perpetual Bonds		701,759,257	351,368,346
		1,159,235,087	894,073,836
Retained surplus		(437,416,969)	(216,835,121)
Earnings Per Share (EPS)	40	0.82	0.77

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

-Sd-
Tarique Afzal
Managing Director & CEO

-Sd-
Md. Eskandar Miah
Independent Director

-Sd-
Shafiqul Alam
Independent Director

-Sd-
Khairul Alam Choudhury
Chairman

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

Dhaka,
May 02, 2024

Signed for & on behalf of
M M Rahman & Co.
Chartered Accountants

-Sd-
Syed Mahmud Ahmad, FCA
Senior Partner
ICAB Enrollment No.: 0586
Firm's FRC Enlistment No. CAF-001-144

AB Bank PLC.
Cash Flow Statement
For the year ended 31 December 2023

Cash flows from Operating Activities	Notes	2023 Taka	2022 Taka
Interest receipts		30,445,047,003	16,164,247,869
Interest payments		(19,655,892,494)	(16,773,525,772)
Dividend receipts		382,609,100	477,321,497
Fees and commission receipts		1,563,575,907	1,409,011,169
Recoveries on loans previously written off		242,890,673	354,617,876
Payments to employees		(3,128,178,566)	(3,153,126,256)
Payments to suppliers		(169,111,950)	(126,798,999)
Income taxes paid		(1,244,237,003)	(1,874,135,760)
Receipts from other operating activities	41	4,638,339,373	5,685,926,938
Payments for other operating activities	42	(2,538,195,055)	(2,447,397,672)
Operating profit before changes in operating assets & liabilities		10,536,846,987	(283,859,112)
Increase/decrease in operating assets and liabilities			
Loans and advances to customers		(25,608,914,485)	(17,959,152,113)
Other assets		(1,072,394,091)	1,039,364,662
Deposits from other banks		4,579,785,848	1,760,969,742
Deposits from customers		32,530,154,459	16,263,371,842
Trading liabilities (short-term borrowings)		(7,569,322,920)	(17,383,748,836)
Other liabilities		(2,587,360,864)	(861,740,156)
		271,947,947	(17,140,934,860)
Net cash flow from/(used in) operating activities (a)		10,808,794,935	(17,424,793,972)
Cash Flows from Investing Activities			
(Purchase)/Sale of government securities		(2,985,237,242)	14,061,357,478
Sale/(Purchase) of trading securities, shares, bonds, etc.		661,101,456	(644,644,776)
Purchase of fixed assets incl. premises, furniture and fixtures		(80,128,492)	(176,856,859)
Net cash flow from investing activities (b)		(2,404,264,278)	13,239,855,843
Cash Flows from Financing Activities			
Decrease of long-term borrowings		(1,117,359,254)	(2,010,740,864)
Dividend paid including coupon payment of perpetual bond		(701,759,257)	(519,257,430)
Net cash (used in) Financing activities (c)		(1,819,118,511)	(2,529,998,294)
Net decrease in cash (a+b+c)		6,585,412,145	(6,714,936,422)
Effects of exchange rate changes on cash and cash equivalents		(612,281,453)	(827,921,179)
Cash and cash equivalents at beginning of the year		27,429,179,051	34,972,036,653
Cash and cash equivalents at end of the Year (*)		33,402,309,743	27,429,179,051
(*) Cash and cash equivalents:			
Cash		1,463,970,963	1,726,804,079
Prize bonds		1,618,900	1,527,700
Money at call and on short notice		2,298,290,466	1,929,552,107
Balance with Bangladesh Bank and its agent bank(s)		22,692,138,107	18,940,735,899
Balance with other banks and financial institutions		6,946,291,307	4,830,559,265
		33,402,309,743	27,429,179,051
Net Operating Cash Flow Per Share (NOCFPS)	45	12.31	(19.84)

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

-Sd-
Tarique Afzal
 Managing Director & CEO

-Sd-
Md. Eskandar Miah
 Independent Director

-Sd-
Shafiqul Alam
 Independent Director

-Sd-
Khairul Alam Choudhury
 Chairman

Dhaka,
 May 02, 2024

AB Bank PLC.**Statement of Changes in Equity****For the year ended 31 December 2023****(Amount in Taka)**

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total Equity
Balance at 01 January 2023	8,609,138,310	8,050,124,639	2,852,199,200	758,153,907	57,437,932	4,098,883,468	24,425,937,456
Bonus share issued for 2022	172,182,760	-	-	-	-	(172,182,760)	-
Net profit after taxation for the year	-	-	-	-	-	721,818,118	721,818,118
Addition/(Adjustment) made during the year	-	450,257,648	-	(16,701)	(7,189,311)	(1,139,914,628)	(696,862,992)
Foreign exchange rate fluctuation	-	22,758,726	-	-	-	(4,438,526)	18,320,201
Balance at 31 December 2023	8,781,321,070	8,523,141,014	2,852,199,200	758,137,206	50,248,621	3,504,165,672	24,469,212,782

For the year ended 31 December 2022

Particulars	Paid-up capital	Statutory reserve	General reserve	Assets revaluation reserve	Investment revaluation reserve	Retained earnings	Total Equity
Balance at 01 January 2022	8,358,386,710	7,484,909,773	2,852,199,200	758,171,036	42,146,921	4,811,589,856	24,307,403,496
Bonus share for 2021	250,751,600	-	-	-	-	(250,751,600)	-
Cash Dividend paid for 2021	-	-	-	-	-	(167,167,734)	(167,167,734)
Net profit after taxation for the year	-	-	-	-	-	677,238,715	677,238,715
Addition/(Adjustment) made during the year	-	535,933,103	-	(17,129)	15,291,011	(920,027,660)	(368,820,675)
Foreign exchange rate fluctuation	-	29,281,763	-	-	-	(51,998,109)	(22,716,346)
Balance at 31 December 2022	8,609,138,310	8,050,124,639	2,852,199,200	758,153,907	57,437,932	4,098,883,468	24,425,937,456

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

-Sd-

Tarique Afzal
Managing Director & CEO

-Sd-

Md. Eskandar Miah
Independent Director

-Sd-

Shafiqul Alam
Independent Director

-Sd-

Khairul Alam Choudhury
Chairman

Dhaka,
May 02, 2024

AB Bank PLC.
Liquidity Statement
Analysis of Maturity of Assets and Liabilities
As at 31 December 2023

(Amount in Taka)

Particulars	Up to 1 month's maturity	1-3 months' maturity	3-12 months' maturity	1-5 years' maturity	More than 5 years' maturity	Total
Assets						
Cash in hand and with banks	10,733,358,162	-	-	-	13,422,750,908	24,156,109,070
Balance with other banks and financial institutions	6,691,281,308	255,010,000	-	-	-	6,946,291,308
Money at call and on short notice	980,315,501	1,290,949,335	27,025,630	-	-	2,298,290,466
Investments	1,424,368,179	5,317,158,332	1,560,322,009	23,088,694,204	22,739,269,228	54,129,811,953
Loans, advances and lease/investments	28,594,782,539	95,174,853,614	150,220,932,643	35,505,565,544	7,626,424,677	317,122,559,017
Fixed assets including premises, furniture and fixtures	-	-	-	-	2,855,028,355	2,855,028,355
Other assets	705,743,185	1,314,293,747	4,987,515,945	5,177,658,808	1,920,153,201	14,105,364,885
Non-banking assets	-	-	-	12,666,128,470	-	12,666,128,470
Total Assets	49,129,848,875	103,352,265,027	156,795,796,227	76,438,047,026	48,563,626,369	434,279,583,525
Liabilities						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	610,259,148	855,207,997	1,261,942,224	5,122,691,242	5,710,936,000	13,561,036,611
Deposit and other accounts	42,300,634,555	91,621,622,806	168,940,284,455	49,127,434,987	2,784,402,885	354,774,379,687
Provision and other liabilities	887,345,812	881,076,764	902,697,648	6,047,449,934	32,756,384,286	41,474,954,444
Total Liabilities	43,798,239,515	93,357,907,567	171,104,924,328	60,297,576,163	41,251,723,170	409,810,370,742
Net liquidity excess/(shortage)	5,331,609,360	9,994,357,460	(14,309,128,101)	16,140,470,863	7,311,903,199	24,469,212,783

For and on behalf of the Board of Directors of AB Bank PLC.

-Sd-
Tarique Afzal
 Managing Director & CEO

-Sd-
Md. Eskandar Miah
 Independent Director

-Sd-
Shafiqul Alam
 Independent Director

-Sd-
Khairul Alam Choudhury
 Chairman

Dhaka,
 May 02, 2024

AB Bank PLC. and Its Subsidiaries

Notes to the Consolidated and Separate Financial Statements

As at and for the year ended 31 December 2023

1.1 The Bank and its activities

AB Bank PLC. (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 date). 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 PLC. 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 PLC. 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.

Initially the Bank registered as Arab Bangladesh Bank Limited, which was subsequently renamed as AB Bank Limited in 2007. With the approval of regulatory authority in 2023 the name of the Bank has changed as AB Bank PLC.

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, 2023 in accordance with the measurement and recognition requirements of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh.

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 date); BRPD circular no. 14 dated 25 June 2003, the Companies Act, 1994; the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 2020 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 ended on 31 December 2023.

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.

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

Investment in Amana Bank Limited

The Bank invested in Amana Bank Limited, Srilanka which is a licensed commercial bank and established under the Banking Act No. 30 of 1988 (Srilankan Banking Act) and amendments thereto. Amana Bank is a public limited liability company incorporated on 05 February 2009 and the registered office of the Bank is located at No. 480, Galle Road, Colombo 3. The Bank commenced commercial banking operations on 01 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange.

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 PLC. 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 PLC. 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 PLC.. 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/BDT, 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 2023 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

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

Commitment

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

Translation gain and losses

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

Foreign operations

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

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

Cash flow statement

Cash Flow Statement is prepared principally in accordance with 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	Maturity/ repayments terms
Deposits and others accounts	Maturity term/ Previous trend
Other liabilities	Payments/ adjustments schedule basis

1.3 Assets and basis of their valuation

Cash and cash equivalents

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

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

Loans and advances

- i. Loans and advances/investments in Islamic Banking Branch are stated at gross amounts at 31 December 2023.
- ii. Interest/profit is calculated on a daily basis but charged and accounted on accrual basis. Interest/profit on classified loans and advances/ investment is kept in suspense account as per Bangladesh Bank instructions and such interest/ profit is not accounted for income until realized from borrowers. Interest/profit is not charged on bad and loss loans/ investments as per guideline of Bangladesh Bank.
- iii. Commission on bills purchased and discounting are recognised at the time of realisation.

- iv. Provision for loans and advances is made on the basis of quarter-end review by the management and as per instructions contained in BRPD circular No. 14 dated 23 September 2012, BRPD circular No. 05 dated 29 May 2013, BRPD Circular No. 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 dated 20 February 2018, BRPD Circular No. 03 dated 21 April 2019, BRPD Circular No. 16 dated 21 July 2020, BRPD Circular letter No. 52 dated 20 October 2020, BRPD Circular letter No. 56 dated 10 December 2020, BRPD Circular letter No. 50 dated 14 December 2021, BRPD Circular letter No. 52 dated 29 December 2021, BRPD Circular letter No. 53 dated 30 December 2021, BRPD Circular letter No. 53 dated 22 December 2022, BRPD Circular letter No. 03 dated 02 February 2023 and BRPD Circular letter No. 06 dated 25 April 2023. The rates for provisions are stated below:

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

2% Special General Provision for COVID-19 has been kept as per BRPD circular letter no. 56 dated 10 December 2020 and BRPD circular letter no. 50 dated 14 December 2021 respectively.

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.01 dated 24 May 2023, provisions may be made for any loss arising from the diminution in value of investments after netting of gain. Provision against Mutual Fund should also be maintained in accordance with DOS circular letter no. 01 dated May 24, 2023.

Investment in unlisted securities

Investment in unlisted securities is reported at cost under cost method. Provision against Investment in unlisted securities, where applicable, is also maintained as per DOS circular letter no. 01 dated May 24, 2023.

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-
it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

iii) Depreciation on fixed assets is charged 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:

<u>Category of asset</u>	<u>Rate of depreciation</u>
Land	Nil
Building	2.5%
Furniture and fixtures	10%
Electrical appliances	20%
Motor vehicles	12.5%
Core banking hardware	12.5%

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".

ix) Bank accounted for its required assets under non-current assets held for sale in applicable cases as per IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. In general terms, assets (or disposal groups) held for sale are not depreciated; measured at the lower of carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.

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.

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 3,806 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 date), at least 20% of current year's profit of the Bank is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital.

Revaluation reserve

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

Deposits and other accounts

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

Borrowing

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

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 10.1).

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 Act, 2023. 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) and Doubtful (DF) 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.06 dated 25 April 2023, general provision for Off-Balance Sheet exposure of the Bank as at 31 December 2023 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 PLC.

**Notes to the Financial Statements
For the Period ended 31 December 2023**

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

(Amount in Crore)

Particulars	AB Bank PLC.						Subsidiaries				AB Bank and its subsidiaries
	Inside Bangladesh				Mumbai Branch, India	Total	Inside Bangladesh			AB Int. Finance Ltd. (Hong Kong)	
	Conventional Banking	Islamic Banking	Investment Banking	Off-Shore Banking Unit			AB Investment Limited	AB Securities Limited	Cash Link Bangladesh Ltd. (CBL)		
Profit and loss account											
Interest income/profit on investment	2,518.39	35.16	-	19.82	12.33	2,550.86	11.63	4.72	0.32	14.12	2,578.82
Int. paid/profit on deposits & borrowings	2,018.67	48.50	26.96	2.05	0.86	2,062.31	-	0.99	-	2.59	2,063.04
Net interest income	499.72	(13.34)	(26.96)	17.76	11.47	488.56	11.63	3.73	0.32	11.54	515.78
Investment income	379.63	1.56	6.00	-	4.59	391.78	1.23	1.70	-	-	392.66
Commission, exchange and brokerage	165.89	0.61	-	0.01	35.61	202.12	1.84	6.09	-	9.42	219.32
Other operating income	27.44	0.03	-	-	0.14	27.61	0.96	0.26	-	6.99	34.90
Total operating income	1,072.68	(11.15)	(20.96)	17.77	51.83	1,110.07	15.66	11.78	0.32	27.94	1,162.65
Operating Expenses											
Salary and allowances	308.53	1.80	-	0.33	2.16	312.82	3.42	4.18	-	3.62	324.04
Rent, taxes, insurance, electricity, etc.	70.76	0.08	0.00	0.00	3.44	74.28	0.23	0.35	-	1.08	75.03
Legal expenses	1.88	-	-	-	-	1.88	-	0.02	-	0.04	1.94
Postage, stamps, telecom., etc.	9.88	0.02	-	0.00	0.59	10.50	0.08	0.17	-	1.23	11.98
Stationery, printing, advertisement, etc.	16.72	0.09	-	0.00	0.10	16.91	0.03	0.07	-	0.03	17.04
Directors' fees	0.26	0.01	-	-	-	0.27	0.05	0.04	0.01	0.06	0.43
Auditors' fees	0.20	-	-	-	0.10	0.30	0.02	0.01	0.00	0.07	0.40
Depreciation & repairs of Bank's assets	60.31	0.21	-	0.00	0.32	60.84	1.73	0.82	-	0.06	63.46
Other expenses	115.60	0.96	0.11	0.03	14.43	131.13	0.56	2.10	0.00	0.25	133.89
Total operating expenses	584.14	3.18	0.11	0.37	21.13	608.93	6.11	7.76	0.02	6.44	628.19
Profit before provision	488.55	(14.33)	(21.07)	17.40	30.70	501.14	9.55	4.02	0.30	21.51	534.46
Provision against loans and advances						203.00					212.34
Provision for investments						25.42					25.44
Other provisions						31.71					31.74
Total provision						260.13					269.52
Profit before taxation						241.01					264.94
Provision for taxation						168.83					175.56
Net profit after taxation						72.18					89.37

AB Bank PLC.

Notes to the Financial Statements
As at 31 December 2023

By geographical location and segment business (cont.)

Balance Sheet

(Amount in crore)

Particulars	AB Bank PLC.						Subsidiaries				AB Bank and its subsidiaries
	Inside Bangladesh				Mumbai Branch, India	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	2,388.39	26.81	-	-	0.42	2,415.61	0.00	0.00	0.00	0.06	2,415.68
Balance with other banks & fin.institution	476.42	35.84	-	4.29	189.00	694.63	4.61	56.60	4.72	3.47	725.75
Money at call and on short notice	1,145.24	-	-	160.78	71.24	229.83	-	-	-	-	71.24
Investments	4,771.62	36.23	320.93	211.98	72.21	5,412.98	42.55	17.54	-	-	5,473.08
Loans and advances	30,166.54	701.73	-	778.18	66.02	31,712.26	691.78	76.32	-	188.57	32,543.30
Fixed assets	283.87	1.15	-	-	0.48	285.50	47.67	1.43	-	0.06	334.66
Other assets	2,588.14	22.12	14.40	0.08	35.25	1,410.54	114.40	0.82	3.53	7.52	908.78
Non-banking assets	1,266.61	-	-	-	-	1,266.61	-	-	-	-	1,266.61
Total Assets	43,086.84	823.88	335.34	1,155.32	434.62	43,427.96	901.01	152.72	8.25	199.68	43,739.09
LIABILITIES AND CAPITAL											
Liabilities											
Borrowings from other banks, financial institutions and agents	1,418.14	45.26	-	1,150.04	-	1,356.10	109.88	15.76	-	157.98	1,356.10
Deposits and other accounts	34,595.01	645.30	0.00	1.95	246.27	35,477.44	-	-	-	-	35,438.96
Other liabilities	4,369.70	133.31	334.19	24.68	22.66	4,147.50	105.96	84.50	0.00	10.29	4,345.38
Total Liabilities	40,382.85	823.88	334.19	1,176.67	268.93	40,981.04	215.84	100.26	0.00	168.27	41,140.45
Total Shareholders' Equity	2,704.00	-	1.15	(21.35)	165.68	2,446.92	685.18	52.46	8.25	31.41	2,597.39
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	1.25
Total Liabilities & Shareholders' Equity	43,086.84	823.88	335.34	1,155.32	434.62	43,427.96	901.01	152.72	8.25	199.68	43,739.09

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 (ICAB) as applicable to the Bank:

Sl 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

Sl 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 and BRPD circular No. 22 dated 20 September 2021 respectively there must exist a face item named Non-banking asset.

Sl no.	Issues	IAS/IFRS	Bangladesh Bank
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. The bank has to maintain provisions based on the circulars issued by Bangladesh Bank from time to time. 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.

Sl no.	Issues	IAS/IFRS	Bangladesh Bank
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 date)
- 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, 2020
- 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 Act 2023 and Rules of 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 PLC.	01 January 2023 to 31 December 2023
2	Off Shore Banking Unit	01 January 2023 to 31 December 2023
3	Mumbai Branch, India	01 January 2023 to 31 December 2023
4	AB Investment Limited	01 January 2023 to 31 December 2023
5	AB Securities Limited	01 January 2023 to 31 December 2023
6	Cashlink Bangladesh Limited	01 January 2023 to 31 December 2023
7	AB International Finance Limited	01 January 2023 to 31 December 2023
8	Arab Bangladesh Bank Foundation	01 January 2023 to 31 December 2023

1.15 Risk management

As a financial intermediary, the Bank is exposed to various types of risks. Risk is defined as uncertainties resulting in adverse variation of profitability or in losses, financial or otherwise. The risk management of the Bank covers core risk areas of banking as defined by Bangladesh Bank and Pillar-2 risk as well. The core risks are credit risk, asset liability risks, money laundering risks, internal control and compliance risks, information technology risks and foreign exchange risks. Some other risks those also affect banking business are liquidity risk, market risk interest rate risk, equity risk, operational risk, reputation risk, strategic risks, credit concentration risks, environmental and climate change risks, etc.

The objective of the risk management framework at the bank is that the Bank understands, evaluates and takes well calculative risks and thereby safeguarding the Bank's capital, its financial resources and profitability from various business risks through its own measures, policies and procedures established to address these risks and also implementing Bangladesh Bank's guidelines and following some of the best practices as under:

Credit risk

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

The Bank has segregated duties of the officers / executives involved in credit related activities. A separate Department at Head Office is entrusted with the duties of maintaining effective relationship with the customers, marketing of credit products, exploring new business opportunities, etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated.

Credit Risk Management Division is entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy / strategy for lending operation, etc. Adequate provision has been made on classified loans / investments. A thorough assessment is done before sanction of any credit facility at Credit Risk Management Division. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the proposed credit facility, etc. The assessment process starts at respective business wing by the relationship manager /officer and ends at Credit Risk Management Division when it is approved / declined by the competent authority. In determining single borrower / large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodical intervals to ensure compliance of Bank's and Regulatory polices. Loans are classified as per Bangladesh Bank's guidelines.

Market risk

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

Operational risk

Operational risk address the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and external events among others. Bank is managing these risks through written procedures, regular 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 PLC. 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
January to December 2022	June 11, 2023	AA-	ST-2
Year 2021 & Jan-Sep 2022	December 26, 2022	AA-	ST-2
Year 2020 & Jan-Sep 2021	December 28, 2021	AA-	ST-2
Year 2019 & Jan-Sep 2020	December 19, 2020	AA-	ST-2
Year 2018 & Jan-Sep 2019	December 19, 2019	A+	ST-2
Jan to Sept 2018	January 10, 2019	A ₂	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 authorized for issue. Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- b) those that are indicative of conditions that arose after the reporting period (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 Saver Branch of ABBL	Pacific Industries Ltd.	Mr. Khairul Alam Choudhury, Barrister-at-law	Nominated Director of Pacific Industries Ltd. In ABBL Board

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Pacific Industries Ltd.	Common Director	Office Rent	14,629,986

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	1,098,776,723
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	157,599,536
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	1,585,887,500
Total loans/placement to subsidiary				2,842,263,759

d) **Key Management personnel compensation**

Transactions with Key Management personnel of the Bank for the period January – December 2023 is given below:

Particulars	Amount in BDT
Short-term employee benefit	152,948,407
Post-employment benefits	-
Other long-term employee benefits	-
Termination benefits	-

Key Management personnel includes Managing Director & CEO, 04 nos. Deputy Managing Director including Chief Financial Officer, 10 nos Senior Executive Vice President, Company Secretary and Head of Internal Control & Compliance Division.

