

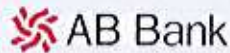
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INFORMATION MEMORANDUM

Transferable, Unsecured, Non-Cumulative, Contingent-Convertible  
Perpetual Bond of BDT 6,000,000,000 of which  
BDT 5,400,000,000 through Private Placement &  
BDT 600,000,000 through Public Issue

for

AB Bank Limited



Corporate Office: The Skymark, 18 Gulshan Avenue, Gulshan-1, Dhaka-1212

Trustee: MTB Capital Limited

Underwriter for Public Issue: BMSL Investment Limited



Advisor & Arranger for Private Placement of BDT 540 Crore: Riverstone Capital Limited

Issue Manager for Public Issue of BDT 60 Crore: Riverstone Capital Limited



|  |   |
|--|---|
| Type of Security:                          | Perpetual Bond  |
| Issue Amount (Private Placement)           | BDT 5,400,000,000   |
| Issue Amount (Public Issue)                | BDT 600,000,000   |
| Total Issue Amount                         | BDT 6,000,000,000   |
| Unit Size                                  | BDT 1,000   |
| Number of Securities for Private Placement | 5,400,000 Unit  |
| Number of Securities for Public Issue      | 600,000 Unit  |
| Total Number of Securities                 | 6,000,000 Unit  |
| Coupon Range:                              | 6%-10% per annum (Subject to having available distributable profit) |
| Tenor:                                     | Perpetual   |
| Issue Date of IM:                          |   |
| Public Offer Subscription Opening Date     |   |
| Public Offer Subscription Closing Date     |   |

Credit Rating Status of the Issue

|                 | Short Term                                   | Long Term |
|-----------------|--|-----------|
| AB Bank Limited | ST-2   | AA-       |
| Bond Rating     | A+   |           |
| Rating Agency   | ARGUS Credit Rating Services Limited (ACRSL) |           |

If you have any query about this document, you may consult the Issuer, Issue Manager and the Trustee.

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

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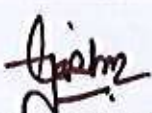
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 Managing Director

  
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 Chief Financial Officer  
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 Tarique Afzal  
 President & Managing Director  
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 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
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 Head Office, Dhaka.

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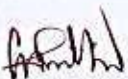
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For and on behalf of  
Riverstone Capital Limited

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Ashraf Ahmed  
Managing Director

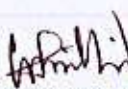
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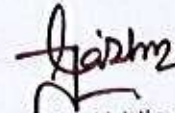
  
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|           |   |            |
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President & Managing Director  
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Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited

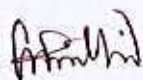


**Ashraf Ahmed**  
Managing Director



**Khalrul Bashar A. T. Mohammed**  
Chief Executive Officer  
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Company Secretary (In-Charge)  
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Corporate Office, Dhaka



**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
RiverStone Capital Limited





**Ashraf Ahmed**  
Managing Director

**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
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Head Office, Dhaka.


|      |  |     |
|------|--|-----|
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For and on behalf of  
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Ashraf Ahmed  
Managing Director

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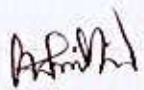
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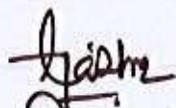
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**BMSL Investment Limited (Underwriter)**

**Md. Riyad Matin**

Managing Director


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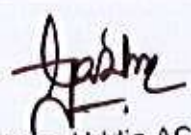
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Riverstone Capital Limited

  
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**Report to Eligible Investors**

By investing in the Transferable, Unsecured, Non-Cumulative, Contingent-Convertible Perpetual Bond, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of Riverstone Capital Limited as the Arranger for private placement and Issue Manager for Public Issue, as set out below:

**Risk:** You are fully aware of that any investment in the Bond involves a degree of risk.

**Consultation with advisers:** You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bond, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arranger or the Issue Manager.

**No reliance:** You acknowledge and agree that you may not rely on any investigation that the Arranger or the Issue Manager any of its affiliates or any person acting on their behalf may have conducted with respect to the Company or any of their affiliates, and none of the Arranger or Issue Manager or its affiliates, employees, officers, directors, legal advisers or representatives has made any representation to you, express or implied, with respect to your investment in the Bond.

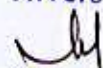
**Informed decision:** You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bond, including without limitation adequate information concerning the Arranger or Issue Manager's business, financial condition, results of operations and prospects.

**Knowledge and experience:** You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bond and are aware that you may be required to bear, and are able to bear, all risk including economic risk of an investment in the Bond.

**Information of the Company:** You acknowledge that the information provided to you with regard to the Issuer and the Bond in this Information Memorandum, has been supplied to you by the Arranger or the Issue Manager and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

**Review of Information Memorandum:** You have reviewed this Information Memorandum in its entirety, including the risks specifically outlined in the section titled "Risk Factors", and you understand and acknowledge all of the risks described therein. Based on all of the above, you have determined that:

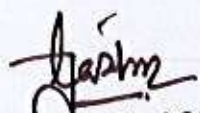
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Khalrul Bashar A. T. Mohammed  
Chief Executive Officer  
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the Bonds are a suitable investment for you, and your investment in the Bond does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and you have obtained all approvals and consents (whether internal or external) and have made all notifications necessary for you to invest in the Bond as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment. Additionally, you confirm that you have no need for liquidity in respect of the Bond.

**Own account:** You are purchasing the Bond for your own account, including fund account and portfolio manager account and not with a view to any distribution thereof.

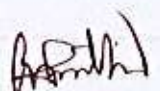
**No representation or warranty:** The Arranger or Issue Manager has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger or Issue Manager shall not owe any duty whatsoever to you in connection with the Bond.

**No obligation to purchase:** The Arranger or Issue Manager shall have no obligation to purchase or acquire all or any part of the Bond purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bond, including the non-performance by the issuance, whether to you or otherwise.

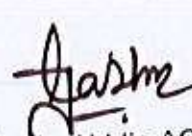
For and on behalf of  
Riverstone Capital Limited



Ashraf Ahmed  
Managing Director



K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.



Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.



Khairul Bashir A. T. Mohammed  
Chief Executive Officer  
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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

Certain statements included herein may constitute “forward-looking statements”. All statements other than statements of historical fact included in this Information Memorandum are forward-looking statements. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by the use of terms and phrases, such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “target”, “will” and similar terms and phrases, including references to assumptions. However, these words are not the exclusive means of identifying such statements. These statements are contained in many sections of this Information Memorandum. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected.

The following factors, among others, could cause our actual results, performance or achievements to differ from those set forth in the forward-looking statements:

- Government regulation, including compliance with regulatory and permit requirements and changes in market rules, rates, tariffs and environmental laws;
- Operating and financial restrictions placed on us and our subsidiaries related to agreements governing our indebtedness and other agreements of certain of our subsidiaries and project-level subsidiaries generally;
- Our ability to borrow additional funds and access capital markets, as well as our substantial indebtedness and the possibility that we may incur additional indebtedness going forward;
- Changes in foreign withholding taxes and foreign currency conversion rates;
- Hazards customary to the manufacturing industry and manufacturing operations, such as unusual weather conditions, catastrophic weather-related or other damage to facilities, unscheduled outages, maintenance or repairs, environmental incidents, or electric transmission constraints and the possibility that we may not have adequate insurance to cover losses as a result of such hazards;
- Delays or unexpected costs during the completion of construction of our projects;
- Our ability to expand into new business segments or new geographies;
- Economic, social and political risks and uncertainties inherent in our operations, including that we develop and operate projects in emerging markets and may expand our operations into countries where we currently have no presence; and
- Our ability to operate our businesses efficiently, manage capital expenditures and costs tightly, manage risks related to international operations and generate earnings

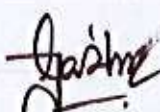
For and on behalf of  
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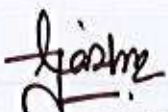
and cash flows from our asset-based businesses in relation to our debt and other obligations.

Additional factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the caption "Risk Factors". All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained herein under the caption "Risk Factors", as well as other cautionary statements that are made from time-to-time in our other communications. All forward-looking statements herein should be evaluated in the context of these risks and uncertainties.

The important factors referenced above may not contain all of the factors that are important to a prospective investor. In addition, we cannot provide assurance that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included herein are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.



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**Tarique Atzab**  
President & Managing Director  
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**Ashraf Ahmed**  
Managing Director



**Khairul Bashar A. T. Mohammed**  
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## Executive Summary

### Macroeconomic Overview:

Bangladesh is the eighth most populous country globally with a population size of 161 million (in 2018) with a GDP growth rate in the range of 6 – 7% over the past decade. The country's nominal GDP was valued at USD 329 billion (FY2020)<sup>1</sup> and foreign exchange reserve crossed USD 44 billion at the end of May 2021. Foreign Direct Investment (FDI) in Bangladesh saw a CAGR of 13.1% during the period 2015-2019 with USD 2.87 billions of FDI in 2019. According to GDP (PPP) size, Bangladesh moved up from 40<sup>th</sup> place in 2008 to 30<sup>th</sup> place in 2019 in the global ranking.

The country's growing population, emerging middle-class income group, rising urbanization and increasing rural consumption and working population represent a large consumer market for consumer products, particularly food and beverages products.

Large scale industrialization is taking place in Bangladesh with the approval of 100 special economic zones and this increasing economic activities will drive the growth of the banking industry. Scheduled banks need to equip themselves with proper growth strategy to reap the benefit of the economic growth and issuance of Additional Tier I Capital is a big step towards strengthening the health of the banks.

### Industry Overview


The banking industry of Bangladesh has been playing a significant role in supporting the extraordinary economic growth of the country over the years. Banks account for almost 80% of all financing activities in the country by offering investable funds to both the public and the private sector, while also facilitating service payments, international trade, foreign exchange activities, etc. The industry began with 6 nationalized commercialized banks, 3 State owned specialized banks and 9 foreign Banks and then later in the 1980's it achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:

- Scheduled Banks: The 61 banks maintained under the Bangladesh Bank Order, 1972.
- Non-Scheduled Banks: 5 banks which are established for special and definite objective and operate under any act but are not scheduled banks. These banks do not perform all functions of scheduled banks.

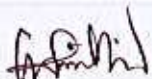
Currently there are 61 scheduled banks in Bangladesh among which 6 are state-owned commercial banks, 43 are private commercial banks, 9 are foreign commercial banks while 3 are specialized banks established for specific objectives like agricultural or industrial development.

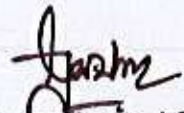
<sup>1</sup> Statistical Yearbook 2020, Bangladesh Bureau of Statistics

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Md. Jasim Uddin ACS  
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Tarique Afzal  
President & Managing Director  
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The banking sector, relative to the size of the economy is comparatively larger than many other economies that are at similar levels of development and per capita income with continuous increase in the number of formal institutions, financing instruments, and volume of assets. However, the sector has been facing a number of serious challenges in recent times. The three main reasons for the current predicament are deposit shortage, declining asset quality due to governance issues, and enormous competition within the industry. One of the most alarming symptoms to these causes is the rising level of non-performing loan. The amount of NPL stood at BDT 925 billion in 2020, which was more than 9% of the total loan disbursed. Additionally, Bangladesh Bank has imposed a 9% regulatory cap on the lending rate on all kinds of credit disbursement and this has had a significant impact on the cost-to-income ratio for all the Banks. Previously the rate varied from 10% to 17% depending on type of credit. Despite the challenges, the country's banking sector has demonstrated strong resilience by being a strong backbone for the USD 300-plus billion economy. Banks have started to diversify their operations and there is increasing emphasis on capitalizing on the growing digital landscape in the industry.

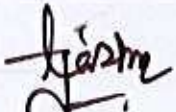
### Issuer's Profile

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

With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, ABBL has formulated a golden heritage and an envious legacy that may not be imitated by many. Achieving plenty of milestones and incorporating numerous changes over the last 39 years, ABBL has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel in this new era of technological triumph, ABBL has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e-products.

ABBL has extensively widened its services over the last three decades in both home and abroad. The Bank opened its very first branch at Karwan Bazar on 12<sup>th</sup> April 1982 and now has a successful footprint of 105 branches including one overseas branch in Mumbai, India and 270 plus ATMs spread across the country. It has associated 5 subsidiary companies including one Off-shore banking unit and custodial services with its core banking activities. The Bank opened its representative office at Yangon, Myanmar for extending its foreign operations.

