

# AB Bank AB Bank Limited & its Subsidiaries

## Financial Statements 2015

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### Notes to the Financial Statements For the year ended 31 December 2015

#### 7.1.2 Large Loan Restructuring

Bank has restructured 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 Taka
Abdul Monem Sugar Refinery Limited	Term Loan	22-Dec-2021	455,112,396
Bel Construction Sdn Bhd Limited	SME-Term	30-Sep-2027	3,288,826,167
Bel Construction Sdn Bhd Limited	SME-Term	30-Sep-2021	464,254,247
R & R Aviation Limited	Term Loan	23-Dec-2027	80,678,000
R & R Holdings	Term Loan	23-Dec-2027	2,378,988,329
			<b>6,667,859,148</b>

#### 8 Bills purchased and discounted

	31.12.2015 Taka	31.12.2014 Taka
In Bangladesh	496,715,837	446,624,517
Outside Bangladesh - ABBL, Mumbai Branch	663,366,351	736,726,811
	<b>1,160,082,188</b>	<b>1,183,351,328</b>

#### 8(a) Consolidated Bills purchased and discounted

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited	1,160,082,188	1,183,351,328
AB Investment Limited	-	-
AB International Finance Limited	913,089,613	1,617,929,100
AB Securities Limited	-	-
Cashlink Bangladesh Limited (CBL)	-	-
AB Exchange (UK) Limited	-	-
	<b>2,073,171,801</b>	<b>2,801,280,428</b>

#### 8.1 Maturity grouping

Repayable - within 1 month	280,039,913	419,274,898
- over 1 month but within 3 months	602,134,186	515,478,500
- over 3 months but within 6 months	277,908,089	248,598,380
- over 6 months	-	-
	<b>1,160,082,188</b>	<b>1,183,351,328</b>

#### 9 Fixed assets including premises, furniture and fixtures

	31.12.2015 Taka	31.12.2014 Taka
Land and Building	3,341,682,082	3,341,682,082
Furniture and fixtures	230,635,936	218,512,340
Office appliances	62,729,842	62,061,984
Electrical appliances	1,489,025,807	1,443,497,294
Motor vehicles	581,049,757	567,752,028
Intangible Assets	171,059,066	571,032,453
Less: Accumulated depreciation and amortization	(2,075,182,491)	(6,204,538,180)
	<b>4,200,872,767</b>	<b>4,404,954,528</b>

#### 9(a) Schedule of fixed assets is given in Annexure-C

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

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited	6,276,182,491	6,204,538,180
AB Investments Limited	682,564,941	574,374,720
AB International Finance Limited	7,717,176	7,623,595
AB Securities Limited	29,343,095	29,069,045
Cashlink Bangladesh Limited (CBL)	250,270,880	250,270,879
AB Exchange (UK) Limited	15,274,525	15,259,298
	<b>7,261,353,108</b>	<b>7,081,235,717</b>

#### Accumulated depreciation:

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited	2,075,309,724	1,799,543,653
AB Investments Limited	68,747,827	50,853,564
AB International Finance Limited	7,626,814	7,452,313
AB Securities Limited	25,826,906	21,667,677
Cashlink Bangladesh Limited (CBL)	250,936,692	250,021,004
AB Exchange (UK) Limited	14,204,328	11,585,284
	<b>2,441,809,292</b>	<b>2,141,123,495</b>
	<b>4,819,543,816</b>	<b>4,940,112,222</b>

#### 10 Other Assets

##### Income generating-Equity Investment

	31.12.2015 Taka	31.12.2014 Taka
<b>In Bangladesh:</b>		
AB Investment Limited (99.99% owned subsidiary company of ABBL)	2,800,000,000	99,899,000
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
	<b>3,212,479,228</b>	<b>512,378,228</b>
<b>Outside Bangladesh:</b>		
AB International Finance Limited, Hong Kong (wholly owned subsidiary company of ABBL)	5,203,944	5,203,944
AB Exchange (UK) Limited (wholly owned subsidiary company of ABBL)	50,423,392	50,423,392
	<b>55,627,337</b>	<b>55,627,337</b>
	<b>3,268,106,565</b>	<b>568,005,565</b>