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 as on 31.12.2023 is as below:

Sl. no.	Name	Status with Bank	Status with Committee	Duration	Educational/ professional qualification
1	Mr. Shafiqul Alam	Independent Director	Chairman	Since January 28, 2021	M.SC
2	Mr. Feroz Ahmed	Director	Member	Since September 20, 2023	B.Com (Accounting)
3	Mr. Md. Eskandar Miah	Independent Director	Member	Since October 27, 2022	MSS in Economics

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

ii) Meeting held with Audit Committee

During the period January 2023 to December 2023, the Audit Committee conducted 07 (Seven) Meeting in which, among others, focused on the following activities (not an exhaustive test):

- Reviewed Internal Audit Plan for the year 2023
- 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 2023 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	Mr. Justice Siddiqur Rahman Miah	Chairman	L.L.B, Dhaka University. President of Governing body, Islamic Foundation Bangladesh. Former Justice (Appellate Division) Bangladesh Supreme Court and Chairman, DSE.
2	Mr. Tarique Afzal, Managing Director & CEO , ABBPLC.	Vice-Chairman	Masters of Business Administration - MBA (Major: Finance & Marketing), Victoria University, Melbourne, Australia
3	Mr. Dr. Hafiz Muztaba Riza Ahmed	Member	PhD, University of Dhaka. Professor, Department of Islamic Studies, University of Dhaka
4	Mr. Dr. Muhammad Tuzammel Hoque	Member	PhD, University of Dhaka. Associate Professor, Department of Islamic Studies, Jagannat University
5	Mr. Syed Mizanur Rahman, Haed of Islamic Banking, AB Bank PLC.	Member	MBA with major in fanance, Institute of Business Administration, University of Dhaka
6	Mr. Moulana Muhammad Musa	Member-Secretary	Prominent author and rechearch Scholar of Quran & Hadith. Kamil, Madrasah Edu. Board, B.Com (Hons) M.Com, Rajshahi University,

During the period 2023, AB Bank Shariah Supervisory Committee met twice 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 2023, are:

- Reviewing the Yearly Shariah Audit Report (January-December, 2022) of Islami Banking Branch and its observations.
- Approving the Final Accounts, 2022 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2022 on Islamic banking operation of the Bank.
- Expantion of Islamic Banking activities through window operations.

1.22 Verification of financial statements through Document Verification System (DVS)

As per BRPD circular letter no. 4 dated 04 January 2021 Banks are required to preserve the updated statutory audit report of the clients in loan file during approval/renewal of the facilities and as per BRPD circular letter no. 35 dated 06 July 2021, the statutory audit report and Financial Statements needs to be verified through the Document Verification System (DVS) developed by the Institute of Chartered Accountants of Bangladesh (ICAB). Financial Reporting Council (FRC) vide its letter no 178/FRC/APR/2021/27(23) dated 7 December 2021 has instructed to disclose the percentage (%) of the loan file covered under the compliance of these BRPD Circular in the financial statements of the Bank. The bank has Signed MOU with ICAB and got the master access on the DVS on July 28, 2022. In 2023 the bank has checked 31% of total loan using the DVS tools.

1.23 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.

1.24 Worker's Profit Participation Fund (WPPF)

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

1.25 Authorization of Financial Statements

The Financial Statements of the Bank for the period ended 31 December 2023 has been authorized by the Board of Directors as on 02 May 2024.

2. General

- i. Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year.
- ii. Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- iii. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

	31.12.2023	31.12.2022
	Taka	Taka
3. Cash		
Cash in hand (Note 3.1)	1,463,970,963	1,726,804,079
Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	22,692,138,107	18,940,735,899
	24,156,109,070	20,667,539,978
3(a) Consolidated Cash		
AB Bank PLC.	24,156,109,070	20,667,539,978
AB Investments Limited	25,000	25,000
AB International Finance Limited	598,810	287,235
AB Securities Limited	6,019	12,522
Cashlink Bangladesh Limited (CBL)	11,630	6,954
	24,156,750,529	20,667,871,690
3.1 Cash in hand		
In local currency	1,447,298,208	1,704,473,030
In foreign currency	16,672,755	22,331,050
	1,463,970,963	1,726,804,079
3.1(a) Consolidated Cash in hand		
AB Bank PLC.	1,463,970,963	1,726,804,079
AB Investments Limited	25,000	25,000
AB International Finance Limited	598,810	287,235
AB Securities Limited	6,019	12,522
Cashlink Bangladesh Limited (CBL)	11,630	6,954
	1,464,612,421	1,727,135,791
3.2 Balance with Bangladesh Bank and its agent bank(s)		
Balance with Bangladesh Bank		
In local currency	13,797,827,357	15,720,873,458
In foreign currency	8,576,679,649	2,800,610,324
	22,374,507,005	18,521,483,782
Sonali Bank Limited	317,631,102	419,252,117
(as an agent bank of Bangladesh Bank) - local currency	22,692,138,107	18,940,735,899
3.2.1 Balance with Bangladesh Bank- local currency		
Balance as per Bank Ledger	13,797,827,357	15,720,873,458
<u>Unresponded debit entries</u>	33,004,998	14,273,823
Bangladesh Bank statement	33,004,998	13,780,757
AB Bank's ledger	-	493,066
<u>Unresponded credit entries</u>	76,180,859	219,123,057
Bangladesh Bank statement	29,995,368	215,311,176
AB Bank's ledger	46,185,491	3,811,881
	13,841,003,218	15,925,722,692

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 2023 is given below:

Year of Unreconciliation	Number of unresponded entry		Unresponded BDT	
	Debit	Credit	Debit	Credit
Less than 3 months	4	8	32,704,998	76,180,859
3 months to less than 6 months				
6 months to less than 12 months				
12 months and more	1	-	300,000	-
Total	5	8	33,004,998	76,180,859

31.12.2023	31.12.2022
Taka	Taka

3.2.2 Balance with Bangladesh Bank-foreign currency

Balance as per Bank Ledger 8,576,679,649 2,800,610,324

Unresponded debit entries

Bangladesh Bank statement
AB Bank's ledger

-	-
-	-

Unresponded credit entries

Bangladesh Bank statement
AB Bank's ledger

1,105,874	9,260,755
-	1,945,894
1,105,874	7,314,860

Balance as per Bangladesh Bank Statement

8,577,785,523	2,809,871,078
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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 2023 is given below:

Period of unreconciliation	Number of unresponded		Unresponded BDT	
	Debit	Credit	Debit	Credit
Less than 3 months	-	2	-	1,105,874
3 months to less than 6 months	-	-	-	-
6 months to less than 12 months	-	-	-	-
12 months and more	-	-	-	-
Total	-	-	-	1,105,874

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

AB Bank PLC.
AB Investments Limited
AB International Finance Limited
AB Securities Limited
Cashlink Bangladesh Limited (CBL)

22,692,138,107	18,940,735,899
-	-
-	-
-	-
-	-
22,692,138,107	18,940,735,899

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 date), Bangladesh Bank's DOS circular no. 01 dated 19 January 2014 and MPD Circular No. 03 dated 09 April 2020.

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.

	31.12.2023 Taka	31.12.2022 Taka
i. Daily position as on the reporting date		
Required reserve	13,159,287,884	12,248,798,960
Actual reserve maintained	13,566,540,194	15,670,959,659
Surplus	407,252,310	3,422,160,699

As per Bank ledger, balance with Bangladesh Bank (local currency) is BDT 13,534,364,333 while as per Bangladesh Bank Statements balance is BDT 13566540194. Difference between the balance as per Bank Ledger and as per the Bangladesh Bank Statement is properly reconciled and adjusted according

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)	223,707,894,027	208,229,582,320
Actual reserve maintained	227,216,705,134	224,646,227,376
Surplus	3,508,811,107	16,416,645,056

(b) Statutory Liquidity Ratio (SLR)

Required reserve (13% of total time & demand liabilities)	42,769,002,003	39,809,786,250
Actual reserve maintained	43,307,331,330	43,808,148,257
Total surplus	538,329,327	3,998,362,007

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 @ 4.12% and @ 13.16% respectively at the year end.

(c) Components of Statutory Liquidity Ratio (SLR)

Cash in hand	1,455,186,796	1,718,992,057
Balance with Sonali Bank	317,631,102	419,252,117
HTM Securities	37,037,353,958	29,158,588,438
HFT Securities	3,934,597,164	8,933,844,945
Other Eligible Securities	155,310,000	155,310,000
Excess Reserve of CRR	407,252,310	3,422,160,699
	43,307,331,330	43,808,148,257

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:

	31.12.2023	31.12.2022
	Taka	Taka
(a) Cash Reserve Requirement (CRR)		
Required reserve	262,773,789	229,083,000
Actual reserve maintained	263,463,024	243,763,034
Surplus	689,235	14,680,034
(b) Statutory Liquidity Ratio (SLR)		
Total required reserve	361,313,960	314,989,000
Total actual reserve held	362,320,000	475,190,000
Total surplus	1,006,040	160,201,000

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 31.12.2021 & 4.50 % for 31.12.2022 and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 18.00% for 31.12.2021 & 18.00% for 31.12.2022 is required, on the same liabilities is also maintained in the form of treasury bills, and bonds including foreign currency balance with RBI. Both the reserves are maintained by the Bank in excess of the statutory requirements, as shown below:

(a) Cash Reserve Ratio (CRR)		
Required reserve	11,837,257	9,896,173
Actual reserve maintained	82,208,375	75,704,662
Surplus	70,371,118	85,600,835
(b) Statutory Liquidity Ratio (SLR)		
Required reserve	389,846,583	386,125,480
Actual reserve maintained	874,786,635	863,871,375
Surplus	484,940,052	477,745,895
Total required reserve	401,683,840	396,021,653
Total actual reserve held	956,995,010	939,576,038
Surplus	555,311,170	543,554,384

4. Balance with other banks and financial institutions

In Bangladesh	(Note: 4.1)	611,320,686	525,610,648
Outside Bangladesh	(Note: 4.2)	6,334,970,622	4,304,948,618
		6,946,291,308	4,830,559,266

		31.12.2023	31.12.2022
		Taka	Taka
4(a) Consolidated balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1.a)	914,013,009	1,187,972,612
Outside Bangladesh (Nostro Accounts)	(Note: 4.2.a)	6,343,462,570	4,327,150,465
		7,257,475,579	5,515,123,076

4.1 In Bangladesh

Current Deposits

The Premier Bank PLC., Motijheel Branch	103,636,649	66,839,454
Agrani Bank PLC., Local Office, Dhaka	24,885	24,885
Islami Bank Bangladesh PLC., Local Office	17,277	17,277
Agrani Bank PLC., Bhairab Bazar Branch	534	534
Janata Bank PLC., M K Road, Jashore Branch	1,155	1,845
Agrani Bank PLC., Choto Bazar, Mymensingh Branch	48,792	-
Agrani Bank PLC., Ishwargonj Bazar, Mymensingh Branch	750,000	-
Trust Bank PLC., Cantonment, Mymensingh Branch	9,656	15,096
Agrani Bank PLC., Narsingdi, Madhabdi	2,429,502	-
Agrani Bank PLC., Kotalipara, Gopalganj	49,540	-
Agrani Bank PLC., Bhanga Bazar, Bhanga	2,249,655	-
Agrani Bank PLC., Shibchar, Madaripur	4,807	-
Agrani Bank PLC., Tungipara, Gopalganj	31,632	-
Agrani Bank PLC., Rangunia, Patherhat	4,930,000	-
Agrani Bank PLC., Maizdee Court Sadar, Noakhali	3,647,690	-
Agrani Bank PLC., Ramgonj, Laxmipur	2,206,850	-
Agrani Bank PLC., Thana Road, Laxmipur	1,512,735	-
Agrani Bank PLC., Raipur Moddho Bazar, Laxmipur	2,295,907	-
Rupali Bank PLC., Birampur, Dinajpur	450,965	-
Janata Bank PLC., Thakurgaon, Dinajpur	2,224	-
Rupali Bank PLC., Kolaroa, Satkhira	409,781	-
Agrani Bank PLC., Sakhipur, Tangail	2,194,747	-
Janata Bank PLC., Kalihati, Tangail	1,211	-
Janata Bank PLC., Bogura Corporate Branch	8,016,576	381
Rupali Bank PLC., Thana Road, Bogura	5,260	5,260
Agrani Bank PLC., Thana Road, Bogura	8,242	58,242
Rajshahi Krishi Unnayan Bank, Bogura Branch	4,304	5,166
Agrani Bank PLC., Shaheb Bazar, Rajshahi	5,000	5,000
Janata Bank PLC., Rajshahi Corporate Branch	5,000	5,000
Rupali Bank PLC., Shaheb Bazar, Boalia, Rajshahi	11,264	11,264
Janata Bank PLC., Rangpur Branch	20,944,830	1,598,027
Janata Bank PLC., Sathibari, Rangpur	1,796,528	-
Rupali Bank PLC., G L Roy Road, Rangpur	614,955	284,175
Janata Bank PLC., Chapai Nawabganj Corporate Branch	974	6,814
Janata Bank PLC., Galimpur, Joypara	2,149,856	-
Janata Bank PLC., Ruppur, Pabna	14,384,540	-
Janata Bank PLC., Kashinathpur, Pabna	3,383,879	-
Agrani Bank PLC., Borhanuddin, Bhola	3,951	-
Agrani Bank PLC., Natun Bazar, Patuakhali	11,770	-
Janata Bank PLC., Bhola Sadar, Bhola	46,367	-
Janata Bank PLC., Jhalokathi, Barisal	631,793	-
Janata Bank PLC., Sirajgonj Branch	-	27
	178,931,280	68,878,445

	31.12.2023 Taka	31.12.2022 Taka
Special Notice Deposits		
Agrani Bank PLC., Rangpur Branch	22,477,266	19,756,806
Agrani Bank PLC., Saidpur Branch	-	850
Agrani Bank PLC., VIP Road Branch, Sylhet	5,099	4,985
Agrani Bank PLC., Bogura Branch	7,530	7,530
Agrani Bank PLC., Pabna Branch	1,000	1,000
Janata Bank PLC., Pabna Branch	1,000	1,000
Agrani Bank PLC., Jhikargachha Branch	17,072,992	30,030,055
Agrani Bank PLC., Sirajgonj Branch	56,638	80,788
Agrani Bank PLC., Khulna Branch.	4,425	5,544
Agrani Bank PLC., Naogaon Branch	4,496,137	24,612
Agrani Bank PLC., Jashore Branch	26,606	26,606
Agrani Bank PLC., Moulvi Bazar Branch	57,318	61,468
Agrani Bank PLC., Satkhira Branch	10,491	753,619
Agrani Bank PLC., Principal Branch, Dhaka	19,999,710	3,467,847
Agrani Bank PLC., Barisal Branch	110,020	73,746
Agrani Bank PLC., Charfession, Bhola	258,529	-
Bangladesh Krishi Bank, Barisal Branch	12,523	12,523
Janata Bank PLC., Barisal Branch	21,321	80,718
Islami Bank Bangladesh PLC., Corporate Br.	624,476	604,333
Bank Asia PLC., Islami Banking Window Branch	39,406	39,378
First Security Islami Bank PLC., Dilkusha Br.	498,218	483,059
Al-Arafah Islami Bank PLC., Dilkusha Branch	6,562,294	59,779
Shahjalal Islami Bank PLC., Dhaka Main Branch	12,654	12,650
The City Bank PLC., Islamic Banking Br, Paltan, Dhaka	360,999	357,088
Bank Alfalah PLC., Main Branch, Dhaka	14,756	15,250
Southeast Bank PLC., Islami Banking Br, Motijheel	52,179	52,688
Agrani Bank PLC., Islami Banking Win, Amin Court Corp. Br.	291,925	283,694
Jamuna Bank PLC., Islami Banking Br, Nayabazar	4,970	6,041
Union Bank PLC., Dilkusha Branch	215,205	214,556
Premier Bank PLC., Islami Banking Br, Mohakhali	23,419	719,252
Pubali Bank PLC., Islamic Branch, 26 Dilkusha, Dhaka	32,314	32,459
EXIM Bank PLC., Motijheel Branch	803,358	217,026
	74,154,780	57,486,948
Savings Deposits		
Social Islamic Bank PLC., Principal Branch	3,223,393	9,217,159
ICB Islamic Bank PLC., Principal Br, Motijheel	1,232	4,096
	3,224,626	9,221,255
Fixed Deposits		
Hajj Finance Company Ltd.	-	35,014,000
Phoenix Finance and Investment Ltd.	230,000,000	230,000,000
Union Capital Ltd.	125,010,000	125,010,000
	355,010,000	390,024,000
	611,320,686	525,610,648
4.1.a Consolidated In Bangladesh		
AB Bank PLC.	611,320,686	525,610,648
AB Investment Limited	46,086,261	125,210,863
AB International Finance Limited	-	-
AB Securities Limited	566,029,688	905,891,350
Cashlink Bangladesh Limited (CBL)	47,200,982	45,354,290
	1,270,637,617	1,602,067,150
<u>Less: Inter company transaction</u>	356,624,607	414,094,538
	914,013,009	1,187,972,612

	31.12.2023 Taka	31.12.2022 Taka
4.2 Outside Bangladesh		
Current Deposits		
The Bank of Tokyo Mitsubishi Limited	13,944,960	6,428,747
MFT, Yangon	109,750	103,297
JP Morgan Chase Bank	1,960,106,112	793,127,357
Sonali Bank (Kolkata)	484,907	1,406,729
Myanmar Economic Bank	44,998	42,352
Citibank NA	1,087,841,858	52,130,559
Hatton National Bank Limited	1,513,688	4,470,621
Commerz Bank AG	6,088,557	33,932,589
MCB Bank Ltd	4,996,559	4,702,775
Mashreq Bank Psc	588,653,857	1,213,735,046
Nabil Bank Limited	183,036	229,087
Habib America Bank	708,897,255	115,197,543
Commerz Bank AG	5,153,029	3,323,763
Habib Metro Bank	4,175,613	821,583
Commerz Bank CAD	2,041,918	3,117,961
Commerz Bank CHF	5,906,856	2,727,758
JPMC NY	45,528,832	35,334,915
Commerz Bank AG	1,714,201	1,541,493
Reserve Bank of India	82,207,565	75,704,734
HDFC Bank CSGL	196,330	9,822,447
HDFC Bank Limited	30,865,995	93,105,898
Kotak Mahindra Bank	10,827,480	10,551,731
Habib American Bank Limited	587,980,089	28,273,731
JP CHASE ACU	1,179,163,423	1,813,941,858
Zhei Chou Commercial Bank Co. Ltd.	6,343,755	1,174,046
	6,334,970,622	4,304,948,618
(Details are given in Annexure - A)		
4.2.a Consolidated Outside Bangladesh (Nostro Accounts)		
AB Bank PLC.	6,334,970,622	4,304,948,618
AB Investment Limited	-	-
AB International Finance Limited	34,704,570	34,609,250
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	6,369,675,192	4,339,557,868
<u>Less: Inter company transactions</u>	26,212,622	12,407,403
	6,343,462,570	4,327,150,465
4.3 Account-wise/grouping of balance with other banks and financial institutions		
Current deposits	6,513,901,901	4,373,827,063
Savings deposits	3,224,626	9,221,255
Short-Notice Deposits	74,154,780	57,486,948
Fixed deposits	355,010,000	390,024,000
	6,946,291,307	4,830,559,266
4.4 Maturity grouping of balance with other banks		
Repayable – on demand	94,968,364	4,440,535,266
– up to 3 months	6,851,322,943	390,024,000
– over 3 months but below 1 year	-	-
– over 1 year but below 5 years	-	-
– over 5 years	-	-
	6,946,291,307	4,830,559,266

		31.12.2023 Taka	31.12.2022 Taka
5. Money at call and on short notice			
In Bangladesh	(Note 5.1)	-	-
Outside Bangladesh	(Note 5.2)	2,298,290,466	1,929,552,107
		2,298,290,466	1,929,552,107
5.1 In Bangladesh			
<u>With banking companies</u>			
Local Currency:			
Janata Bank Limited		-	-
		-	-
5.2 Outside Bangladesh			
AB International Finance Limited		1,585,887,500	1,007,145,750
Commerzbank AG CHF		-	223,031,246
SVC Bank		65,901,667	62,404,925
Qata National Bank		65,901,667	62,404,925
Kotak Mahindra Bank		250,426,334	262,100,684
HDFC Bank Limited		330,173,298	312,464,577
		2,298,290,466	1,929,552,107
5(a) Consolidated money at call and on short notice			
AB Bank PLC.		2,298,290,466	1,929,552,107
AB Investment Limited		-	-
AB International Finance Limited		-	-
AB Securities Limited		-	-
Cashlink Bangladesh Limited (CBL)		-	-
		2,298,290,466	1,929,552,107
<u>Less:</u> Inter-group transaction		(1,585,887,500)	(1,007,145,750)
		712,402,966	922,406,358
6. Investments		54,129,811,953	51,812,774,278
Nature wise (Bangladesh operation)			
Held for Trading		3,934,597,164	8,933,844,945
Held to Maturity		37,037,353,958	29,158,588,438
Other Eligible Securities		155,310,000	155,310,000
Others		12,280,416,808	12,879,678,138
		53,407,677,931	51,127,421,522
Nature wise (Mumbai branch)			
Held for Trading/Available for Sale		455,698,494	368,182,816
Held to Maturity		266,435,528	317,169,940
Others		-	-
		722,134,022	685,352,757
Claim wise			
Government securities	(Note 6.1)	41,702,600,214	38,724,461,083
Other investments	(Note 6.2)	12,427,211,739	13,088,313,195
		54,129,811,953	51,812,774,278
6 (a) Consolidated investments			
AB Bank PLC.		54,129,811,953	51,812,774,278
AB International Finance Limited		-	-
AB Investment Limited		425,529,558	519,327,763
AB Securities Limited		175,420,721	134,737,603
Cashlink Bangladesh Limited (CBL)		-	-
		54,730,762,232	52,466,839,645

	31.12.2023	31.12.2022
	Taka	Taka
6.1 Government securities		
T.Bill-Local-RE.REPO	-	-
T.Bill	3,269,592,181	1,541,305,390
Treasury bonds	37,702,358,942	36,551,127,993
Bangladesh Government Investment Sukuk	155,310,000	155,310,000
Bangladesh Bank Islami Investment bonds	362,320,000	475,190,000
Prize bonds	1,618,900	1,527,700
Collateralized Repo: Liquidity Support adjustment account	211,400,191	-
	41,702,600,214	38,724,461,083
6.1.1 Maturity wise Treasury Bonds		
(a) 30 Days Bangladesh Bank Bill	-	-
(b) Treasury Bill		
(i) 91 Days Treasury Bill	2,234,343,781	-
(ii) 182 Days Treasury Bill	-	338,788,800
(iii) 364 Days Treasury Bill	1,035,248,400	1,202,516,590
Total Treasury Bill	3,269,592,181	1,541,305,390
Treasury Bond		
(i) 02 Years Treasury Bond	500,294,926	1,622,779,060
(ii) 05 Years Treasury Bond	6,390,363,229	5,342,597,035
(iii) 10 Years Treasury Bond	13,991,925,377	13,711,177,059
(iv) 15 Years Treasury Bond	9,582,181,299	8,758,910,976
(v) 20 Years Treasury Bond	7,237,594,111	7,115,663,863
Total Treasury Bond	37,702,358,942	36,551,127,992
6.1(a) Consolidated Government securities		
AB Bank PLC.	41,702,600,214	38,724,461,083
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	41,702,600,214	38,724,461,083
6.2 Other investments		
Shares (Note 6.2.1)	5,285,252,077	5,307,774,752
Bond (Note 6.2.2)	4,300,000,000	5,100,000,000
Pinnacle Global Fund Pte Limited (Note 6.2.3)	2,119,825,640	1,995,185,687
	11,705,077,717	12,402,960,438
Investments -ABBL, Mumbai branch		
Treasury bills	722,134,022	685,352,757
	722,134,022	685,352,757
	12,427,211,739	13,088,313,195
6.2 (a) Consolidated other investments		
AB Bank PLC.	12,427,211,739	13,088,313,195
AB Investment Limited	425,529,558	519,327,763
AB International Finance Limited	-	-
AB Securities Limited	175,420,721	134,737,603
Cashlink Bangladesh Limited (CBL)	-	-
	13,028,162,018	13,742,378,561
6.2.1 Investments in shares		
Quoted (Publicly traded)	4,436,400,032	4,458,922,707
Unquoted	848,852,045	848,852,045
	5,285,252,077	5,307,774,752
Details are given in Annexure-B		

	31.12.2023 Taka	31.12.2022 Taka
6.2.2 Investment in Bonds		
Investment in subordinated bonds	1,600,000,000	2,400,000,000
Investment in perpetual bonds	2,700,000,000	2,700,000,000
	4,300,000,000	5,100,000,000
6.2.2.1 Investment in subordinated bonds		
United Commercial Bank Ltd.	1,100,000,000	1,650,000,000
National Bank Ltd.	500,000,000	750,000,000
	1,600,000,000	2,400,000,000
6.2.2.2 Investment in Perpetual bonds		
ONE Bank Limited	1,700,000,000	1,700,000,000
Pubali Bank Limited	1,000,000,000	1,000,000,000
	2,700,000,000	2,700,000,000
6.2.3 Pinnacle Global Fund Pte Limited	2,119,825,640	1,995,185,687

Investment in Pinnacle Global Fund Pte Limited has been increased due to Foreign Currency Rate fluctuation.

