

DIRECTORS'
REPORT



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Bismillahir Rahmanir Rahim Honorable Shareholders

As-salamu alaikum,
The Board of Directors of AB Bank PLC. hereby presents the Directors' Report for the financial year ended 2024. This year marks a significant moment in the Bank's journey as we report, for the first time in our history, a substantial net loss. The Board acknowledges the seriousness of this situation and is committed to taking decisive and transparent steps to restore the Bank's financial health and long-term stability. Before going into the details, I would like to discuss few global and local macroeconomic situations.

Global Economy

After enduring a series of overlapping shocks between 2020 and 2024—including the COVID-19 pandemic, supply chain disruptions, energy price volatility, and geopolitical conflicts—the global economy is now facing another significant headwind in 2025. The rapid escalation of trade barriers and heightened policy uncertainty has led to a marked deterioration in the global outlook compared to earlier forecasts. According to the recent projections of the World Bank, real GDP growth forecast of the World is 2.3 percent; inflation projected to average 2.9 percent for 2025. Without coordinated policy responses to reduce trade restrictions, rebuild investor confidence and mitigate geopolitical tensions, the global economy is unlikely to regain momentum.

Bangladesh Economy

The country is currently undergoing a period of economic and political transition marked by significant challenges. Elevated inflation, structural weaknesses in the financial sector and stagnation in both private and public investment have contributed to a slowdown in industrial growth. While the interim government has taken steps to stabilize the banking sector and the broader economy, major reforms proposed by newly formed commissions and task forces—targeting areas such as the judiciary, constitution, electoral system, public administration, police and anti-corruption—are yet to be implemented.

In FY24, real GDP growth slowed to 4.2 percent, largely due to a sharp decline in exports and weakened industrial activity. Economic momentum remained subdued through the first three quarters of FY25, with continued investment stagnation and a significant drop in Foreign Direct Investment (FDI). On the supply side, growth in both agriculture and industry

weakened, further contributing to the overall economic deceleration.

Despite these challenges, there are some positive developments. Exports showed a rebound in FY25, and robust remittance inflows supported private consumption and service sector activity. However, elevated inflation—driven by supply chain disruptions, high energy and import costs, and a depreciating taka—have eroded real incomes and pushed extreme poverty up to an estimated 6.1 percent in FY24. Global factors, including the war in Ukraine and Middle East conflicts, have also intensified inflationary pressures.

Banking Sector

The banking sector remains under significant strain, plagued by long-standing structural problems such as high non-performing loans (NPLs), inadequate capital buffers and operational inefficiencies. Issues of poor governance, regulatory capture, political interference and related-party lending have further weakened the sector's health. In response, the interim government and Bangladesh Bank have launched a series of financial sector reforms aimed at addressing these vulnerabilities. However, decisive action remains essential to restore stability and confidence in the banking system.

AB Bank PLC.

AB Bank, the first private sector commercial bank in Bangladesh, commenced operations in 1982. Since its inception, the bank has played a pioneering role in shaping the country's banking industry through innovation, the introduction of modern banking practices, and a commitment to financial inclusion. Over the decades, AB Bank has contributed significantly to the financial sector by launching transformative products, enhancing operational processes, and leveraging technology to expand its reach.

The banking industry in Bangladesh has experienced substantial growth over the past four decades, driven by economic expansion, increasing financial inclusion and sustained inflows of remittances. However, in recent years, the sector has faced mounting challenges, including a rising trend of non-performing loans (NPLs), liquidity stress, governance concerns, regulatory tightening and economic uncertainties. The deterioration in asset quality, coupled with policy shifts and external factors, have heightened the need for banks to strengthen their balance sheet, restore investor confidence and enhance operational efficiency.

Despite its strong legacy and contributions to the economy, AB Bank has encountered significant financial

distress over the past decade due to governance weaknesses, loan classification issues and external adversities. As part of a strategic turnaround, the bank is now focused on enhancing asset quality, strengthening risk management, improving liquidity and optimizing its business model to ensure long-term sustainability.

Performance 2024

In 2024, the bank experienced one of its most challenging financial year, marked by a sharp deterioration in profitability, asset quality and capital adequacy. Key factors contributing to this decline included the default of several corporate borrowers high interest expenses and overall surge in classified loans.

Profitability

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2024	2023	%	2024	2023	%
Interest income/profit on investments	934.84	2,578.82	-64%	911.86	2,550.86	-64%
Interest paid/profit on deposits and borrowings, etc.	2,811.33	2,063.04	36%	2,810.80	2,062.31	36%
Net interest income	(1,876.50)	515.78	-464%	(1,898.94)	488.56	-489%
Other Income	719.06	646.88	11%	697.64	621.51	12%
Operating Expenses	665.15	628.19	6%	644.36	608.93	6%
Operating Profit	(1,822.59)	534.46	-441%	(1,845.65)	501.14	-468%
Provisions for loans & others	48.34	269.52	-82%	45.36	260.13	-83%
Profit before Taxation	(1,870.92)	264.94	-806%	(1,891.01)	241.01	-885%
Provisions for Tax	34.77	175.56	-80%	26.94	168.83	-84%
Profit after Tax	(1,905.69)	89.37	-2232%	(1,917.95)	72.18	-2757%
Earnings Per Share (BDT)	(21.28)	1.00	-2228%	(21.41)	0.81	-2743%

- Interest income fell by 64% while interest expense rose by 36%, resulting in a net interest loss of BDT 1,876.50 crore (consolidated) in 2024. This resulted mainly due to interest suspension of Non-Performing Loans and high cost of deposit over the year.
- The bank posted a net loss after tax of BDT 1,905.69 crore, down from a profit of BDT 89.37 crore in 2023.
- Earnings per share plunged to (BDT 21.28) from BDT 1.00 from the previous year.

Asset Quality

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2024	2023	%	2024	2023	%
Total Loans and advances	33,936.96	32,543.30	4.28%	33,185.21	31,712.26	4.64%
Unclassified	11,657.82	23,029.60	-49.38%	10,906.07	22,198.55	-50.87%
Standard	10,395.65	22,412.43	-53.62%	9,643.90	21,581.39	-55.31%
Special mention Account	1,262.17	617.17	104.51%	1,262.17	617.17	104.51%
Classified	22,279.14	9,513.70	134.18%	22,279.14	9,513.70	134.18%
Sub-standard	1,862.68	57.98	3112.44%	1,862.68	57.98	3112.44%
Doubtful	987.98	266.82	270.28%	987.98	266.82	270.28%
Bad Loss	19,428.49	9,188.90	111.43%	19,428.49	9,188.90	111.43%

- 2023's Loan Classification deferral facility from Bangladesh Bank has been revoked while substantial portion of Bank's clients failed to keep their repayment commitments which resulted the classified loans to soar by 134%, with the CL ratio increasing from 30% to 67.14%.
- The majority of NPLs shifted to the "bad/loss" category, indicating low recovery prospects.

Capital Position

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2024	2023	%	2024	2023	%
Risk Weighted Assets	47,851.31	37,482.85	27.65%	47,598.57	37,099.62	28.30%
Credit Risk	45,271.76	34,767.82	30.20%	45,142.82	34,547.96	30.67%
Market Risk	919.29	889.90	3.30%	864.93	808.57	6.97%
Operational Risk	1,660.25	1,825.13	-9.03%	1,590.82	1,743.09	-8.74%
Regulatory Requirement	12.50%	12.50%		12.50%	12.50%	
Capital Requirement	5,981.05	4,685.36		5,949.82	4,637.45	
Capital Maintained	1,832.76	4,078.56	-55.06%	1,651.39	3,806.28	-56.61%
Tier-I	889.84	2,813.20	-68.37%	743.27	2,658.58	-72.04%
CET-I	318.75	2,250.95	-85.84%	172.18	2,102.08	-91.81%
Add. Tier-I	571.09	562.24	1.57%	571.09	556.49	2.62%
Tier-II	942.92	1,265.36	-25.48%	908.11	1,147.71	-20.88%
Capital Surplus/ (deficit)	(4,148.30)	(606.79)		(4,298.44)	(831.17)	
Capital to Risk Weighted Asset Ratio (CRAR)	3.83%	10.88%		3.47%	10.26%	
Tier-I	1.86%	7.51%		1.56%	7.17%	
Tier-II	1.97%	3.38%		1.91%	3.09%	

- Capital Adequacy Ratio (CRAR) dropped to 3.83% (consolidated)—far below the 12.5% regulatory requirement mainly from negative profit after tax which grossly impacted the Common Equity Tier-I capital.
- Capital deficit of over BDT 4,100 crore was recorded.