##### Non-income generating

	31.12.2015 Taka	31.12.2014 Taka
Arab Bangladesh Bank Foundation (99.60% owned subsidiary company of ABBL)	19,920,000	19,920,000
Share Money Deposits - AB Investment Limited	2,199,999,000	4,900,100,000
Deferred Tax (Note:10.01)	1,428,252,732	1,020,310,332
Accounts receivable	1,058,534,763	730,277,969
Preliminary, formation, organisational, renovation, development, prepaid expenses and others	644,563,195	507,327,670
Exchange for clearing	1,044,718,906	459,660,909
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures, and other income receivables	791,115,465	695,096,286
Security deposits	166,089,818	175,578,647
Advance rent and advertisement	233,138,317	171,597,362
Stationery, stamps, printing materials, etc.	25,237,828	25,237,384
Inter-branch adjustment	-	19,413,610
	<b>7,611,570,024</b>	<b>8,709,287,177</b>
	<b>10,879,676,588</b>	<b>9,277,302,741</b>

#### 10(a) Consolidated Other assets

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited	10,879,676,588	9,277,302,741
AB Investment Limited	34,254,324	176,877,427
AB International Finance Limited	4,603,844	8,275,323
AB Securities Limited	14,920,190	76,959,275
Cashlink Bangladesh Limited (CBL)	30,222,875	26,897,143
AB Exchange (UK) Limited	2,158,232	1,319,511
	<b>10,965,836,053</b>	<b>9,567,611,420</b>
Less: Intercompany transaction	(5,620,098,722)	(5,762,319,286)
	<b>5,345,737,331</b>	<b>3,805,292,134</b>

#### 10.01 Deferred Tax Assets

##### a) Deferred tax liabilities against PPE

	31.12.2015 Taka	31.12.2014 Taka
Balance at 01 January	136,219,062	109,050,939
Add/(Less): Provision made during the year	(3,382,036)	27,091,990
Add/(Less): Adjustment for Rate Fluctuation during the year	259,236	76,133
	<b>133,096,262</b>	<b>136,219,062</b>

##### b) Deferred tax assets for specific provisions of loans and advances

	31.12.2015 Taka	31.12.2014 Taka
Specific provision of loans and advances	2,564,529,261	2,891,323,484
Add: Loan written off during the year	1,338,843,223	-
Total Temporary Difference	3,903,372,484	2,891,323,484
Effective Tax Rate @ 40%	-	-
Closing Deferred Tax Assets	1,561,348,994	1,156,529,394
Opening Deferred Tax (Assets)/Liabilities	1,156,529,394	-
Deferred Tax Income/(Expense)	404,819,600	-
<b>Net Deferred Tax Assets (B-a)</b>	<b>1,428,252,732</b>	<b>1,020,310,332</b>
Deferred Tax Income/(Expense)	404,819,600	(27,091,990)

#### 11 Borrowings from other banks, financial institutions and agents

	31.12.2015 Taka	31.12.2014 Taka
<b>In Bangladesh</b> (Note: 11.1)	14,281,704,120	7,313,322,021
<b>Outside Bangladesh</b> (Note: 11.2)	9,411,640,189	3,663,488,409
	<b>23,693,344,309</b>	<b>10,976,810,430</b>

#### 11.1 In Bangladesh:

	31.12.2015 Taka	31.12.2014 Taka
<b>11.1.1 Bangladesh Bank</b>		
ADB loan	6,334,875	17,107,125
Islamic Investment Bonds	-	500,000,000
Refinance against IPFF	354,656,325	105,176,850
Refinance against Women Entr., Small Enterprise, ETP & Others	117,366,398	126,633,297
	<b>478,357,598</b>	<b>748,917,272</b>