6.3 Maturity grouping of Investment

Repayable – on demand	-	-
– upto 3 months	6,741,526,512	6,175,334,686
– over 3 months but below 1 year	1,560,322,009	2,972,866,924
– over 1 year but below 5 years	23,088,694,204	22,089,294,903
– over 5 years	22,739,269,228	20,575,277,765
	54,129,811,953	51,812,774,278

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 2023:

Counter party name	Agreement	Reversal date	Amount (1st leg)
Bangladesh Bank	24-Dec-23	1-Jan-24	2,646,154,019.80
Bangladesh Bank	26-Dec-23	2-Jan-24	2,032,760,618.80

(ii) Disclosure regarding outstanding Reverse Repo as on 31 December 2023:

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

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	0.00	12,142,460,000	4,282,774,493
ii) with other banks & FIS	0.00	13,107,750,000	3,904,895,233
Securities purchased under reverse repo:			
i) from Bangladesh Bank	0.00	-	-
ii) from other banks & FIS	0.00	3,172,044,944	105,618,639

	31.12.2023	31.12.2022
	Taka	Taka
7. Loans, advances and lease/investments	317,122,559,016	312,068,149,520
7.1 Maturity grouping		
Repayable – on demand	3,100,318,210	1,726,060,512
– upto 3 months	120,669,317,942	121,164,788,543
– over 3 months but below 1 year	150,220,932,643	134,921,171,886
– over 1 year but below 5 years	35,505,565,544	43,086,698,813
– over 5 years	7,626,424,677	11,169,429,766
	317,122,559,017	312,068,149,520
7.2 Broad category-wise breakup excluding bills purchased and discounted		
In Bangladesh		
Loans	298,252,928,825	293,241,077,481
Overdrafts	18,138,680,490	18,043,083,499
Cash credits	-	-
	316,391,609,315	311,284,160,980
Outside Bangladesh: ABBL, Mumbai branch		
Loans	27,240	6,370,811
Overdrafts	-	-
Cash credits	75,338,963	65,862,837
	75,366,204	72,233,648
	316,466,975,518	311,356,394,628

	31.12.2023 Taka	31.12.2022 Taka
7.3 Product wise loans and advances		
Overdraft	18,138,680,490	17,082,813,602
Cash Credit	75,338,963	65,862,837
Time loan	44,986,466,236	49,602,721,689
Term loan	236,317,635,088	223,022,752,116
Forced loan	8,918,101,562	7,355,753,354
Bills under LC	217,972,624	18,521,469
Trust Receipt	4,695,181,839	5,745,625,406
Loan against accepted bills	13,698,166	28,348,649
Loan-EDF	1,104,488,200	4,531,624,272
Consumer Loan	939,268,149	2,742,062,663
Staff loan	1,060,144,201	1,160,308,571
Bills purchased & discounted	655,583,498	711,754,892
	<u>317,122,559,016</u>	<u>312,068,149,520</u>
7.4 Net loans, advances and lease/investments		
Gross loans and advances	317,122,559,016	312,068,149,520
<u>Less:</u>		
Interest suspense	9,051,419,845	11,773,479,961
Provision for loans and advances	26,136,828,747	27,260,466,185
	35,188,248,591	39,033,946,146
	<u>281,934,310,425</u>	<u>273,034,203,374</u>
7.5 Significant concentration		
Advances to industries	222,678,676,483	190,875,738,492
Advances to customer groups	93,187,506,274	111,679,730,960
Advances to allied concerns of Directors	1,256,376,259	9,512,680,068
Advances to Chief Executive	-	-
	<u>317,122,559,016</u>	<u>312,068,149,520</u>
7.6 Advances to customers for more than 10% of Bank's total capital		
Total capital of the Bank	<u>38,062,840,072</u>	<u>36,195,251,975</u>
Number of clients	25	24
Amount of outstanding advances	168,288,213,900	158,288,188,102
Amount of classified advances	17,137,137,168	20,104,126,643
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	4,896,597,236	4,110,490,113
Large and medium scale industry	187,504,810,378	106,307,345,833
Working capital	23,555,893,730	72,606,267,216
Export	2,274,614,140	5,502,836,121
Commercial lending	29,785,226,900	64,321,459,328
Small and cottage industry	10,669,135,265	6,794,908,246
Others	58,436,281,367	52,424,842,663
	<u>317,122,559,016</u>	<u>312,068,149,520</u>

	31.12.2023 Taka	31.12.2022 Taka
7.8 Geographical location-wise (division) distribution		
In Bangladesh		
<u>Urban branches</u>		
Dhaka	228,666,208,157	228,070,853,119
Chattagram	50,680,459,255	48,285,420,278
Khulna	12,702,819,899	14,271,146,285
Sylhet	1,064,967,285	1,329,336,143
Barishal	459,586,264	492,482,467
Rajshahi	5,496,000,182	5,132,378,415
Rangpur	9,682,488,561	6,157,870,007
Mymensingh	4,261,209,319	4,978,396,856
	313,013,738,922	308,717,883,570
<u>Rural branches</u>		
Dhaka	1,751,537,617	1,714,435,552
Chattagram	701,251,118	682,279,722
Khulna	805,950,224	-
Sylhet	125,914,253	123,463,857
Barishal	-	-
Rajshahi	1,061,751	18,746
Rangpur	820,012	601,245
Mymensingh	62,124,453	58,011,946
	3,448,659,428	2,578,811,068
Outside Bangladesh		
ABBL, Mumbai branch	660,160,666	771,454,882
	317,122,559,016	312,068,149,520
7.9 Classification of loans, advances and lease/investments		
In Bangladesh		
<u>Unclassified</u>		
Standard	215,153,737,032	242,013,059,024
Special Mention Account	6,171,652,296	6,161,735,613
	221,325,389,329	248,174,794,637
<u>Classified</u>		
Sub-Standard	579,832,949	180,200,000
Doubtful	2,668,203,580	3,245,000,000
Bad/Loss	91,888,972,493	59,696,700,000
	95,137,009,022	63,121,900,000
	316,462,398,350	311,296,694,637
Outside Bangladesh-Mumbai Branch		
Unclassified Loan	660,160,666	771,454,882
Classified Loan	-	-
	660,160,666	771,454,882
	317,122,559,016	312,068,149,520
7.10 Particulars of loans, advances and lease/investments		
(i) Loans considered good in respect of which the Bank is fully secured	301,785,482,694	285,993,646,545
(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	15,337,076,323	26,074,502,975
(iv) Loans adversely classified but provision not maintained there against	-	-
	317,122,559,016	312,068,149,520

	31.12.2023 Taka	31.12.2022 Taka
(v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons	1,039,656,803	1,160,308,571
(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)]	1,143,227,240	1,272,630,318
(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)	813,146,155	1,242,385,788
(b) Amount of loan written off	3,286,137,933	1,642,195,762
(c) Amount realised against loan previously written off	242,890,673	354,617,876
(d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet	18,366,331,167	20,703,001,747
(e) Interest creditable to interest suspense account	145,172,170	203,861,016
(xi) Written off loan:		
Opening written off loan	18,848,367,258	17,206,171,496
<u>Add:</u> Written off during the year	3,286,137,933	1,642,195,762
Cumulative Written off loans	22,134,505,191	18,848,367,258
<u>Less:</u> Adjustments/ recoveries/ Settlement up to the period	4,493,176,097	4,241,107,104
Closing Balance of Written off loan	17,641,329,094	14,607,260,155
The amount of written off loans for which lawsuits have been filed for its recovery	17,390,288,651	14,566,407,480

7.10 (a) The amount represents loans Tk. 1,143,230,318 due by the employees of the Bank.

7.11 Securities wise loans, advances and lease/investments

Nature of security

Collateral of movable/immovable assets	255,627,183,621	255,690,467,739
Cash collateral	20,345,291,449	6,028,942,758
Banks and financial institutions guarantee	-	-
Personal guarantee	15,337,076,323	13,568,095,564
Corporate guarantee	5,944,516,553	9,994,886,820
Other securities	19,868,491,070	26,785,756,640
	317,122,559,016	312,068,149,520

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
Beximco Ltd.	Term Loan	29-Jun-2027	1,204,848,576
Beximco Ltd.	Term Loan	29-Jun-2027	550,098,232
International Knitwear & Apparels Ltd.	Term Loan	29-Jun-2028	837,478,097
New Dacca Industries Ltd.	Term Loan	29-Jun-2027	3,457,611,616
			6,050,036,521
		31.12.2023	31.12.2022
		Taka	Taka

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

AB Bank PLC.	316,466,975,518	311,356,394,628
AB Investment Limited	6,917,843,597	7,281,007,296
AB International Finance Limited	-	-
AB Securities Limited	763,232,129	736,367,542
Cashlink Bangladesh Limited (CBL)	-	-
	324,148,051,244	319,373,769,465
<u>Less: Inter company transaction</u>	1,256,376,259	914,115,052
	322,891,674,985	318,459,654,413

8 Bills purchased and discounted

In Bangladesh	70,789,035	12,533,657
Outside Bangladesh - ABBL, Mumbai Branch	584,794,463	699,221,235
	655,583,498	711,754,892

8 (a) Consolidated Bills purchased and discounted

AB Bank PLC.	655,583,498	711,754,892
AB Investment Limited	-	-
AB International Finance Limited	1,885,708,366	1,239,255,280
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	2,541,291,864	1,951,010,172

8.1 Maturity grouping of Bills Purchased and discounted

Repayable – within 1 month	193,962,382	189,327,470
– over 1 month but within 3 months	335,133,560	207,331,301
– over 3 months but within 6 months	219,034,629	315,096,121
– over 6 months	-	-
	748,130,570	711,754,892

9. Fixed assets including premises, furniture and fixtures

Cost:

Land and Building	2,271,171,345	2,271,171,345
Furniture and fixtures	342,294,329	349,155,773
Office appliances	63,155,297	63,105,254
Electrical appliances	2,077,084,166	2,155,441,495
Motor vehicles	261,151,291	260,944,343
Intangible Assets	1,016,993,533	982,430,450
Right of Use Assets	1,329,421,828	1,329,421,828
	7,361,271,787	7,411,670,487
<u>Less: Accumulated depreciation and amortization</u>	4,506,243,432	4,162,507,606
	2,855,028,355	3,249,162,881

	31.12.2023	31.12.2022
	Taka	Taka
9(a) Consolidated Fixed assets including premises, furniture and fixtures		
Cost:		
AB Bank PLC.	7,361,271,787	7,411,670,487
AB Investments Limited	687,679,476	687,679,476
AB International Finance Limited	6,868,170	5,864,554
AB Securities Limited	78,333,211	65,395,047
Cashlink Bangladesh Limited (CBL)	-	-
	<u>8,134,152,644</u>	<u>8,170,609,564</u>
Accumulated depreciation:		
AB Bank PLC.	4,506,243,432	4,162,507,606
AB Investments Limited	210,987,766	193,985,222
AB International Finance Limited	6,243,653	5,770,600
AB Securities Limited	64,039,553	57,794,107
Cashlink Bangladesh Limited (CBL)	-	-
	<u>4,787,514,405</u>	<u>4,420,057,536</u>
	<u>3,346,638,239</u>	<u>3,750,552,029</u>
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
	<u>6,223,910,978</u>	<u>6,223,910,978</u>
Outside Bangladesh:		
AB International Finance Ltd., Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
	<u>5,203,944</u>	<u>5,203,944</u>
	<u>6,229,114,922</u>	<u>6,229,114,922</u>
Non-income generating		
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Net deferred tax assets (Note 10.1)	2,407,418,791	3,562,297,871
Accounts receivable	1,434,650,970	1,667,622,589
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	810,710,572	533,005,552
Exchange for clearing	1,737,271,318	663,210,910
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	1,224,490,582	1,214,753,020
Security deposits	77,267,665	72,623,086
Advance rent and advertisement (Note 10.2)	122,688,107	159,292,739
Stationery, stamps, printing materials, etc.	41,831,957	71,462,423
Inter-branch adjustment	-	147,414
	<u>7,876,249,963</u>	<u>7,964,335,605</u>
	<u>14,105,364,885</u>	<u>14,193,450,527</u>

	31.12.2023 Taka	31.12.2022 Taka
10(a) Consolidated Other assets		
AB Bank PLC.	14,105,364,885	14,193,450,527
AB Investment Limited	1,143,973,806	563,197,489
AB International Finance Limited	75,155,059	55,757,677
AB Securities Limited	8,179,576	105,574,309
Cashlink Bangladesh Limited (CBL)	35,278,448	34,974,457
	15,367,951,774	14,952,954,459
Less: Inter-group transaction	6,280,130,503	6,473,500,658
	9,087,821,261	8,479,453,791
10.1 Deferred tax assets		
a) Deferred tax assets for specific provisions of loans and advances		
Opening Deferred Tax Assets	3,651,352,921	4,197,545,038
Add: Deferred Tax Income during the year	-	-
Less: Write-Off adjustment	1,181,180,621	546,192,117
Less: Adjustment during the year	-	-
Closing deferred tax assets	2,470,172,300	3,651,352,921
b) Deferred tax liabilities against property, plant & equipment		
Balance at 01 January	89,055,050	92,941,021
Add: Provision made during the Year	(26,183,485)	(3,685,946)
Add/(Less): Adjustment for Rate Fluctuation during the period	(118,055)	(200,026)
Closing deferred tax liabilities	62,753,510	89,055,050
Net Deferred Tax Assets (a-b)	2,407,418,791	3,562,297,871
Net Deferred Tax Income during the period	(1,154,997,135)	3,685,946
Deferred tax liabilities against Property, Plant & Equipment		
Accounting base of Property, Plant & Equipment	2,724,509,033	2,892,265,617
Tax base of Property, Plant & Equipment	2,552,119,664	2,651,226,386
Difference	172,389,370	241,039,231
(Deductible)/Taxable Temporary Difference	172,389,370	241,039,231
Effective Tax Rate	37.50%	37.50%
Deferred Tax (Assets)/Liabilities	64,646,014	90,389,712
Deferred Tax (Assets)/Liabilities of Mumbai Branch	(1,892,504)	(1,334,662)
Closing Deferred Tax Liabilities	62,753,510	89,055,050
10.1.1 Consolidated deferred tax liabilities		
AB Bank PLC.	62,753,510	89,055,050
AB Investment Limited	-	-
	62,753,510	89,055,050
10.1.2 Consolidated deferred tax assets		
AB Bank PLC.	2,470,172,300	3,651,352,921
AB Securities Limited	1,792,040	1,708,138
AB Investment Limited	36,608,486	151,693,198
	2,508,572,826	3,804,754,257
10.2 Advance rent and advertisement		
Advance rent BDT 61,89,708 as on 31 December 2023 is included with Right of Use (ROU) assets as per IFRS 16 Leases.		

31.12.2023 Taka	31.12.2022 Taka
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11 Non-Banking Assets

12,666,128,470 **334,171,836**

The Bank has obtained absolute ownership of 125 mortgaged properties consisting land and building 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 date), BRPD circular no. 14 of 2003 and BRPD circular no. 22 of 2021 . All of these assets are non-income generating. Details are given below:

SI	Type	Non-Banking Asset (a)			
		Income generating		Non-income generating	
		No.	Value	No.	Taka
1	Land	-	-	86	6,509,060,887
2	Building	-	-	39	6,157,067,583
	Total	-	-	125	12,666,128,470

12. Borrowings from other banks, financial institutions and agents

In Bangladesh	(Note 12.1)	2,841,350,611	10,750,218,784
Outside Bangladesh		-	-
		2,841,350,611	10,750,218,784

12.1 In Bangladesh:

12.1.1 Bangladesh Bank

Export Development Fund	759,086,947	3,856,632,492
Islamic Investment Bond	452,632,639	503,159,722
Refinance against IPFF	152,726,208	190,938,429
Refinance against Women Entr., Small Enterprise, ETP, Covid 19 & Others	1,039,233,758	1,340,566,790
	2,403,679,551	5,891,297,433

12.1.2 Call & Term Borrowing from

The Premier Bank PLC.	100,000,000	-
Basic Bank Limited	-	1,200,000,000
Agrani Bank PLC.	-	2,300,000,000
Shimanto Bank PLC.	130,000,000	350,000,000
Bangladesh Development Bank PLC.	200,000,000	-
Rupali Bank PLC.	-	500,000,000
Community Bank PLC.	-	-
Uttara Bank PLC.	-	-
One Bank PLC.	-	500,000,000
Accrued interest	492,222	3,868,444
Accrued Interest Repo-Other Bank	7,178,837	5,052,907
	437,671,060	4,858,921,351
Total in Bangladesh	2,841,350,611	10,750,218,784

12.2 Analysis by security

Secured (assets pledge as security for liabilities)	-	-
Unsecured	2,841,350,611	10,750,218,784
	2,841,350,611	10,750,218,784

12.3 Repayment pattern

Repayable on demand	-	-
Repayable on maturity	2,841,350,611	10,750,218,784
	2,841,350,611	10,750,218,784

	31.12.2023	31.12.2022
	Taka	Taka
12.3.1 Repayable on maturity		
<u>Bangladesh Bank :</u>		
Export Development Fund	759,086,947	3,856,632,492
Islamic Investment Bond	452,632,639	503,159,722
Refinance against IPFF	152,726,208	190,938,429
Refinance against Women Entr., Small Ent., ETP & Others	1,039,233,758	1,340,566,790
	2,403,679,551	5,891,297,433
<u>Term borrowings:</u>		
Agrani Bank PLC.	-	2,300,000,000
Community Bank PLC.	-	-
Uttara Bank PLC.	-	-
Bangladesh Development Bank PLC.	200,000,000	-
Rupali Bank PLC.	-	500,000,000
Shimanto Bank PLC.	130,000,000	350,000,000
Basic Bank PLC.	-	1,200,000,000
One Bank PLC.	-	500,000,000
The Premier Bank PLC	100,000,000	-
Accrued interest	7,671,060	8,921,351
	437,671,060	4,858,921,351
	2,841,350,611	10,750,218,784

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

AB Bank PLC.	2,841,350,611	10,750,218,784
AB Investment Limited	1,098,776,723	756,515,861
AB International Finance Limited	1,579,785,618	1,001,325,144
AB Securities Limited	157,599,536	157,599,191
Cashlink Bangladesh Limited (CBL)	-	-
	5,677,512,488	12,665,658,980
<u>Less: Intercompany transactions</u>	2,836,161,877	1,915,440,196
	2,841,350,611	10,750,218,784

13 Bonds

Tier-II subordinated bond (note-13.1)	5,008,750,000	6,097,500,000
Perpetual bond - additional Tier-I capital (note-13.2)	5,710,936,000	5,400,000,000
	10,719,686,000	11,497,500,000

13.1 Tier-II subordinated bond

AB Bank Subordinated Bond-I	-	-
AB Bank Subordinated Bond-II	-	-
AB Bank Subordinated Bond-III	1,758,750,000	2,847,500,000
AB Bank Subordinated Bond-IV	3,250,000,000	3,250,000,000
	5,008,750,000	6,097,500,000

Bank has issued 7 years Sub-Ordinated bonds in four phases. AB Bank Subordinated Bond-I for BDT 250 crore was issued in August 2014 and AB Bank Subordinated Bond-II for BDT 400 crore was issued in September 2015. Both of these instruments have been fully redeemed. AB Bank Subordinated Bond-III for BDT 400 crore was issued in May 2018 and AB Bank Subordinated Bond-IV for BDT 325 crore was issued in December 2020 through Private Placement under the 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.

Subscriber wise subordinated bonds are:

Jamuna Bank PLC.	1,207,500,000	1,955,000,000
Sonali Bank PLC.	1,500,000,000	1,500,000,000
National Credit & Commerce Bank PLC.	551,250,000	892,500,000
Janata Bank PLC.	1,000,000,000	1,000,000,000
Agrani Bank PLC.	750,000,000	750,000,000
	5,008,750,000	6,097,500,000

13.2 Perpetual bond - additional Tier-I capital

The Bank has successfully launched subscription of the Perpetual Bond as additional Tier-1 capital. The bank has obtained necessary approvals from the regulators duly and raised subscription of BDT 540 crore through private placement and BDT 31.09 crore through public issue. The total issue size Bond is BDT 571.09 crore including public offer of BDT 31.09 crore. Basic features of the perpetual bonds are;

Coupon rate: Reference rate Plus Coupon margin

Here, reference rate is the latest available 20 years treasury bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day and coupon margin is 2%.

Coupon range: 6.0% to 10.0%

Contingent Convertible feature: This bonds are contingent convertible and this conversion will only be executed if banks's consolidated common equity Tier-I (CET-I) falls below 4.5% and the conversion amount will be to the extent of shortfall amount for reaching CET-I @ 4.5%.