  
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**Tarique Afzal**  
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For and on behalf of  
 Riverstone Capital Limited

  
**Ashraf Ahmed**  
 Managing Director

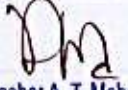
  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

Table 1: Key Financials of ABBL as of March 31, 2021

| Particulars                           | BDT Crore |
|---------------------------------------|-----------|
| Loans, Advances and Lease/Investments | 28,556    |
| Total Assets                          | 37,756    |
| Deposits and Other Accounts           | 27,333    |
| Total Liabilities                     | 35,179    |
| Total Equity                          | 2,577     |

### Features of the Bond

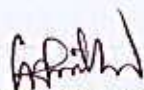
ABBL has envisaged to issue up to 6,000,000 units of Transferable, Unsecured, Non-Cumulative, Contingent-Convertible Perpetual Bond of BDT 6,000,000,000 (BDT Six Hundred Crore) of which BDT 5,400,000,000 (BDT Five Hundred Forty Crore) will be issued through private placement and BDT 600,000,000 (BDT Sixty Crore) will be issued through public offer. The Perpetual Bond is a transferable, unsecured, non-Cumulative, Contingent-convertible instrument. There is no maturity date and no step up or other incentives to redeem. The coupon rate will be in the range of 6%-10%.

### USE OF PROCEEDS

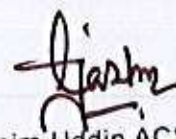
The funds raised through this Perpetual Bond will be used as Additional Tier I capital to strengthen the capital base of ABBL and to comply with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). Apart from strengthening of the bank's capital base, the proceeds from the issue will be used for undertaking general business activities of the bank including loans and investments in treasury and other securities. In summary, the proceeds will primarily be used for:

- Growing the bank's loan portfolio in corporate, SME and retail segments
- Investing in treasury securities and other instruments

Riverstone Capital Limited is the Advisor and Arranger to the private placement of the issue and Issue Manager to the Public Issue.



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**Tarique Afzal**  
President & Managing Director  
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For and on behalf of  
Riverstone Capital Limited



**Ashraf Ahmed**  
Managing Director



**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
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## 1 Risk Factors and Management's Perception about the Risks

Investing in bonds involves a degree of risk. All Investors should carefully consider all the information in this Information Memorandum, especially the risk factors both internal and external, before making any investment decision. This section addresses the possible risks an investor might have to bear by investing in the Bond and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results, and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors is not meant to be a comprehensive description of all the risks, which may be relevant to a decision to invest in the Bond. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

### 1.1 Interest Rate Risks

Interest rate risk arises refers to the potential risk to the bank's capital and earnings arising from unfavorable movements in market interest rates. The bank may face such unfavorable conditions due to rise in borrowing rates and/or fall in lending rates. When interest rates change, the present value and timing of future cash flows change. This in turn changes the underlying value of a bank's assets, liabilities and off-balance sheet items and hence its economic value. Changes in interest rates also affect a bank's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII).

#### Management Perception

From April 2020, Bangladesh Bank fixed the lending caps for all the banks at single digit which ultimately adversely impacted Net Interest Income of the Bank. For mitigating this interest rate risk, AB Bank is trying to reprice its deposit and borrowing books.

### 1.2 Exchange Rate Risks

Foreign exchange risk, for a bank, is defined as the potential change in earnings due to changes in market exchange risk. This risk arises due to the banks' involvement in various foreign currency transactions. If the local currency appreciates against the major foreign currencies and the bank holds a significant net long position in foreign currencies during that time, the bank might incur losses. Similarly, if the local currency depreciates against the major foreign currencies while the bank holds a net short position in foreign currencies, the bank might also incur huge losses.

#### Management Perception

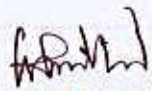
The foreign exchange risk for AB Bank Limited is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements. The Financial Institution and Treasury (FIT) Division independently conducts the foreign exchange transactions while the Treasury department is responsible for the verification of the deals and their entries in the accounting books. All foreign exchange

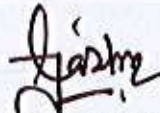
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transactions are revalued at market rate as determined by Bangladesh Bank at each month-end. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.

### 1.3 Non-Repayment Risks

Non-repayment risk is defined as the potential risk that borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Although ABBL sets high standards in repaying all its obligations to the depositors and lenders, it is possible that the Bank may fail to repay its obligations arising from the bonds to be issued in extreme cases. In the event of default, the investors might suffer from financial loss.

#### Management Perception

ABBL operates under the tight regulations and close supervision of Bangladesh Bank. Moreover, it is highly unlikely that a reputed organization like ABBL will risk its reputation by setting an instance of default. Furthermore, in case of non-repayment, the Trustee would give notice period to the Issuer in protecting the non-repayment and take further steps to ensure the interest of the investors.

### 1.4 Prepayment, Call or Refunding Risks

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of the Bond. Such risk exists in a bond that has prepayment or call option.

#### Management Perception

This bond is perpetual in nature i.e., there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features of the Bond section (Section 4).

### 1.5 Security Risks

Security are the assets pledged by an issuer to the bondholder to secure repayment of the Bond. Therefore, security risk involves the possibility of recovering the investment by the bondholder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the Bond.

#### Management Perception

AB Bank Perpetual bond is an unsecured bond. Specific Revenue sources or assets are not being pledged against issuance of the bonds. Investors will have the right on the Bank's cash flow to get repaid but rank of a Perpetual bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

### 1.6 Liquidity Risks

The Bank's businesses are subject to liquidity risks and could affect the Bank's ability to meet its financial obligations. In order for the Bank to continue to meet its funding obligations and

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to maintain or grow its business generally, it relies on customer savings/deposits as well as ongoing access to the wholesale lending markets. The ability of the Bank to access funding sources on favorable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as general market conditions and confidence in the banking system.

**Management Perception**

ABBL's management is well aware of the risks involving liquidity constraint and is capable of handling such risks by practicing modern Asset Liability Management (ALM) techniques. The ALM committee regularly monitors the overall liquidity position of the bank and proactively makes policy changes in due course of time. Therefore, it is highly unlikely that the bondholders will face any material loss from liquidity risk.

**1.7 Management Risks**

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management. The bondholders may suffer financial losses in such an event.

**Management Perception**

Issuer has a strong corporate governance and sound management system. The dynamic management team is constantly working on making the organization more effective and result oriented. Strong financial, technical, and marketing teams are led by qualified professionals. Strategic management and control are centralized and undertaken by the key sponsors. Moreover, the management of the company is constantly supervised by a Board of Directors consisting of seasoned professionals who work hard to ensure that the interest of all the stakeholders is served by the management.

**1.8 Operational Risks**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control framework. Material losses are regularly analyzed by cause and actions are taken to improve system and controls to prevent recurrence in the future.

**Management Perception**

ABBL employs experienced as well as young individuals having both academic and practical knowledge. The bank organizes both on the job and off the job training facilities so that the employees can be equipped to properly handle operational challenges. Most importantly, ABBL has procured latest sophisticated technology and world class hardware to ensure

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Tarique Afzal  
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smooth operation process. The management is confident that it has the capability of combatting any future operational challenges.

### 1.9 Business Risks

Business risk refers to the possibility that the company will have lower than anticipated profit, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including interest spread, non-interest income, operating expenses, money & capital market volatility, competition, government regulations and economic climate. Like all other companies, ABBL is also exposed to certain business risk factors.

#### Management Perception

Like all other businesses such risk exists in the banking industry. The Bank scrutinizes all of its clients and the associated risks systematically using up to date risk evaluation techniques and thereby has been able to maintain good asset quality so far and expects the same in the future. Some other systematic risks might arise from the external environment of the Bank, similar to any other bank.

### 1.10 Industry Risks

The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.

#### Management Perception

The Bank has always been careful in offering its products and services at competitive terms and conditions. It updates its strategies continuously to keep up with the changes in the market dynamics and demand of the young generation. The management continues to focus on the sustainable growth by diversifying its loan book and by fostering innovation in the management level. ABBL has also introduced new deposit and loan products to cater to different demographics and it is working on digitization of its service to stay on par with the global shift in the banking industry.

### 1.11 Market and Technology-Related Risks

Market and technology related risk mainly refer to the change in market condition due to technological modifications which would adversely affect the business and profitability of the company. As the banking industry is becoming more and more technology-dependent, the risks derived from technological use is increasing day-by-day. As a result, the bank might be exposed to risks such as computer virus attacks, system collapse, system hacking, unauthorized electronic fund transfer, etc.

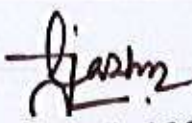
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Khairul Bashar A. T. Mohammed  
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### Management Perception

ABBL maintains a strong IT Infrastructure to provide technological support to the vast operational personnel of the bank as well as its clients. The bank also follows the Bangladesh Bank ICT Policies along with other leading industry compliances such as PCI DSS. The IT Infrastructure is built on Microsoft Active Directory along with Microsoft Exchange Email System with enhanced cloud security. The bank also has Next Generation Firewall (NGF) in to protect the organization from external threats. For endpoint security the 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). Additionally, ABBL regularly arranges Security Awareness training for the employees as per the regulations of Bangladesh Bank. ABBL checks and updates its technological infrastructure regularly to keep up with the changes in the global banking industry and minimize any threat from major technological shift in the market.

### 1.12 Risks Related to Potential or Existing Government Regulations

AB Bank Limited operates its business under the specific guidelines laid by Bangladesh Bank, Bangladesh Securities and Exchange Commission and other regulatory authorities. The bank is also regulated by Bank Company Act 1991 revised up to 2013, Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984 and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank enforces certain regulatory requirements in the form of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) for banking institutions, which are changed from time to time. Any abrupt changes in these policies and regulations made by the authorities may adversely affect the business of the company.

### Management Perception

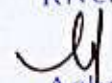
Unless there are any policy changes that have significant negative impact on the industry as a whole, ABBL's business is not expected to be affected materially. Like all scheduled banks in Bangladesh, ABBL has been funding their assets from their deposits after maintaining the required SLR and CRR and the bank has been consistently compliant to any such changes. Additionally, the regulatory bodies in Bangladesh are not expected to take any steps that might prove detrimental to the country's banking industry.

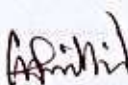
### 1.13 Risks Related to Potential Changes in Global or National Policies

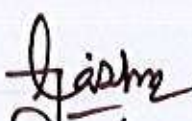
A financial institution's ability to operate a profitable business is directly related to the national policies including, monetary and fiscal policies of the country at any given time. Imposition of restrictive policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the Bank.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of

For and on behalf of  
Riverstone Capital Limited  
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Ashraf Ahmed  
Managing Director

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka.

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

#### Management Perception

The management of the Issuer is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and in a timely manner to safeguard its interests.

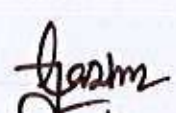
For and on behalf of  
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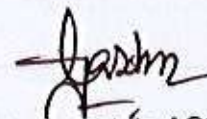
  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

## 2 Detailed Description and Information to be Provided as Mentioned in Schedule A (Part I and Part II)

All information and documents required as per Schedule A (Part I and Part II) of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been provided with the Bond application to BSEC. Following documents have been included in the Bond application:

| Sl | Document   |
|----|--|
| 1  | Memorandum and Articles of Association   |
| 2  | Certificate of Incorporation   |
| 3  | Particulars of Directors   |
| 4  | Return of Allotment of Shares  |
| 5  | Annual Summary of Share Capital  |
| 6  | Latest Original Auditors' Report with the Related Audited Financial Statements of the Issuer (Quarterly Report of March 2021)      |
| 7  | Details of Outstanding Debt Securities   |
| 8  | Purpose of Issuance of Securities and Detailed Plan to Use of Proceeds Thereof;  |
| 9  | Resolution of the Board of Directors Deciding to Issue Securities  |
| 10 | Copy of Disclosures of Price Sensitive Information   |
| 11 | Auditor's Certificate Showing Deposit of an Amount Equivalent to the Owners' Stake in the Issuer Attested by the Managing Director |
| 12 | Description of Business of the Issuer  |
| 13 | Latest Credit Rating Report of the Issue   |
| 14 | Latest Credit Rating Report of the Issuer  |
| 15 | Draft Information Memorandum (IM) Prepared as per Schedule 'B' of BSEC (Debt Securities) Rules, 2021                               |
| 16 | Draft Deed of Trust Prepared as per Schedule 'C' of BSEC (Debt Securities) Rules, 2021   |
| 17 | Declaration Relating to Covenants for Rating Trigger, if any and Adoption of Specific Enforceable Actions Thereof;                 |
| 18 | Due Diligence Certificate of the trustee as per Annexure II of BSEC (Debt Securities) Rules, 2021                                  |
| 19 | Undertaking of Issuer and its Directors for Obtaining CIB Report from Bangladesh Bank,   |

  
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### 3 Details of the Utilization of Proceeds

#### Overview and Rationale

Issuer is the first private sector bank of Bangladesh, and it wants to continue its growth journey through issuance of Perpetual Bond. The funds raised through this Perpetual Bond will be used to strengthen the capital base of ABBL as Additional Tier I capital and to comply with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). The proceeds will be used to grow the balance sheet of ABBL to continue its growth journey and to make the business more sustainable.