Cash-flow Position

BDT in crore

Particulars	Consolidated		Change	Solo		Change
	2024	2023	%	2024	2023	%
Net cash flow from operating activities	(3,782.67)	983.19	484.74%	(3,817.57)	1,080.88	453.19%
Net cash flow from investing activities	3,093.95	(237.91)	-1400.45%	3,093.03	(240.43)	-1386.47%
Net cash flow from financing activities	(280.29)	(181.91)	54.08%	(280.29)	(181.91)	-54.08%
Net decrease in cash	(969.02)	563.36	-272.01%	(1,004.84)	658.54	252.59%
Net Operating Cash Flow Per Share (NOCFPS) (BDT)	(42.23)	10.98	-53.21	(42.62)	12.07	(54.69)

- Net cash flow from operating activities turned negative at BDT -3,782.67 crore, highlighting weak core operations.

Recourse and way forward

At AB Bank although we always have prioritized good governance, the resultant NPL coupled with high deposit cost have put an enormous pressure on the Financial health of the Bank. The Bank is trying to establish good governance from the top and working to launch industry best practices emphasizing compliance culture across the Bank. The new Board and management team are fully committed to AB Bank's recovery and transformation. We are currently formulating a comprehensive Strategic Plan that outlines immediate, short-term and long-term initiatives. Apart from establishing sound corporate governance, credit risk management and attaining operational efficiency, we are also emphasizing on growth through digital banking, expansion our local and foreign business network and fostering a culture of accountability and resilience. We are confident that with a clear vision, committed leadership and support from our stakeholders, AB Bank will overcome its current challenges and reaffirm its legacy as a stable and resilient financial institution.

Major strategies

- Reduce non-performing loans (NPLs) through aggressive recovery strategies by setting task force and improved credit risk management
- Strengthen capital adequacy where adoption of a strategic partner could be an option
- Enhance liquidity management and operational efficiency by optimizing resource allocation and streamlining processes
- Expand digital banking and financial inclusion initiatives to cater to evolving customer needs and drive financial accessibility.
- Foster sustainable business growth through prudent cost management, market-driven expansion, and innovative financial solutions.

Overall Business

Corporate Banking

Since its inception, AB Bank has been a key financial partner to Bangladesh's growing corporate sector. Through its Corporate Finance Division at the Head Office and its branch network, the Bank delivers a wide array of products and services tailored to meet the diverse needs of corporate clients. With a focus on knowledge, innovation and personalized service, AB Bank simplifies financial complexities for its clients, supporting their business goals and long-term growth. The Bank offers both conventional and Islamic banking solutions, coupled with advanced, innovative financial products.

AB Bank has played a pivotal role in transforming numerous businesses into industry leaders. As a proven lead arranger, underwriter of syndicated loans, the

Bank continues to demonstrate expertise in structuring and executing complex financial transactions. It offers customized credit facilities and syndication services, leveraging its deep market understanding and flexible approach.

Business Highlight in 2024

As of December 2024, the Bank's overall loan portfolio was BDT 33,089.00 crore, of which 90% was in the Corporate Banking Segment, with exposure of BDT 29,780 crore. Three sectors account for the majority of exposure: (a) Steel Manufacturing Industry (16%), (b) Textile and RMG (13%), and (c) Ship Building and Breaking (7%).

SME Banking

SME business sector is recognized as a vital component of the economy of a country. It provides significant opportunities for entrepreneurship, innovation, and employment generation. SME businesses contribute to alleviation of poverty, reduction of income disparities, and promotion of inclusive economic growth. With their ability to adapt quickly to changed market conditions, SMEs play a crucial role in driving economic resilience and sustainability.

Keeping pace with the ongoing progressive changes in SME sector in Bangladesh, AB Bank PLC has demonstrated a strong commitment to SME banking and providing financial services and support to SME entrepreneurs. AB Bank PLC's management has shown a strong commitment to SME banking, providing appropriate policy guidelines, customized product lines, a consolidated database, and a compliance culture that ensures the Division's effectiveness.

To provide the comprehensive support and advisory services for CMSME customers (Cottage, Micro, Small and Medium Enterprise), AB Bank PLC has also taken a proactive approach by establishing dedicated CMSME focal persons across the country through its extensive branch network. These focal persons are well trained to cater to the unique needs of the CMSMEs customers.

To increase SME portfolio at the desired level, AB Bank's Management has demonstrated a strong commitment, implementing appropriate policy guidelines, customized product lines, digital lending, focusing on FinTech, e-commerce, non-traditional sector and develop a compliance culture for ensuring the Banks solid & sustainable growth to keep pace with the competitive market.

Agricultural & Rural Credit

AB has gradually increased its portfolio in agricultural and rural sector. The financing is mainly in crop cultivation, Fisheries and Livestock areas. AB also financed in agricultural credit at concessional Interest

rate for the purpose of cultivation of pulses, oil, seeds, spices and maize. In the fiscal year 2023-2024, AB Bank disbursed total loan amount of Tk.241.43 Crore (239% against yearly target) under Agricultural and Rural Credit Policy of Bangladesh Bank. Total Outstanding in Agri. Loans as of December 2024 was Tk.254.18 Crore.

Retail Banking

In 2024, AB Bank's Retail Banking Division demonstrated solid progress across all key verticals, reinforcing its commitment to inclusive, customer-centric growth. The Division's efforts were driven through focused performance in Cards, Sales and Product Packages, Agent Banking and Sub-Branch operations. Each wing played a distinct yet integrated role—expanding reach, launching new products, deepening customer engagement, and promoting financial inclusion across both urban and rural markets. Strategic initiatives like digital banking adoption, innovative deposit solutions, and network expansion through agents and sub-branches enabled the Bank to strengthen its retail footprint while aligning with long-term business goals. The Retail Banking Division continues to drive the Bank's transformation agenda, positioning AB Bank as a forward-looking and accessible financial institution.

Card Division

In 2024, AB Bank's Card Division sustained its growth trajectory, achieving a major milestone by adding nearly 14,000 new credit cards, taking the total number of active cards to over 40,000. This achievement reflects the Bank's ongoing commitment to customer-centricity. With the total credit card portfolio now exceeding BDT 310 crore, this growth underscores rising customer confidence, increased product relevance, and deeper market penetration. The Bank strengthened its value proposition through product repositioning, improved benefits, and the expansion of its merchant network—now boasting 320 EMI merchants and 600 discount partners—significantly enhancing customer engagement and usage.

AB Bank also made remarkable progress in the digital payment's ecosystem, particularly through Bangla QR. In 2024, the Bank onboarded over 11,000 QR merchants across the country and processed more than 196,000 transactions, amounting to BDT 1,140 million in volume. These efforts positioned AB Bank among the top five banks in Bangladesh's QR business, as per Bangladesh Bank data, reflecting our growing relevance in the digital payments space.

Moreover, to further boost digital banking inclusion and accessibility, AB Bank issued more than 68,000 new Debit Cards during the year. Together, these achievements reinforced AB Bank's position as a forward-looking, digitally enabled, and customer-

focused bank—ready to compete and lead in the evolving retail financial services market.

Sales Division

The Sales Division has continued to serve as a key growth engine for AB Bank's Retail Banking portfolio in 2024. Through focused acquisition strategies, targeted customer engagement, and consistent follow-up, the team has successfully mobilized over BDT 830 crore in fresh deposits across various retail segments. This performance is a reflection not only of robust sales execution but also of the increasing trust customers place in AB Bank.

Product Division

Established in 2024, the Product Division was envisioned to bridge the gap between evolving customer expectations and the traditional banking experience. With a mission to develop meaningful, value-driven solutions, the team has already made a significant impact in its very first year. A total of four new products—two conventional and two Shariah-compliant Islamic banking offerings—were successfully launched.