	31.12.2023 Taka	31.12.2022 Taka
Subscriber wise perpetual bonds are:		
The Premier Bank PLC.	1,050,000,000	1,050,000,000
IFIC Bank PLC.	1,000,000,000	1,000,000,000
NCC Bank PLC.	650,000,000	650,000,000
Trust Bank PLC.	890,000,000	890,000,000
Uttara Bank PLC.	100,000,000	100,000,000
Subscribers other than Banks	2,020,936,000	1,710,000,000
	5,710,936,000	5,400,000,000
14. Deposit and other accounts		
Inter-bank deposits	12,374,826,100	7,795,040,252
Other deposits	342,399,553,588	308,902,229,058
	354,774,379,687	316,697,269,309
14(a) Consolidated Deposit and other accounts		
AB Bank PLC.	354,774,379,687	316,697,269,309
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
	354,774,379,687	316,697,269,309
Less: Inter-group transaction	384,735,978	428,050,718
	354,389,643,709	316,269,218,590

		31.12.2023	31.12.2022
		Taka	Taka
14.1 Maturity analysis of inter-bank deposits			
Repayable – on demand		2,123,985,140	3,489,541,703
– within 1 month		6,087,606,307	2,030,265,628
– over 1 month but within 3 months		4,111,229,444	2,232,158,607
– over 3 months but within 1 year		52,005,208	43,074,314
– over 1 period but within 5 years		-	-
		12,374,826,100	7,795,040,252
14.2 Maturity analysis of other deposits			
Repayable – on demand		2,986,818,464	2,959,098,975
– within 1 month		31,100,694,925	29,049,858,867
– over 1 month but within 3 months		87,510,393,361	80,442,051,455
– over 3 months but within 1 year		168,888,279,247	149,751,835,938
– over 1 year but within 5 years		49,127,434,987	44,169,176,286
– over 5 years		2,785,932,604	2,530,207,536
		342,399,553,588	308,902,229,058
14.3 Demand and time deposits			
a) Demand Deposits		51,294,420,069	52,560,287,543
Current accounts and other accounts		45,849,000,507	46,923,030,071
Savings Deposits (9%)		3,789,226,563	3,749,472,327
Bills Payable		1,656,192,999	1,887,785,146
b) Time Deposits		303,479,959,618	264,136,981,766
Savings Deposits (91%)		38,313,290,802	37,911,331,304
Short Notice Deposits		25,327,696,584	27,860,915,473
Fixed Deposits		174,170,888,715	141,978,941,534
Other Deposits		65,668,083,516	56,385,793,454
Total Demand and Time Deposits		354,774,379,687	316,697,269,309
14.4 Sector-wise break up of deposits and other accounts			
Government		8,739,493,611	7,801,504,055
Deposit money Banks		8,136,155,330	7,262,920,670
Autonomous & Semi-Autonomous Bodies		7,323,161,565	6,537,183,639
Public Non-Financial Organisation		49,852,593,644	44,502,030,527
Other Public		4,483,404,140	4,002,210,784
Foreign Currency		31,879,547,621	28,457,989,800
Private		244,360,023,776	218,133,429,834
		354,774,379,687	316,697,269,309
15. Other liabilities			
Accumulated provision against loans and advances	(Note 15.1)	26,136,828,747	27,260,466,185
Inter-branch adjustment		805,562	-
Provision for current tax (net of advance tax)	(Note 15.2)	345,396,221	1,126,116,056
Interest suspense account	(Note 15.3)	9,051,419,845	11,773,479,961
Provision against other assets	(Note 15.4)	380,332,173	334,959,106
Accounts payable - Bangladesh Bank		17,829,020	17,503,601
Accrued expenses		109,212,630	117,779,412
Lease Liabilities	(Note 15.5)	90,070,083	317,024,275
Provision for off balance sheet items	(Note 15.6)	1,447,600,000	1,180,000,000
Provision against investments	(Note 15.7)	2,612,666,246	2,358,476,593
Start-up Fund *		24,318,578	17,100,551
Unclaimed Dividend Account		4,286,949	4,466,473
Others **		1,254,188,392	1,207,062,630
		41,474,954,444	45,714,434,841

* Start-up Fund has been maintained as per Bangladesh Bank SMESPD circular no. 04 and 05 dated 29 March 2021 and 26 April 2021 respectively.

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

	31.12.2023	31.12.2022
	Taka	Taka
15.1 Accumulated provision against loans and advances		
<u>The movement in specific provision for bad and doubtful debts</u>		
Opening Balance	21,641,247,373	20,953,453,433
Fully provided debts written off during the period (-)	(3,149,814,988)	(1,456,512,311)
Transferred to Non-Banking Assets (-)	(4,074,215)	-
Transferred from retained earnings (+)	-	-
Specific provision made during the Year (+)	890,000,000	2,144,306,250
	<u>(2,263,889,204)</u>	<u>687,793,939</u>
Closing Balance	19,377,358,169	21,641,247,373
Provision made by ABBL, Mumbai Branch	-	-
Total provision on classified loans and advances	19,377,358,169	21,641,247,373
<u>On unclassified loans</u>		
Opening Balance	5,614,725,658	6,344,725,658
Transferred from Investment provisions (+)	-	(730,000,000)
Transfer to specific provisions (-)	-	-
General provision made during the Year (+)	1,140,000,000	-
	<u>1,140,000,000</u>	<u>(730,000,000)</u>
Closing Balance	6,754,725,658	5,614,725,658
Provision made by ABBL, Mumbai Branch	4,744,920	4,493,155
Total provision on un-classified loans and advances	6,759,470,578	5,619,218,812
Total provision on loans and advances	26,136,828,747	27,260,466,185

Provision against loans and advances has been maintained as per Bangladesh Bank letter no. DBI-3/101/2024-656 dated 30 April 2024 and DOS(CAMS)1157/41(Dividend)/2024-1842 dated 30 April 2024 respectively. According to those letters, there is a provision shortfall of Tk. 8,041.81 crore (Total requirement is BDT 10,655.02 crore and total maintained is BDT 2,613.21 crore) against loans and advances which requires to be kept within 2024.

15.1.1 Special General Provision -Covid-19	223,500,000	370,514,704
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Special General Provision-COVID-19 has been kept as per Bangladesh Bank, BRPD circular no. 56 dated 10 December 2020, BRPD circular no. 19, 52 and 53 dated 26 August 2021, 29 and 30 December 2021 respectively and BRPD circular no. 14, 51 and 53 dated 22 June 2022, 18 and 22 December 2022 respectively. This amount is included with the total provision on un-classified loans and advances under note-15.1.

15.1.1 Details of provision kept for loans and advances

	6,754,725,658	5,617,266,497
General Provision		
Standard	6,631,844,677	5,494,065,308
Special Mention Account	122,880,981	123,201,190
Specific Provision	19,377,358,169	21,638,734,690
Substandard	96,297,892	12,082,938
Doubtful	914,729,110	923,650,005
Bad/Loss	18,366,331,167	20,703,001,747

15.2 Provision for current tax (net of advance tax)

Current Tax	(note 15.2.1) 9,164,258,672	8,701,098,195
Advance Income Tax	(note 15.2.2) 8,818,862,452	7,574,982,140
Provision for current tax (net of advance tax)	345,396,221	1,126,116,056

15.2.1 Provision for current tax

Opening Balance	8,592,933,385	7,180,209,315
<u>Add:</u> Provision made during the year	399,304,578	1,958,916,186
Less: Adjustment/transferred during the year	-	-
<u>Less:</u> Write-off adjustment	-	(546,192,117)
Closing Balance	8,992,237,963	8,592,933,385
Provision held by ABBL, Mumbai Branch	172,020,709	108,164,809
	9,164,258,672	8,701,098,195

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2022 (Assessment Year 2023-24). Corporate income tax return for the year 2020, 2021 and 2022 submitted under section 82BB corresponding to Assessment Years 2021-22 and 2022-2023. Tax assessments for the income year 2019 is completed but under review of appellate commission. 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.

31.12.2023 Taka	31.12.2022 Taka
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15.2.1a Reconciliation of Provision for Current Tax made during the period (Bangladesh Operation)

Income tax @ 37.50% on estimated taxable Business Profit	460,868,356	1,806,586,157
Income tax @ 20.00% on Dividend Income	72,409,533	73,422,242
Income tax @ 10% on Capital Gain on Sale of Shares	-	31,097,787
Estimated Total Provision Required	533,277,889	1,911,106,186
Effective Tax Rate on Profit before Provision	10.64%	34.86%

15.2.2 Advance corporate income tax

In Bangladesh:

Opening Balance	7,434,630,513	5,602,298,832
Paid during the year	1,171,450,723	1,832,331,682
Closing balance (Bangladesh operations)	8,606,081,236	7,434,630,513
Advance tax of ABBPLC., Mumbai Branch	212,781,215	140,351,627
	8,818,862,452	7,574,982,140

15.3 Interest suspense account

Balance at 01 January	11,773,479,961	13,171,406,144
Add. Transferred during the the year	145,172,170	203,861,016
Less: Recovery/adjustment/waivered during the year	(2,730,909,090)	(1,416,103,748)
Less: Written off during the year	(136,323,196)	(185,683,451)
Balance at 31 December	9,051,419,845	11,773,479,961

15.4 Provision against other assets

Provision for

Prepaid legal expenses	209,726,000	156,626,000
Protested bills	76,875,678	73,875,678
Others	93,730,495	104,457,428
	380,332,173	334,959,106

Provision against other assets was made as per BRPD Circular # 04 dated 12 April 2022 issued by Bangladesh Bank.

15.4.1 Calculation of Provision against other assets

	Outstanding amount	Base for Provision	Rate	Provisions Requirement	Provisions Maintained
Prepaid legal exp.	207,940,388	52,770,418	50%	26,385,209	26,385,209
		185,967,889	100%	185,967,889	183,340,791
Protested bills	76,614,116	76,614,116	100%	76,614,116	76,875,678
Others	99,163,564	15,597,210	50%	7,798,605	7,798,605
		83,566,354	100%	83,566,354	85,931,890

Required provision for other assets **380,332,173** **380,332,173**

Total provision requirement 380,332,173

Total provision maintained 380,332,173

Excess provision maintained at the reporting date **-**

	31.12.2023	31.12.2022
	Taka	Taka
15.5 Leasehold Liabilities		
Opening balance of present value of lease liability	317,024,275	508,571,819
Finance Cost @ 8%	17,327,489	35,034,137
Rental payment during the Year	244,281,681	226,581,681
Closing balance of lease liability	90,070,083	317,024,275

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	1,180,000,000	330,000,000
Add. Addition during the period	267,600,000	850,000,000
	1,447,600,000	1,180,000,000

15.6.1 Particulars of required provision for Off-Balance Sheet Items

	Base for Provision	Rate (%)	31 December 2023	31 December 2022
Acceptances and endorsement	7,791,854,700	1%,2%,5%	89,917,755	79,682,164
Letters of guarantee	15,493,215,577	1%,2%,5%	1,126,210,995	881,149,528
Irrevocable letters of credit	10,983,999,316	1%,2%,5%	125,113,685	69,498,120
Others	10,635,756,522	1%	106,357,565	149,370,187
Total Off Balance Sheet Items & required provision	44,904,826,115		1,447,600,000	1,179,700,000
Total provision maintained			1,447,600,000	1,180,000,000
Excess provision at the reporting date			-	300,000

Provision requirement is calculated as per BRPD circular no. 06 dated 25 April 2023. Provision is not required against Off Balance Sheet items of Mumbai Branch BDT 5,936,560,922 as per Reserve Bank of India (RBI) guidelines. * Provision Requirement for Letter of Guarantee in excess of BRPD circular no. 06 dated 25 April 2023 is determined as per BB letter no. DBI-3/101/2023-656 dated 30 April 2024.

15.7 Provision against investments

Provision against quoted shares:

Opening balance	1,082,051,075	940,353,000
Add: Provision made at the end of the period	64,486,544	141,698,075
	1,146,537,619	1,082,051,075
Total provision maintained for Investment in quoted shares	1,146,537,619	1,082,051,075
Total provision requirement for Investment in quoted shares	1,146,537,619	1,082,051,075
Excess provision	-	-

Provision for Pinnacle Global Fund Pte Limited:

Opening balance	820,000,136	649,250,000
Add: Provision made during the period	186,202,814	170,750,136
	1,006,202,950	820,000,136

Provision for Pinnacle Global Fund Pte Limited of BDT 111.35 crore has been deferred as per Bangladesh Bank letters no. DBI-3/101/2024-656 dated 30 April 2024 and DOS(CAMS)1157/41(Dividend)/2024-1842 dated 30 April 2024 respectively. This provision shortfall requires to be kept within 2024.

Provision for Amana Bank Limited, Srilanka:

Opening balance	456,425,382	265,121,984
Add: Provision made during the Year	3,500,000	191,303,398
	459,925,382	456,425,382

Total Provision maintained against investment:

Provision against quoted shares	1,146,537,619	1,082,051,075
Provision for Pinnacle Global Fund Pte Limited	1,006,202,950	820,000,136
Provision for Amana Bank Limited, Srilanka:	459,925,382	456,425,382
	2,612,666,246	2,358,476,593

	31.12.2023	31.12.2022
	Taka	Taka
15(a) Consolidated Other liabilities		
AB Bank PLC.	41,474,954,444	45,714,434,841
AB Investment Limited	1,059,593,725	1,382,478,229
AB International Finance Limited	102,919,599	83,653,804
AB Securities Limited	844,992,537	1,209,050,766
Cashlink Bangladesh Limited (CBL)	40,250	34,500
	43,482,500,555	48,389,652,139
<u>Less: Inter-group transaction</u>	28,657,641	132,699,796
	43,453,842,914	48,256,952,343
16. Share Capital	8,781,321,070	8,609,138,310

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

5,000,000 ordinary shares of BDT 10 each issued for rights

845,913,831 ordinary shares of BDT 10 each issued as bonus shares

100,000,000	100,000,000
50,000,000	50,000,000
8,631,321,070	8,459,138,310
8,781,321,070	8,609,138,310

16.3 Percentage of shareholding

	As at 31 December 2023		As at 31 December 2022	
	No. of shares	%	No. of shares	%
Sponsors and public	873,098,570	99.43	855,978,990	99.43
Govt.	5,033,537	0.57	4,934,841	0.57
	878,132,107	100.00	860,913,831	100.00

16.4 Classification of shareholders by holding

Holding	No. of holders		% of total holding	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Upto 500	25,674	25,495	42.31	42.25
501 to 5,000	24,639	24,644	40.60	40.84
5,001 to 10,000	4,495	4,476	7.40	7.42
10,001 to 20,000	2,825	2,761	4.66	4.58
20,001 to 30,000	1,049	1,019	1.73	1.69
30,001 to 40,000	531	515	0.87	0.85
40,001 to 50,000	279	294	0.46	0.49
50,001 to 100,000	610	596	1.01	0.99
100,001 to 1,000,000	514	482	0.85	0.80
Over 1,000,000	67	64	0.11	0.11
	60,683	60,346	100	100

16.5 Names of the Directors and their shareholding as at 31 December 2023

Name of the Director	Status	No. of Shareholding including nominating institution/individual	
		31 Dec 2023	31 Dec 2022
Barrister Khairul Alam Choudhury Nominated by Pacific Industries	Chairman	85,895,978	84,211,744
Mr. Feroz Ahmed	Director	18,220,070	17,862,814
Mr. Shajir Ahmed Nominated by Hexagon Cehmical Complex Ltd.	Director	20,052,848	23,581,224
Mr. Md. Maqsubul Huq Khan Nominated by Emkay Holdings Limited	Director	17,953,440	17,601,412
Mr. Shafiqul Alam	Independent Director	-	-
Mr. Md. Eskandar Miah	Independent Director	-	-
Mr. Tarique Afzal	President & Managing Director	-	-

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 date) 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, 2023 is Taka 46,853,561,301 as against available Total Tier-I Capital of Taka 28,131,977,030 and Total Tier-2 Capital available of Taka 12,653,639,206 that is, a total of Taka 40,785,616,236 thereby showing a deficit capital of Taka 6,067,945,065 at that date. Details are shown below:

	31.12.2023	31.12.2022
	Taka	Taka
Tier I Capital (Going-Concern Capital)		
Common Equity Tier-I Capital		
Fully Paid-up Capital/Capital Deposited with BB	8,781,321,070	8,609,138,310
Statutory Reserve	8,523,038,323	8,050,124,639
Non-repayable share premium account	-	-
General Reserve	3,044,729,542	3,038,393,964
Retained earnings	4,813,677,126	5,245,437,808
Minority interest in Subsidiaries	12,499,505	12,283,616
Non-Cumulative irredeemable Preference shares	-	-
Dividend Equalization Account	-	-
	25,175,265,567	24,955,378,338
Regulatory adjustment:		
Goodwill and all other Intangible Assets	140,220,046	191,381,492
Shortfall in provisions required against Non Performing Loans	-	-
Shortfall in provisions required against investment in shares	15,755,615	-
Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.	-	-
Deferred Tax Assets (DTA)	2,470,172,300	3,651,352,921
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	29,607,931	27,064,542
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	9,960,000	9,960,000
Other if any	-	-
	2,665,715,893	3,879,758,955
Total Common Equity Tier-I Capital	22,509,549,674	21,075,619,383
Additional Tier-I Capital		
Perpetual bond	5,710,936,000	5,400,000,000
Maximum limit of additional Tier 1 capital	5,622,427,356	5,327,982,450
Excess amount over maximum limit of AT 1	88,508,644	72,017,550
Total Admissible additional Tier 1 capital	5,622,427,356	5,327,982,450
Total Tier-1 Capital	28,131,977,030	26,403,601,833
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	9,393,599,206	8,279,147,141
All other preference shares	-	-
Subordinated debt issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines)	3,270,000,000	4,389,000,000
Minority Interest	-	-
HO borr. in for. Curr. Rec. that meet the criteria of T 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	12,663,599,206	12,668,147,141

	31.12.2023 Taka	31.12.2022 Taka
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	12,653,639,206	12,658,187,141
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 Lower)	14,993,139,616	14,207,953,201
Excess amount over maximum limit of Tier-2 Capital	-	-
Total admissible Tier 2 Capital	12,653,639,206	12,658,187,141
Total Eligible Capital	40,785,616,236	39,061,788,975
Total assets including off-Balance Sheet items	491,262,292,343	465,188,555,334
Total risk-weighted assets (RWA)	374,828,490,409	355,198,830,022
B. Total required capital (12.50% of Total RWA)	46,853,561,301	44,399,853,753
Capital Surplus / (Shortfall) [A-B]	(6,067,945,065)	(5,338,064,778)
Capital to Risk Weighted Assets Ratio (CRAR)	10.88%	11.00%

Solo - Capital to Risk Weighted Assets Ratio (CRAR)

In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to date) 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 2023 is BDT 46,374,523,468 as against available Common Equity Tier-I capital of BDT 26,585,769,495 and Total Tier-2 Capital Available capital of BDT 11,476,970,578 that is, a total of BDT 38,062,840,072 thereby showing a deficit capital of BDT 8,311,683,396 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	8,781,321,070	8,609,138,310
Statutory Reserve	8,523,038,323	8,050,124,639
Non-repayable share premium account	-	-
General Reserve	2,852,199,200	2,852,199,200
Retained earnings	3,504,268,363	4,098,883,468
Minority interest in Subsidiaries	-	-
Non-Cumulative irredeemable Preferences shares	-	-
Dividend Equalization Account	-	-
	23,660,826,956	23,610,345,617

Regulatory adjustment :

Goodwill and all other Intangible Assets	140,220,046	191,381,492
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.	-	-

	31.12.2023	31.12.2022
	Taka	Taka
Deferred Tax Assets (DTA)	2,470,172,300	3,651,352,921
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	29,607,931	27,064,542
Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.	-	-
Investments in subsidiaries which are not consolidated- 50% of Investment	-	-
Other if any	-	-
	2,640,000,278	3,869,798,955
Total Common Equity Tier-I Capital	21,020,826,678	19,740,546,662
Additional Tier-I Capital		
Perpetual bond	5,710,936,000	5,400,000,000
Maximum limit of additional Tier 1 capital	5,564,942,816	5,266,486,500
Excess amount over maximum limit of AT 1	145,993,184	133,513,500
Total Admissible additional Tier 1 capital	5,564,942,816	5,266,486,500
Total Tier-1 Capital	26,585,769,495	25,007,033,162
Tier-2 Capital (Gone concern Capital)		
General Provision/General loan-loss reserve	8,207,070,578	6,799,218,812
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)	3,270,000,000	4,389,000,000
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	11,477,070,578	11,188,218,812
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	11,477,070,578	11,188,218,812
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 Lower)	14,839,847,510	14,043,964,000
Excess amount over maximum limit of Tier 2 Capital	-	-
Total admissible Tier 2 Capital	11,477,070,578	11,188,218,812
Total Eligible Capital	38,062,840,072	36,195,251,975
Total assets including off-Balance Sheet items	487,059,478,095	460,753,104,058
Total risk-weighted assets (RWA)	370,996,187,745	351,099,099,998
B. Total required capital (12.50% of Total RWA)	46,374,523,468	43,887,387,500
Capital Surplus / (Shortfall) [A-B]	(8,311,683,396)	(7,692,135,525)
Capital to Risk Weighted Assets Ratio (CRAR)	10.26%	10.31%

		31.12.2023	31.12.2022
		Taka	Taka
17. Statutory reserve			
In Bangladesh			
Opening balance		7,643,958,957	7,139,362,087
<u>Add</u> : Addition during the year		420,633,601	504,596,869
		8,064,592,558	7,643,958,957
Outside Bangladesh - ABBPLC., Mumbai Branch			
Opening balance		406,165,683	345,547,686
<u>Add</u> : Addition during the period		29,624,047	31,336,234
<u>Add/(Less)</u> : Adjustment for Foreign Exchange Rate Fluctuation		22,758,726	29,281,763
		458,548,456	406,165,683
		8,523,141,014	8,050,124,639
18. Other reserve			
General reserve	(Note 18.1)	2,852,199,200	2,852,199,200
Assets revaluation reserve	(Note 18.2)	758,137,206	758,153,907
Investment revaluation reserve	(Note 18.3)	50,248,621	57,437,932
		3,660,585,027	3,667,791,039
18.1 General reserve		2,852,199,200	2,852,199,200
Opening balance		2,852,199,200	2,852,199,200
Addition/(adjustment) during the Year		-	-
		2,852,199,200	2,852,199,200
18.2 Assets revaluation reserve			
Opening balance		758,153,907	758,171,036
<u>Less</u> : Transferred to retained earnings		(16,701)	(17,129)
		758,137,206	758,153,907
18.3 Investment revaluation reserve (T.Bills & T.Bonds)			
In Bangladesh			
Revaluation Reserve for:			
Held to Maturity (HTM)	Note (18.3.1)	16,581,708	17,365,671
Held for Trading (HFT)	Note (18.3.2)	24,635,880	32,323,508
		41,217,588	49,689,179
Outside Bangladesh			
ABBL, Mumbai Branch		9,031,033	7,748,753
		50,248,621	57,437,932
18.3.1 Revaluation Reserve for Held to Maturity (HTM)			
Opening balance		17,365,671	3,622,914
<u>Add</u> : Addition during the Year		-	15,629,130
		17,365,671	19,252,044
<u>Less</u> : Adjustment during the Year		783,963	1,886,373
		16,581,708	17,365,671
18.3.2 Revaluation Reserve for Held for Trading (HFT)			
Opening balance		32,323,508	33,681,782
<u>Add</u> : Addition during the Year		112,709,032	427,169,416
		145,032,540	460,851,198
<u>Less</u> : Adjustment during the Year		120,396,660	428,527,690
		24,635,880	32,323,508
18(a) Consolidated Other reserve			
AB Bank PLC.		3,660,585,027	3,667,791,039
AB Investment Limited		-	-
AB International Finance Limited		109,111,557	102,507,362
AB Securities Limited		86,190,296	85,910,523
Cashlink Bangladesh Limited (CBL)		-	-
		3,855,886,879	3,856,208,923