#### Use of Proceeds:

The Board of Directors of AB Bank Limited in its 710<sup>th</sup> meeting on May 27, 2021 recommended to issue BDT 600 crore Perpetual Bond. In accordance with Bangladesh Securities and Exchange Commission Directives No. BSEC/CMRRCD/2009-193/19 dated May 23, 2021 on Perpetual Bonds, the issuance of bond would be in two segments- 90% of proposed issue i.e., BDT 540 crore through Private Placement and rest 10% i.e., BDT 60 crore through Public Issue. Subsequently, the issue was approved by the shareholders in its 39<sup>th</sup> Annual General Meeting. The purpose of this bond is to raise Additional Tier I Capital of the Bank as per Bangladesh Bank guidelines.

As on March 31, 2021, AB Bank Limited had a total capital of BDT 3,312.01 crore of which BDT 1,946.50 crore was Tier-I Capital and BDT 1,365.51 crore was Tier-II Capital while the Risk Weighted Assets of the Bank was BDT 34,137.78 crore. The Capital to Risk-weighted Assets Ratio (CRAR) of the Bank was 9.70% on a solo basis which was below the minimum regulatory capital of 10.00%. The proposed Perpetual Bond issue will allow the Bank to enhance its capital base in line with Basel III guidelines.

Apart from strengthening of the Bank's capital base, the proceeds from the issue will be used for undertaking general business activities of the Bank including loans and investments in treasury and other securities. In summary, the proceeds will primarily be used for:

- Growing the bank's loan portfolio in corporate, SME and retail segments
- Investing in treasury securities and other instruments

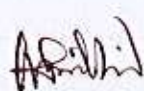
#### Detailed Use of Proceeds


| SL           | Use of Proceeds                           | BDT Crore  | Tentative time                         |
|--------------|---|------------|--|
| 1            | Extending loans facilities to the clients | 480        | Within 12 months of receiving the fund |
| 2            | Investment in Government securities       | 120        |  |
| <b>Total</b> |   | <b>600</b> |  |

For and on behalf of,  
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11 |   
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Khairul Bashar A. T. Mohammed  
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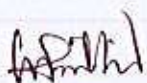
  
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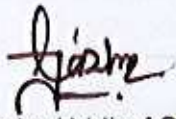
  
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Bank management will ensure effective monitoring of utilization of the issue proceeds under the fund management policy. Management will also ensure the risk exposure taken and shall not be below investment grade, stock or exposures.



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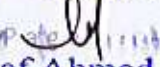


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#### 4 Features of Bond

ABBL has envisaged to issue up to 6,000,000 units of Transferable, Unsecured, Non-Cumulative, Contingent-Convertible Perpetual Bond of BDT 6,000,000,000 (BDT Six Hundred Crore) of which BDT 5,400,000,000 (BDT Five Hundred Forty Crore) will be issued through private placement and BDT 600,000,000 (BDT Sixty Crore) will be issued through public offer.

The bonds will be issued in dematerialized format, subject to the consent of Bangladesh Securities and Exchange Commission (BSEC) and will be listed on the exchanges as per the prevailing rules and regulations by BSEC.

|  |   |
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| <b>Issue Type</b>                          | <b>Transferable, Unsecured, Non-Cumulative, Contingent-Convertible, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital</b>   |
| <b>Issuer</b>                              | AB Bank Limited   |
| <b>Nature of Instrument</b>                | Unsecured   |
| <b>Purpose and Objectives</b>              | To raise Additional Tier I capital, proceed will be used for enhancing normal course of business: <ul style="list-style-type: none"> <li>• Growing the bank's loan portfolio in corporate, SME and retail segments</li> <li>• Investing in treasury securities and other instruments</li> </ul> |
| <b>Advisor &amp; Arranger</b>              | Riverstone Capital Limited  |
| <b>Issue Manager for Bond Public Offer</b> | Riverstone Capital Limited  |
| <b>Trustee</b>                             | MTB Capital Limited   |
| <b>Paying Agent</b>                        | AB Investment Limited   |
| <b>Rating Agency</b>                       | ARGUS Credit Rating Services Limited (ACRSL)  |
| <b>Legal Advisor</b>                       | Chowdhury and Company   |
| <b>Underwriter</b>                         | BMSL Investments Limited  |
| <b>Mode of Issue</b>                       | Private Placement and Public Offer  |
| <b>Facility Size</b>                       | Total BDT 600 Crore;<br>Of which,<br>BDT 540 Crore through private placement<br>BDT 60 Crore through public offer   |
| <b>No. of Bonds to be Issued</b>           | 6,000,000 Units   |

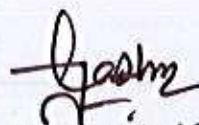
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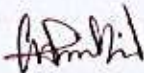
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| <b>Face Value</b>                              | BDT 1,000 per unit   |
| <b>Bonds per lot/<br/>Minimum Subscription</b> | 01   |
| <b>Tenure</b>                                  | Not Applicable. The Bonds shall be perpetual i.e., there is no maturity date and there are no step-ups or other incentives to redeem.  |
| <b>Investors</b>                               | <p>The following class of investors are eligible to participate in the offer:</p> <ul style="list-style-type: none"> <li>• Public Financial Institutions which are duly authorized to invest in Bonds as per Bangladesh Bank Regulations</li> <li>• Mutual Funds, Insurance Companies, Scheduled Commercial Banks,</li> <li>• Co-operatives, Specialized Banks or any other institutions approved by law and authorized to invest in bonds/ debentures,</li> <li>• Societies authorized to invest in bonds/debentures,</li> <li>• Trusts authorized to invest in bonds/ debentures,</li> <li>• Statutory Corporations/Undertakings established by Central/State legislature authorized to invest in bonds/ debentures,</li> <li>• Any other institution or person not mentioned in the list but is eligible to subscribe as per applicable regulations.</li> </ul> |
| <b>Coupon Rate</b>                             | Reference Rate + Coupon Margin   |
| <b>Reference Rate</b>                          | 20-year Treasury-Bond rate.<br>(Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)  |
| <b>Coupon Margin*</b>                          | 2% (As approved by Bangladesh Bank)  |
| <b>Quotation Day</b>                           | Five (05) days before the first day of any period for which a coupon rate is to be determined  |
| <b>Coupon Range</b>                            | <ul style="list-style-type: none"> <li>• Coupon Ceiling: 10%</li> <li>• Coupon Floor: 6% subject to having available distributable profit</li> </ul> <p>As approved by Bangladesh Bank</p>   |
| <b>Coupon Discretion</b>                       | <ol style="list-style-type: none"> <li>The bank will have full discretion at all times to cancel distributions/payments to the bondholder;</li> <li>Cancellation of discretionary payments must not be an event of default;</li> <li>Banks must have full access to cancelled payments to meet obligations as they fall due;</li> <li>Cancellation of distributions/payments must not impose restrictions on the bank except in relation to distributions to common stakeholders; and</li> <li>Dividends must be paid out of distributable items;</li> </ol>   |

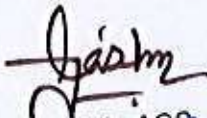
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|   | <p>vi. The dividend shall not be cumulative; i.e., dividend missed in a year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum. When dividend is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</p> <p>vii. The instrument cannot have a credit sensitive coupon feature, i.e. a dividend that is reset periodically based in whole or in part on the banks' credit standing. For this purpose, any reference rate including a broad index which is sensitive to changes to the bank's own creditworthiness and / or to changes in the credit worthiness of the wider banking sector will be treated as a credit sensitive reference rate. Banks desirous of offering floating reference rate may take prior approval of the BB as regard permissibility of such reference rates.</p> <p>viii. In general, it may be in order for banks to have dividend stopper arrangement that stop dividend payments on common shares in the event the holders of Additional Tier 1 instruments are not paid dividend/coupon. However, dividend stoppers must not impede the full discretion that bank must have at all times to cancel distributions/payments on the Additional Tier 1 instrument, nor must they act in a way that could hinder the re-capitalization of the bank. For example, it would not be permitted for a stopper on an Additional Tier 1 instrument to:</p> <ul style="list-style-type: none"> <li>▪ attempt to stop payment on another instrument where the payments on this other instrument were not also fully discretionary;</li> <li>▪ prevent distributions to shareholders for a period that extends beyond the point in time that dividends/coupons on the Additional Tier 1 instrument are resumed;</li> <li>▪ impede the normal operation of the bank or any restructuring activity (including acquisitions/disposals).</li> <li>▪ A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary share buybacks, if otherwise permitted.</li> </ul> |
| <p><b>Exercise of Coupon Discretion</b></p> | <p>Any coupon payment will be distributed subject to having available distributable profit of the issuer.</p>   |

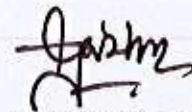
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| <b>Coupon Payment Frequency</b>                                | Semi-Annual  |
| <b>Late Payment</b>  | Issuer shall pay a late payment penalty on the basis of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless exercise of coupon discretion is not in effect.   |
| <b>Business Day Convention/Effect of Holidays</b>              | <ul style="list-style-type: none"> <li>• If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day.</li> <li>• If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</li> </ul>  |
| <b>Early Redemption or Late Redemption</b>                     | Not Applicable.<br>Since the instrument is perpetual in nature i.e., there is no maturity date; late redemption is not applicable unless and until it is eligible for call option criteria.  |
| <b>Put Date</b>  | Not Applicable   |
| <b>Put Price</b>   | Not Applicable   |
| <b>Call Option</b>   | Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.   |
| <b>Call Option Eligibility</b>                                 | <ol style="list-style-type: none"> <li>1. Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank; or,</li> <li>2. Capital position is above the minimum requirements after the call option is exercised.</li> </ol>   |
| <b>Claim Settlement in the event of Liquidation or Wind-up</b> | <p>Claims of the investors on the bond are:</p> <ol style="list-style-type: none"> <li>1. Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future.</li> <li>2. subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier I Capital (as defined in the Basel III Guidelines) of the Bank;</li> <li>3. Is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that</li> </ol> |

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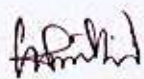
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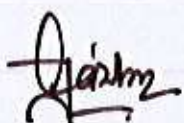
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|   | <p>legally or economically enhances the seniority of the claim vis-à-vis bank creditors</p> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.</p>  |
| <b>Loss Absorption</b>  | <p>As per the direction of Bangladesh Bank and BASEL III guidelines, the Bonds are subject to principal loss absorption through conversion to common shares at an objective pre-specified trigger point as required of Additional Tier I instruments.</p> <p>If a Pre-Specified Trigger Level (as described below) occurs the Bank shall:</p> <ol style="list-style-type: none"> <li>1. notify the Trustee;</li> <li>2. cancel any coupon which is accrued and unpaid to as on the conversion date; and</li> <li>3. without the need for the consent of Bondholders or the Trustee, convert the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide subject to the amount of conversion not exceeding the amount which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of RWA. <p>CET-1 on Trigger Date will be considered to identify the shortfall percentage and it will be converted into common shares eventually. If a fractional share issuance arises upon conversion, the issuer will round the number of shares issuable, up to the next whole number. Fractional lot size will also be rounded to the next whole number.</p> </li></ol> |
| <b>Trigger Point for Loss Absorption</b>                        | <p>If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3rd quarter-end date of consecutive below-minimum CET-1 Ratio would be the Trigger-Point (date). Once the trigger point has been reached and exercised, the cycle will start again.</p>  |
| <b>Conversion Strike Price</b>                                  | <p>Average of 180 business days market price prior to the 3rd quarter end date on which issuer's consolidated CET-1 falls below Bangladesh Bank requirement (currently of 4.5%) or Par Value (BDT 10) whichever is higher.</p>  |
| <b>Payment Suspension Methodology (in case of written down)</b> | <p>In case of the event of exercise of Loss Absorption feature of the Bond, any coupon payment in between the Trigger Point Condition Date and publication date of audited financials will be suspended. The bondholder will not be eligible for the coupon payment if the same situation prevails (Bank's consolidated CET-1 ratio remains below the regulatory</p>  |