#### 11.1.2 Call & Term Borrowing from

	31.12.2015 Taka	31.12.2014 Taka
Basic Bank Limited	400,000,000	950,000,000
Dutch Bangla Bank Limited	2,714,640,637	1,565,293,240
CITI Bank NA	220,000,000	420,000,000
Agrani Bank Limited	150,000,000	-
Prime Bank Limited	700,000,000	-
One Bank Limited	300,000,000	-
HSBC	300,000,000	300,000,000
Sonali Bank Limited	290,000,000	-
Bank Asia Limited	1,400,000,000	-
Mutual Trust Bank Limited	190,000,000	-
National Bank Limited	892,501,500	-
Premier Bank Limited	795,170,510	-
NCC Bank Limited	500,000,000	-
Uttara Bank Limited	892,501,500	-
Habib Bank Limited	79,010,552	-
Southeast Bank Limited	392,891,276	-
Bank Al Falah	157,000,600	-
Dhaka Bank Limited	392,501,500	-
ICB Islami Bank Limited	-	470,000,000
Brac Bank Limited	1,394,324,451	1,000,000,000
United Commercial Bank Limited	1,000,000,000	1,300,000,000
Commercial Bank of Ceylon	628,002,400	390,422,237
Bangladesh Commerce Bank Limited	-	155,957,262
Accrued interest	14,801,596	12,732,010
	<b>13,803,346,522</b>	<b>6,564,404,749</b>
	<b>14,281,704,120</b>	<b>7,313,322,021</b>

#### 11.2 Outside Bangladesh

	31.12.2015 Taka	31.12.2014 Taka
Sonali Bank UK	598,215,467	616,893,327
ICICI BK LTD,HK	1,729,347,653	-
International Finance Corporation	2,732,715,811	2,732,718,832
Al-Noor Bank Limited	4,351,361,258	-
Banca UBAE	-	313,876,251
	<b>9,411,640,189</b>	<b>3,663,488,409</b>

Schedule of Borrowings from other banks, financial institutions and agents outside Bangladesh is given in Annexure - D.

### Notes to the Financial Statements For the year ended 31 December 2015

#### 11.3 Analysis by security

	31.12.2015 Taka	31.12.2014 Taka
Secured (assets pledge as security for liabilities)	23,693,344,309	10,976,810,430
Unsecured	-	-
	<b>23,693,344,309</b>	<b>10,976,810,430</b>

#### 11.4 Repayment pattern

	31.12.2015 Taka	31.12.2014 Taka
Repayable on maturity	3,500,000,000	1,670,000,000
Repayable on demand (Note: 11.4.1)	20,193,344,309	9,306,810,430
	<b>23,693,344,309</b>	<b>10,976,810,430</b>

#### 11.4.1 Repayable on maturity

	31.12.2015 Taka	31.12.2014 Taka
<b>Bangladesh Bank refinance:</b>		
ADB loan	6,334,875	17,107,125
Refinance against IPFF	354,656,325	105,176,850
Refinance against Women Entr., Small Enterprise, ETP & Others	117,366,398	126,633,297
	<b>478,357,598</b>	<b>248,917,272</b>

#### Term borrowings:

	31.12.2015 Taka	31.12.2014 Taka
Islamic Investment Bonds	-	500,000,000
International Finance Corporation	2,752,715,811	2,732,718,832
Banca UBAE	-	313,876,251
Commercial Bank of Ceylon	628,002,400	390,422,237
Uttara Bank Limited	892,501,500	-
Bank Al Falah	157,000,600	-
National Bank Limited	892,501,500	-
Dhaka Bank Limited	392,501,500	-
Bank Asia Limited	890,000,000	-
Premier Bank Limited	795,170,510	-
Prime Bank Limited	400,000,000	-
NCC Bank Limited	500,000,000	-
Habib Bank Limited	79,010,552	-
Southeast Bank Limited	392,891,276	-
Bangladesh Commerce Bank Ltd	-	155,957,262
ICB Islami Bank Ltd.	-	470,000,000
Brac Bank Limited	1,394,324,451	1,000,000,000
United Commercial Bank Limited	1,000,000,000	1,300,000,000
Dutch Bangla Bank Ltd	1,964,640,637	1,565,293,240
Sonali Bank UK	598,215,467	616,893,327
ICICI BK LTD,HK	1,729,347,653	-
Al-Noor Bank Limited	4,351,361,258	-
Accrued interest	14,801,596	12,732,010
	<b>19,714,986,711</b>	<b>9,057,893,158</b>
	<b>20,193,344,309</b>	<b>9,306,810,430</b>

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

	31.12.2015 Taka	31.12.2014 Taka
AB Bank Limited	23,693,344,309	10,976,810,430
AB Investment Limited	2,132,209,626	2,406,573,816
AB International Finance Limited	717,810,985	1,407,722,530
AB Securities Limited	284,303,246	299,693,825