	31.12.2023	31.12.2022
	Taka	Taka
19. Retained earnings		
Opening balance	4,098,883,468	4,811,589,856
<u>Add:</u> Post-tax profit for the Year	721,818,118	677,238,715
<u>Less:</u> Transfer to statutory reserve	(450,257,648)	(535,933,103)
Bonus Share Issued	(172,182,760)	(250,751,600)
Cash dividend Paid	-	(167,167,734)
Start-up Fund	(7,218,181)	(6,772,387)
	4,191,042,997	4,528,203,746
<u>Add:</u> Transferred from Assets Revaluation Reserve	16,701	17,129
<u>Add:</u> Adjustment made during the year	(682,455,500)	(377,339,298)
<u>Less:</u> Foreign Exchange Translation loss	(4,438,526)	(51,998,109)
	3,504,165,672	4,098,883,468
19(a) Consolidated Retained earnings		
AB Bank PLC.	3,504,165,672	4,098,883,468
AB Investment Limited	394,879,674	386,568,765
AB International Finance Limited	193,769,967	131,564,660
AB Securities Limited	166,261,226	165,505,837
Cashlink Bangladesh Limited (CBL)	(159,749,191)	(161,898,799)
	4,099,327,349	4,620,623,931
<u>Add/(Less):</u> Adjustment made during the Year	698,419,846	608,770,996
Non-controlling Interest	15,827,240	16,042,881
	4,813,574,434	5,245,437,808
19(b) Non-controlling interest		
AB Investment Limited	10,367	10,355
AB Securities Limited	464,057	463,141
Cashlink Bangladesh Limited	12,025,081	11,810,120
	12,499,505	12,283,617
20. Contingent liabilities	52,779,894,570	51,667,743,668
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	12,550,000	24,002,638
Others	15,481,762,313	14,261,637,755
	15,494,312,313	14,285,640,393
	2023	2022
	Taka	Taka
21. Profit and loss account		
<u>Income:</u>		
Interest, discount and similar income	29,212,551,711	25,442,986,562
Dividend income	112,609,099	226,123,112
Dividend on Perpetual Bonds	-	251,198,385
Fee, commission and brokerage	1,563,575,907	1,409,011,169
Gains less losses arising from investment securities	(15,719,590)	155,488,934
Gains less losses arising from dealing in foreign currencies	457,646,545	1,255,276,599
Other operating income	276,077,536	418,902,916
Gains less losses arising from dealing securities	(152,971,028)	(604,407,287)
	31,453,770,181	28,554,580,390
<u>Expenses:</u>		
Interest, fee and commission	20,623,062,566	17,073,891,844
Administrative expenses	4,303,404,463	4,189,226,730
Other operating expenses	1,311,296,916	1,249,465,558
Depreciation and amortization on banking assets	474,596,200	560,141,573
	26,712,360,145	23,072,725,706
	4,741,410,036	5,481,854,684

	2023	2022
	Taka	Taka
22. Interest income/profit on investments		
Interest on loans and advances:		
Loans and advances	25,190,738,193	21,278,501,118
Bills purchased and discounted	9,482,123	14,348,790
	<u>25,200,220,316</u>	<u>21,292,849,908</u>
Interest on:		
Calls and placements	103,547,681	110,702,653
Balance with foreign banks	155,182,432	36,617,776
Reverse Repo	6,821,654	10,306,268
Balance with Bangladesh Bank	42,864,499	5,147,485
	<u>308,416,265</u>	<u>162,774,182</u>
	<u>25,508,636,581</u>	<u>21,455,624,090</u>
22(a). Consolidated Interest income/profit on investments		
AB Bank PLC.	25,508,636,581	21,455,624,090
AB International Finance Limited	141,240,302	69,038,538
AB Investment Limited	116,349,359	117,208,906
AB Securities Limited	47,205,874	18,466,461
Cashlink Bangladesh Limited (CBL)	3,155,202	2,460,618
	<u>25,816,587,318</u>	<u>21,662,798,612</u>
<u>Less: Intercompany transactions</u>	<u>28,393,943</u>	<u>23,068,068</u>
	<u>25,788,193,376</u>	<u>21,639,730,544</u>
23. Interest/profit paid on deposits, borrowings, etc.		
Interest on deposits:		
Fixed deposits	11,170,202,345	8,493,768,392
Savings deposits	1,145,285,123	1,048,699,600
Special notice deposits	1,380,297,036	1,413,417,147
Other deposits	4,768,583,893	4,137,903,506
	<u>18,464,368,398</u>	<u>15,093,788,645</u>
Interest on borrowings:		
Local banks, financial institutions including BB	1,681,946,990	1,425,862,635
Subordinated Bond	476,747,179	554,240,564
	<u>2,158,694,169</u>	<u>1,979,103,200</u>
	<u>20,623,062,566</u>	<u>17,073,891,844</u>
23(a). Consolidated Interest/profit paid on deposits, borrowings, etc.		
AB Bank PLC.	20,623,062,566	17,073,891,844
AB Investment Limited	-	-
AB International Finance Limited	25,885,184	20,862,620
AB Securities Limited	9,878,126	8,933,135
Cashlink Bangladesh Limited (CBI)	-	-
	<u>20,658,825,876</u>	<u>17,103,687,599</u>
<u>Less: Intercompany transactions</u>	<u>28,393,943</u>	<u>23,068,068</u>
	<u>20,630,431,933</u>	<u>17,080,619,531</u>
24. Investment income		
Capital gain on sale of shares	(15,719,590)	155,488,934
Interest on treasury bills	130,053,383	158,728,143
Dividend on shares	112,609,099	226,123,112
Dividend on Perpetual Bonds	270,000,001	251,198,385
Interest on treasury bonds	3,340,493,304	3,529,889,064
Gain/(Loss) on treasury bills and treasury bonds	(152,971,028)	(604,407,287)
Interest on other bonds & others	233,368,442	298,745,266
	<u>3,917,833,612</u>	<u>4,015,765,616</u>
24(a). Consolidated Investment income		
AB Bank PLC.	3,917,833,612	4,015,765,616
AB Investment Limited	12,329,914	49,276,035
AB International Finance Limited	-	-
AB Securities Limited	17,000,830	21,520,675
Cashlink Bangladesh Limited (CBL)	-	-
	<u>3,947,164,355</u>	<u>4,086,562,326</u>
<u>Less: Intercompany transactions</u>	<u>20,561,436</u>	<u>110,210,286</u>
	<u>3,926,602,919</u>	<u>3,976,352,040</u>

	2023 Taka	2022 Taka
25. Commission, exchange and brokerage		
Other fees, commission and service charges	1,038,636,715	890,552,342
Commission on letters of credit	430,164,681	419,998,937
Commission on letters of guarantee	94,774,511	98,459,890
Exchange gains less losses arising from dealings in foreign currencies	457,646,545	1,255,276,599
	2,021,222,452	2,664,287,768
25(a). Consolidated Commission, exchange and brokerage		
AB Bank PLC.	2,021,222,452	2,664,287,768
AB Investment Limited	18,358,068	46,177,019
AB International Finance Limited	94,218,704	70,644,059
AB Securities Limited	60,903,998	94,997,928
Cashlink Bangladesh Limited (CBL)	-	-
	2,194,703,223	2,876,106,774
<u>Less: Intercompany transactions</u>	<u>(1,534,224)</u>	<u>(1,451,039)</u>
	2,193,168,999	2,874,655,734
26. Other Income		
Locker rent, insurance claim and others	5,249,790	8,211,686
Recoveries on loans previously written off	242,890,673	354,617,876
Recoveries on telex, telephone, fax, etc.	20,831,179	23,578,545
Recoveries on courier, postage, stamp, etc.	5,395,351	5,708,068
Non-operating income (*)	1,710,544	26,786,741
	276,077,536	418,902,916
(*) Non-operating income includes sale of scrap items, Gain on sale of properties etc.		
26(a). Consolidated other income		
AB Bank PLC.	276,077,536	418,902,916
AB Investment Limited	9,575,345	10,293,970
AB International Finance Limited	69,861,949	70,394,064
AB Securities Limited	2,587,124	4,432,529
Cashlink Bangladesh Limited (CBL)	-	-
	358,101,954	504,023,479
<u>Less: Inter company transactions</u>	<u>9,116,520</u>	<u>9,116,520</u>
	348,985,434	494,906,959
27. Salary and allowances		
Basic salary, provident fund contribution and all other allowances	2,883,202,569	2,954,039,920
Festival and incentive bonus	222,275,997	180,127,787
	3,105,478,566	3,134,167,707
27.1 Chief executive's salary and fees	22,700,000	18,958,549
27(a). Consolidated salary and allowances		
AB Bank PLC.	3,105,478,566	3,134,167,707
AB Investment Limited	34,178,626	36,403,945
AB International Finance Limited	36,222,970	32,322,011
AB Securities Limited	41,798,995	44,786,298
Cashlink Bangladesh Limited (CBL)	-	-
	3,217,679,157	3,247,679,962
28. Rent, taxes, insurance, electricity, etc.		
Rent, rates and taxes	429,244,235	317,103,178
Electricity, gas, water, etc.	105,743,875	98,716,027
Insurance	207,835,476	209,143,293
	742,823,587	624,962,498
28.1 Rent, rates and taxes		
Right of Use (ROU) assets has been calculated for the period ended 31 December 2023 as per IFRS-16 leases considering monthly rental expenses excluding low value assets.		

	2023 Taka	2022 Taka
28(a). Consolidated Rent, taxes, insurance, electricity, etc.		
AB Bank PLC.	742,823,587	624,962,498
AB Investment Limited	2,270,854	2,592,123
AB International Finance Limited	10,787,566	9,331,583
AB Securities Limited	3,487,996	3,283,998
Cashlink Bangladesh Limited (CBL)	-	-
	759,370,002	640,170,202
<u>Less: Inter company transactions</u>	9,116,520	9,116,520
	750,253,482	631,053,682
29. Legal expenses		
Legal expenses	18,812,685	23,687,189
29(a). Consolidated legal expenses		
AB Bank PLC.	18,812,685	23,687,189
AB Investment Limited	-	-
AB International Finance Limited	371,506	292,249
AB Securities Limited	198,620	140,250
Cashlink Bangladesh Limited (CBL)	-	3,600
	19,382,811	24,123,289
30. Postage, stamp, telecommunication, etc.		
Telex, fax, internet, wireless link, SWIFT, etc.	83,356,173	75,896,394
Telephone	6,253,863	6,477,515
Postage, stamp and shipping	15,357,292	17,247,717
	104,967,328	99,621,626
30(a). Consolidated Postage, stamp, telecommunication, etc.		
AB Bank PLC.	104,967,328	99,621,626
AB Investment Limited	816,169	801,319
AB International Finance Limited	12,293,724	12,606,741
AB Securities Limited	1,680,864	1,679,327
Cashlink Bangladesh Limited (CBL)	-	200
	119,758,084	114,709,213
31. Stationery, printing, advertisements, etc.		
Printing and stationery	116,752,873	112,103,172
Publicity, advertisement, etc.	52,359,078	14,695,828
	169,111,950	126,798,999
31(a). Consolidated Stationery, printing, advertisements, etc.		
AB Bank PLC.	169,111,950	126,798,999
AB Investment Limited	315,997	357,245
AB International Finance Limited	340,523	229,844
AB Securities Limited	665,772	666,724
Cashlink Bangladesh Limited (CBL)	-	-
	170,434,242	128,052,812
32. Directors' fees		
Directors' fees	1,699,200	1,537,600
Meeting expenses	959,312	234,849
	2,658,512	1,772,449

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

	2023	2022
	Taka	Taka
32(a). Consolidated Directors' fees		
AB Bank PLC.	2,658,512	1,772,449
AB Investment Limited	476,684	256,676
AB International Finance Limited	623,509	451,878
AB Securities Limited	440,000	366,667
Cashlink Bangladesh Limited (CBL)	103,500	207,000
	4,302,205	3,054,670
33. Auditors' fees		
Statutory	1,496,834	1,460,524
Others	1,535,679	1,396,554
	3,032,512	2,857,078
33(a). Consolidated Auditors' fees		
AB Bank PLC.	3,032,512	2,857,078
AB Investment Limited	161,000	161,000
AB International Finance Limited	660,456	569,535
AB Securities Limited	100,000	88,000
Cashlink Bangladesh Limited (CBL)	40,250	34,500
	3,994,218	3,710,113
34. Depreciation and repairs of Bank's assets		
<u>Depreciation :</u>		
Electrical appliances	124,129,939	128,350,471
Furniture and fixtures	17,512,853	18,383,090
Office appliances	1,649,080	1,601,311
Building	14,316,407	14,683,495
Motor vehicles	11,862,854	32,767,889
	169,471,133	195,786,256
Depreciation of ROU (Right Of Use) assets	220,799,987	289,199,987
<u>Repairs:</u>		
Motor vehicles	10,224,254	9,886,622
Electrical appliances	53,470,928	58,567,167
Office premises and others	62,767,371	80,417,300
Furniture and fixtures	1,766,480	2,282,649
Office appliances	5,590,289	5,246,895
	133,819,323	156,400,634
	524,090,443	641,386,877
Amortization of Intangible Assets	84,325,080	75,155,330
	608,415,523	716,542,206
34(a). Consolidated Depreciation and repairs of Bank's assets		
AB Bank PLC.	608,415,523	716,542,206
AB Investment Limited	17,284,750	17,736,661
AB International Finance Limited	615,524	408,453
AB Securities Limited	8,248,851	7,802,014
Cashlink Bangladesh Limited (CBL)	-	-
	634,564,648	742,489,335
35. Other expenses		
Contractual service	513,224,639	439,710,298
Petrol, oil and lubricant	80,356,647	78,872,394
Software expenses	225,784,647	200,836,832
Entertainment	48,588,652	39,039,485
Travelling	21,682,804	13,341,032
Subscription, membership and sponsorship	41,029,945	12,967,724
Training, seminar and workshop	4,458,773	7,055,931
Local conveyance	15,073,252	11,587,188
Professional charges	55,297,109	39,733,958
Books, newspapers and periodicals	1,175,421	1,084,271
Finance charge under lease liability	17,327,489	35,034,137
Donation	70,534,198	139,924,849
Bank Charges	20,687,752	14,569,279
Sundry expenses (*)	196,058,395	215,708,181
	1,311,296,916	1,249,465,558

(*) Sundry expenses includes business promotion, rebate to foreign correspondents and dress of support staff etc.

	2023 Taka	2022 Taka
35(a). Consolidated other expenses		
AB Bank PLC.	1,311,296,916	1,249,465,558
AB Investment Limited	5,595,580	8,929,589
AB International Finance Limited	2,464,261	1,050,648
AB Securities Limited	21,009,008	15,142,546
Cashlink Bangladesh Limited (CBL)	46,475	71,145
	1,340,412,240	1,274,659,486
Less: Inter company transactions	1,534,224	1,451,039
	1,338,878,016	1,273,208,447
36. Provision against loans and advances		
On un-classified loans	1,140,000,000	1,872,148
On classified loans	890,000,000	2,144,306,250
	2,030,000,000	2,146,178,398
36(a). Consolidated provision against loans and advances		
AB Bank PLC.	2,030,000,000	2,146,178,398
AB Investment Limited	80,000,000	65,000,000
AB International Finance Limited	-	-
AB Securities Limited	13,415,199	3,683,314
Cashlink Bangladesh Limited (CBL)	-	-
	2,123,415,199	2,214,861,712
37. Provisions for investments		
Provision for quoted shares in Bangladesh operations	65,000,000	141,698,075
Provision for Pinnacle Global Fund Pte Limited	185,689,358	170,750,136
Provision for Amana Bank Plc	3,500,000	191,303,398
Provision for investment in treasury Bills by Mumbai Branch	-	2,496,197
Total provision for investments	254,189,358	506,247,806
37(a). Consolidated provisions for diminution in value of investments		
AB Bank PLC.	254,189,358	506,247,806
AB Investment Limited	-	68,716,168
AB International Finance Limited	-	-
AB Securities Limited	200,000	1,316,686
Cashlink Bangladesh Limited (CBL)	-	-
	254,389,358	576,280,660
38. Other provision		
Provision for off balance sheet items	267,600,000	120,000,000
Provision for Other assets	49,527,536	(39,500,000)
	317,127,536	80,500,000
Provision for other assets included prepaid legal expenses, protested bills and others has been made as per Bangladesh Bank BRPD Circular # 04 dated 12 April 2022.		
38(a). Consolidated other provisions		
AB Bank PLC.	317,127,536	80,500,000
AB Investment Limited	-	-
AB International Finance Limited	-	-
AB Securities Limited	280,024	-
Cashlink Bangladesh Limited (CBL)	-	-
	317,407,560	80,500,000

	31.12.2023	31.12.2022
	Taka	Taka
39. Appropriations		
Retained earnings - brought forward	4,098,883,468	4,811,589,856
<u>Add:</u> Post-tax profit for the year	721,818,118	677,238,715
	4,820,701,586	5,488,828,571
<u>Less:</u> Cash dividend	-	167,167,734
<u>Less:</u> Dividend-Bonus shares issued	172,182,760	250,751,600
	4,648,518,826	5,070,909,237
Transferred to		
Statutory reserve	450,257,648	535,933,103
Start-up Fund	7,218,181	6,772,387
	457,475,830	542,705,490
Retained earnings	4,191,042,996	4,528,203,746
<u>Add:</u> Transferred from Assets Revaluation Reserve	16,701	17,129
<u>Add/Less:</u> Adjustment during the year	(682,455,500)	(377,339,298)
<u>Add:</u> Foreign Exchange translation gain/(Loss)	(4,438,526)	(51,998,109)
	3,504,165,672	4,098,883,468
	2023	2022
	Taka	Taka
40 Basic Earnings Per Share (EPS)		
Profit after taxation	721,818,118	677,238,715
Number of ordinary shares outstanding	878,132,107	878,132,107
Basic Earnings Per Share	0.82	0.77
40.(a) Consolidated Basic Earnings Per Share		
Net Profit/(Loss) attributable to the shareholders of parent company	893,524,622	714,195,976
Number of ordinary shares outstanding	878,132,107	878,132,107
Consolidated Basic Earnings Per Share	1.02	0.81
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, 2023.		
41. Receipts from other operating activities		
Interest on treasury bills, bonds, debenture and others	3,535,224,512	3,538,444,119
Exchange earnings	1,069,927,998	2,083,197,778
Recoveries on telex, telephone, fax, etc.	20,831,179	23,578,545
Recoveries on courier, postage, stamp, etc.	5,395,351	5,708,068
Non-operating income	1,710,544	26,786,741
Others	5,249,790	8,211,686
	4,638,339,373	5,685,926,938
42. Payments for other operating activities		
Rent, taxes, insurance, electricity, etc.	980,935,268	948,627,275
Postage, stamps, telecommunication, etc.	104,967,328	99,621,626
Repairs of Bank's assets	133,819,323	156,400,634
Legal expenses	18,812,685	23,687,189
Auditor's fees	3,032,512	2,857,078
Directors' fees	2,658,512	1,772,449
Other Expenses	1,293,969,427	1,214,431,421
	2,538,195,055	2,447,397,672
43. Increased/(Decrease) in other assets		
Investment in subsidiaries	6,229,114,922	6,229,114,922
Advance rent and advertisement	128,877,815	159,881,795
Stationery, stamps, printing materials, etc.	41,831,957	71,462,423
Security deposits	77,267,665	72,623,086
Commission and brokerage receivable on snares and debentures, and other income receivables	1,224,490,582	1,214,753,020
Accounts receivable	1,434,650,970	1,667,622,589
Preliminary, formation, organizational, renovation, development and prepaid expenses	810,710,572	533,005,552
Exchange for clearing	1,737,271,318	663,210,910
Inter-branch adjustment	-	147,414
Arab Bangladesh Bank Foundation	19,920,000	19,920,000
	11,704,135,803	10,631,741,712
Net (Decrease)/ Increase	1,072,394,091	(1,039,364,662)

	2023	2022	
	Taka	Taka	
44. Increase/(decrease) in other liabilities			
Accumulated provision against loans and advances	26,136,828,747	27,260,466,185	
Provision for current tax	345,396,221	1,126,116,056	
Interest suspense account	9,051,419,845	11,773,479,961	
Accounts payable - Bangladesh Bank	17,829,020	17,503,601	
Provision against other assets	380,332,173	334,959,106	
Accrued expenses	109,212,630	117,779,412	
Provision against investments	2,612,666,246	2,358,476,593	
Provision against off balance sheet items	1,447,600,000	1,180,000,000	
Others	1,254,188,392	1,207,062,630	
	41,355,473,273	45,375,843,544	
<u>Less: Adjustment for provision and others</u>	<u>32,901,558,458</u>	<u>32,921,768,458</u>	
	9,866,714,222	12,454,075,086	
Net Decrease	(2,587,360,864)	(896,140,156)	
45. Net Operating Cash Flow Per Share (NOCFPS)			
Net Operating Cash Flow	10,808,794,935	(17,424,793,972)	
Weighted average number of shares	878,132,107	878,132,107	
Net Operating Cash Flow Per Share (NOCFPS)	12.31	(19.84)	
45(a) Consolidated Net Operating Cash Flow Per Share (NOCFPS)			
Net Operating Cash Flow	9,831,859,392	(16,790,462,989)	
Weighted average number of shares	878,132,107	878,132,107	
Net Operating Cash Flow Per Share (NOCFPS)	11.20	(19.12)	
46 Net Asset Value Per Share (NAVPS)			
Net Asset Value	24,469,212,783	24,425,937,456	
Number of shares outstanding a the end of the period	878,132,107	878,132,107	
Net Asset Value Per Share (NAVPS)	27.87	27.82	
46(a) Consolidated Net Asset Value Per Share (NAVPS)			
Net Asset Value	25,973,923,398	25,760,909,681	
Number of shares outstanding a the end of the Year	878,132,107	878,132,107	
Net Asset Value Per Share (NAVPS)	29.58	29.34	
47. Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities			
Cash flows from operating activities			
Net Profit after Taxation	721,818,118	677,238,715	
Provision for Tax	1,688,275,024	2,071,689,766	
Provision for Loans, Invstment and others	2,601,316,894	2,732,926,204	
Increase in interest receivable	4,936,410,421	(5,291,376,221)	
(Decrease)/Increase interest Payable on Deposits	967,170,071	300,366,073	
Non cash items, Lease impact and others	253,812,008	271,510,933	
Income tax paid	(1,244,237,003)	(1,874,135,760)	
Effect of exchange rate changes on cash & cash equivalents	612,281,453	827,921,179	
Operating Profit before changes in operating assets & liabilities	10,536,846,987	(283,859,112)	
48. Conversion Rates			
Assets and liabilities as at December 31, 2023 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	140.4471
European Currency	EURO	1.00	121.8774
Indian Rupee	INR	1.00	1.3180
US Dollar	USD	1.00	109.7500
Honkong Dollar	HKD	1.00	14.0524