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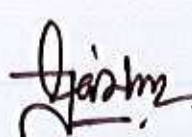
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|---------------------------------|---|
|                                 | <p>requirement of 4.5%) after the publication of audited financials. In case of use of Loss Absorption feature, the portion that will be required to be converted, Coupon Payment will never resume back for that portion. The portion that shall not be converted, payment will resume from next coupon date for that non-converted portion, but subject to CET-1 Ratio remaining reaching 4.50% or above, and interest will be paid along with previous coupon for this portion. No penal/additional/delay fee shall be charged on the Issuer for the period when coupon(s) payment was suspension.</p>   |
| <p><b>Conversion Notice</b></p> | <p>Within 2 (two) Business Days of the end of the 2nd Quarter when CET-1 Ratio remains below 4.50%, Issuer shall notify the Trustee that in the event that the Trigger Point Condition is met, the Loss Absorption feature shall be exercised ("Conversion Indication Notice"). Within 2 (two) Business Days of the approval of the audited financials which confirms fulfilment of the Trigger Point Condition Date, the Issuer shall notify the Trustee of the Conversion Strike Price, number of Bonds to be converted, expected end date of the Conversion Period ("Conversion Notice") and shall prepare and send the draft notice for the Bondholders to be sent by the Trustee informing such conversion along with the Conversion Notice; The Trustee shall within 2 (two) Business Days of the receipt of the Conversion Notice, notify the Bondholders about the receipt of the Conversion Notice. All notices are validly given if:</p> <ul style="list-style-type: none"> <li>▪ Mailed to bondholders at their respective address in the register,</li> <li>▪ Published for three consecutive days in one English newspaper and one Bengali newspaper; each having wide circulation in Bangladesh, and</li> <li>▪ Emailed to bondholders at their respective addresses set out in the Issuer Register provided that such notices will only be considered as validly given unless followed up with hard copies of the notices being mailed to the bondholders or published for three consecutive days in a leading newspaper as aforesaid.</li> </ul> <p>Any such notice shall be deemed to have been given on the seventh day after being so mailed or on the later of the date of such publications.</p> |
| <p><b>Events of Default</b></p> | <p>The occurrence of the events as described in Clause 11.5 of the "Deed of Trust" shall constitute an Event of Default. It is further clarified that cancellation of discretionary payments/coupon shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate</p>   |

behalf of MTB Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

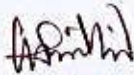
  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

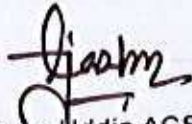
|                                     | the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.  |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
|-------------------------------------|---|---------------|---------|-----------|-----|------------|------|-----------------|-------------------|---------------|-------------------|---------------|---------|-----------|----|------------|------|-----------------|---------------|---------------|---------------|
| <b>Consent Right of Bondholders</b> | Issuer needs to take prior consent from AT I (AB Bank Perpetual Bond) bondholders to issue new Tier-II capital over maximum limit (4.0% of RWA or 88.89% of CET-1 Capital, whichever is higher) as set by Bangladesh Bank.  |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| <b>Credit Rating</b>                | <p><b>Issuer Rating: AA-</b></p> <table border="1"> <thead> <tr> <th>Credit Rating</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td>Long-term</td> <td>AA-</td> </tr> <tr> <td>Short-term</td> <td>ST-2</td> </tr> <tr> <td>Publishing Date</td> <td>December 09, 2020</td> </tr> <tr> <td>Validity Date</td> <td>December 08, 2021</td> </tr> </tbody> </table> <p><b>Bond Rating: A+</b></p> <table border="1"> <thead> <tr> <th>Credit Rating</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td>Long-term</td> <td>A+</td> </tr> <tr> <td>Short-term</td> <td>ST-2</td> </tr> <tr> <td>Publishing Date</td> <td>June 27, 2021</td> </tr> <tr> <td>Validity Date</td> <td>June 26, 2022</td> </tr> </tbody> </table> | Credit Rating | Current | Long-term | AA- | Short-term | ST-2 | Publishing Date | December 09, 2020 | Validity Date | December 08, 2021 | Credit Rating | Current | Long-term | A+ | Short-term | ST-2 | Publishing Date | June 27, 2021 | Validity Date | June 26, 2022 |
| Credit Rating                       | Current   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Long-term                           | AA-   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Short-term                          | ST-2  |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Publishing Date                     | December 09, 2020   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Validity Date                       | December 08, 2021   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Credit Rating                       | Current   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Long-term                           | A+  |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Short-term                          | ST-2  |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Publishing Date                     | June 27, 2021   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| Validity Date                       | June 26, 2022   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| <b>Transferability/Liquidity</b>    | Freely transferable in accordance with the provisions of the Deed of Trust.   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |
| <b>Costs to the issue</b>           | <p>Costs related to the issue is:</p> <p><b>BSEC Application Fee:</b> BDT 10,000</p> <p><b>BSEC Consent Fee:</b> BDT 0.1% of Total Issue Amount</p> <p><b>Legal Fee:</b> BDT 500,000</p> <p><b>Trustee Fee:</b> BDT 250,000 p.a.</p> <p><b>Credit Rating Fee:</b> BDT 400,000 p.a.</p> <p><b>Issue Manager Fee:</b> 0.5% of Total Public Issue Size</p> <p><b>Advisory and Arranger Fee:</b> 1.00% of Total Private Placement Issue Size</p> <p><b>Underwriter Fee:</b> 0.1% of Total Amount Underwritten</p> <p><b>CDBL Fee:</b> TBD</p> <p><b>DSE Fee:</b> As per applicable law.</p> <p><b>CSE Fee:</b> As per applicable law.</p> <p>The cost may change based on the infinite maturity period of the perpetual bond.</p>   |               |         |           |     |            |      |                 |                   |               |                   |               |         |           |    |            |      |                 |               |               |               |

For and on behalf of  
Riverstone Capital Limited

19 | Page  
Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka.

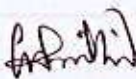


|   |  |
|---|--|
| <b>Governing Law</b>  | The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of courts of Bangladesh.   |
| <b>Prepayment, Call, Refunding, Conversion or Exchange option</b> | The Bond has a Call option which can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.<br>The Bond also has a Contingent-Conversion feature, whereby, the Bonds are subject to principal loss absorption through conversion to common shares at an objective pre-specified trigger point.   |
| <b>Tax Features</b>   | As per applicable Law of Bangladesh.   |
| <b>Repayment Schedule</b>   | Since the instrument is perpetual in nature, no repayment schedule is applicable   |
| <b>Credit Enhancement Guarantee</b>                               | Not applicable.  |
| <b>Enforcement of Charges Over Securities</b>                     | The Trustee shall enforce all payment obligations under the Bonds only by way of petitioning for the winding up or dissolution of the Issuer and/or by proving for the amount due and payable under the Bonds in the liquidation or administration of the Issuer. In the event of default by the Issuer in the performance or observance of any covenant, condition or provision contained in the Bond or the Trust Deed or any of the Issue Documents (save for failure to pay any amount of principal, coupon or expenses or in respect of any other payment obligation), (i) the Trustee or any Bondholder shall not be entitled to any remedy available to the Trustee or any Bondholder which in substance amounts to a remedy to recover any amounts under any payment obligation of the Issuer under the Bonds and (ii) any other remedy available. |

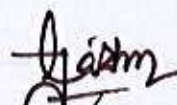
For and on behalf of  
Riverstone Capital Limited



Ashraf Ahmed  
Managing Director



K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Corporate Office, Dhaka.



Md. Jasim Uddin  
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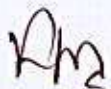
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**5 Description of Collateral Securities and Type of Charges to Be Created**

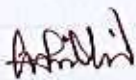
The Bond will be unsecured. However, in the case of liquidation, the claims of the Bondholders will be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future while being subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier I capital (as defined in Basel III Guidelines of Bangladesh Bank) of ABBL. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.


For and on behalf of  
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Managing Director



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K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

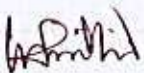
  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
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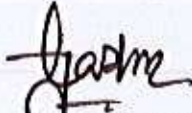
## 6 Rights and Obligations of the Issuer

### 6.1 General Covenants by the Issuer

- 6.1.1 The Issuer hereby covenants unless otherwise required by law, the Bonds will be issued in registered and listed form.
- 6.1.2 The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed and the other Transaction Documents which are expressed to be binding on it. The terms and conditions of the Bonds shall be binding on the Issuer, the Bondholders and the Trustee. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Bonds. The Trustee shall hold the benefit of this covenant to pay all sums due and payable but unpaid by the Issuer in respect of payments with respect to the Bonds upon trust for itself and the Bondholders.
- 6.1.3 Covenant to comply with Rules and Guidelines of Bangladesh Bank, Bangladesh Securities & Exchange Commission, Trust Deed, conditions, Schedules and Subscription Agreement(s):
- i) The Issuer hereby covenants with the Trustee to comply with, perform and observe the conditions of all Rules and Guidelines published by the Bangladesh Bank, Bangladesh Securities & Exchange Commission all those provisions of this Trust Deed, the Conditions, the Schedules, the Agency Agreement and the Subscription Agreement which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, the Conditions, the Schedules, Agency Agreement and the Subscription Agreement, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.
  - ii) The Issuer hereby confirms that it has obtained due approval from the Bangladesh Bank and the Bangladesh Securities and Exchange Commission for issuance of the Bonds.



**K.M. Mohtuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.



**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited



22 | Page  
**Ashraf Ahmed**  
Managing Director



**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

6.1.4 As long as any of the Bonds remains outstanding or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the provisions of this clause.

6.1.4.1 Change of Business

The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer.

6.1.4.2 Arms' length transactions

The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis.

6.1.4.3 General Undertakings

(i) Authorizations

The Issuer shall promptly:

- (1) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (2) as and when requested by the Trustee, supply to the Trustee certified copies of, any Authorization required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents to which it is a party (or any of them) and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Bond Document to which it is a party.

(ii) Compliance with laws

The Issuer shall comply in all respects with all laws to which it is subject including, without limitation, the requirements and guidelines of the Bangladesh Bank

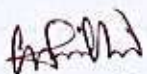
(iii) Insurance

The Issuer shall maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

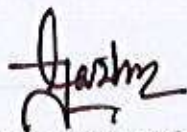
For and on behalf of  
Riverstone Capital Limited

23/12/2023  
Asifur Rahman  
Managing Director

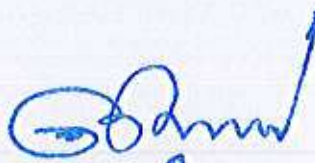
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



K.M. Mohiuddin Ahmed  
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AB Bank Limited  
Corporate Office, Dhaka.



Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

(iv) Corporate Governance

- (1) The Issuer shall ensure that it remains duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
- (2) The Issuer shall ensure it shall at all times have the power and necessary Authorizations to own its assets and carry on its business as from time to time being conducted.
- (3) The Issuer shall maintain and preserve all of its assets, which may be necessary in the conduct of its business as conducted from time to time, in good working order and condition, ordinary wear and tear excepted.

(v) Taxation and claims

The Issuer shall duly and punctually follow the prevailing rules and regulations of taxation.

(vi) Maintenance of and access to books and records and inspection

The Issuer shall, maintain books and records (with respect to itself and its business) in the manner described in Clause 16.1 of the Trust Deed.

(vii) Further assurance

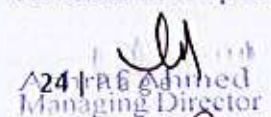
The Issuer shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Trustee may reasonably specify (and in such form as the Trustee may reasonably require in favour of the Trustee or its nominee(s)) for the exercise of any rights powers and remedies of the Trustee (for and on behalf of any or all of the Trustee and/or the Bondholders) provided by or pursuant to the Bond Documents or by law on a best efforts basis and to the extent permitted by applicable laws.

6.1.4.4 Loans and Guarantee

The Issuer shall not:

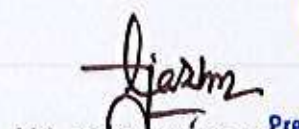
- (i) be a creditor in respect of any Financial Indebtedness, except for any loan in its ordinary course of business consistent with its current practice; and

For and on behalf of  
Riverstone Capital Limited

  
A241 AB Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

- (ii) incur or allow to remain outstanding any guarantee in respect of any obligation (whether actual or contingent) of any person, or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except for:
- (1) any guarantee under any Bond Document;
  - (2) any guarantee in the ordinary course of business consistent with its current practice.


**6.1.4.5 Undertakings to Comply with Bangladesh Bank and BSEC Authorization and Rules and Guidelines**

It will at all times comply with the terms of the approval issued by Bangladesh Bank and BSEC including the Rules; and any other Guidelines issued by the Bangladesh Bank from time to time (including maintaining any required Bangladesh Bank rating).

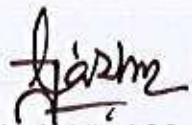
**6.1.4.6 Providing Information**

The Issuer shall provide such information and within such period of time identified in Clause 16.2, 16.3 and 16.4 of the Trust Deed to the Bondholders and the Trustee.

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
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President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

## 6.2 Corporate Covenants by the Issuer:

### 6.2.1 Conduct

The Issuer shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law from time to time in force in Bangladesh and in compliance with its and in compliance with its Memorandum and Articles of Association save where failure to do so would not constitute a Materials Adverse Effect.

### 6.2.2 Consents

The Issuer shall obtain, comply with the terms of and do all that is necessary:

- i) to maintain in full force and effect all authorizations, approvals, licenses and consents necessary under any Law in connection with its business; and
- ii) to enable it lawfully to enter into and perform its obligations under this Trust Deed.

### 6.2.3 Authorized Signatories

The Issuer shall deliver to the Trustee upon execution of this Deed and thereafter upon any change of the same, a list of Authorized Signatories of the Issuer together with a specimen signature of each Authorized Signatory.

### 6.2.4 Registered Office

The Issuer shall maintain its registered office. In case of change of registered office, the Issuer will notify this to the Trustee.

### 6.2.5 Financial Statements

The Issuer shall prepare in respect of each financial years, financial statements and provide the same to the Trustee in such form and manner as described in Clause 16 herein below in this Trust Deed.