Sub-Branch Division

Since its evolution in 2022, AB Bank's Sub-Branch initiative highlights the Bank's strategic focus on enhancing banking services in semi-urban and rural regions where establishing full-fledged branches may not be practical. This initiative adopts a cost-efficient and scalable model aimed at extending formal banking services to underserved population, thereby promoting financial inclusion and improving customer accessibility.

As of 2024, AB Bank is operating through 57 sub-branches nationwide, significantly bolstering the bank's retail deposit mobilization efforts. In the past year, these sub-branches have collectively increased their deposit portfolio by BDT 160 crore, resulting in a total deposit base of BDT 347 crore. This growth reflects the trust that local communities have in AB Bank's sub-branch network.

In addition to mobilizing deposits, the sub-branches play a crucial role in attracting new customers, encouraging the adoption of digital banking and providing access to essential banking products, including savings accounts, recurring deposits, and inward remittances. The bank has implemented targeted financial literacy campaigns, engaged with the community, and simplified account opening processes, leading to enhanced financial awareness and customer engagement at the grassroots level.

Agent Banking Division

The Agent Banking Division has continued its mission of expanding financial inclusion across Bangladesh by providing banking services to unbanked and

underbanked communities. In 2024, the division recorded a significant net deposit growth of over BDT 41 crore, raising the total deposit base to BDT 239 crore. With operations now extended to more than 50 districts through 192 agent outlets, the number of accounts surpassed 77,000—demonstrating growing customer confidence in the Bank’s reach and reliability.

Looking ahead, the Division aims to onboard 400 new agents in 2025, targeting deeper penetration into union-level geographies. Strategic manpower expansion, coupled with a performance-based monitoring system, will be essential in driving the next phase of growth. With a continued focus on financial inclusion, technology integration, and sustainable outreach, AB Bank’s Agent Banking Division is poised to play an even greater role in empowering communities and supporting national financial development goals.

AB Bank Alternate Delivery Channel

With four decades of banking excellence, AB Bank PLC. is a splendid name in the banking arena with a country wide network of ATMs located at urban and rural areas. At present, the Bank’s Electronic Business (eBiz) Division is enriched with Visa Debit Cards, MasterCard Credit Cards, ATMs, SMS Banking, Branch POS and Internet Banking, Mobile App with a 24-hour Call Center.

Automated Teller Machines (ATMs)

AB Bank now has vast ATM network located across the country. The increase of ATMs is changing the conventional banking trend. For cash withdrawal and some other banking services, the customers are using AB Bank’s ATMs as their banking channel of choice. Bank already implemented the Online Bill Collection of DESCO & Mobile Top-up using AB Bank Visa Debit Cards in ATM.

Any Visa or MasterCard Cardholder can enjoy AB Bank’s ATM facilities. AB Bank has also joined the National Payment Switch of Bangladesh (NPSB) which is operated by Bangladesh Bank. Through this arrangement, any Member Bank’s Cardholder can withdraw money from AB Bank’s ATMs. AB Bank’s Cardholders can withdraw money from other NPSB Member Banks’ ATMs. Interestingly, other banks’ cardholders use AB Bank’s ATMs more due to high availability and consistent uptime.

AB Bank is also ready with MFS integration via NPSB and will be able to serve its customers when this facility is launched by Bangladesh Bank.

AB Direct Internet Banking & Mobile App

To facilitate modern banking services, AB Bank introduced Mobile App under the umbrella of AB Direct.

Internet Banking is browser and device independent and the Mobile App is available for Android and Apple iOS, can be downloaded from <https://abbl.com/app/> “Banking everywhere, never at a bank” – believing in this mantra, AB Bank brings following benefits with AB Direct:

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

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

Major Update Planned

The Bank has taken the initiative to revamp its entire AB Direct offering with all new features and customer benefits. The project is expected to be completed in the year 2025.

Utility Payments

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

- Dhaka Water and Sewerage Authority (DHAKA WASA)
- Dhaka Electricity Supply Company Limited (DESCO)
- Dhaka Power Distribution Company Limited (DPDC)
- Bangladesh Telecommunications Company Limited (BTCL)
- Titas Gas Sales and Distribution Company Limited (TITAS GAS)
- Chittagong Water and Sewerage Authority (CTG WASA)
- Northern Electricity Supply Company PLC (NESCO)
- AB Bank customers are also able to pay these utility bills from Internet Banking and SMS Banking.

Information Technology (IT)

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

Call Center

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

AML & CFT Compliance Division (ACCD)

AB Bank PLC. is committed to maintain a robust Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) framework in line with global and local regulatory requirements. AML & CFT Compliance Division (ACCD) efforts focus on ensuring effective implementation of internal policies & procedures, compliance to regulatory guidelines, safeguarding the Bank from regulatory penalties and protecting the Bank from being harmed by illicit activities of external forces by ensuring the following:

Regulatory Compliance & Governance: AB strictly adheres to the AML and CFT regulations aligned with regulatory requirements, relevant AML acts, laws, circulars, and FATF recommendations.

Risk-Based Approach & Due Diligence: To maintain proper Risk-Based Approach & Due Diligence, AB performs the following activities:

- Conducts Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) based on risk classification.
- Updates Know Your Customer (KYC) periodically and as when required
- Monitors transactions to detect suspicious activities/suspicious transactions and report them to the Regulatory Authorities, if required
- Performs sanction screening to identify high-risk jurisdictions and entities involved in trade transactions.

Technology & Monitoring: Our AML/CFT technology includes transaction monitoring, sanction screening and so forth to help detect, prevent and report potential ML/TF situations effectively. Moreover, Bank is in the process of upgrading to a new state of the art AML solution.

Reporting: CTRs are reported on monthly basis and suspicious transactions/activities are reported to the regulatory Authorities, if warranted.

Training & Awareness: To stay updated on the latest threats, regulatory changes and compliance obligations, every official undergoes AML/CFT training imparted by ACCD, organized by AB Bank Training Academy (ABTA) at regular interval.

Collaboration: AB actively collaborates with regulatory Authorities and adhere to relevant national and international initiatives to combat money laundering

and terrorist financing.

AB Bank remains steadfast in its commitment to uphold the highest standards of integrity, transparency, and regulatory compliance. Our continuous enhancements in AML/CFT policies and practices reflect our dedication to protect our organization from ML/TF and ensuring a secured banking environment for our customers.

Offshore Banking Unit (OBU)

AB Bank introduced OBU operation located in EPZ Branch, CEPZ, Chattogram. Since inception OBU extended Banking facilities to a substantial number of foreign owned companies as well as corporate resident customers with due permission from the regulatory body. Subsequently, an Offshore Banking Division was created for the purpose of supervising Off-shore Banking Operations of the Bank. A dedicated Branch Anti Money Laundering Compliance Officer (BAMCLO) has been assigned to OBU to comply with Anti Money Laundering Policies and relevant regulations. Enhanced screening mechanism has been established for screening customers and transactions of OBU in compliance with OFAC, UN, EU and UK provided Sanctions Lists. Total Deposit and LDOs of OBU as of 31 December, 2024 was USD 167,559 and USD 72,008,810 respectively.

Department of Internal Control & Compliance (DICC)

The Department of Internal Control and Compliance (DICC) plays a crucial role in ensuring that an organization's operations are conducted efficiently, effectively, and in accordance with applicable laws, regulations and internal policies. This department is integral to maintaining organizational integrity, safeguarding assets, and mitigating risks.

Major activities of DICC are as follows:

- Identification of risks associated with the banking industry,
- Interactions with different stakeholders as and when required,
- Collection and justification of financial, managerial and operational information,
- Employees' action in compliance with policies, standards, procedures, laws and regulations,
- Evaluate acquired data/information efficiently and adequately,
- Achievement of programs, plans and objectives,
- Fostering quality and continuous improvement in the Bank's control process,
- Appropriate recognition and addressing of legislative and regulatory issues.

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

- A). **Audit & Inspection Division,**
- B). **Compliance Division,**
- C). **Monitoring Division.**

Activities of the 03 (three) Divisions of DICC are as follows:

A. Audit and Inspection Division

Being a requisite responsibility, Audit & Inspection Division conducts Audit (Risk-Based Audit) of all the Branches, Sub-Branched and Departments/Divisions/Units of the Head Office including Concurrent Audits of FIT Division under a Pre-determined Annual Audit Plan. This Risk-Based Audit (RBA) process is framed on the basis of Bangladesh Bank ICC Guideline and focuses on the core risk areas in banking viz. Credit Risk Management, Asset Liability Management Risk, Foreign Exchange Risk, Operational Risk / Internal Control & Compliance Risk, Money Laundering Risk and ICT Security Risk.