49. Highlights of the overall activities of the Bank

(Amount in Taka)

Sl no.	Particulars	31 Dec 2023	31 Dec 2022
1	Paid-up capital	8,781,321,070	8,609,138,310
2	Total capital	38,062,840,072	36,195,251,975
3	Capital surplus/(shortfall)	(8,311,683,396)	(7,692,135,525)
4	Total assets	434,279,583,525	409,085,360,391
5	Total deposits	354,774,379,687	316,697,269,309
6	Total loans and advances	317,122,559,016	312,068,149,520
7	Total contingent liabilities and commitments	52,779,894,570	51,667,743,668
8	Credit-deposit ratio*	85.32%	92.26%
9	Ratio of classified loans against total loans and advances	30.00%	20.23%
10	Profit after tax and provision	721,818,118	677,238,715
11	Loans classified during the Year	46,809,700,000	23,983,274,544
12	Provision kept against classified loans	19,377,358,169	21,641,247,373
13	Provision surplus/ (deficit)	-	-
14	Cost of fund	7.44%	6.85%
15	Interest earning assets	286,478,577,604	310,658,053,495
16	Non-interest earning assets	147,801,005,921	98,427,306,896
17	Return on investments (ROI)	7.40%	6.86%
18	Return on assets (ROA)	0.17%	0.17%
19	Income from investments	3,917,833,612	4,015,765,616
20	Earnings per share	0.82	0.79
21	Net Income per share	0.82	0.79
22	Price-earnings ratio (Times)	11.80	12.58

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

-Sd-
Tarique Afzal
Managing Director & CEO

-Sd-
Md. Eskandar Miah
Independent Director

-Sd-
Shafiqul Alam
Independent Director

-Sd-
Khairul Alam Choudhury
Chairman

AB Bank PLC.
Currency wise Balances

Name of the bank	Location	Name of currency	As at December 31, 2023		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in BDT
Commerz Bank CAD	Germany	CAD	24,576	83.0873	2,041,918
Commerz Bank CHF	Germany	CHF	45,387	130.1435	5,906,856
Zhei Chou Commercial Bank Co. Ltd.	China	CNY	288,276	15.3462	4,423,938
Commerz Bank AG	Germany	EUR	49,956	121.8774	6,088,557
The Bank of Tokyo Mitsubishi Limited	Japan	JPY	18,021,401	0.7738	13,944,960
JP Morgan Chase Bank	Newyork	USD	17,859,737	109.7500	1,960,106,112
Myanmar Economic Bank	Myanmar	ACU	410	109.7500	44,998
Citibank NA	Newyork	USD	9,911,999	109.7500	1,087,841,858
Hatton National Bank Limited	Colombo	ACU	13,792	109.7500	1,513,688
Commerz Bank AG	Germany	USD	46,952	109.7500	5,153,029
MCB Bank Ltd	Karachi	ACU	45,527	109.7500	4,996,559
Nabil Bank Limited	Nepal	ACU	1,668	109.7500	183,036
Mashreq Bank Psc	Newyork	USD	5,363,589	109.7500	588,653,857
Habib America Bank	Newyork	USD	6,459,201	109.7500	708,897,255
Habib Metro Bank	Karachi	ACU	38,047	109.7500	4,175,613
MFT, Yangon	Myanmar	ACU	1,000	109.7500	109,750
Sonali Bank (Kolkata)	Kolkata	ACU	4,418	109.7500	484,907
Zhei Chou Commercial Bank Co. Ltd.	China	USD	17,493	109.7500	1,919,817
JPMC NY (OBU)	Newyork	USD	414,841	109.7500	45,528,832
Commerz Bank AG (OBU)	Germany	EUR	14,065	121.8774	1,714,201
HDFC Bank CSGL	India	INR	148,957	1.318033	196,330
HDFC Bank Limited	India	INR	23,418,220	1.318033	30,865,995
Kotak Mahindra Bank	India	INR	8,214,876	1.318033	10,827,480
Habib American Bank Limited	Newyork	USD	5,357,450	109.7500	587,980,089
JP CHASE ACU	Newyork	USD	10,744,086	109.7500	1,179,163,423
Reserve Bank of India	Mumbai	ACU	62,371,385	1.318033	82,207,565
Total					6,334,970,622

AB Bank PLC.
Investment in Shares
As at 31 December 2023

Amount in Taka

Particulars	Number of shares	Market price per share	Total market price	Cost per Share	Total cost
Quoted ordinary share					
IFIC Bank PLC.	6,063,338	11.20	67,909,386	15.75	95,477,656
National Bank PLC.	4,102,825	8.30	34,053,448	13.51	55,415,398
First Janata Bank Mutual Fund	322,865	6.10	1,969,477	8.30	2,679,780
AB Bank 1st Mutual Fund	37,086,435	5.20	192,849,462	6.27	232,672,073
Green Delta Mutual Fund	3,255,663	6.90	22,464,075	8.18	26,622,003
LR Global Bangladesh Mutual Fund One	10,369,343	6.40	66,363,795	9.64	100,000,000
Popular Life First Mutual Fund	748,477	5.10	3,817,233	5.12	3,829,325
Trust Bank 1st Mutual Fund	1,920,904	5.60	10,757,062	6.45	12,385,876
Dhaka Electric Supply Company Limited	7,023,759	36.60	257,069,579	87.73	616,189,377
Khulna Power Company Limited	345,865	26.60	9,200,009	88.49	30,606,883
Padma Oil Company Limited	347,094	209.20	72,612,065	299.66	104,010,918
Powergrid Company of Bangladesh Limited	4,936,500	52.40	258,672,600	77.25	381,352,927
Trust Islami Life Insurance Ltd.	6,576	55.10	362,338	10.00	65,760
Al-Madina Pharmaceuticals Limited	4,804	40.70	195,523	10.00	48,040
Beximco Pharmaceuticals Limited	729,147	146.20	106,601,291	193.39	141,008,353
Orion Pharma Limited	1,729,114	79.60	137,637,474	96.65	167,116,595
BBS Cables Limited	1,681,226	49.90	83,893,177	79.46	133,584,799
BSRM Steels Limited	2,422,818	63.90	154,818,070	98.32	238,205,561
GPH Ispat Limited	529,750	42.70	22,620,325	51.80	27,441,421
IFAD Autos Limited	1,062,703	44.10	46,865,202	79.50	84,481,704
Olympic Industries Limited	9,259	152.00	1,407,368	222.14	2,056,839
Heidelberg Cement Bangladesh Limited	66,720	239.50	15,979,440	555.88	37,088,160
Argon Denims Limited	2,181,264	18.20	39,699,005	33.05	72,096,990
Ring Shine Textiles Limited	502	9.80	4,920	7.62	3,823
Shasha Denims Limited	1,935,378	27.00	52,255,206	38.52	74,546,499
Union Capital Limited	2,440,006	8.90	21,716,053	61.08	149,037,209
Agro Organica PLC	3,695	17.60	65,032	10.00	36,950
ADN Telecom Limited	453,900	117.10	53,151,690	144.98	65,805,636
Bangladesh Submarine Cable Com Ltd	34,330	218.90	7,514,837	200.84	6,894,734
Genex Infosys Limited	95,680	65.40	6,257,472	91.65	8,768,609
SAIF Powertec Limited.	2,741,567	29.70	81,424,540	39.24	107,576,104
MK Footwear PLC	9,031	50.00	451,550	10.00	90,310
Total			1,830,658,704		2,977,196,312

Quoted (Under special fund and investment policy as per DOS Circular no.01/2020)

Particulars	Number of shares	Market price per share	Total market price	Cost per Share	Total cost
Grameen One : Scheme 2	3,865,039	15.20	58,748,593	18.29	70,707,495
NLI First Mutual Fund	600,000	14.40	8,640,000	15.81	9,485,212
Beximco Pharmaceuticals Limited	1,500,004	146.20	219,300,585	215.50	323,246,983
Orion Pharma Limited	713,090	79.60	56,761,964	117.07	83,483,199
Silco Pharmaceuticals Limited	1,879,272	23.40	43,974,965	25.57	48,044,879
Beximco Green Sukuk Al Istisna'a	5,434,344	85.00	461,919,240	100.00	543,434,400
Bangladesh Export Import Company Ltd.	1,420,993	115.60	164,266,791	86.70	123,200,125
LankaBangla Finance Ltd.	1,016,972	26.00	26,441,272	39.86	40,540,232
Powergrid Company of Bangladesh Limited	589,264	52.40	30,877,434	63.00	37,123,697
ADN Telecom Limited	69,752	117.10	8,167,959	139.55	9,734,178
BBS Cables Limited	356,839	49.90	17,806,266	56.20	20,054,845
GPH Ispat Limited	2,958,445	42.70	126,325,602	50.12	148,282,898
Argon Denims Limited	99,091	18.20	1,803,456	18.83	1,865,577
Total			1,225,034,126		1,459,203,720

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

Total un-quoted shares (b)**232,116,130****Strategic Investment:**

Particulars	Number of shares	Cost price	Book Value
Amana Bank Limited PLC, Srilanka	200,958,431	616,735,915	156,810,532
Total Strategic Investment (c)	200,958,431	616,735,915	156,810,532
Total investment (a+b+c)			4,825,326,695

AB Bank PLC.
Schedule of Fixed Assets
As of 31 December 2023

Amount in Taka

Particulars	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Right of Use Assets	Total
Cost/ Revaluation								
Balance at 01 January 2023	2,271,171,345	349,155,772	63,105,254	2,155,441,494	260,944,343	982,430,452	1,329,421,828	7,411,670,488
Addition during the period	-	5,330,058	2,488,100	43,480,057	-	33,144,996	-	84,443,211
Less: Disposal/Adjustment during the period	-	12,377,651	2,598,652	123,664,023	-	-	-	138,640,325
Adjustment for USD/ INR Rate Fluctuation	-	186,148	160,595	1,826,636	206,948	1,418,087	-	3,798,414
At 31 December 2023	2,271,171,345	342,294,328	63,155,297	2,077,084,164	261,151,291	1,016,993,535	1,329,421,828	7,361,271,787
Accumulated Depreciation								
Balance at 01 January 2023	201,130,996	196,727,063	56,207,235	1,705,866,889	199,148,621	791,048,958	1,012,377,844	4,162,507,606
Addition during the period	14,316,407	17,512,853	1,649,080	124,129,938	11,862,854	84,325,080	220,799,987	474,596,199
Less: Disposal/Adjustment during the period	-	11,314,819	2,540,244	120,470,543	-	-	-	134,325,606
Adjustment for USD/ INR Rate Fluctuation	-	176,207	157,522	1,525,105	206,948	1,399,451	-	3,465,233
At 31 December 2023	215,447,403	203,101,304	55,473,593	1,711,051,389	211,218,423	876,773,489	1,233,177,831	4,506,243,432
Net Book Value								
At 31 December 2023	2,055,723,941	139,193,024	7,681,704	366,032,775	49,932,868	140,220,047	96,243,997	2,855,028,355

As of 31 December 2022

Particulars	Land and Building	Furniture and Fixtures	Office Appliances	Electrical Appliances	Motor Vehicles	Intangible Assets	Right of Use Assets	Total
Cost/ Revaluation								
Balance at 01 January 2022	2,271,171,345	346,946,966	65,810,463	2,087,453,267	323,725,176	910,541,641	1,329,421,828	7,335,070,685
Addition during the year	-	3,763,250	1,477,000	94,137,957	10,147,500	69,588,664	-	179,114,371
Less: Disposal/Adjustment during the year	-	1,813,968	2,054,355	30,744,057	73,216,856	-	-	107,829,236
Adjustment for USD/ INR Rate Fluctuation	-	259,524	(2,127,854)	4,594,327	288,523	2,300,148	-	5,314,668
At 31 December 2022	2,271,171,345	349,155,773	63,105,254	2,155,441,495	260,944,343	982,430,450	1,329,421,828	7,411,670,487
Accumulated Depreciation								
Balance at 01 January 2022	186,447,501	179,483,806	58,722,183	1,602,090,540	239,324,068	713,636,770	723,177,857	3,702,882,725
Addition during the year	14,683,495	18,383,090	1,601,310	128,350,472	32,767,889	75,155,330	289,199,987	560,141,572
Less: Disposal/Adjustment during the year	-	1,382,289	2,013,519	28,959,095	73,216,822	-	-	105,571,725
Adjustment for USD/ INR Rate Fluctuation	-	242,456	(2,102,739)	4,384,972	273,486	2,256,858	-	5,055,033
At 31 December 2022	201,130,996	196,727,063	56,207,235	1,705,866,889	199,148,621	791,048,958	1,012,377,844	4,162,507,606
Net Book Value								
At 31 December 2022	2,070,040,349	152,428,709	6,898,019	449,574,605	61,795,722	191,381,495	317,043,984	3,249,162,881

AB Bank PLC.

**Detailed of Risk Weighted Assets under Basel III
As at 31 December 2023**

Risk Weighted Assets (RWA) for	31.12.2023		31.12.2022	
	Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
A. Credit Risk				
On- Balance sheet (as shown below)	401,567,439,901	334,885,198,548	367,919,626,951	314,237,657,505
Off-Balance sheet (as shown below)	13,850,268,725	10,594,420,447	13,471,011,058	8,929,573,136
B. Market Risk	-	8,085,668,254	-	9,952,748,917
C. Operational Risk	-	17,430,900,495	-	17,979,120,440
Total RWA (A+B+C)	415,417,708,626	370,996,187,745	381,390,638,009	351,099,099,998

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Credit Risk - On Balance Sheet

Sl.	Exposure Type	31.12.2023		31.12.2022	
		Exposure	Risk Weighted Asset	Exposure	Risk Weighted Asset
a)	Cash and Cash Equivalents	1,465,589,863	-	1,728,331,779	-
b)	Claims on Bangladesh Government and Bangladesh Bank	60,157,762,731	-	48,368,383,104	-
c)	Claims on other Sovereigns & Central Banks*	722,134,022	361,067,011	685,352,757	342,676,378
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	582,444,308	150,847,111	693,644,731	197,762,750
	ii) Maturity less than 3 months	9,649,050,231	1,929,810,046	7,225,822,300	1,445,164,460
h)	Claims on Corporate (excluding equity exposure)	159,690,135,874	152,467,368,624	185,554,313,796	186,642,212,550
i)	Claims on SME	23,560,383,257	20,467,488,384	25,414,106,256	21,903,294,952
j)	Claims under Credit Risk Mitigation	13,951,425,021	5,784,080,376	10,965,277,528	4,225,218,179
	Fixed Risk Weight Groups:				
k)	Claims categorized as retail portfolio (excluding consumer loan)	2,247,602,772	1,685,702,079	885,172,071	663,879,053
l)	Consumer Loan	2,706,462,377	2,706,462,377	2,380,865,472	2,380,865,472
m)	Claims fully secured by residential property	266,470,267	133,235,133	411,027,678	205,513,839
n)	Claims fully secured by commercial real estate	7,610,538,619	7,610,538,619	10,591,615,185	10,591,615,185
o)	Past Due Claims (Risk weights are to be assigned net of specific provision)	81,830,803,149	105,732,638,232	47,586,820,869	60,710,411,578
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	100,500,000	100,500,000	55,605,000	55,605,000
q)	Investments in venture capital	469,821,302	469,821,302	469,821,302	469,821,302
r)	Claim on Capital Market Exposure	1,413,186,792	1,766,483,489	1,074,425,585	1,343,031,981
s)	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	10,311,329,750	12,889,162,188	11,111,329,750	13,889,162,188
t)	Investments in premises, plant and equipment and all other fixed assets	2,624,738,226	2,624,738,226	2,740,757,114	2,740,757,114
u)	Claims on all fixed assets under operating lease	-	-	-	-
v)	All other assets	22,207,061,339	18,005,255,349	9,976,954,673	6,430,665,524
	Total	401,567,439,901	334,885,198,548	367,919,626,951	314,237,657,505

BDT

AB Bank PLC.

**Detailed of Risk Weighted Assets under Basel III
As at 31 December 2023**

Credit Risk - Off Balance Sheet

BDT

Sl.	Exposure Type	31.12.2023		31.12.2022	
		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	9,170,559	1,834,112	24,002,638	4,800,528
g)	Claims on Corporate (excluding equity exposure)	10,766,613,380	7,929,735,215	10,113,311,951	6,598,912,888
h)	Against retail portfolio (excluding consumer loan)	134,724,435	101,043,326	125,595,858	94,196,894
hi)	Claims on SME	2,939,751,164	2,561,798,607	3,208,100,611	2,231,662,827
i)	Consumer Loan	9,188	9,188	-	-
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	13,850,268,725	10,594,420,447	13,471,011,058	8,929,573,136

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III) As at 31 December 2023

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 date).

Basel III guidelines are structured on the following aspects:

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

2. Scope of application

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

- Solo Basis refers to all position of the Bank and its local and overseas branches/offices; and
Consolidated basis refers to all position of the bank (including its local and overseas branches/offices) and its subsidiary company(ies) engaged in financial (excluding insurance) activities like Merchant banks, Brokerage Firms, Discount Houses, etc. (if any).

AB Bank followed the scope narrated above. Bank has Tier 1 capital (going concern) and Tier 2 capital (gone concern) structure at the moment.

3. Capital base

Regulatory capital has been categorised into following way:

- 1) Tier 1 capital (going concern capital)
 - a) Common equity Tier I
 - b) Additional Tier I
- 2) Tier 2 capital (gone concern)

1. (a) Common Equity Tier 1 Capital

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

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

Less: Regulatory adjustments applicable on CET1

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III) As at 31 December 2023

1. (b) Additional Tier 1 Capital

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

- a) Instruments issued by the banks that meet the qualifying criteria for AT1
- b) Non-controlling Interest i.e. AT1 issued by consolidated subsidiaries to third parties (for consolidated reporting only);

Less: Regulatory adjustments applicable on AT1 Capital

2. Tier 2 Capital

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

- a) General provisions
- b) Subordinated debt / Instruments issued by the Banks that meet the qualifying criteria for Tier 2 capital;
- c) 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 (For the purpose of calculating Tier 1 capital and CRAR, the excess Additional Tier 1 capital and Tier-2 capital can only be recognized if the bank has CET1 ratio in excess of the minimum requirement of 7.0% (i.e. 4.5% plus capital conservation buffer of 2.5%). Further, any excess Additional Tier 1 and Tier 2 capital will be recognized in the same proportion as stipulated above i.e. the recognition of excess Additional Tier 1 (above 1.5%) is limited to the extent of 33.3% (1.5/4.5) of the CET1 in excess of 7.0% requirement. Similarly, the excess Tier 2 capital (above 4.0%) shall be recognized to the extent of 88.89% (4.0/4.5) of the CET1 in excess of 7.0% requirement.)
- 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

Minimum capital requirements of the BASEL III:

Particulars	2023
Minimum Common Equity Tier-1 Capital Ratio	4.50%
Capital Conservation Buffer	2.50%
Minimum CET-1 plus Capital Conservation Buffer	7.00%
Minimum T-1 Capital Ratio	6.00%
Minimum Total Capital Ratio	10.00%
Minimum Total Capital plus Capital Conservation Buffer	12.50%

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

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 3.25% 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.

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

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

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.

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

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 PLC.
(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The consolidated financial statements of the Bank include the financial statements of (a) AB Bank PLC. (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: <u>AB Bank PLC. (ABBP)</u> AB Bank PLC. 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 date) . 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 PLC. 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).
(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).	<u>AB Investment Limited</u> AB Investment Limited (ABIL), a Subsidiary of AB Bank PLC. 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 PLC. independently. AB Investment Limited started its operation on 10 March 2010. AB Investment Limited has achieved an unparallel reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship. ABIL's Registered Office is located at WW Tower (Level 7), 68 Motijheel C.A., Dhaka. ABIL has two branch offices at Agrabad, Chittagong and Chowhatta, Sylhet.