### 6.2.6 General Negative Covenants

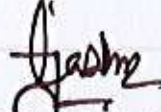
The Issuer shall not, save to the extent permitted by or contemplated by Applicable Law or with the prior written consent of the Trustee:

- i) sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same which shall reasonably be expected to have a Material Adverse Effect.

For and on behalf of  
Riverstone Capital Limited

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K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
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Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

- ii) grant, create or permit to exist any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) its assets which shall reasonably be expected to have a Material Adverse Effect.
- iii) consolidate or merge with any other person;
- iv) permit the validity or effectiveness of the Transaction Documents to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

**6.2.7 Authorizations**

The Issuer must:

- i) promptly obtain and maintain in full force and effect all governmental and regulatory consents, licenses, material authorizations and approvals required for the conduct of its business; and
- ii) do all such things as are necessary to maintain its corporate status,
- iii) in each case where failure to do so would be reasonably expected to have a Material Adverse Effect.

**6.2.8 Compliance with Transaction Documents**

The Issuer shall at all times comply with and perform all its obligations under the Transaction Documents and the Bonds save where non-compliance would not lead to a Material Adverse Effect.


**6.2.9 Exercise Rights**

The Issuer shall preserve and/or exercise and/or enforce its rights under and pursuant to the Bonds and the Transaction Documents.

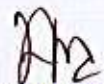
**6.2.10 Dealing with Trustee**

- i) The Issuer shall upon reasonable notice, during normal business hours allow the Trustee and any persons appointed by the Trustee access to such books of account and other business records as relate to the assigned rights or the benefit of the assigned rights as the Trustee or any such persons may reasonably require.
- ii) So far as permitted by applicable law and subject to any binding confidentiality restrictions, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as the trustee and any persons appointed by the Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee by or pursuant to this Trust Deed or any other Transaction Document.

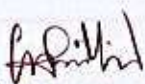
For and on behalf of  
Riverstone Capital Limited

  
Asraf Ahmed  
Managing Director

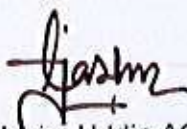
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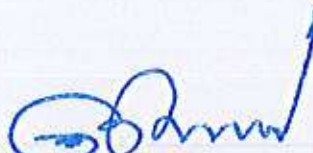
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.



Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



#### 6.2.11 Execution of Further Documents

The Issuer shall, so far as permitted by applicable law and regulatory requirements, execute all such further documents and do all such further acted and things as the Trustee (acting reasonably) may consider to be necessary at the time to give effect to the terms of the relevant Transaction Documents.

#### 6.2.12 Notification of Event Default

The Issuer shall deliver notice to the Trustee forthwith upon becoming aware of any Event of Default without waiting for the Trustee to take any further action.

#### 6.2.13 No Variation and Termination of Transaction Documents

The Issuer shall not until the final Maturity Date, save to the extent permitted by the Transaction Documents or with the prior written consent of the Trustee:

- i) terminate, repudiate, rescind or discharge any Transaction Documents.
- ii) vary, novate, amend, modify or waive any provision of any Transaction Document;
- iii) permit any person who has obligations under the Transaction Document to be released from such obligations other than in accordance with the terms of the applicable Transaction Document and any applicable requirement of law or regulatory direction.

#### 6.2.14 Filings

The Issuer shall affect all required filings in respect of the Issuer and file, record or enroll each Transaction Document required to be filed, recorded or enrolled with any court or other authority in Bangladesh and ensure that such required filings and such other filings, recordings or enrolments are at all times maintained in accordance with any applicable requirement of law or regulatory direction.

#### 6.2.15 Payments

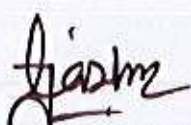
The Issuer shall pay moneys payable by it to the Trustee under this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law.

#### 6.2.16 Notices to Bondholders

The Issuer shall send or procure to be sent (not less than three days prior to the date of publication) to the Trustee, for the Trustee's approval, one copy of each notice to be given to the Bondholders in accordance with this Trust Deed including but not limited to notices required under clause 11 of Trust Deed and



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Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.



**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited  
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Ashraf Ahmad  
Managing Director  
  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice.

**6.2.17 Notification of Non-Payment**

The Issuer shall use reasonable endeavors to procure that it notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds of any Series receive unconditionally the full amount in the relevant currency of the monies payable on such due date;

**6.2.18 Notification of Late Payment**

The Issuer shall forthwith give notice to the Bondholders through the Trustee of payments of any sum due in respect of the Bonds, made after their due date to the Trustee.

**6.2.19 Non-Listing of Bonds in the Stock Exchanges**

The Bonds will be, subject to consent of Bangladesh Securities and Exchange Commission (BSEC), be listed as per rules and regulations by BSEC.

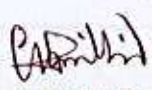
**6.2.20 Notification of Tax Deduction: The Issuer shall promptly give notice to the Trustee:**

- i) if it is required by law to affect a deduction or withholding of Tax in respect of any payment due in respect of any Bonds.
- ii) and in such cases take such action as may be required by the Trustee acting reasonable in respect thereof.

For and on behalf of  
Riverstone Capital Limited

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Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
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
### 6.3 Consolidation, Amalgamation or Merger

The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any company or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

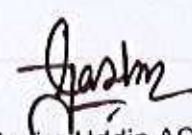
- i. the company formed or incorporated by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Bond then outstanding will have the right to the new company.
- ii. immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom; and
- iii. the company formed or incorporated by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and interest on the Bonds.

In the event of the passing of an Extraordinary Resolution in accordance with Clause 19 of the Trust Deed, a modification, waiver or authorization in accordance with Clause 20 of the Trust Deed, the Issuer will procure that the Bondholders be notified in accordance with Clause 11.9 of the Trust Deed.

For and on behalf of  
Riverstone Capital Limited

  
Astara Limited  
Manila 30 | Page

  
K.M. Mohiuddin Ahmed  
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President & Managing Director  
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## 7 Rights and Obligations of the Trustee

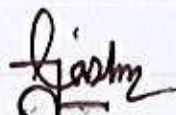
### 7.1 Duties and Powers of the Trustee

The Trustee has the following duties and powers in connection with the Trust:

- 7.1.1 to hold the benefit of the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders;
- 7.1.2 to open such accounts as it deems necessary for discharging the functions of Trustee;
- 7.1.3 to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- 7.1.4 to undertake all such actions for the recoveries of any overdue in accordance with the provisions of this Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- 7.1.5 to issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- 7.1.6 to call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- 7.1.7 to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- 7.1.8 upon instruction by the Bondholders upon occurrence of an Event of Default in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;
- 7.1.9 to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of this Trust Deed; and
- 7.1.10 The Trustee shall have power to initiate negotiations with the respective parties for inclusion of any additional terms and conditions for the

For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders, and necessary amendments can then be made by way of mutual agreement; and

- 7.1.11 to perform all responsibilities of a trustee as required under the Rules or any other successive rules of the BSEC; and
- 7.1.12 to do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with this Trust Deed.

**7.2 Covenant to repay**

The Issuer covenants with the Trustee that it will, as and when any payment obligation with respect to the Bonds becomes due to be repaid in accordance with and subject to the terms and conditions of the Bonds in this Trust Deed or any provision of this Trust Deed, unconditionally pay or procure to be paid to or to the order of the Trustee in Taka in freely transferable funds for value the relevant due date for payment on that date and shall (subject to any terms and conditions of the Bonds) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Trust Deed, or any of them outstanding from time to time as set out in the Trust Deed *provided that*:

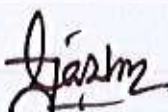
- 7.2.1 every payment in respect of the Bonds or any of them made to or through the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Trust Deed;
- 7.2.2 if any payment in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the third Business Day after notice by the Trustee to the Bondholders in accordance with the Trust Deed that the full amount has been received by the Paying Agent or the Trustee in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Trust Deed; and
- 7.2.3 in any case where payment due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, payment shall accrue in accordance with Clause 11.3 of Trust Deed on the whole or such part of such amount from the date of such withholding or refusal until the date either on which such amount due is paid to the Bondholders or, if earlier, the date

For the and on behalf of  
Riverstone Capital Limited

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Ashraf Ahmed  
Managing Director

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Head Office, Dhaka.

  
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Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

Business Day after which notice by the Trustee is given to the Bondholders in accordance with this Trust Deed that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 13 (*Rights, Duties and Obligations of the Trustee*) on trust for the Bondholders.

**7.3 Terms of Appointment**

**7.3.1 Reliance on information**

**7.3.1.1 Advice**

The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

**7.3.1.2 Certificate of directors or Authorised Signatories**

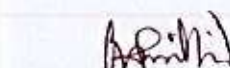
The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

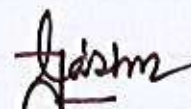
**7.3.1.3 Resolution or direction of Bondholders**

The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

For and on behalf of  
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Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**7.3.1.4 Bondholders as a class:**

Bondholders as a class: In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including without limitation any modification, waiver, authorization or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders;

**7.3.1.5 No obligation to monitor**

The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;

**7.3.1.6 Bonds held by the Issuer**

In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;

**7.3.1.7 Events of Default**


The Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;

For and on behalf of  
Riverstone Capital Limited  
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Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
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Corporate Office, Dhaka

**7.3.1.8 Right to deduct or withhold for taxes:**

Deduction or withholding of tax will be as per prevailing laws of Bangladesh.

**7.3.1.9 No responsibility to investigate**

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- i. the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any Bond Document;
- ii. any recitals, statements, warranties, representations or covenants of any party to any Bond Document;
- iii. its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- iv. the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents;

**7.3.1.10 Error of judgment**

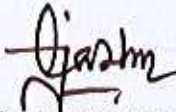
The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;

**7.3.1.11 No responsibility for loss**

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined

  
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 AB Bank Limited  
 Corporate Office, Dhaka

  
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 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



to have been caused by the Trustee's own gross negligence, wilful default or fraud.

**7.3.1.12 Force Majeure**

The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.

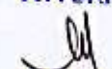
**7.3.1.13 Applicable Law**

Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to The Securities and Exchange Commission (Debt Securities) Rules 2021.

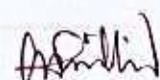
**7.3.1.14 Immunities**

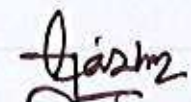
The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under this Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its asset's immunity from suit, execution, attachment or other legal process.

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
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Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

**7.4 Trustee's Determination and Discretion**

- 7.4.1 *Trustee's determination:* The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders *provided however that* the Trustee may not exercise any powers conferred upon it by this Clause 7.4.1 unless the Trustee having given not less than 15 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;
- 7.4.2 *Determination of questions:* the Trustee as between itself and the Bondholders shall have full power to determine all the questions and doubts arising in relation to any of the provisions of this Trust Deed which in the opinion of the Trustee relates to matters and are bond specific matters ("**Bond Specific Matters**") and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders *provided however that* the Trustee may not exercise any powers conferred upon it by this Clause unless the Trustee having given not less than 15 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;
- 7.4.3 *Trustee's discretion:* the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its

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AB Bank Limited  
Corporate Office, Dhaka.

satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing *provided however that* the Trustee may not exercise any discretion conferred upon it by this Clause unless the Trustee having given not less than 15 Business Days' notice of such exercise of discretion to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to how such discretion shall be exercised;

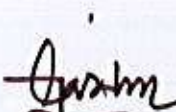
- 7.4.4 *Trustee's consent:* any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 7.4.5 *Application of Proceeds:* The Trustee shall not be responsible for the receipt or application by the Issuer of the Proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;
- 7.4.6 *Delegation:* the Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;
- 7.4.7 *Agents:* Subject to the provisions of the Trust Act 1882, the Trustee may, in the conduct of the trusts of this Trust Deed, with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, *provided that* the Trustee shall have exercised reasonable care in the selection and appointment of any such agent(s), the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

**7.4.8** *Custodians and nominees:* the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, *provided that* the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; and

**7.4.9** *Confidential information:* the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed.

**7.5 Financial matters**

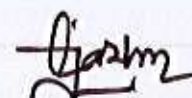
**7.5.1** *Professional charges:* any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;

For and on behalf of  
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Ashraf Raheel  
Managing Director

  
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K.M. Mohluddin Ahmed  
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Md. Jasim Uddin ACS  
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Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

- 7.5.2 *Expenditure by the Trustee:* nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment (if approved by the Issuer) of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it; and
- 7.5.3 *Restriction on financial transactions with the Issuer:* The Trustee and its directors and officers shall be precluded from making any contracts or entering into any transactions ("Other Business) with the Issuer which would place its fiduciary duties towards the Bondholders in conflict with its rights and obligations in such Other Business.

### 7.6 Trustee liable for gross negligence

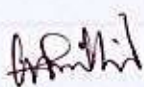
None of the provisions of this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of this Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under this Trust Deed.