The Division summarizes the major audit findings detected by the Internal Audit & Inspection teams and presents those before the Board Audit Committee (BAC) periodically for their review and for onwards submission to the Board of Directors. The Audit Team also conducts audit of the various Branch functions with particular reference to adherence to the policies, guidelines and related circulars issued by the regulatory authority and the Bank. It also prepares the Annual Integrated Health Report of the Bank and submits it to Bangladesh Bank after obtaining approval from the Board of Directors. Besides, Audit & Inspection Division also conducts Special Audits on some specific issues like annual inventory of cash and cash equivalents, security documents and valuables on a periodic basis. Special Audits are also carried out in such areas as Cash Incentive paid against export proceed realization, AML and CFT issues and interest waiver including the cost of the fund, etc. as per Bangladesh Bank Circulars.

In 2024, Audit and Inspection (A&I) Division conducted the following activities:

Annual Comprehensive Audit on Branches based on Risk Based Audit (RBA)	:	105 Branches
Annual Comprehensive Audit on Sub-Branched	:	22 Sub-Branched (i.e. 50%)
Annual Audit of Head Office Div./Dept	:	17 Divisions / Departments
10% Special Inspection on AML & CFT activities	:	11 Branches
05% Special Inspection on Agents Outlets activities	:	11 Agents Outlets
In addition, conducted Investigations, Special Audits etc. on various issues.		

B. Compliance Division

The Compliance Division under DICC ensures compliance with applicable laws, regulations, guidelines, instructions, and circulars of Bangladesh Bank and Reserve Bank of India (on Concurrent Audit Report, LFAR and adherence with policies for Mumbai Branch, India operations), through taking initiatives to rectify/comply with the irregularities pointed out in the reports of Internal Audit, External Audit and Bangladesh Bank Inspection to minimize associated risks.

The division also ensures compliance of the Directives of other Regulatory authorities. The ultimate objective of the Division is to ensure a compliance culture and control environment to confirm good governance within the organizational structure. Highlights of the performance of major Compliance Activities are stated as follows:

S.I	Category	Compliance Performed
1.	Bangladesh Bank	<ul style="list-style-type: none"> i. Comprehensive Inspection Reports on Head Office ii. Comprehensive Inspection Reports on Branches iii. Core Risk Inspection on particular banking risks iv. Comprehensive Inspection on Foreign Trade and Foreign Exchange Transactions v. Special Inspection on SME Business on Branches vi. Surprise Inspection on Cash Department on Branches vii. Special Investigation on Specific Purpose
2.	External Audit	<ul style="list-style-type: none"> i. Annual Audit of Financial Statements of the Bank ii. Management reports of the external auditors on Head Office and Branches
3.	Internal Audit	<ul style="list-style-type: none"> i. Annual Audit and Inspection of Branches ii. Annual Audit of Sub-Branches iii. Annual Audit and Inspection of risk areas of Head Office Departments and Divisions iv. Surprise Inspection on Branches v. 10% Special Inspection on AML & CFT activities vi. 05% Special Inspection on Agents Outlets activities
4.	Mumbai Branch, India	<ul style="list-style-type: none"> i. Annual Inspection Report of RBI ii. Annual Audit Report of Internal Audit on AB Mumbai Branch. iii. Long Form Audit Report (LFAR) of External Auditors iv. Concurrent Audit Report v. Periodic Review of Policies

C. Monitoring Division Activities

Monitoring Division focuses on functional activities of the Branches through different internal control tools such as DCFCL, SCCL (LDCL), QOR, SAAFIC, Self-assessment on AML and CFT, etc. The Division reviews the effectiveness of the internal control system and operational activities by ensuring the implementation of DCFCL, QOR, SCCL (LDCL) and Self-assessment on AML and CFT at the Branch level. It reviews the QORs to find out the operational lapses and submits the Report to the competent authority for taking appropriate measures. It reviews the SCCL (LDCL) on a quarterly basis to find out documentation lapses and submits the Report to the Board Audit Committee (BAC). The Division reviews the Self-assessment on AML and CFT Report on half yearly basis to find out deficiencies in AML and CFT related issues and forwards the Report to ACCD for corrective actions.

In 2024, Monitoring Division conducted Surprise Inspection of 65 (sixty-five) Branches based on the level of risks. Monitoring Division summarizes the decisions of the past Board Audit Committee (BAC) meetings and submits the same to the Board Audit Committee along with the compliance status. It also monitors transaction of staff salary accounts of the Bank and obtaining certificate from Branches and also physically verify while conducting Surprise Inspections of the Branches.

General Banking Operations

The General Banking Operations (GBO) Division of AB Bank PLC. plays a vital role in ensuring the efficient and seamless execution of the Bank's operational activities. By maintaining high standards for product and service delivery within a structured and controlled environment, the Division safeguards the Bank's operational excellence. GBO monitors the activities of Branches and Sub-Branches to manage the associated risks by ensuring regulatory compliance and supporting business and functional departments. It also provides prompt assistance to Branches and Sub-Branches whenever required. Through optimizing process and implementing best practices, the Division contributes significantly to the overall success and reputation of the Bank.

Throughout 2024, GBO Division undertook several initiatives to strengthen operations, enhance customer service and uphold compliance with regulatory standards. Key highlights are as under:

- Operations Manual revised by incorporating updated laws, rules, guidelines issued by Bangladesh Bank, other regulators and Operation Circulars etc.

- Organized virtual meetings with all Branches to guide them on adhering to the Operations Manual and Operations Circular.
- Launched Customer Awareness Week across 15 Branches under four divisions in line with the Bangladesh Bank's directives.
- Kept customers informed about banking services, products and promotions through SMS, email, the Bank's website and social media platforms.
- Conducted refresher training for Operations Managers, Cash Officials and Customer Service Officers and delivered targeted training sessions for Sub-Branch officials.
- Conducted awareness campaigns throughout the year to prevent fraud, counterfeiting and other risks.
- Conducted surprise visits to Branches and Sub-Branches to reinforce compliance measures.
- In 2024, conducted 64 Financial Literacy programs across 43 districts through 57 Branches and 7 Sub-Branches, engaging 1,689 participants.
- Marked the Financial Literacy Day on March 4, 2024 with discussion sessions held at 40 Branches reaching 954 customers.
- Observed the Financial Literacy Week at all Branches and Sub-Branches from March 18-24, 2024 distributing 5,000 leaflets containing essential banking knowledge.
- Established the Financial Literacy Dedicated Notice Boards at 15 branches along with the required contents provided to the branches for display.
- Integrated the Bangladesh Bank's bi-annual Financial Literacy Theme for 2024, 'Use and Benefits of Digital Transactions,' guiding the Wing's awareness initiatives, into the Financial Literacy programs and disseminated through social media channels.
- To provide modern banking services to unbanked population, established 14 Sub-Branches in mostly remote areas.
- Relocated two Branches as part of cost efficiency and also enhanced customer service delivery.

Department of Human Resource Management & Development

Empowering Excellence: AB Bank PLC.'s HR Milestones in 2024

In the ever-evolving landscape of banking, Human Resources continues to serve as the driving force behind organizational excellence and resilience. Throughout 2024, the Department of Human

Resources Management & Development (HRMD) at AB Bank PLC. remained steadfast in its mission to attract, develop and retain top talent while fostering a culture of empowerment, inclusion and innovation. The year 2024 marked another milestone chapter in the Bank's journey toward sustainable growth underpinned by several key HR initiatives:

Recruitment and Talent Acquisition

Building on a proactive and strategic approach, AB Bank PLC. significantly expanded its talent pool in 2024. Through rigorous selection procedures including psychometric testing, competency-based interviews and talent mapping, the Bank recruited 217 professionals across various divisions. These new additions infused fresh perspectives and specialized skill sets, strengthening the Bank's ability to meet emerging challenges and drive future success.