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

(b)		<p><u>AB Securities Limited</u> Brokerage business of Arab Bangladesh Bank Foundation has been transferred to the newly formed AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. Main objective of the company is to act as a stock broker to buy and sell Securities, Bond, Debenture, etc. on behalf of clients. ABSL also manages its own portfolio under Stock Dealer License. ABSL is a member of both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. ABSL started its operation independently on 02 August 2010, before that it was operated under the ABBF License.</p> <p><u>Cashlink Bangladesh Limited</u> Cashlink Bangladesh Limited (CBL) was incorporated on 24 September 2008 in Bangladesh under the Companies Act 1994 as a private company limited. AB Bank PLC. 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.</p> <p><u>AB International Finance Limited</u> AB International Finance Limited (ABIFL) is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at Room 1608, 16th Floor, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Hong Kong.</p> <p><u>Arab Bangladesh Bank Foundation</u> 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.	Aggregate amount of Capital: BDT. 20,000,000 Name of subsidiary: Arab Bangladesh Bank Foundation (ABBF)

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

B) Capital structure

Qualitative disclosure

(a)	<p>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>	<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 date), 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 Perpetual Bond BDT 571.09 crore as Additional Tier I Capital as on the reporting period.</p> <p>Tier 2 Capital a) General provisions b) Subordinated debt / instruments issued by the banks that meet the qualifying criteria for Tier 2 capital c) Noncontrolling interest i.e. Tier 2 issued by consolidated subsidiaries to third parties as specified Less: Regulatory adjustments applicable on Tier 2 capital</p>
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AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023

		BDT in Crore			
		31.12.2023		31.12.2022	
		Solo	Conso	Solo	Conso
(b) The amount of Regulatory capital, with separate disclosure of: CET 1 Capital	> Paid up Capital	878	878	861	861
	> Non- repayable share premium account	-	-	-	-
	> Statutory reserve	852	853	805	805
	> General reserve	285	304	285	304
	> Retained earnings	350	481	410	525
	> Non- Controlling Interest	-	1	-	1
	> Non- cumulative irredeemable preference shares	-	-	-	-
	> Dividend equalization account	-	-	-	-
		2,366	2,518	2,361	2,496
Additional Tier 1 Capital		556	562	527	533
Total Tier 1 Capital		2,923	3,080	2,888	3,028
Tier 2 Capital		1,148	1,265	1,119	1,266
(c) Regulatory Adjustments/Deductions from capital		264	267	387	388
(d) Total eligible capital		3,806	4,079	3,620	3,906
Qualitative Disclosures					
(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.				
		Taka in Crore			
		31.12.2023		31.12.2022	
		Solo	Conso	Solo	Conso
(b)	Capital requirement for Credit Risk:	3,454.80	3,476.89	3,231.67	3,255.89
(c)	Capital requirement for Market Risk:	80.86	88.99	99.53	108.89
(d)	Capital requirement for Operational	174.31	182.51	179.79	187.21
(e)	Total capital, CET 1 capital, Total Tier 1 capital and Tier 2 capital ratio:				
	Total minimum capital requirement @10%	3,709.96	3,748.40	3,510.99	3,551.99
	Total capital maintained	3,806.28	4,078.56	3,619.53	3,906.18
	Minimum Tier 1 capital requirement	6.00%	6.00%	6.00%	6.00%
	Common Equity Tier-I capital maintained	5.67%	6.01%	5.62%	5.93%
	Additional Tier-I capital maintained	1.50%	1.50%	1.50%	1.50%
	Tier 2 capital ratio maintained	7.17%	7.51%	7.12%	7.43%
	Min. total capital plus capital conservation buffer requirement	12.50%	12.50%	12.50%	12.50%
	Min. total capital plus capital conservation buffer maintained	10.26%	10.88%	10.31%	11.00%
(f)	Capital Conservation Buffer				
	Capital conservation buffer requirement	2.50%	2.50%	2.50%	2.50%
	Capital conservation buffer maintained	0.26%	0.88%	0.00%	0.00%
(g)	Available Capital under Pillar 2 requirement	96.32	330.17	108.53	354.19

Provision against loans and advances and Pinnacle Global Fund Pte Limited has been maintained as per Bangladesh Bank letter no. DBI-3/101/2024-656 dated 30 April 2024 and DOS(CAMS)1157/41(Dividend)/2024-1842 dated 30 April 2024 respectively. According to those letters, there is a provision shortfall of Tk. 8,041.81 crore (Total requirement is BDT 10,655.02 crore and total maintained is BDT 2,613.21 crore) against loans and advances & investment provision shortfall BDT 111.35 crore against Pinnacle Global requires to be kept within 2024.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

D) Credit Risk

Qualitative disclosure

<p>(a) The general qualitative disclosure requirement with respect to credit</p> <p>> Definitions of past due and impaired (for accounting purposes)</p>	<p>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,</p> <p>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.</p> <p>Classified loan is categorized under following 03 (three) categories:</p> <ul style="list-style-type: none"> > Sub-standard > Doubtful > Bad/Loss <p>> 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)".</p> <p>> "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)".</p> <p>> '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)".</p>																																																															
<p>> Description of approaches followed for specific and general allowances and statistical methods</p>	<p>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. 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 dated 20 February 2018, BRPD Circular No. 03 dated 21 April 2019, BRPD Circular No. 16 dated 21 July 2020, BRPD Circular letter No. 52 dated 20 October 2020, BRPD Circular letter No. 56 dated 10 December 2020, BRPD Circular letter No. 50 dated 14 December 2021, BRPD Circular letter No. 52 dated 29 December 2021, BRPD Circular letter No. 53 dated 30 December 2021, BRPD Circular letter No. 53 dated 22 December 2022, BRPD Circular letter No. 03 dated 02 February 2023 and BRPD Circular letter No. 06 dated 25 April 2023. The rates for provisions are stated below:</p> <table border="1" data-bbox="602 1583 1520 1879"> <thead> <tr> <th 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/M Bs/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> </thead> <tbody> <tr> <td rowspan="2">UC</td> <td>Standard</td> <td>1%</td> <td>2%</td> <td>1%</td> <td>2%</td> <td>2%</td> <td>0.25%</td> <td>1%</td> <td>1%</td> <td rowspan="2">1%, 2% & 5%</td> </tr> <tr> <td>SMA</td> <td>-</td> <td>2%</td> <td>1%</td> <td>2%</td> <td>2%</td> <td>0.25%</td> <td>1%</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>5%, 20%</td> <td>20%</td> <td>20%</td> <td rowspan="3">5%</td> </tr> <tr> <td>DF</td> <td>5%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>50%</td> <td>20%, 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> </tbody> </table> <p>2% Special General Provision for COVID-19 has been kept as per BRPD circular letter no. 56 dated 10 December 2020 and BRPD circular letter no. 50 dated 14 December 2021 respectively.</p>	Particulars	Short Term Agri Credit	Consumer Financing				SMEF	Loans to BHs/M Bs/SDs	All Other Credit	Off Balance Sheet Exposures	Other than HF, LP	HF	LP	Credit Card	UC	Standard	1%	2%	1%	2%	2%	0.25%	1%	1%	1%, 2% & 5%	SMA	-	2%	1%	2%	2%	0.25%	1%	1%	Classified	SS	5%	20%	20%	20%	20%	5%, 20%	20%	20%	5%	DF	5%	50%	50%	50%	50%	20%, 50%	50%	50%	BL	100%	100%	100%	100%	100%	100%	100%	100%
Particulars	Short Term Agri Credit			Consumer Financing								SMEF	Loans to BHs/M Bs/SDs	All Other Credit	Off Balance Sheet Exposures																																																	
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	BL	100%	100%	100%	100%	100%	100%	100%	100%																																																							

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

D) Credit Risk

Qualitative disclosure (cont.)

<p>> Discussion of the Bank's credit risk management policy</p>	<p>The Board approves the credit policy keeping in view relevant Bangladesh Bank guidelines to ensure best practice in credit risk management and maintain quality of assets. Authorities are properly delegated in ensuring check and balance in credit operation at every stage i.e. screening, assessing risk, identification, management and mitigation of credit risk as well as monitoring, supervision and recovery of loans with provision for early warning system. There is a separate Credit Risk Management Division for ensuring proper risk management of Loans and Credit 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 large loans, sectoral exposures etc. among others limit.</p>
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		31.12.2023		31.12.2022	
		In (%)	BDT/Crore	In (%)	BDT/Crore
(b) Total gross credit risk exposures broken down by major types of credit exposure	Overdraft	5.72%	1,814	5.47%	1,708
	Cash credit	0.02%	8	0.02%	7
	Time loan	14.19%	4,499	15.89%	4,960
	Term loan	74.52%	23,632	71.47%	22,302
	Forced loan	2.81%	892	2.36%	736
	Bills under LC	0.07%	22	0.01%	2
	Trust receipt	1.48%	470	1.84%	575
	Packing credit	0.00%	-	0.00%	-
	Loan against accepted bills	0.00%	1	0.01%	3
	Loan-EDF	0.35%	110	1.45%	453
	Consumer Loan	0.30%	94	0.88%	274
	Staff loan	0.33%	106	0.37%	116
	Bills purchased and discounted	0.21%	66	0.23%	71
	Total	100%	31,712	100%	31,207
		31.12.2023		31.12.2022	
		In (%)	BDT/Crore	In (%)	BDT/Crore
(c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Urban branches				
	Dhaka	73.05%	22,867	73.88%	22,807
	Chattogram	16.19%	5,068	15.64%	4,829
	Khulna	4.06%	1,270	4.62%	1,427
	Sylhet	0.34%	106	0.43%	133
	Barishal	0.15%	46	0.16%	49
	Rajshahi	1.76%	550	1.66%	513
	Rangpur	3.09%	968	1.99%	616
	Mymensingh	1.36%	426	1.61%	498
		100%	31,301	100%	30,872
	Rural branches				
	Dhaka	50.79%	175	66.48%	171
	Chittagong	20.33%	70	26.46%	68
	Khulna	23.37%	81	0.00%	-
	Sylhet	3.65%	13	4.79%	12
	Barisal	0.00%	-	0.00%	-
	Rajshahi	0.03%	0.1	0.00%	0.0
	Rangpur	0.02%	0.1	0.02%	0.1
	Mymensingh	1.80%	6	2.25%	6
Outside Bangladesh	100%	345	100%	258	
ABBP, Mumbai branch	0.21%	66	0.25%	77	
	100%	31,712	100%	31,207	

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023

		31.12.2023		31.12.2022	
		In (%)	BDT/Crore	In (%)	BDT/Crore
(d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	Agriculture	1.54%	490	1.32%	411
	Large and medium scale indus.	59.13%	18,750	34.07%	10,631
	Working capital	7.43%	2,356	23.27%	7,261
	Export	0.72%	227	1.76%	550
	Commercial lending	9.39%	2,979	20.61%	6,432
	Small and cottage industry	3.36%	1,067	2.18%	679
	Others	18.43%	5,844	16.80%	5,242
		100%	31,712	100%	31,207
(e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	Repayable – on demand	0.98%	310	0.55%	173
	– upto 3 months	38.05%	12,067	38.83%	12,116
	– over 3 months but below 1 year	47.37%	15,022	43.23%	13,492
	– over 1 year but below 5 years	11.20%	3,551	13.81%	4,309
	– over 5 years	2.40%	763	3.58%	1,117
		100%	31,712	100%	31,207
		31.12.2023		31.12.2022	
		In (%)	BDT/Crore	In (%)	BDT/Crore
(f) By major industry or counterparty type:					
	i. Amount of impaired loans and if available, past due loans, provided separately	30.00%	9,514	20.23%	6,312
	ii. Specific and general provisions	-	2,614	-	2,726
	iii. Charges for specific allowances and charge-offs during the period	-	89	-	214
(g) Gross Non Performing Assets (NPAs)				2023	2022
	(NPAs) to outstanding Loans & advances	Non Performing Assets (NPAs)		BDT/Crore	BDT/Crore
		NPAs to outstanding loans and advances		9,514	6,312
		Movement of NPAs Bangladesh Operations:		30.00%	20.23%
		Opening balance		6,312.19	4,110.95
		Additions		4,680.97	2,398.33
		Reductions		1,479.45	197.09
		Closing balance		9,513.70	6,312.19
		Movement of specific provision for NPAs			
		Opening balance		2,164.13	2,095.35
		Provision made during the period		88.59	214.43
		Write-off		(314.98)	(145.65)
	Closing balance		1,937.74	2,164.13	

E) Equities: Disclosures for Banking book positions

Qualitative Disclosure

(a) The general qualitative disclosure requirement with respect to the equity risk, including:	
> differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons	Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.

AB Bank PLC.

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

Qualitative Disclosure (cont.)

<p>> 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>	<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>
<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.</p>	<p>Not applicable</p>
<p>(c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period (2023)</p>	<p style="text-align: center;"><u>BDT in Crore</u> (1.57)</p>
<p>(d) > Total unrealized gains (losses)</p> <p style="padding-left: 20px;">> Total latent revaluation gains (losses)</p> <p style="padding-left: 20px;">> Any amounts of the above included in Tier 2 capital</p>	<p style="text-align: center;">(138.07)</p> <p style="text-align: center;">Nil</p> <p style="text-align: center;">Nil</p>
<p>(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</p>	<p style="text-align: center;">Nil</p>

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

Qualitative Disclosure

<p>(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>	<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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**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

Quantitative Disclosure (cont.)

	BDT in Crore		
	31.12.23	31.12.22	
(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).	Market value of assets	43,428	40,907
	Market value of liability	40,981	38,464
	Weighted avg. duration GAP	0.37	0.77
	CRAR after different level of Shocks:		
	Minor level	9.91%	9.55%
	Moderate level	9.55%	8.77%
	Major level	9.19%	7.99%

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.	
(b) The capital requirements for:	BDT in Crore	
	31.12.23	31.12.22
Interest rate risk	10.48	28.43
Equity position risk	61.11	62.01
Foreign exchange risk	9.26	9.09
Commodity risk	-	-
	80.86	99.53

AB Bank PLC.

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

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.
(b) The capital requirements for Operational Risk	BDT in Crore
	31.12.23 31.12.22
	174.31 179.79

I) Liquidity Ratio

Qualitative Disclosure

(a)	> Views of BOD on system to reduce liquidity Risk	Liquidity risk is the potential for loss to the bank arising from either its inability to meet its obligations of depositors as they fall due or to fund in increased assets as per commitment. To mitigate liquidity risk Bank assesses its risk appetite and manages the risk within a structured framework. Professional resources are deployed to set the limits and procedures and get them approved by the Board. To reduce the liquidity risk in a structured way, Bank monitors various indicators like regulatory indicators (CRR, SLR, MTFR, MCO, ADR, LCR, NSFR) and uses internal monitoring tools (WBG, CLP and MAT).
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Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

(a)	<p>> Methods used to measure Liquidity risk</p>	<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> <p>>Bank prepares Structural Liquidity Profile (SLP) on monthly basis. SLP is used to estimate the Bank's cash inflows and outflows and thus net deficit or surplus (GAP) over a series of specified time periods. Bank focuses on the maturity of its assets and liabilities in different tenors. Excessive longer tenor lending against shorter-term borrowing is monitored as this can put the Bank's balance sheet in a very critical and risky position.</p> <p>> 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.</p> <p>> Bank estimates the funding requirement both in 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.</p> <p>> 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.</p> <p>> Bank uses variety of ratios to quantify the liquidity and interpret them taking into account the qualitative factors.</p>																
	<p>> Liquidity risk management system</p>	<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>																
	<p>> Policies and processes for mitigating liquidity risk</p>	<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)		<table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">BDT/Crore</th> </tr> <tr> <th></th> <th style="text-align: right;">31.12.2023</th> </tr> </thead> <tbody> <tr> <td>Liquidity Coverage Ratio</td> <td style="text-align: right;">147.64%</td> </tr> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td style="text-align: right;">110.74%</td> </tr> <tr> <td>Stock of high quality liquid assets</td> <td style="text-align: right;">6,534.61</td> </tr> <tr> <td>Total net cash outflows over the next 30 calendar days</td> <td style="text-align: right;">4,426.05</td> </tr> <tr> <td>Available amount of stable funding</td> <td style="text-align: right;">35,763.37</td> </tr> <tr> <td>Required amount of stable funding</td> <td style="text-align: right;">32,296.34</td> </tr> </tbody> </table>		BDT/Crore		31.12.2023	Liquidity Coverage Ratio	147.64%	Net Stable Funding Ratio (NSFR)	110.74%	Stock of high quality liquid assets	6,534.61	Total net cash outflows over the next 30 calendar days	4,426.05	Available amount of stable funding	35,763.37	Required amount of stable funding	32,296.34
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**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

J) Leverage Ratio

Qualitative Disclosure

<p>(a) > Views of BOD on system to reduce excessive leverage</p>	<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.
<p>> Policies and processes for managing excessive on and off-balance sheet leverage</p>	<p>Primary principle of the Board is to enhance the core capital of the Bank. To keep the leverage at a reduced level, Board emphasized 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>
<p>> Approach for calculating exposure</p>	<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"> i. On balance sheet and non-derivative exposures are net of specific provisions and valuation adjustments (e.g. surplus/deficit on Available for sale (AFS)/Held-for-trading (HFT) positions). ii. Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on-balance sheet exposure. iii. Netting of loans and deposits is not allowed. <p><u>On Balance Sheet Items</u></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><u>Repurchase agreements and securities financing:</u></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

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

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:			
Exposures Types	CCF	Notional amount	Exposure
		BDT/Crore	BDT/Crore
Direct credit substitutes	100%	759	759
Performance related contingencies	50%	822	411
Short-term self-liquidating trade letters of credit	20%	533	107
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%	463	93
Commitments with original maturity of over one year	50%	-	-
Other commitments that can be unconditionally cancelled by any time	0%	610	-
Market related Off-Balance sheet exposure	1%	1,064	11
Total		4,250	1,380
(b)		BDT/Crore	
		31.12.2023	
Leverage Ratio		6.23%	
On balance sheet exposure		41,490	
Off balance sheet exposure		1,441	
Total deduction from On and Off-Balance Sheet Exposure		264	
Total exposure		42,667	

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	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.

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

	<p>> A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.</p>	<p>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>	
	<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>	
<p>(b)</p>	<p>Information relating to the design and structure of remuneration processes.</p>		
		<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>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>> 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>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>		

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

(c)	Description of the ways in which current and future risks are taken into account in the remuneration processes.	
	> An overview of the key risks that the bank takes into account when implementing remuneration measures.	The business risks including credit/default risk, compliance and reputational risk, financial and liquidity risk are considered while implementing remuneration measures for each employee/group of employees.
	> An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure	Different set of measures are in practice based on nature of business lines/segments etc. these measures are primarily focused on the business targets/goals set for each area of operation, branch vis-à-vis actual results achieved as of the reporting date. The most important tools and indicators used for measuring the risks are asset quality (NPL ration), LD ratio, Net Interest Margin (NIM), provision coverage ratio, cost income ratio, cost of fund, growth of net profit as well as non-financial indicators i.e. compliance status with regulatory norms/instructions, service delivery etc. are brought to all concerned of the bank from time to time.
	> A discussion of the ways in which these measures affect remuneration.	Individual employee's performance standards are set in term of financial and non-financial indicators (KPI) early each year which are expected to be delivered by them individually. Performance evaluation at the end of year results in variation in performance outcome (KPI fully achieved, partially achieved and not achieved) leading to variation in performance reward (annual merit pay) thus affects in remuneration.
	> A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.	Based on differentiating performance outcome employees are rewarded annually. Differentiating reward i.e. good, better and best impact on competitive motivation at work as usual. No material change in remuneration package.
(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.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

(e)	<p>Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance.</p>	<p>> 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.</p>	<p>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.</p>
	<p>> A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.</p>	<p>Not applicable</p>	
(f)	<p>Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.</p>	<p>> An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms</p>	<p>Not applicable</p>
	<p>> 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.</p>	<p>Not applicable</p>	

**Disclosures on Risk Based Capital (Basel III)
As at 31 December 2023**

Quantitative Disclosure

(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	The main body that oversees remunerations organizes meeting as & when needed to discuss issues arising in the process of administration.
	> Number of employees having received a variable remuneration award during the financial year.	Not applicable (Variable remuneration practice is not available)
	> Number and total amount of guaranteed bonuses awarded during the financial year.	Bank has disbursed 02 (two) festival bonus among the employees amounting to Taka 179,389,062 during the year 2023.
	> Number and total amount of sign-on awards made during the financial year.	Not applicable
	> Number and total amount of severance payments made during the financial year	None during the financial year
	> Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Not applicable
	> Total amount of deferred remuneration paid out in the financial year.	Not applicable
(h)	Breakdown of amount of remuneration awards for the financial year to show:	
	> Fixed and variable	BDT 312.82 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	

AB Bank PLC.

Disclosures on Risk Based Capital (Basel III)

As at 31 December 2023

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 PLC.

Annexure-E

**Mumbai Branch
Balance Sheet
As at 31 December 2023**

	31.12.2023	31.12.2022
	INR	INR
PROPERTY AND ASSETS		
Cash	65,554,965	63,904,970
In hand (including foreign currencies)	3,183,580	3,248,913
Balance with Reserve Bank India (including foreign currencies)	62,371,385	60,656,057
Balance with other banks and financial institutions	1,371,590,815	1,635,866,146
In India	31,782,053	90,922,372
Outside India	1,339,808,762	1,544,943,773
Money at call and on short notice	540,504,512	560,352,499
Investments	547,887,524	549,117,524
Government	547,887,524	549,117,524
Loans and advances	500,867,895	618,104,167
Loans, cash credits, overdrafts, etc.	57,180,739	57,874,958
Bills purchased and discounted	443,687,156	560,229,210
Fixed assets including premises, furniture and fixtures	3,643,381	5,137,163
Other assets	267,406,248	203,734,812
Total Assets	3,297,455,340	3,636,217,280
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, FIs and agents	-	-
Deposits and other accounts	1,868,463,881	2,233,089,367
Current deposits	1,748,800,266	2,103,239,563
Demand deposits	8,670	1,122,177
Bills payable	129,409	110,409
Savings deposits	9,652,333	18,856,655
Fixed deposits	109,873,204	109,760,563
Other liabilities	171,951,995	128,507,393
Total Liabilities	2,040,415,876	2,361,596,760
Capital/Shareholders' Equity		
Total Shareholders' Equity	1,257,039,464	1,274,620,520
Paid-up capital	741,282,602	741,282,602
Statutory reserve	347,903,534	325,427,587
Other reserve	6,851,900	6,208,447
Retained earnings	161,001,428	201,701,884
Total Liabilities and Shareholders' Equity	3,297,455,340	3,636,217,280

AB Bank PLC.

**Mumbai Branch
Balance Sheet
As at 31 December 2023**

	31.12.2023 INR	31.12.2022 INR
Off-Balance Sheet Items		
Contingent liabilities	4,665,864,035	4,452,287,658
Acceptances and endorsements	62,313,548	78,304,358
Letters of guarantee	11,815,737	11,746,867
Bills for collection	4,591,734,750	4,362,236,433
Other commitments	-	-
Total	4,665,864,035	4,452,287,658

Mumbai Branch
Profit and Loss Account
For the year ended 31 December 2023

	2023	2022
	INR	INR
Operating Income		
Interest income	94,521,856	41,546,860
Interest paid on deposits and borrowings, etc.	(8,375,694)	(7,440,982)
Net interest income	86,146,161	34,105,878
Investment income	35,218,315	33,482,201
Commission, exchange and brokerage	272,986,484	291,834,627
Other operating income	1,096,995	1,762,672
	309,301,794	327,079,501
Total operating income (a)	395,447,956	361,185,379
Operating Expenses		
Salary and allowances	16,427,657	14,908,819
Rent, taxes, insurance, electricity, etc.	26,334,213	17,167,135
Legal expenses	-	36,200
Postage, stamps, telecommunication, etc.	4,496,077	4,412,812
Stationery, printing, advertisement, etc.	750,678	806,223
Auditors' fees	766,744	837,748
Depreciation and repairs of Bank's assets	2,446,004	3,934,227
Other expenses	108,932,470	124,948,904
Total operating expenses (b)	160,153,843	167,052,069
Profit before provision (c = a-b)	235,294,113	194,133,310
Provision against loans and advances	-	1,500,000
Provision for investments	-	2,000,000
Other provisions	20,892	-
Total provision (d)	20,892	3,500,000
Profit before taxation (c-d)	235,273,221	190,633,310
Provision for taxation	101,646,375	94,250,329
Current tax	101,788,233	93,886,917
Deferred tax	(141,858)	363,412
Net profit after taxation (PAT)	133,626,846	96,382,981

AB Bank PLC.

Annexure-F

**Islami Banking Branch
Balance Sheet
As at 31 December 2023**

	31.12.2023 Taka	31.12.2022 Taka
<u>PROPERTY AND ASSETS</u>		
Cash in hand	268,051,126	245,129,271
Cash in Hand (Including foreign currencies)	4,588,102	3,757,059
Balance with Bangladesh Bank and its Agent Banks (Incl. FC)	263,463,024	241,372,212
Balance with Other Banks and Financial Institutions	367,770,799	402,612,699
In Bangladesh	367,770,799	402,612,699
Investment in shares & other financial institutions	362,320,000	475,190,000
Government (BGIIB For SLR)	362,320,000	475,190,000
Investments	7,017,336,935	6,894,219,834
Fixed Assets	11,481,407	11,343,835
Other Assets	221,217,700	162,276,449
	8,248,177,967	8,190,772,089
<u>LIABILITIES AND CAPITAL</u>		
Liabilities		
Placement from Banks (BGIIB)& Other Financial Institutions	452,632,639	764,159,722
Deposits and Other Accounts	6,453,043,861	7,044,498,217
Mudaraba Savings Deposits	213,578,842	161,260,633
Mudaraba Term Deposits	4,820,570,641	5,433,012,831
Other Mudaraba Deposits	1,380,228,247	1,341,802,570
Al-Wadeeah Current and Other Deposit Accounts	35,329,634	82,769,944
Bills Payable	3,336,498	25,652,238
Other Liabilities	381,593,340	382,114,150
ABBL General Account	960,908,127	-
Total Liabilities	8,248,177,967	8,190,772,089

AB Bank PLC.