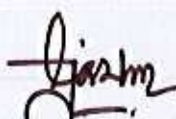
### 7.7 Exercise of Discretion

- 7.7.1 Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66<sup>2</sup>/<sub>3</sub> percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution.
- 7.7.2 The Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

For and on behalf of  
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Managing Director

  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
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Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

- 7.7.3 A certificate delivered in compliance with this Trust Deed of two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to the compliance by the Issuer with any of their respective obligations contained in the Conditions or this Trust Deed shall be conclusive and binding on the Issuer, the Trustee and the Bondholders save in the case of manifest error, but without prejudice to the provisions of Clause 7.7.4 below.
- 7.7.4 The Trustee shall have no responsibility for requesting such certificates unless the Issuer has failed to deliver such certificates in accordance with Clause 13.3 (*Terms of Appointment*) or the Trustee is requested to do so by any Bondholder. The Trustee shall be entitled to rely on such certificates absolutely and shall not be obliged to enquire further as regards the circumstances then existing and whether they justify the provision and the content of such certificate and will not be responsible for any loss occasioned by so acting. The Trustee shall be entitled to rely on any such certificates as sufficient evidence by the Issuer of such compliance (or non-compliance) and will not be responsible for or for investigating any matter relating to the financial condition of or any other matter relating to the Issuer.

**7.8 Events of Default**

The Events of Default for the purposes of the Bonds and the Trustee’s rights, duties and obligations following such an Event of Default shall be as provided for in Clause 11.5 of the “Deed of Trust”.

**7.9 Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Clause 20 of the Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, any terms of the Trust Deed which is not, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. All amendments or supplements or modifications to the terms of this Trust Deed or any of the other transaction documents can be made only in writing signed by the Issuer and the Trustee. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Trustee to the Bondholders as soon as practicable thereafter. However, no modification of the Features of the Bond mentioned in Clause 10.2 of the Trust Deed can be made without prior consent of the Bondholders unless required by law.

for and on behalf of  
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Managing Director

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Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

**7.10 Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Clause 11.4 (Taxation) and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

For and on behalf of  
Riverstone Capital Limited



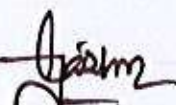
Ashraf Ahmed  
Managing Director  
427 Page



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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K.M. Mohtuddin Ahmed  
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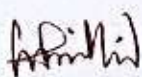
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

## 8 Rights and Obligations of the Issue Manager

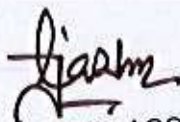
This section is applicable only for the public issue portion of BDT 60 Crore of the Perpetual bond.

Rights and obligations of the Issue Manager include:

- 8.1.1 Issue Manager shall examine all the documents submitted with the application of Perpetual Bond.
- 8.1.2 Issue Manager shall be entitled to get fees and be responsible for the issue including preparation of IM and disclosures made in the IM.
- 8.1.3 Issue Manager shall satisfy itself about the capability of the underwriters to fulfill their underwriting commitments.
- 8.1.4 Issue Manager shall be responsible for publishing the approved IM in its official websites, within the time specified in the consent letter issued by the Commission.
- 8.1.5 Issue Manager shall be responsible for making available the approved IM in its official website till the closure of the subscription list.
- 8.1.6 Issue Manager shall make necessary arrangements to ensure that moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the Information Memorandum.
- 8.1.7 Issue Manager shall provide a compliance report to the Commission about the use of the proceeds raised through public issue by the issuer or originator on half-yearly basis up to full utilization of the proceeds.
- 8.1.8 Issue Manager shall comply with the requirements of the Commission to produce or disclose additional disclosures, information, documents, certifications, and clarification, as the case may be, in the Information Memorandum for sale of securities within such time as may be stipulated.
- 8.1.9 Issue Manager shall have no relationship with the Trustee, nor any of its affiliates or directors.



**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka



**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

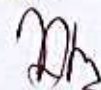


**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited



**Ashraf Ahmed**  
Managing Director



**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



## 9 Rights and Obligations of the Underwriter

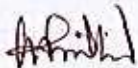
This section is applicable only for the public issue portion of BDT 60 Crore of the Perpetual bond.

Rights and obligations of the Underwriters include:

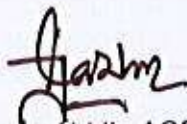
- 9.1.1 Underwriter shall examine the draft Information Memorandum, other documents and materials as relevant to its underwriting decision
- 9.1.2 Underwriter shall subscribe to unsubscribed portion up to the commitment.
- 9.1.3 Underwriter shall subscribe the securities and pay for this in cash in full within 7 working days of getting notice from the Issuer after the closure of subscription.
- 9.1.4 Underwriter shall make best efforts for selling securities to any institutional investor or eligible investor.

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director  
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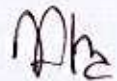
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka



Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

## 10 Rights and Obligations of the Eligible Investors

### 10.1 Rights

- 10.1.1 Each Private Placement Subscriber shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of such investors, and which shall be an integral part of the Trust Deed. Subscriber to the Public Offer shall be bound by the terms and conditions contained in Clause 10 of the "Deed of Trust" and any other condition as specified by Bangladesh Securities and Exchange Commission or any other relevant competent authority.
- 10.1.2 The obligations of the Bondholders under the Subscription Agreement and other Agreements with identical terms are several and the failure by a Bondholder(s) to perform its obligations under the Bond Documents shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements nor shall any other Bondholder(s) be liable for the failure by such Bondholder(s) to perform its obligations under the Subscription Agreement or any other Bond Document.
- 10.1.3 The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
- 10.1.4 The Bondholders shall hold meetings with such power and scope and in the manner provided for in Clause 19 of the Trust Deed.
- 10.1.5 **Undertaking to Issue**  
The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.
- 10.1.6 **Undertaking to Subscribe**  
The Bondholders will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

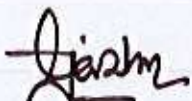
For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

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Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
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Corporate Office, Dhaka.

  
Tarique Afzal  
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AB Bank Limited  
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### 10.1.7 Investor Representations

The Bondholder(s) will comply with all applicable laws and regulations of Bangladesh and each other jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes any offering material, in all cases at its own expense.

### 10.1.8 Indemnity

The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of this trust deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

### 10.1.9 Subscription and Closing

- (a) Subject to the condition's precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.
- (b) *Investor Representation Letter*: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer in the form attached as per Compliance Certificate.
- (c) *Payment of net issue Proceeds*: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka in the manner provided for in the Subscription Agreement.
- (d) Bond Certificates:

**Registration:** On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement and are registered in name of the Bondholders (with a notation on the Register and on each Bond Certificate identifying the Issue Date of such Bond Certificate)

**Issue:** On the Closing Date, the Issuer shall duly execute and deliver the Bond Certificates to the Trustee for authentication. Promptly following the Closing Date, the Issuer will deliver to each Bondholder Bond Certificates, duly authenticated by the Trustee and representing such Investor's entire holding of Bonds.

### 10.1.10 Termination

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

- a) *Breach of obligation*: the Issuer fails to perform any of its obligations under the Subscription Agreement;
- b) *Breach of obligation*: the Issuer fails to perform any of its obligations under the Subscription Agreement;
- c) *Failure of condition precedent*: any of the condition's precedent is not satisfied or waived by the Bondholders on the Closing Date; or

For and on behalf of  
Riverstone Capital Limited  
46 / 1000  
Md. Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
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K.M. Mottuddin Ahmed  
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President & Managing Director  
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- d) *Force majeure*: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds

10.1.11 Consequences

Upon the giving of a termination notice under Clause 10.1.10 (*Termination*) of the Trust Deed and subject to the Subscription Agreement:

- a) *Discharge of Issuer*: The Issuer shall be discharged from performance of its obligations under the Subscription Agreement except for the liability of the Issuer in relation to expenses related to the Bonds and except for any liability arising before or in relation to such termination; and
- b) *Discharge of Bondholder*: such Bondholder shall be discharged from performance of their respective obligations under the Subscription Agreement.

10.1.12 Interests of the Bondholders

The interests of the Bondholders shall be protected and preserved by the Trustee in the manner described in Clause 7.10 of the Trust Deed.

10.2 Obligations

10.2.1 To pay the subscription/purchase price of the Bonds to the Issuer.

10.2.2 To comply with the terms and conditions of the Subscription Agreement and the Deed of Trust in exercise of their rights against the Issuer.

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director  
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Khairul Bashar A. T. Mohammed  
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K.M. Mohiuddin Ahmed  
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Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

## 11 Description of the Issuer: AB Bank Limited

### 11.1 Business

AB Bank Limited is one of the first generation Private Commercial Banks (PCBs) incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913, subsequently replaced by the Companies Act 1994, and is governed by the Bank Company Act, 1991 (amendment up to 2013). The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. AB Bank Limited has 105 Branches including one (1) Islami Banking Branch and one (1) Overseas Branch in Mumbai, India. The Bank has five subsidiary companies namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, Arab Bangladesh Bank Foundation all incorporated in Bangladesh and AB International Finance Limited, incorporated in Hong Kong.

AB Investment Limited (ABIL) and AB Securities Limited (ABSL) were incorporated as subsidiary companies after obtaining the approvals from Bangladesh Bank following guidelines of the Bangladesh Securities and Exchange Commission (BSEC). These two subsidiaries are being put into operations to cater the merchant banking and brokerage business which were previously carried out by the Bank itself.

ABBL has been pioneer in developing the banking sector of the country with its innovative and creative approach. It has been first of many firsts including:

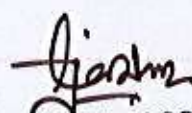
- First private commercial Bank to start Banking Operation (1982)
- First ATM at Gulshan Club (1996)
- First Teller System in Branches (1982)
- First in syndication finance to BIMAN (2009)
- First financing in ship building: Western Marine (2009)
- First in using SWIFT (1999)
- First Multi Bank Owned Switching network: CBL (2008)
- First in opening Merchant Banking Wing (2002)
- First to have a Financial House abroad at Hong Kong (1995)
- First to open overseas Branch at Mumbai (1996)
- First subsidiary for Merchant Banking: AB Investment Limited (2009)
- First to have a representative office in Myanmar (2010)
- First to invest in Sri Lanka – Amana Bank Ltd. (2011)
- First Solar Power ATM at Uttara (2011)

With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, ABBL has formulated a golden heritage and an envious legacy that may not be imitated by

For and on behalf of  
Riverstone Capital Limited  
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Ashraf Amin  
Managing Director  
  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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Tarique Afzal  
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Corporate Office, Dhaka

many. Achieving plenty of milestones and incorporating numerous changes over the last 39 years, AB has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel this new era of technological triumph, ABBL has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e-products.

Through its wide slew of diversified product and services, now ABBL has affirmed its position to the top-rated banks of the country. ABBL offers a wide range of depository and loan products to cater virtually for every customer segment. From Student Banking to Priority Banking, ABBL approximately has all banking products in its repertoire. The product gallery is rich in content and innovative products and services are introduced in the field of Small and Medium Enterprise (SME) credit, Women's Entrepreneur, Consumer Loans, Debit and Credit Cards (Local & International), ATMs, Internet and SMS Banking, Remittance Services, Treasury Products and Services, Structured Finance for Corporate, strengthening and expanding its Islamic Banking activities, Investment Banking, specialized products and services for NRBs, Priority Banking, and Customer Care. AB has High quality products and services and dedicated Relationship Managers who are committed to financial health management, preserve lifestyle, and maintain priorities of the customers wherever life takes them.

Throughout the journey of excellence, ABBL has been a genuine care giver in the health, education and sports sectors. As Bangladesh's benchmark bank it has always been at the forefront to assist during critical moments like donating to help the victims of Rana Plaza, standing beside the families affected by BDR Tragedy, distributing warm cloths among the victims of Ramu, contributing to the patients of the devastating Nimtoli fire at old Dhaka etc. Trust and integrity have been the key value components when meeting the expectations of every stakeholder. As such, ABBL has molded an exceptionally talented team of employees helping them reach their optimum potential. Precisely understanding the needs of customers, the bank has provided new and imaginative schemes that has altogether redefined convenience in financial services and revolutionized the nature of banking in Bangladesh.

#### SUBSIDIARIES OF AB BANK LIMITED:

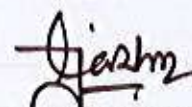
##### AB Securities Limited:

AB Securities Limited (ABSL), a wholly owned subsidiary of AB Bank Limited, provides stock broking services to its clients. ABSL originally incorporated in December 2009 as a private limited company, commenced operations in August 2010, following the transfer of the brokerage business of Arab Bangladesh Bank Foundation (ABBF) to ABSL in August 2010, in accordance with the instructions of Bangladesh Bank.