Promotions and Career Growth

In alignment with the Bank's philosophy of recognizing merit and nurturing leadership, AB Bank PLC. implemented a structured promotion exercise in 2024. Transparent evaluation criteria and performance-driven assessments led to the promotion of 750 deserving employees, reaffirming the Bank's commitment to offering clear career progression pathways and motivating individuals to achieve excellence.

Compensation and Rewards

Acknowledging employee contributions remains a cornerstone of AB Bank PLC.'s HR strategy. In 2024, Annual Increments were awarded based on a robust performance management framework, ensuring fairness and alignment with market competitiveness.

Engagement and Well-being

Recognizing the importance of holistic employee engagement, AB Bank PLC. introduced new initiatives in 2024 to enhance workplace experience. In addition to celebrating achievements through sports and cultural programs, the Bank launched wellness campaigns focusing on physical and mental health, further strengthening the bond among employees and building a resilient workforce.

Training and Capacity Building

Investment in human capital remained a top priority in 2024. A record 136 training programs were conducted, combining internal, external and e-learning modules. With 11,161 participants, these initiatives covered critical areas such as leadership development, digital banking, compliance, risk management and customer experience enhancement. Tailored leadership grooming sessions were also introduced for emerging talents to prepare them for future strategic roles within the Bank.

Training (Year 2024)	No. of Courses	No. of Participants
Internal Training	98	3440
External Training	38	7721
Total	136	11,161

Employee Separation and End Service Management

In 2024, AB Bank PLC. ensured a seamless and respectful exit process for departing employees. The Department of HRMD processed 111 separation cases, maintaining efficiency in the settlement of end service benefits. This continued commitment to ethical practices reinforced the Bank's reputation as a responsible and employee-centric institution.

Diversity, Equity, and Inclusion

Championing a diverse and inclusive workplace remained a strategic focus in 2024. Policies promoting gender diversity, equal opportunity and inclusive leadership were strengthened. The Bank proudly reported an increase in female representation, with female employees comprising 26.64% of the total workforce by year-end 2024.

Age Group Wise Employee Ratio			
Age Group	31.12.2024		
	Number	Mix (%)	
Upto 30 years	274	11.21	
Above 30 years to up to 40 years	838	34.29	
Above 40 years to up to 50 years	799	32.69	
Above 50 years to up to 60 years	509	20.83	
Above 60 years	24	0.98	
Total	2444	100.00	
Gender Diversity of Employee			
Year	Number of Male Employees	Number of Female Employees	Number of Total Employees
2021	1686	594	2280
2022	1669	593	2262
2023	1704	619	2323
2024	1793	651	2444

Moving Forward

As AB Bank PLC. embraces the opportunities and challenges for the future, its Human Resources initiatives will remain central to its mission. Through continuous investment in talent, promoting a culture of learning, nurturing leadership and upholding values of equity and inclusion, the Bank reaffirms its commitment to building a workforce that is agile, empowered and future-ready.

The achievements of 2024 are not merely milestones — they are stepping stones toward a resilient and dynamic future powered by the people of AB Bank PLC.

Treasury Functions

Treasury emerged as a profit optimization unit besides strategic management of Liquidity Risk and Market Risk (Interest Rate Risk and Foreign Exchange Risk). Being an integrated unit, AB Bank Treasury is engaged in managing these risks within the laid down internal policies prepared in line with regulatory guidelines of Bangladesh Bank. Broadly, AB Bank Treasury operates through Asset Liability Management (ALM) desk, Fixed Income desk, Money Market desk, Foreign Exchange desk and Primary Dealership (PD) desk. Core responsibility of Treasury operations are the maintenance of statutory requirements i.e. CRR, SLR, Liquidity Ratios (LCR & NSFR) and Net Open Position (NOP) limits. Primarily ALM desk is responsible for Liquidity and Interest Rate risk management. In the process of Liquidity Risk Management, Treasury arranges funds both in Local & Foreign Currency and

ensure proper deployment in quality assets with due attention to profitability and future liquidity needs. As an Interest Rate risk manager, Treasury focuses on maturity management of both Loans and Deposits in line with the Banks risk appetite. AB as a Primary Dealer (PD), plays an important role in development of Govt. securities market through underwriting of Govt. securities. Moreover, AB Bank also provides client services through "Govt. Securities Investment Window". As part of its Foreign Exchange operation AB Bank Treasury is providing all possible foreign exchange solutions to cater for customer need at better prices and with superior services. With a dynamic and innovative work force Treasury has been performing consistently to contribute to Bank's profitability. Prudent Money Market, Foreign Exchange, Fixed Income and Primary Dealership operations contribute significantly in Interest, Exchange and Investment earnings of the Bank.

Financial Institutions

AB Bank's Financial Institutions (FI) Division is mainly engaged in expanding and maintaining correspondent banking relationships with local and foreign banks, financial institutions and exchange houses worldwide. AB Bank's foreign correspondent relationship covers most of the important Banks and Financial Institutions located in major trade finance and remittance hubs around the world. AB Bank's Correspondent Banking platform is comprised of 269 Correspondents. This strong platform helps facilitate the international trade business of AB Bank PLC.'s valued trade customers and also helps to procure inward remittances favoring exporters, family members of NRB Wage Earners, IT specialists, Freelancers and other service sectors of the country.

International Trade

International trade business of AB Bank PLC. has experienced negative growth due to geopolitical friction and global US Dollar crisis during 2024.

Import Business decreased by 12.65% to Taka 4,749 Crore in 2024 from Taka 5,437 Crore in 2023. Import business of AB covers areas like industrial raw materials, food items, chemicals, petroleum products, medicines, textiles, capital machineries, pharmaceutical raw materials etc.

Export Business experienced 10.47% percent negative growth in the year 2024 compared to the previous year. Total Export was Taka 2,627 Crore at the end of the year 2024 which was Taka 2,934 Crore in 2023. Export business was concentrated in readymade garments, knitwear, frozen fish and other indigenous products.

FI Marketing

A dedicated FI Marketing Team of AB Bank facilitates trade business activities originating from different Banks in Bangladesh. AB's FI Marketing Team procures foreign trade related business i.e. Reimbursement Authorities/ Payment Instructions, Advising of Documentary Credits and Confirmation to L/Cs of different Banks in Bangladesh on behalf of AB Bank PLC., Mumbai Branch, India and AB International Finance Limited (ABIFL), Hong Kong.

During the year 2024, our FI Marketing Team has collected considerable number of Reimbursement Authorities/Payment Instructions and provided great support in advising a significant number of L/Cs from different Commercial Banks in Bangladesh through our Mumbai Branch, India and ABIFL, Hong Kong.

Remittance Initiatives

AB has been using state-of-the-art API enabled remittance software for excellence in remittance operation of the Bank. AB has strengthened its remittance relationship with various renowned exchange houses in 2024. AB is focusing on excellence in customer service through a network of Branches, Sub-Branches and Agents. A dedicated "Remittance Hub" backed by advanced technology platform helps in expanding the Bank's services to the doorstep of the customers. Corporate clients of AB remained another major source of foreign currency. Bank is also trying to broaden its base through solicitation of indigenous export clients. Total remittance at the end of the year 2024 was USD 300 million compared to USD 326 million in 2023.

Overseas Operations

Mumbai Branch

AB Bank PLC., Mumbai Branch, India is the only Bangladeshi Bank's Branch located in Mumbai to cater to Indo-Bangla Trade. Since its inception in the year 1996, it has been engaged in handling Letters of Credit and Document of Export from India to Bangladesh in addition to retail banking activities. The Branch also provides confirmation, negotiation and discounting services to its customers.

At present, our Mumbai Branch is maintaining VOSTRO accounts of 47 Bangladeshi Banks. Mumbai Branch's Operating Profit at the year-end of 2024 was INR 340.02 Million.