**Islami Banking Branch
Balance Sheet
As at 31 December 2023**

	31.12.2023 Taka	31.12.2022 Taka
Off-Balance Sheet Items		
Contingent Liabilities		
Letter of Guarantee	4,806,354	6,733,184
Irrevocable Letters of Credit (including Back to Back Bills)	2,195,000	1,197,027
Total	7,001,354	7,930,211
Other Commitments	-	-
Total Off-Balance Sheet items including Contingent Liabilities	7,001,354	7,930,211

Islami Banking Branch
Profit and Loss Account
For the year ended 31 December 2023

	2023 Taka	2022 Taka
Investment Income	351,571,054	474,096,941
Profit paid on Deposits	484,976,678	455,881,964
Net Investment Income/(Loss)	(133,405,624)	18,214,977
Income from Investments in Shares/Securities	15,553,620	19,528,000
Commission, Exchange and Brokerage	6,064,899	939,598
Other Operating Income	278,817	227,450
Total Operating Income/(Loss)	(111,508,289)	38,910,025
Operating Expenses		
Salaries and Allowances	18,035,043	17,783,342
Rent, Taxes, Insurance, Electricity etc.	817,758	1,014,500
Postage, Stamps, Telecommunication etc.	248,185	231,357
Stationeries, Printing and Advertisement etc.	912,852	742,362
Shariah Supervisory Committee's Fees & Expenses	93,000	124,263
Depreciation and repair to Bank's Assets	2,145,007	1,071,132
Other Expenses	9,562,115	10,656,929
Total Operating Expenses	31,813,961	31,623,885
Operating Profit/(Loss)	(143,322,249)	7,286,141

Islami Banking Branch**Profit paid on deposits**

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 2023 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	0.33	4	4
2. Mudaraba Savings Deposits (School Banking)	0.42	5	5
3. Mudaraba Special Notice Deposits	-	-	-
a. General	0.25	3	3
b. Inter - Bank	0.25-0.75	3.00-9.00	3.00-9.00
4. Mudaraba Term Deposits (Core deposit)			
24 Months	0.47-0.67	5.60-8.00	5.60-8.00
12 Months	0.46-0.79	5.50-9.50	5.50-9.50
9 Months	-	-	-
6 Months	0.42-.73	5.00-8.75	5.00-8.75
4 Months	-	-	-
3 Months	0.50-0.83	6.00-10.00	6.00-10.00
1 Month	0.42-0.71	5.00-8.50	5.00-8.50
5. Mudaraba Hajj Deposit Scheme	0.50-0.96	6.00-11.50	6.00-11.50
6. Mudaraba Pension Deposit Scheme	0.50-0.96	6.00-11.50	6.00-11.50
7. Mudaraba Monthly Profit Payment Scheme	0.46-0.96	5.50-11.50	5.50-11.50
8. Mudaraba Cash WAQF Deposit	0.52-0.71	6.25-8.50	6.25-8.50

A competent Shariah Supervisory Committee consisting of Islamic scholars, Ulema, Fuqaha and Islamic bankers headed by **Mr. Justice Siddiqur Rahman Miah**, a prominent Islamic scholar guides the Islamic banking operations. Side by side an expert banker who is the divisional head looking after the Kakrail Islami Banking Branch (KIBB). During the year 2023, Shariah Supervisory Committee met in 02 (Two) number of meetings and reviewed different operational issues. The Committee also audited the branch operations through it's Muraqib and reviewed the audit report in it's regular meeting. Shariah Supervisory Committee observed that both the officials and clients of the Branch became more cautious about the compliance of Shariah Principles.

AB Bank PLC.

Annexure- H

**Custodian Wing
Balance Sheet
As at 31 December 2023**

	31.12.2023 Taka	31.12.2022 Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	-	11,866
Total Non Current Assets	-	11,866
Current Assets		
Accounts Receivables	12,494,889	12,494,889
Total Current Assets	12,494,889	12,494,889
Total Assets	12,494,889	12,506,755
LIABILITIES		
Non-Current Liabilities		
	-	-
Current Liabilities		
Payable to AB Bank	5,352,806	5,364,672
Accounts Payable	7,092,083	7,092,083
Provision for Audit Fees	50,000	50,000
Total Current Liabilities	12,494,889	12,506,755
Total Liabilities	12,494,889	12,506,755

AB Bank PLC.

Annexure- H-1

**Custodian Wing
Profit and Loss Account
For the year ended 31 December 2023**

	2023 Taka	2022 Taka
Operating Income		
Commission, exchange and brokerage	3,369,565	-
Total Operating Income	3,369,565	-
Operating Expenses		
Rent, taxes and insurance	115,000	-
Auditor's fees	50,000	50,000
Depreciation and repair of bank's assets	11,865	20,331
Other expenses	120,123	1,036,368
Total operating expenses	296,988	1,106,699
Operating Profit/(Loss)	3,072,577	(1,106,699)

Off-Shore Banking Unit (OBU)

Balance Sheet

As at 31 December 2023

	31.12.2023 Taka	31.12.2023 USD	31.12.2022 Taka	31.12.2022 USD
PROPERTY AND ASSETS				
Cash	-	-	-	-
Balance with Other Banks and FIs'	47,319,885	431,161	36,985,190	358,047
In Bangladesh	76,852	700	108,782	1,053
Outside Bangladesh	47,243,032	430,460	36,876,408	356,994
Money at call and on short notice (Placement)	1,585,887,500	14,450,000	1,007,145,750	9,750,000
Investment	2,119,825,640	19,315,040	1,995,185,687	19,315,040
Loans and Advances:	7,772,669,700	70,821,592	7,255,837,106	70,242,477
Loans & Advances - Regular	2,444,809,927	22,276,173	3,293,885,604	31,887,525
Loans & Advances - Classified	5,327,859,773	48,545,419	3,961,951,503	38,354,952
Premises and Fixed Assets (WDV)	-	-	-	-
Other Assets:	5,302,497	48,314	2,038,451	19,734
Accrued Interest	4,509,142	41,086	1,400,249	13,556
Pre-paid Advances	793,354	7,229	638,202	6,178
Total Assets	11,531,005,221	105,066,106	10,297,192,184	99,685,298
LIABILITIES AND CAPITAL				
Liabilities				
Borrowing from Bank & FIs'	11,478,646,182	104,589,031	10,413,671,063	100,812,910
In Bangladesh	11,478,646,182	104,589,031	10,413,671,063	100,812,910
Outside Bangladesh	-	-	-	-
Deposits and Other Accounts	17,300,597	157,636	17,812,318	172,438
Demand Deposits	14,630,245	133,305	15,292,964	148,048
Demand Deposits - Others	2,670,353	24,331	2,519,354	24,389
Other Liabilities	246,818,563	2,248,916	232,306,306	2,248,916
Total Liabilities	11,742,765,342	106,995,584	10,663,789,687	103,234,264
Capital and Shareholders' Equity				
Profit/(Loss)	(211,760,120)	(1,929,477)	(366,597,503)	(3,548,966)
Total Shareholders' Equity	(211,760,120)	(1,929,477)	(366,597,503)	(3,548,966)
Total Liabilities and Shareholders' Equity	11,531,005,221	105,066,107	10,297,192,184	99,685,298

Off-Shore Banking Unit (OBU)
Profit and Loss Account
For the year ended 31 December 2023

	2023 Taka	2023 USD	2022 Taka	2022 USD
Interest income	198,164,833	1,843,082	155,634,955	1,626,910
Interest paid on deposits and borrowing etc.	20,538,925	189,785	20,130,536	213,273
Net Interest income	177,625,908	1,653,298	135,504,419	1,413,637
Commission, exchange and brokerage	74,589	696	(83,032)	(1,037)
Total operating income	177,700,497	1,653,994	135,421,387	1,412,601
Salaries and allowances	3,270,235	30,380	3,216,930	34,479
Rent, taxes, insurance, electricity etc.	5,050	47	2,517	28
Legal expenses				
Postage, stamps, telecommunication etc.	38,279	356	40,688	437
Stationeries, printing, advertisement etc.	47,463	442	55,377	595
Depreciation and repair of bank's assets	21,561	200	11,692	128
Other expenses	331,776	3,080	334,764	3,568
Total operating expenses	3,714,363	34,505	3,661,968	39,235
Operating Profit	173,986,134	1,619,488	131,759,419	1,373,366

Myanmar Representative Office
Statement of Receipts and Payments
For the year ended 31 December 2023

Annexure-J

Receipts	Total			Payments	Total		
	USD	Kyats	BDT		USD	Kyats	BDT
Opening Balance	61,251	54,575,000	7,139,952	Bank Charges (Nostro & Others)	2	12,700	939
Received during the period	-	-	-	Other Allowances- Officers	596	13,436,920	844,297
				Internet	14	339,000	21,234
				Repair & Maintenance	-	84,000	4,943
				Water and Sewerage	-	37,500	2,192
				Stationery Others	1	112,800	6,701
				Mobile Bill	-	20,000	1,167
				Local Conveyance	18	211,000	14,193
				Other Fees and Taxes	43	1,165,000	73,257
				Other Audit fees	-	1,435,840	84,706
				Entertainment	22	-	2,273
				Postage & Shipping	-	210,500	12,538
				Electricity Bill	2	30,365	1,984
				Office Rent	-	27,000,000	1,541,403
				Printing & Stationary	-	30,000	1,758
				Misc. Contract Service	-	31,000	1,847
				Closing Balance	60,553	10,418,375	4,524,522
Total	61,251	54,575,000	7,139,952	Total	61,251	54,575,000	7,139,952

**AB Investment Limited
(A Subsidiary of AB Bank PLC.)**

Annexure-K

**Statement of Financial Position
As at 31 December 2023**

	31.12.2023 Taka	31.12.2022 Taka
ASSETS		
Non-current assets	513,300,197	645,387,449
Property, Plant and Equipment	193,870,581	201,066,217
Investment Property	282,821,130	292,628,034
Deferred Tax Assets	36,608,486	151,693,198
Current Assets	8,615,739,193	8,582,278,560
Investment in shares	425,529,558	519,327,763
Loan to Clients & Others	6,917,843,597	7,281,007,296
Advances, Deposits and Prepayments	300,998,000	998,000
Receivable from Brokers	695,969,654	448,874,017
Advance Income Tax	229,287,124	206,835,621
Cash and Cash Equivalents	46,111,261	125,235,863
TOTAL ASSETS	9,129,039,390	9,227,666,009
EQUITY AND LIABILITIES		
Equity	6,851,779,484	6,843,468,575
Share Capital	6,456,899,810	6,456,899,810
Retained Earnings	394,879,674	386,568,765
Liabilities		
Non-current liabilities	25,205,274	22,183,800
Provident Fund and Gratuity Fund	25,205,274	22,183,800
Current liabilities	2,252,054,632	2,362,013,634
Borrowing from Banks	1,098,776,723	756,515,861
Liabilities for Expenses	502,788	599,726
Provision for Taxation	118,889,458	245,203,347
Provision for Diminution Value of Investment	1,010,337,721	1,324,617,356
Payable to Clients	23,547,942	35,077,344
Total liabilities	2,277,259,906	2,384,197,434
TOTAL EQUITY AND LIABILITIES	9,129,039,390	9,227,666,009

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

	2023	2022
	Taka	Taka
Operating Income	156,612,686	222,955,930
Interest Income	116,349,359	117,208,906
Management Fee	3,356,511	4,313,763
Transaction/ Settlement Fee	15,001,557	41,863,257
Investment Income	12,329,914	49,276,034
Other Operating Income	9,575,345	10,293,970
Operating Expenses	61,099,660	67,238,558
Salaries and Allowances	34,088,626	36,403,945
Audit and Consultancy Fees	244,850	267,850
Administrative Expenses	26,634,614	30,366,403
Financial Expenses	131,570	200,360
Profit before Provision and Tax	95,513,026	155,717,372
Provision for Margin Loans	80,000,000	65,000,000
Provision for Investment	-	68,716,168
Net Profit before Tax for the year	15,513,026	22,001,204
Income Tax Expenses	7,202,117	(10,759,274)
Current Tax	(107,882,595)	47,954,566
Deferred Tax	115,084,712	(58,713,840)
Net Profit after Tax for the year	8,310,909	32,760,478
Other Comprehensive Income	-	-
Total Comprehensive Income	8,310,909	32,760,478

AB Securities Limited

Annexure-L

**Statement of Financial Position
As at 31 December 2023**

	31.12.2023	31.12.2022
	Taka	Taka
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	2,859,834	5,080,822
Right- of- Use Assets	11,433,824	2,520,118
Deferred Tax Assets	1,873,894	1,708,138
Investments in Un-quoted Shares	100,192,600	100,192,600
Total Non-Current Assets	116,360,152	109,501,678
Current Assets		
Investments in Securities	75,228,121	34,545,003
Cash and Cash Equivalents	566,035,708	905,903,872
Advance, Deposit & Prepayments	2,463,717	1,559,517
Advance Income Tax	107,597,705	89,953,596
Account Receivables	5,715,859	104,014,792
Loans & Advance	763,232,129	736,367,542
Total Current Assets	1,520,273,238	1,872,344,322
Total Assets	1,636,633,390	1,981,846,000
EQUITY AND LIABILITIES		
Equity		
Share Capital	272,041,880	272,041,880
Revaluation Reserve	85,986,590	85,986,590
Retained Earnings	166,261,226	165,505,837
Capital reserve	280,024	-
Total Equity	524,569,720	523,534,307
Liabilities		
Non Current Liabilities		
Liabilities for Other Finance	130,000,000	140,000,000
Provision for Gratuity	8,177,054	8,414,672
Provision for Provident Fund	14,180,988	13,310,910
Lease Liabilities	5,390,423	619,231
Total Non Current Liabilities	157,748,465	162,344,812
Current Liabilities & Provisions		
Accounts Payable	410,459,861	796,281,272
Bank Overdraft	157,599,536	157,599,191
Liabilities for Expenses	2,316,348	2,209,797
Provision for Income Tax	124,060,660	98,355,921
Other Liabilities	254,533,292	240,918,093
Lease Liabilities- Short Term	5,345,509	602,608
Total Current Liabilities	954,315,205	1,295,966,881
Total Equity and Liabilities	1,636,633,390	1,981,846,000

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2023**

	2023	2022
	Taka	Taka
Income		
Brokerage Commission	53,065,614	94,997,928
Interest Income	37,420,820	10,034,533
Investment Income	17,000,830	21,520,675
Other Operating Income	2,494,052	4,339,457
Total Income	109,981,315	130,892,594
Expenditure		
Operating Expenses	59,280,349	64,866,094
Other Financial Expenses	2,747,724	1,859,174
Depreciation on Property, Plant & Equipment	7,763,648	7,638,692
Total Expenditure	69,791,721	74,363,960
Profit before Provision and Tax	40,189,594	56,528,634
Provision		
Provision for Diminution in Value of Investment and Loan Capital Reserve	13,615,199 280,024	5,000,000 -
	13,895,223	5,000,000
Profit before Tax for the year	26,294,371	51,528,634
Income Tax Expenses	25,538,983	48,728,396
Net Profit after tax for the Year	755,388	2,800,237
Other Comprehensive Income	-	-
Total Comprehensive Income	755,388	2,800,237
Earnings Per Share (EPS)	0.03	0.10

Cashlink Bangladesh Limited

Annexure-M

Statement of Financial Position
As at 31 December 2023

	31.12.2023 Taka	31.12.2022 Taka
ASSETS		
A. Current Assets		
Cash & Bank Balances	704,183	421,816
Investment in Fixed Deposit	46,507,428	44,938,428
Investment in Shares	1,000	1,000
Advance, Deposit & Prepayment	44,390,397	43,587,709
Other Receivable	1,790,608	1,473,937
	93,393,616	90,422,889
Total Assets	93,393,616	90,422,889
EQUITY AND LIABILITIES		
B. Equity		
Share Capital	238,000,000	238,000,000
Share Money Deposit	4,200,000	4,200,000
Retained Earnings	(159,749,192)	(161,898,799)
	82,450,808	80,301,201
C. Liabilities		
Current Liabilities		
Accrued Expenses	40,250	34,500
Provision for Taxation	10,902,557	10,087,189
	10,942,807	10,121,689
Total Liabilities	10,942,807	10,121,689
Total Equity and Liabilities (B+C)	93,393,616	90,422,889

Cashlink Bangladesh Limited

Annexure-M-1

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023

	2023 Taka	2022 Taka
Revenue	-	-
Less: General and Administration Expenses	190,225	316,445
Operating Loss	(190,225)	(316,445)
Add: Other Income	3,155,201	2,460,618
Profit Before Provision & Tax	2,964,976	2,144,173
Provision for taxation	815,368	589,648
Net Profit After Tax	2,149,607	1,554,526
Other Comprehensive Income	-	-
Total Comprehensive Income	2,149,607	1,554,526

AB International Finance Limited

Annexure-N

**Statement of Financial Position
As at 31 December 2023**

	31.12.2023 HK\$	31.12.2022 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	44,442	7,090
CURRENT ASSETS		
Discounted bills receivable	134,191,131	93,517,303
Deposits, prepayments and other receivable	5,348,198	4,207,614
Cash and bank balances	2,512,266	2,633,376
	142,051,595	100,358,293
CURRENT LIABILITIES		
Accrued liabilities and other payables	4,556,483	5,559,346
Deferred interest income	1,583,887	203,585
Provision for long service payments	423,798	416,388
Amount due to ultimate holding company	112,420,999	75,562,500
Income tax payable	759,816	133,406
	119,744,983	81,875,225
NET CURRENT ASSETS	22,306,612	18,483,068
NET ASSETS	22,351,054	18,490,158
EQUITY		
Share capital	1,000,000	1,000,000
Retained earnings	12,289,095	563,904
Proposed final dividend	1,500,000	9,364,295
Capital reserve	7,561,959	7,561,959
	22,351,054	18,490,158

**Statement of Comprehensive Income and Retained Earnings
For the year ended 31 December 2023**

	2023 HK\$	2022 HK\$
Interest income	10,264,933	5,757,913
Interest expenses	(1,833,777)	(1,739,972)
Net interest income	8,431,156	4,017,941
Other income	11,924,903	11,762,782
Administrative expenses	(4,726,436)	(4,775,812)
Profit before tax	15,629,623	11,004,911
Income tax expense	(2,404,432)	(1,640,616)
Profit for the year	13,225,191	9,364,295
Retained earnings at the beginning of the year	563,904	563,904
Dividend	(1,500,000)	(9,364,295)
Retained earnings at the end of the year	12,289,095	563,904

Arab Bangladesh Bank Foundation (ABBF)

Annexure- 0

**Statement of Financial Position
As at 31 December 2023**

	31.12.2023	31.12.2022
	Taka	Taka
ASSETS		
Non Current Assets	36,112,630	36,691,300
Property, Plant & Equipment	36,111,630	36,690,300
Investment at cost in equity share of ABIL	1,000	1,000
Current Assets	556,307,621	532,148,024
Loan to ABSL	130,000,000	140,000,000
Investment in FDR	123,107,165	116,214,481
Accrued Income	-	75,338
Advance Tax	43,032,097	37,065,665
Cash and Cash Equivalents	260,168,359	238,792,541
TOTAL ASSETS	592,420,251	568,839,325
EQUITY AND LIABILITIES		
Shareholders' Equity	543,883,688	526,787,517
Share Capital	20,000,000	20,000,000
Retained Earnings	523,883,688	506,787,517
Non-Current Liabilities	-	-
Current Liabilities	48,536,562	42,051,807
Provision for Income Tax	48,420,562	41,935,807
Provision for Expenses	116,000	116,000
TOTAL EQUITY AND LIABILITIES	592,420,251	568,839,325

**Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2023**

	2023 Taka	2022 Taka
Income		
Operating Income	24,751,747	19,669,850
Interest Income	23,963,213	18,765,798
Rental Income	788,534	904,052
Less : Operating & Other Expenses	1,170,820	1,185,658
Operating expenses	1,170,820	1,185,658
Other expenses	-	-
Profit before Tax	23,580,926	18,484,192
Less: Provision for Tax	6,484,755	5,083,153
Profit carried forward	17,096,172	13,401,039

Name of the Directors and entities in which had interest as on December 31, 2023

Sl. No.	Name	Status	Name of Firms/Companies in which interested as proprietor/partner/director/managing agent/guarantor/employees etc.
1	Barrister Khairul Alam Choudhury	Chairman	1. Choudhury and Law Firm, Proprietor 2. AB International Finance Ltd. Hong Kong, Director, Nominated by AB Bank PLC. 3. AB Bank Foundation, Chairman, Nominated by AB Bank PLC.
2	Mr. Feroz Ahmed	Director	1. Hexagon Chemical Complex Limited; Director 2. Elite Paint & Chemical Ind. Limited; Director 3. Elite International Limited; Managing Director 4. Ahmed Securities Services Limited; Managing Director 5. Bangladesh General Insurance Company Limited; Shareholder 6. AB Bank Foundation, Member, Nominated by AB Bank PLC.
3	Mr. Shajir Ahmed	Director	1. Elite Paint & Chemical Industries Limited, Director 2. Super Refinery (Pvt.) Limited, Managing Director 3. Super Silica Bangladesh Limited, Managing Director 4. Super Share & Securities Limited, Managing Director 5. Elite Super Plastic Ind. (Pvt.) Limited, Managing Director 6. Super Sea Fish (Pvt.) Limited, Managing Director 7. Super Tel Limited, Managing Director 8. Elite Properties Management Ltd., Managing Director 9. Aurora Décor Limited, Director 10. Broast Foods Ind (Pvt) Limited, Director 11. Elite Food Industries Limited, Director 12. Seafs Bangladesh Limited, Director
4	Mr. Shafiqul Alam	Independent Director	1. AB International Finance Limited, Hong Kong, Director Nominated by AB Bank PLC. 2. AB Bank Foundation, Member, Nominated by AB Bank PLC.
5	Mr. Maqsdul Huq Khan	Director	Nil
6	Mr. Md. Eskandar Miah	Independent Director	1. AB Securities Limited, Director, Nominated by AB Bank PLC. 2. AB Investment Ltd, Director, Nominated by AB Bank PLC. 3. Cashlink Bangladesh Limited., Director, Nominated by AB Bank PLC.
7	Mr. Tarique Afzal	Managing Director & CEO	1. AB Investment Limited, Director, Nominated by AB Bank PLC. 2. AB Securities Limited, Director, Nominated by AB Bank PLC. 3. AB International Finance Limited, Hong Kong. Chairman, Nominated by AB Bank PLC. 4. Cashlink Bangladesh Limited, Chairman, Nominated by AB Bank PLC. 5. AB Bank Foundation, Member, Nominated by AB Bank PLC.