ABSL is a corporate TREC Holder of both Dhaka Stock Exchange Limited (TREC # 201) and Chittagong Stock Exchange Limited (TREC # 101). Its services include stock broking services



**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.



**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



**Ashraf Ahmed**  
Managing Director



**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

For and on behalf of  
MTB Capital Limited

for trading in stock markets through branches and the internet, and investments in IPOs, Mutual Funds and Bonds. Currently, ABSL is one of the largest broking houses in Bangladesh which serves its clients through three branches located in Dhaka, Chittagong and Sylhet. ABSL has a client base of around 3000, comprising of local individuals and institutional clients, as well as Non-Resident Bangladeshis (NRBs) and foreign investors. ABSL also acts as Agent Broker of AB Investment Limited and First Security Islami Capital & Investment Limited.

ABSL provides best in class products and services which have now become industry standards for stock broking companies. For foreign nationals and Non-Resident Bangladeshis, ABSL provides one stop stock broking service including support in opening Foreign Currency (FC) Account & Non-Resident Investor's Taka Account (NITA) with AB Bank, BO account opening with CDBL and trading at DSE and CSE.

**AB Investment Limited:**

AB Investment Limited (ABIL), a company limited by shares has incorporated in Dhaka on December 24, 2009 to deal with Merchant Banking business and started its commercial operation on March 10, 2010. ABIL is also a subsidiary company of AB Bank Limited, provides all types of Merchant Banking services permitted under existing law of the country.

AB Bank Limited is the pioneer in banking industry, started its Merchant Banking operation on 2003. Since its inception, AB Bank Merchant Banking wing provided various services which include Issue Management, Portfolio Management & Underwriting and gained an excellent reputation in the market. Subsequently in 2010, under a regulation, AB Bank Limited has formed a subsidiary company namely AB Investment Limited (ABIL) and shifted its existing Merchant Banking operations to the ABIL.

AB Investment Limited having its Head Office at WW Tower (7th Floor), 68 Motijheel C/A, Dhaka-1000, is fully equipped to cater all needs of its wide customer bases which includes individual, local conglomerate, NRB's and foreign investors. ABIL has expanded its branch network to Agrabad, Chittagong and Chowhatta, Sylhet.

ABIL will reach shortly at the doorsteps of the clients in few more cities across the country as well as has planned to extend its services in overseas to accommodate the need of the NRBs.

**CashLink Bangladesh Limited (CBL)**

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

- To carry on the business of providing integrated electronic financial payment;
- To do transaction processing solutions in Bangladesh, including coordination and development of independent branded Automated Teller Machines (ATMs).

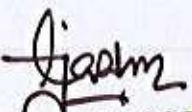
For and on behalf of  
River Stone Capital Limited

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Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

- To facilitate Electronic Fund Transfer through Points of Sale (EFT POS) and provide Pre-paid Card, Debit Card and Credit Card processing services etc.
- To facilitate e-commerce facility to the Banks.

CBL's vision is to become the largest shared ATM & POS network in Bangladesh. Currently CBL is providing Electronic Fund Transfer services through ATMs and POS throughout the country with 260 plus numbers of AB Bank ATM.

**Arab Bangladesh Bank Foundation (ABBF)**

Arab Bangladesh Bank Foundation (ABBF), a fully owned subsidiary of the bank is a platform for philanthropic activities. In course of time, ABBF also provided brokerage services under separate license from SEC. However, subsequently upon specific directives from Bangladesh Bank, Foundation's brokerage license was surrendered. Board of Directors of the Bank has resolved to dissolve Foundation in its present form and convert it into an entity under Societies Act and to carry on with its philanthropic activities as envisioned.

**FOREIGN SUBSIDIARIES:**

**AB International Finance Limited (ABIFL)**

AB International Finance Limited is a limited company incorporated in Hong Kong, started its operations in 1995. The address of its registered office and principal place of business is Unit 1608, 16th Floor, Tower1, Silvercord, 30 Canton Road, Tsim Sha Tsui West, Kowloon, Hong Kong. The principal activities of the Company are money lending in Hong Kong and provides the following services:

- Advising of documentary credits.
- Confirmation to the Documentary Credit upon request of issuing bank
- Negotiation/discounting of documents under Documentary Credits.

**OVERSEAS PRESENCE:**

**Amana Bank PLC**

Amana Bank PLC is a licensed commercial bank established in Sri Lanka under the Banking Act 30 of 1988. It is a Public Limited Company incorporated on February 05, 2009. The bank commenced its commercial operations on August 01, 2011. AB Bank Limited participated in the formation of Amana Bank with 15% shareholding. The principal activities of the bank are to provide Sharia compliant banking related activities such as accepting customer deposits, personal banking, lease financing, home and property financing, advances against gold, resident and non-resident foreign currency operations, trade financing, import and export financing, equipment and machinery financing, working capital financing and project financing.


For and on behalf of  
River Stone Capital Limited

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Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
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AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



financing. As ABBL participated in the Board of Directors of Amana Bank Plc, it is recognized as an Associate Company of the Bank.

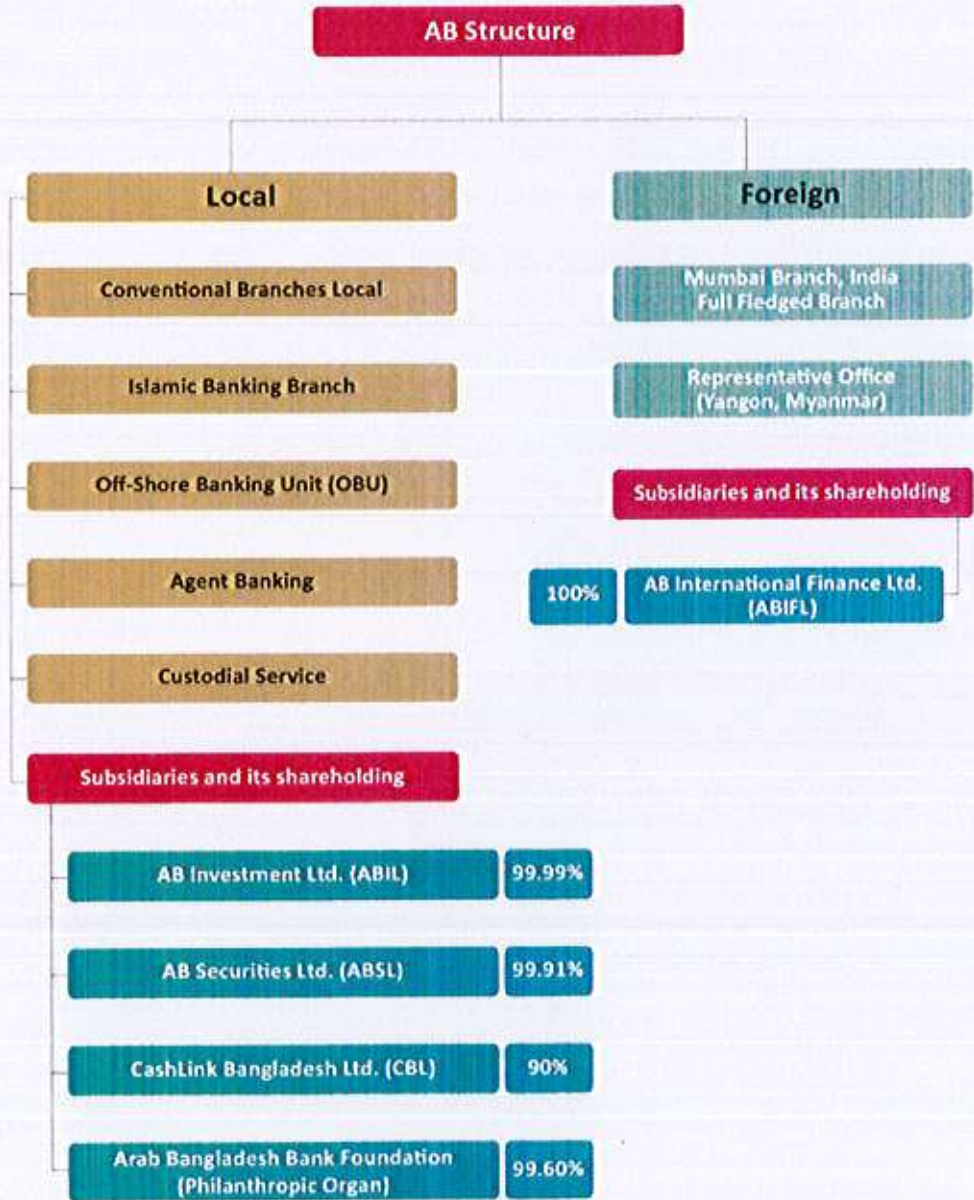


Figure 1: Structure of AB Bank and Its Subsidiaries

*[Signature]*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
 For and on behalf of  
 Riverstone Capital Limited  
**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

## 11.2 Capital Structure of ABBL

Table 2: Capital Structure of ABBL (On Consolidated Basis) as on March 31, 2021

| Particulars  | BDT Crore     | % of Total Liabilities and Shareholders' Equity |
|--|---------------|---|
| <b>Total Liabilities</b>                                       |               |   |
| Borrowings from other banks, financial institutions and agents | 2,555         | 6.77%   |
| AB Bank subordinated bond                                      | 935           | 2.48%   |
| Deposits and other accounts                                    | 27,333        | 72.39%  |
| Other liabilities  | 4,357         | 11.54%  |
| <b>Total liabilities</b>                                       | <b>35,179</b> | <b>93.17%</b>                                   |
| <b>Capital/Shareholders' Equity</b>                            |               |   |
| Paid-up capital  | 796           | 2.11%   |
| Statutory reserve  | 715           | 1.89%   |
| Other reserve  | 380           | 1.01%   |
| Retained earnings  | 685           | 1.81%   |
| Non- controlling interest                                      | 1             | 0.00%   |
| <b>Total Equity</b>  | <b>2,577</b>  | <b>6.83%</b>                                    |
| <b>Total Liabilities and Shareholders' Equity</b>              | <b>37,756</b> | <b>100.00%</b>                                  |

As of March 2021, AB Bank Limited has a total Tier I capital of BDT 2,072 crore all of which are common equity Tier-I capital.

Table 3: Total Capital of ABBL on Consolidated Basis as on March 31, 2021

| Particulars                   | BDT Crore    |
|-------------------------------|--------------|
| Tier 1 Capital                | 2,072        |
| Tier 2 Capital                | 1,380        |
| <b>Total Eligible Capital</b> | <b>3,452</b> |

Table 4: Shareholding Structure of ABBL as on March 31, 2021

| Shareholding Structure | No. of Shares      | % of Shareholding |
|------------------------|--------------------|-------------------|
| Sponsors and Public    | 791,473,869        | 99.43%            |
| Government             | 4,562,961          | 0.57%             |
| <b>Total</b>           | <b>796,036,830</b> | <b>100.00%</b>    |

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director  
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K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

Tarique Afza  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

### 11.3 Management of AB Bank Limited

Table 5: Senior Management Team

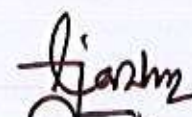
| Sl | Name                     | Designation  | As                  |
|----|--------------------------|--|---------------------|
| 1  | Tarique Afzal            | President & Managing Director                                    | Chairman            |
| 2  | Sajjad Hussain           | Additional Managing Director<br>Head of Operations, CAMLCO & CRO | Member<br>Secretary |
| 3  | Abdur Rahman             | DMD, Head of Retail Banking                                      | Member              |
| 4  | Mahmudul Alam            | DMD, Head of Credit  | Member              |
| 5  | Najmul Ehsan             | Chief of Credit Review and Process<br>Management                 | Member              |
| 6  | Syed Mizanur Rahman      | SEVP, Head of Relationship & Agent Banking                       | Member              |
| 7  | Md. Aminur Rahman        | SEVP, Head of General Banking Operations &<br>Service Excellence | Member              |
| 8  | Z. M. Babar Khan         | SEVP, Head of Credit Risk Management                             | Member              |
| 9  | Golam Mahmud Rizvi       | SEVP, Head of General Services, Security &<br>Procurement        | Member              |
| 10 | Iftekhar Enam Awal       | SEVP, Head of Business - Corporate & SME                         | Member              |
| 11 | Md. Jahangir Alam        | SEVP, Deputy Chief Risk Officer                                  | Member              |
| 12 | A.K.M Kamal Uddin        | SEVP, Head of Special Asset Management                           | Member              |
| 13 | K. M. Mohiuddin<br>Ahmed | SEVP, Chief Financial Officer                                    | Member              |
| 14 | M. N. Azim               | SEVP, Head of Financial Institutions and<br>Treasury             | Member              |
| 15 | Shabbir Huda             | EVP, Head of HRMD (Acting)                                       | Member              |
| 16 | Sheikh Md. Reajul Islam  | EVP, Head of Treasury Back Office                                | Member              |
| 17 | Munir Ahmed              | SVP, Head of DICC (In-Charge)                                    | Member              |
| 18 | Md. Shahidul Haque       | SVP, Head of CAM (Acting)  | Member              |
| 19 | Khandaker Anwar          | SVP, Head of IT (Acting)   | Member              |
| 20 | Farid Ahammad Fakir      | VP, Head of Kakrail Islami Banking Branch                        | Member              |

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

## 11.4 Description of Encumbered and Unencumbered Assets with Value thereof

### 11.4.1 Encumbered Assets

AB Bank held following encumbered assets as of March 31, 2021. All other assets of the Issuer including the fixed assets are unencumbered.