Highlights of Mumbai Branch Business

INR in Million	2024	2023	2022	2021	2020
Total Assets	4,206.86	3,297.46	3,636.22	2,891.24	2,914.70
Total Loans and Advances	682.56	500.87	618.10	510.43	468.00
Total Deposits	1,714.48	1,868.46	2,233.09	1,974.08	1,827.52
CRAR – Overall	111.67%	74.32%	52.91%	36.93%	36.65%
CRAR – Tier I	110.98%	73.51%	52.35%	36.49%	36.25%
CRAR – Tier II	0.70%	0.81%	0.56%	0.43%	0.40%
Fee based income to Total income	57.33%	69.03%	80.80%	86.69%	82.24%
Return on Total Assets	5.39%	3.85%	2.95%	3.33%	1.50%

Operating results of Mumbai Branch

INR in Million	2024	2023	2022	2021	2020
Operating Profit	340.02	235.29	194.13	159.16	21.33
Profit after Tax (PAT)	202.21	133.63	96.38	96.57	41.14
Return on Assets (%)	5.39	3.85	2.95	3.33	1.50
Return on Equity (%)	11.75	10.56	9.28	10.64	4.15

Credit Risk Management (CRM)

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

Credit Administration (CAD)

Credit Administration (CAD) Division safeguards the total assets of the Bank. This Division is focused in complying with post-approval credit processes relating to Corporate, SME and Retail loans which includes sanction preparation, documentation, disbursement, Postdated Cheques (PDC) management system, returns and compliance. In carrying out its responsibilities, it keeps continuous liaison with the Branches, Business, Risk Management, Senior Management and the Board as well as with the Regulatory authorities.

The CAM Division usually supports the Bank directly and indirectly to manage the level of credit risk exposure having its 5 (five) wings which are related to the complying of (1) Generating CIB Reports, (2) Preparing Sanctions after getting approval and loading the Limit (s) (3) Limit Activation & Authorization after completion of documentation formalities as per Sanction Terms & Conditions (4) Loan Disbursement under the approved limits and finally (5) Returns & Compliance comprising loan irregularities report both to the in-house Management and Regulatory Authorities as well as maintain and operate the Post Dated Cheque Management (PDC) system. Besides, CAM Division typically keeps providing essential data, information and necessary counselling to the respective Divisions

to strengthen the supervision of Loan Documentations, Overview of Loan Disbursement, Controlling of Loan Delinquency and Reporting the above all status to the Board of Directors, Senior Management, Business Divisions and Branches as well as preparing and submitting all types of Regulatory Returns / Statements to the Regulators. CAM Division also arrange Training Program on "Different Issues of CAM Activities" under supervision of AB Bank Training Academy.

Department of Accounts & Finance (A&F)

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

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

Corporate Social Responsibility (CSR)

AB believes that Corporate Social Responsibility (CSR) is the primary means to contribute to the society for improving the quality of lives of people, particularly for that segment of the people who are underprivileged and less fortunate in terms of basic needs such as food, health, education etc. CSR is a self-regulating business model that helps a company be socially accountable - to itself, its stakeholders, and the public. AB Bank feels obligated towards the community in which it operates. It has long been active in a visible way in steering socially responsible initiatives.

The Bank promotes the country's rich heritage of arts, culture and sports. The Bank always responds to the crying needs of the society and stand besides the affected ones in times of national crisis. Besides addressing the basic social needs of the under privileged people of the country, AB believes that CSR can be a genuine platform to address growing environmental concerns also.

Risk Management Division (RMD)

Risk Management acts as one of the main operational activities in every sphere of operations for any Bank. It is the fundamental part for a bank to ensure its profitability and soundness. It also serves as an essential auxiliary tool to help achieve Bank's overall objectives. AB Bank PLC. recognizes the need for risk management to feature as a consideration in strategic and operational planning. As per Bangladesh Bank guidelines, AB Bank

PLC. has an effective Risk Management Division (RMD) equipped with adequate resources and infrastructure. The fundamental objective of this Division is to protect the organization from unexpected losses caused by unfavourable downgrade in financial areas and reputational issues through early flag raising, and there-by to ensure sustainability in growth. RMD is constantly considering and applying efforts to develop organization wide Risk Management structure and processes to rap out its outcomes in all areas of the Bank in compliance with Bangladesh Bank's risk related directives and procedures.

RMD has been performing an active role in leading the Supervisory Review Process (SRP) and also by participating in the SRP-SREP dialogue on ICAAP document regularly. RMD also provides the Bank's Risk Appetite Framework in the light of Bank's strategic plan comprising Key Risk Indicators (KRIs) from different segments of the Bank. The ICT Security Unit (ISU), under RMD umbrella, promotes awareness on various IT security points throughout the organization regularly. ISU also provides trainings to AB Bank officials on concurrent IT Risk & its minimization issues. RMD is equally keen on raising awareness on other issues like Management Action Trigger (MAT), factors effecting Comprehensive Risk Management Rating, etc. with a view to improve the level of understanding on risk management, its importance and its application.

AB Subsidiaries

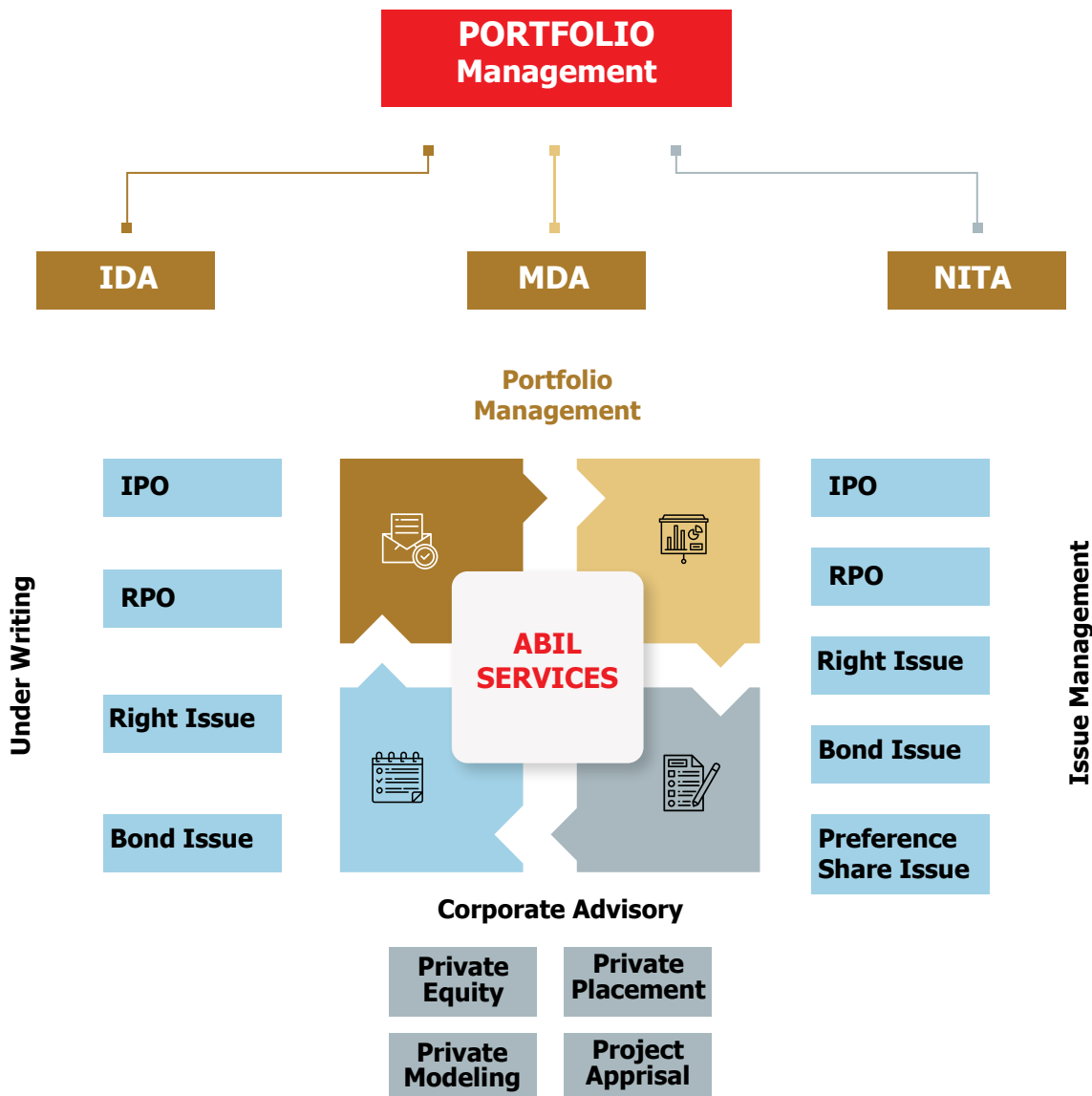
AB International Finance Limited (ABIFL),

AB International Finance Limited (ABIFL), Hong Kong, a wholly owned subsidiary of AB Bank PLC. started its operation in the year 1995. ABIFL is primarily engaged in Advising, Adding Confirmation to Documentary Credits, Negotiation and Discounting of Bills under Letter of Credit. ABIFL's performance in 2024 is presented below:

Particulars	2024	2023	2022	2021	2020
Operating Profit-HKD Million	10.51	15.63	11.00	10.12	7.90
Profit after tax (PAT)-HKD Million	8.94	13.23	9.36	8.62	6.84
Return on assets (%)	7.07	10.77	7.76	6.91	6.38
Return on equity (%)	34.28	64.76	51.69	51.12	38.81
Earnings per share-HKD	89.38	132.25	93.64	86.17	68.45

AB Investment Limited

After incorporation on December 2009, AB Investment Limited (ABIL), a wholly owned Subsidiary of AB Bank PLC., started its operation on 10 March, 2010. ABIL provides the following services:



The number of clients of AB Investment Limited is about 2211 and it comprises of Local Individual & Institutional clients along with NRBs and Foreign Individuals. ABIL has 7(seven) panel Brokers to perform trading of its clients and its own portfolio. Total portfolio of ABIL was more than BDT 4.6 billion in 2024 which is 0.07%(approx.) of the total market capitalization. Currently, ABIL operates from its Head Office in Dhaka and two branch offices in Chittagong & Sylhet.

Performances of ABIL

Particulars	2024	2023	2022	2021
Number of Clients (in number)	2211	2234	2254	2306
Margin Loan provided to Clients(mn)	669	6918	7279	7257
Operating Income (mn)	83	157	223	449
Operating Profit (mn)	19	96	156	376
Net Profit (mn)	0.12	08	33	67

AB Securities Limited (ABSL)

AB Securities Limited (ABSL), a Subsidiary of AB Bank PLC, was incorporated on December 24, 2009, and commenced operations on August 2, 2010. ABSL is a corporate TREC Holder of both Dhaka Stock Exchange PLC (DSE) and Chittagong Stock Exchange PLC (CSE).

As of 2024, ABSL serves approximately 3320 clients, including local individuals, institutions, non-resident Bangladeshis (NRBs), and foreign individuals. The company also operates as an Agent Broker for AB Investment Limited. Currently, ABSL operates from its Head Office in Dhaka, along with two Head Office extensions in Dhaka, two branch offices in Chittagong and Sylhet and one digital booth in Brahmanbaria (Cumilla). In 2024, the Company recorded a total trade turnover of approximately BDT 22.65 billion.

For Foreign Nationals and NRBs, ABSL offers comprehensive stock brokerage services including assistance with the opening of Foreign Currency (FC) Accounts, Non-Resident Investor's Taka Accounts (NITA), Beneficiary Owner (BO) Accounts, and access to trading on both the DSE and CSE.

Performance of ABSL

Particulars	2024	2023	2022
Number of Clients (in number)	3320	3200	3191
Operating Income (mn)	132.77	109.98	130.89
Operating Profit (mn)	66.36	40.19	56.53
Earnings Per Share-EPS (Tk.)	0.04	0.03	0.10
Total Turnover-Trade (Billion Tk.)	22.65	24.85	45.7

Cash link Bangladesh Limited (CBL)

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

1. To carry on the business to provide integrated electronic financial payment to AB and other member Banks
2. To do Transaction Processing solutions and deployment of independent branded Automated Teller Machines (ATM)
3. To facilitate Electronic Fund Transfer through Points of Sale (POS)
4. Debit Card, Credit Card and Pre-paid Card services
5. To expedite E-commerce facility to our valuable Clients

Yearly Performance of CBL

Amount in Lac.

Particulars	2024	2023	2022	2021	2020
Total Operating Income	54.18	31.55	24.6	30.73	40.31
Total Operating Expense	2.6	1.9	3.16	4.41	4.19
Profit After Tax	51.58	21.5	15.55	18.42	24.38
Total Shareholder's Equity	876.09	824.5	803.01	787.46	769.04
Total Asset	985.52	933.93	904.22	882.72	856.41

Arab Bangladesh Bank Foundation (ABBF)

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

Shareholding Pattern

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

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

Status as of December 31, 2024

Name of the Directors CEO, CS, CFO and HIAC	Status	No. of Shares	%	Name of the Spouses	No. of Shares	%
Barrister Khairul Alam Choudhury Nominated by Pacific Industries Ltd.	Chairman	87,613,897	9.7817%	Ms. Mariya Rakhi Chowdhury	-	-
Mr. Feroz Ahmed	Vice Chairman	18,584,471	2.0749%	Ms. Salvana Ahmed	366,832	0.0410%
Mr. Md. Fazlur Rahman Nominated by Emkay Holdings Ltd.	Vice Chairman	18,312,508	2.0445%	Late Jesmin Arzu Rahman	-	-
Mr. Shajir Ahmed Nominated by Hexagong Chemical Complex Ltd.	Director	20,453,904	2.2836%	Ms. Fahmida Islam	-	-
Mr. Shafiqul Alam	Independent Director	-	-	Ms. Najma Shafiq	-	-
Mr. Md. Eskandar Miah	Independent Director	-	-	Mrs. Hemanti Haider	-	-
Mr. Syed Mizanur Rahman	Acting Managing Director & CEO	-	-	Mrs. Shatil Rafia Kakoli	-	-
Mr. K.M. Mohiuddin Ahmed	Chief Financial Officer	-	-	Dr. Khairun Nessa	-	-
Mr. Mohiuddin Ahmed Chowdhury	Head of Internal Control and Compliance	-	-	Ms. Tasmina Hoque	-	-
Mr. Md. Jasim Uddin, FCS	Company Secretary	-	-	Ms. Jannatul Bakia	-	-

- c) Shares held by top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, and Head of Internal Audit.

Sl. No	Name	Status	No. of Shares
1.	Mr. Syed Mizanur Rahman	Acting Managing Director & CEO	
2.	Mr. Reazul Islam	Additional Managing Director	-
3.	Mr. Mahmudul Alam	Deputy Managing Director & CRO	-
4.	Mr. Md. Aminur Rahman	Deputy Managing Director & COO	-
5.	Mr. Zahiruddin Mohammad Babar Khan	Deputy Managing Director & Head of Credit	-

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

No shareholder is holding 10% and above shares of AB Bank PLC.

Dividend

The Board of Directors of AB Bank PLC., in its 815th Board Meeting held on May 31, 2025, has recommended no Dividend for the year ended December 31, 2024. In compliance with Code No: 1(5)(XXI) of the Corporate Governance Code 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors further confirms that no Bonus Shares or Stock Dividend has been declared as Interim Dividend during the year.

Board of Directors:

At present, AB Board comprises of 08 (eight) Members including Managing Director & CEO. The Board also has three Committees in operation viz. Audit Committee, Risk Management Committee and Executive Committee in compliance with Bangladesh Bank BRPD circular No: 02 dated February 11, 2024 on Formation & Responsibilities of Board of Directors of a Bank Company. Respective Committees operate following their given TOR set by the Board or Bangladesh Bank as the case may be.

Present composition of the Board is as below:

1. Mr. Kaiser Ahmed Chowdhury, Chairman, nominated by Pacific Industries Limited*
2. Mr. Feroz Ahmed, Vice Chairman
3. Mr. Md. Fazlur Rahman, Vice Chairman, nominated by Emkay Holdings Limited
4. Mr. Shajir Ahmed, Director, nominated by Hexagon Chemical Complex Limited
5. Mr. Shafiqul Alam, Independent Director
6. Mr. Md. Eskandar Miah, Independent Director
7. Dr. Nasima A. Rahman, Independent Director**
8. Mr. Syed Mizanur Rahman, Managing Director & CEO

*Bangladesh Bank by their letter dated May 12, 2025 approved the appointment of Mr. Kaiser A. Chowdhury as Nominee Director of the Bank and we enclose below his brief resume:

Mr. Kaiser A. Chowdhury is the Chairman of AB Bank PLC. Mr. Chowdhury is an iconic banker with years of experience as CEO and Board Member of several Banks and Financial Institutions.

He started his career with ANZ Grindlays Bank in 1975 and worked for over 24 years in key positions before joining ONE Bank in 1999 where he served until 2004 (Deputy Managing Director from 2000) and then to AB Bank as the President & Managing Director from 2005 to 2012. Later, he joined as CEO of Meghna Bank.

Mr. Chowdhury also worked in different capacities in GSP Finance Company (Bangladesh Limited) and Bangladesh International Arbitration Centre (BIAC). Mr. Chowdhury also served as an Independent Director at the Premier Bank PLC. and as a Director at AB Bank

PLC. A writer with 50 publications, he takes keen interest in juvenile literature and has written copiously in this field. In 2013, he received the Bangla Academy Literary Award for his contribution to Children's Literature. With a post graduate degree in Economics from Dhaka University and extensive and diverse experience, coupled with charismatic leadership and strong reputation as a prominent figure in the financial industry his induction will greatly benefit AB Bank.

**Bangladesh Bank by their letter dated May 27, 2025 approved appointment of Dr. Nasima A. Rahman as Independent Director of the Bank and we enclose below her brief resume:

Dr. Nasima A. Rahman joined as an Independent Director of AB Bank PLC. on May 27, 2025. She is a distinguished legal professional and advocate at the High Court Division of the Supreme Court of Bangladesh, with over 25 years of extensive experience. Dr. Rahman is an adroit specialist in diverse areas of law and has a strong reputation in legal governance, advocacy, and mentoring. She has profoundly contributed to research and international legal training, including UNHCR-sponsored programs. She is an active member of the Bangladesh Bar Council and is widely recognized for her leadership in legal education, stakeholder engagement, and the promotion of public legal awareness. Dr. Rahman holds a Ph.D. in Social Science, along with advanced degrees in law and human rights from the University of Dhaka and Dhaka International University.

After 42nd Annual General Meeting, Barrister Khairul Alam Choudhury, Ex-Chairman resigned from the Board on personal ground and the Board approved the same on May 05, 2025.

Board Meeting/Committees Meeting and Attendance Board Meeting

25 (twenty-five) Board Meeting held during the year 2024. Below is the table of Directors' attendance in the meeting based on their tenure:

Name of Directors	Designation	Attendance in Board Meeting of the Bank	
		Number of Meeting held in 2024	Number of Meeting attended in 2024
Barrister Khairul Alam Choudhury	Chairman	25	25
Mr. Feroz Ahmed	Vice Chairman	25	22
Mr. Md. Fazlur Rahman*	Vice Chairman	25	07
Mr. Shajir Ahmed	Director	25	25
Mr. Shafiqul Alam	Independent Director	25	25
Mr. Md. Maqsudul Huq Khan**	Director	25	11
Mr. Md. Eskandar Miah	Independent Director	25	25

Total number of Board Meeting held = 25 (Twenty-Five)

* Mr. Md. Fazlur Rahman was appointed as a Board member on September 29, 2024.

** The Board was reconstituted in the 789th Board Meeting held on June 12, 2024 where Mr. Md. Maqsudul Huq Khan was outgoing member.

Audit Committee Meeting

06 (six) Meetings of the Audit Committee were held during the year 2024. Below is the table of Members' attendance in the Meeting based on their tenure:

Name of Directors	Status	Number of Meeting	
		Held	Attended
Mr. Shafiqul Alam	Chairman	06	06
Mr. Feroz Ahmed	Member	06	06
Mr. Md. Eskandar Miah	Member	06	06
Mr. Shajir Ahmed*	Member	0	0

Total number of Board Audit Committee Meeting held = 06 (Six)

* Mr. Shajir Ahmed was appointed as a Audit Committee member on December 10, 2024.

Risk Management Committee Meeting

08 (eight) Meeting of the Risk Management Committee were held during the year 2024. Below is the table of Members' attendance in the Meeting based on their tenure:

Name of Directors	Status	Number of Meeting	
		Held	Attended
Mr. Shafiqul Alam	Chairman	08	08
Mr. Feroz Ahmed	Member	08	08
Mr. Md. Eskandar Miah	Member	08	08

Total number of Board Meeting held = 08 (Eight)

Remuneration paid to Directors

During the year 2024, total remuneration paid to the Directors including Independent Director was Tk. 3,199,600 (Taka Thirty-One Lac Ninety-Nine Thousand and Six Hundred) only.

Election of Directors

According to the Articles of Association of the Bank and Regulation 79 of Schedule-I of the Companies Act 1994, at each Annual General Meeting, at least one third of the Directors other than the Managing Director & CEO are to retire. Mr. Shajir Ahmed, nominated by Hexagon Chemical Complex Limited will retire in the following 43rd Annual General Meeting and shall be eligible for re-appointment.

Going Concern

The Financial Statements provide reasonable assurance of the Bank's ability to continue as a going concern for the foreseeable future, and the directors are persuaded by these indications.

Protection to Minority Shareholders

To protect the interests of all shareholders, including minor shareholders, AB Bank operates in compliance with its Articles of Association as well as all relevant laws and regulations. In order to foster trust among stakeholders, the Bank is dedicated to ensuring solid governance procedures founded on honesty, transparency, equity, professionalism, and accountability. The Bank is a firm believer in treating all shareholders fairly. While we are dedicated to addressing grievances and inquiries within the allotted period, any complaint received at the AGM or during the year from any shareholder is resolved on a priority basis.

Related Party Transaction Disclosure

A party is related to the company if:

- i. directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- ii. the party is an associate;
- iii. the party is a joint venture;
- iv. the party is a member of the key management personnel of the Company or its parent;
- v. the party is a close member of the family of any individual referred to in (i) or (iv);
- vi. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii. the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

a) Significant contracts where the Bank is a party and wherein Directors have interest:

Name of contract	Name of the party	Name of Director and related by	Relationship
Lease agreement with Mohakhali and Savar Branch of ABBPLC	Pacific Industries Ltd	Mr. Khairul Alam Choudhury	Nominated Director of Pacific Industries Ltd. in ABBPLC Board
Telemarketing Service	Supertel Limited	Mr. Shajir Ahmed	Director

b) Related party transactions:

Name of related party	Relationship	Nature of transaction	Amount in BDT
Pacific Industries Ltd.	Common Director	Office Rent	14,608,197
Supertel Limited	Common Director	Telemarketing	2,640,000

c) Loans/placement given to subsidiary of the Bank:

Sl.	Name of the party	Connection with party	Nature of transaction	Amount in BDT
01	AB Investment Limited	99.99% owned Subsidiary	Loans and advances	1,281,614,347
02	AB Securities Limited	99.91% owned Subsidiary	Loans and advances	157,600,926
03	AB International Finance Limited	Fully owned (100%) Subsidiary	Placement through OBU	1,090,437,500
Total loans/placement to subsidiary				2,529,652,773

Credit Rating

AB Bank has been rated by ARGUS Credit Rating Services Limited (ACRSL) based on the financials of the Bank up to December 31, 2024 (audited) and other relevant quantitative as well as qualitative information up to the date of Rating declaration i.e. June 17, 2025.

The summary of the Rating is given below:

Surveillance Rating (2024)	Long Term	Short Term
	A-	ST-2
Date of Rating	June 17, 2025	
Date of Validity	June 16, 2026	

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

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

43rd Annual General Meeting

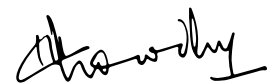
Shareholders whose names appeared in the Register of Members of the Bank or the Depository System on the Record Date i.e. June 26, 2025, Thursday, shall be eligible to attend and vote at the Annual General Meeting.

The 43rd Annual General Meeting will be held on August 05, 2025 (Tuesday) through Hybrid System at Kurmitola Golf Club, Dhaka Cantonment, Dhaka 1206 at 10:00 a.m.

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

Gratitude

The Board would like to call on all the employees to work even harder in the face of the challenges ahead to take this Bank forward. The Board also wants to sincerely thank all Regulators, valued clients, and other stakeholders who have put their faith in the Bank over the course of its 43-year history.



Kaiser A. Chowdhury
Chairman