Table 6: Encumbered Assets: T-Bills engaged in REPO

| Instrument ID | Issue Date | Maturity Date | Yield | Face value  | Remarks             |
|---------------|------------|---------------|-------|-------------|---------------------|
| BD0936466210  | 18/5/2020  | 17/5/2021     | 7.54% | 200,000,000 | Repo, The City Bank |
| BD0936468216  | 8/6/2020   | 7/6/2021      | 7.55% | 200,000,000 | Repo, The City Bank |
| BD0936402215  | 13/7/2020  | 12/7/2021     | 5.28% | 500,000,000 | Repo, The City Bank |
| BD0936414210  | 19/10/2020 | 18/10/2021    | 2.49% | 140,000,000 | Repo, The City Bank |

Table 7: Encumbered Assets: Bonds engaged in REPO

| Instrument ID | Issue Date | Maturity Date | Yield  | Face value  | Remarks               |
|---------------|------------|---------------|--------|-------------|-----------------------|
| BD0922361029  | 22/4/2020  | 22/4/2022     | 7.68%  | 470,000,000 | Repo, Janata Bank Ltd |
| BD0923241022  | 6/1/2021   | 6/1/2023      | 3.14%  | 500,000,000 | Repo, Janata Bank Ltd |
| BD0921421055  | 11/5/2016  | 11/5/2021     | 6.24%  | 80,000,000  | Repo, Janata Bank Ltd |
| BD0924261052  | 13/3/2019  | 13/3/2024     | 6.44%  | 50,000,000  | Repo, Janata Bank Ltd |
| BD0924261052  | 13/3/2019  | 13/3/2024     | 6.44%  | 50,000,000  | Repo, Janata Bank Ltd |
| BD0924261052  | 13/3/2019  | 13/3/2024     | 6.44%  | 50,000,000  | Repo, Janata Bank Ltd |
| BD0921081024  | 4/9/2019   | 4/9/2021      | 8.73%  | 100,000,000 | Repo, Agrani Bank Ltd |
| BD0921201028  | 4/12/2019  | 4/12/2021     | 8.33%  | 300,000,000 | Repo, Agrani Bank Ltd |
| BD0922361029  | 22/4/2020  | 22/4/2022     | 7.68%  | 500,000,000 | Repo, Agrani Bank Ltd |
| BD0921421055  | 11/5/2016  | 11/5/2021     | 6.24%  | 500,000,000 | Repo, Agrani Bank Ltd |
| BD0921421055  | 11/5/2016  | 11/5/2021     | 6.24%  | 290,000,000 | Repo, Agrani Bank Ltd |
| BD0924191101  | 19/11/2014 | 19/11/2024    | 10.92% | 72,000,000  | Repo, Bengal Bank Ltd |
| BD0922421104  | 16/5/2012  | 16/5/2022     | 11.56% | 187,800,000 | Repo, Agrani Bank Ltd |
| BD0924351101  | 19/3/2014  | 19/3/2024     | 11.75% | 200,000,000 | Repo, Agrani Bank Ltd |
| BD0922421104  | 16/5/2012  | 16/5/2022     | 11.56% | 170,000,000 | Repo, Agrani Bank Ltd |
| BD0923191102  | 20/11/2013 | 20/11/2023    | 12.16% | 90,000,000  | Repo, Agrani Bank Ltd |
| BD0925071104  | 19/8/2015  | 19/8/2025     | 8.39%  | 320,000,000 | Repo, Agrani Bank Ltd |
| BD0924261052  | 13/3/2019  | 13/3/2024     | 6.44%  | 150,000,000 | Repo, Janata Bank Ltd |
| BD0925251052  | 15/1/2020  | 15/1/2025     | 8.86%  | 130,000,000 | Repo, Janata Bank Ltd |
| BD0925131056  | 14/10/2020 | 14/10/2025    | 4.36%  | 150,000,000 | Repo, Janata Bank Ltd |
| BD0925131056  | 14/10/2020 | 14/10/2025    | 4.36%  | 150,000,000 | Repo, Janata Bank Ltd |
| BD0925021059  | 15/7/2020  | 15/7/2025     | 7.19%  | 120,000,000 | Repo, Janata Bank Ltd |
| BD0924371059  | 12/6/2019  | 12/6/2024     | 8.10%  | 200,000,000 | Repo, Janata Bank Ltd |
| BD0924351101  | 19/3/2014  | 19/3/2024     | 11.75% | 100,000,000 | Repo, Agrani Bank Ltd |

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

| Instrument ID | Issue Date | Maturity Date | Yield  | Face value  | Remarks               |
|---------------|------------|---------------|--------|-------------|-----------------------|
| BD0924351101  | 19/3/2014  | 19/3/2024     | 11.75% | 200,000,000 | Repo, Agrani Bank Ltd |
| BD0929061101  | 21/8/2019  | 21/8/2029     | 9.27%  | 200,000,000 | Repo, Agrani Bank Ltd |
| BD0929061101  | 21/8/2019  | 21/8/2029     | 9.27%  | 200,000,000 | Repo, Agrani Bank Ltd |
| BD0929061101  | 21/8/2019  | 21/8/2029     | 9.27%  | 120,000,000 | Repo, Agrani Bank Ltd |
| BD0930261104  | 22/1/2020  | 22/1/2030     | 9.15%  | 380,000,000 | Repo, Agrani Bank Ltd |

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director  
56 | Page

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
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Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

### 11.4.2 Unencumbered Assets

AB Bank held following unencumbered assets as of March 31, 2021.

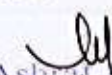
Table 8: Unencumbered Assets: 02 Years BGTB

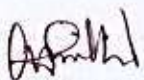
| Instrument ID | Issue Date | Maturity Date | Yield | Face value in BDT    |
|---------------|------------|---------------|-------|----------------------|
| BD0921201028  | 4-Dec-19   | 4-Dec-21      | 8.33% | 250,000,000          |
| BD0922361029  | 22-Apr-20  | 22-Apr-22     | 7.68% | 30,000,000           |
| BD0922361029  | 22-Apr-20  | 22-Apr-22     | 7.68% | 200,000,000          |
| BD0922361029  | 22-Apr-20  | 22-Apr-22     | 7.68% | 600,000,000          |
| BD0922361029  | 22-Apr-20  | 22-Apr-22     | 7.68% | 600,000,000          |
| BD0922361029  | 22-Apr-20  | 22-Apr-22     | 7.68% | 400,000,000          |
| BD0922361029  | 22-Apr-20  | 22-Apr-22     | 7.68% | 400,000,000          |
| BD0923241022  | 6-Jan-21   | 6-Jan-23      | 3.14% | 100,000,000          |
| BD0923241022  | 6-Jan-21   | 6-Jan-23      | 3.14% | 150,000,000          |
| <b>Total</b>  |            |               |       | <b>2,730,000,000</b> |

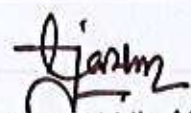
Table 9: Unencumbered Assets: 05 Years BGTB

| Instrument ID | Issue Date | Maturity Date | Yield | Face value in BDT    |
|---------------|------------|---------------|-------|----------------------|
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 350,000,000          |
| BD0925251052  | 15/1/2020  | 15/1/2025     | 8.86% | 250,000,000          |
| BD0925021059  | 15/7/2020  | 15/7/2025     | 7.19% | 30,000,000           |
| BD0921011054  | 13/7/2016  | 13/7/2021     | 7.09% | 500,000,000          |
| BD0921011054  | 13/7/2016  | 13/7/2021     | 7.09% | 500,000,000          |
| BD0921011054  | 13/7/2016  | 13/7/2021     | 7.09% | 500,000,000          |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 1,000,000,000        |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 1,000,000,000        |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 1,000,000,000        |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 1,000,000,000        |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 300,000,000          |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 270,000,000          |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 30,000,000           |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 400,000,000          |
| BD0922241056  | 11/1/2017  | 11/1/2022     | 5.84% | 300,000,000          |
| BD0924371059  | 12/6/2019  | 12/6/2024     | 8.10% | 200,000,000          |
| BD0924021050  | 10/7/2019  | 10/7/2024     | 8.43% | 50,000,000           |
| <b>Total</b>  |            |               |       | <b>7,680,000,000</b> |

For and on behalf of  
Riverstone Capital Limited

  
Asifur Rahman  
Managing Director

  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Table 10: Unencumbered Assets: 10 Years BGTB

| Instrument ID | Issue Date | Maturity Date | Yield  | Face value in BDT |
|---------------|------------|---------------|--------|-------------------|
| BD0922101102  | 12/9/2012  | 12/9/2022     | 11.75% | 40,000,000        |
| BD0923381109  | 10/4/2013  | 10/4/2023     | 12.10% | 21,800,000        |
| BD0924191101  | 19/11/2014 | 19/11/2024    | 10.92% | 100,000,000       |
| BD0924191101  | 19/11/2014 | 19/11/2024    | 10.92% | 200,000,000       |
| BD0930381100  | 7/5/2020   | 7/5/2030      | 8.74%  | 150,000,000       |
| BD0930031101  | 22/7/2020  | 22/7/2030     | 7.89%  | 120,000,000       |
| BD0930261104  | 22/1/2020  | 22/1/2030     | 9.15%  | 61,000,000        |
| BD0930431103  | 17/6/2020  | 17/6/2030     | 8.66%  | 300,000,000       |
| BD0930431103  | 17/6/2020  | 17/6/2030     | 8.66%  | 350,000,000       |
| BD0930031101  | 22/7/2020  | 22/7/2030     | 7.89%  | 314,400,000       |
| BD0931301107  | 17/2/2021  | 17/2/2031     | 6.01%  | 100,000,000       |
| BD0931301107  | 17/2/2021  | 17/2/2031     | 6.01%  | 150,000,000       |
| BD0931301107  | 17/2/2021  | 17/2/2031     | 6.01%  | 150,000,000       |
| BD0929061101  | 21/8/2019  | 21/8/2029     | 9.27%  | 30,000,000        |
| BD0921021103  | 13/7/2011  | 13/7/2021     | 9.45%  | 227,500,000       |
| BD0921061109  | 10/8/2011  | 10/8/2021     | 9.50%  | 217,700,000       |
| BD0921141109  | 12/10/2011 | 12/10/2021    | 9.55%  | 391,000,000       |
| BD0923301107  | 13/2/2013  | 13/2/2023     | 12.00% | 250,000,000       |
| BD0923191102  | 20/11/2013 | 20/11/2023    | 12.16% | 265,000,000       |
| BD0925381107  | 22/4/2015  | 22/4/2025     | 10.72% | 400,000,000       |
| BD0925381107  | 22/4/2015  | 22/4/2025     | 10.72% | 300,000,000       |
| BD0922061108  | 22/8/2012  | 22/8/2022     | 11.75% | 81,800,000        |
| BD0922101102  | 12/9/2012  | 12/9/2022     | 11.75% | 123,100,000       |
| BD0922141108  | 10/10/2012 | 10/10/2022    | 11.80% | 108,300,000       |
| BD0922181104  | 14/11/2012 | 14/11/2022    | 11.75% | 114,900,000       |
| BD0922221108  | 12/12/2012 | 12/12/2022    | 11.80% | 128,600,000       |
| BD0923261103  | 9/1/2013   | 9/1/2023      | 11.90% | 71,800,000        |
| BD0923301107  | 13/2/2013  | 13/2/2023     | 12.00% | 62,800,000        |
| BD0923341103  | 13/3/2013  | 13/3/2023     | 12.10% | 165,900,000       |
| BD0923381109  | 10/4/2013  | 10/4/2023     | 12.10% | 67,000,000        |
| BD0923031100  | 17/7/2013  | 17/7/2023     | 12.22% | 45,800,000        |
| BD0922061108  | 22/8/2012  | 22/8/2022     | 11.75% | 89,800,000        |
| BD0922141108  | 10/10/2012 | 10/10/2022    | 11.80% | 177,300,000       |
| BD0922221108  | 12/12/2012 | 12/12/2022    | 11.80% | 231,600,000       |
| BD0926021108  | 20/7/2016  | 20/7/2026     | 7.59%  | 1,000,000,000     |
| BD0926021108  | 20/7/2016  | 20/7/2026     | 7.59%  | 1,000,000,000     |
| BD0922301108  | 15/2/2012  | 15/2/2022     | 11.35% | 390,800,000       |

390,800,000 on behalf of Riverstone Capital Limited

58 Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.


K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

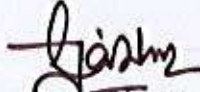
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

Tarique Arzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

| Instrument ID | Issue Date | Maturity Date | Yield  | Face value in BDT     |
|---------------|------------|---------------|--------|-----------------------|
| BD0922461100  | 13/6/2012  | 13/6/2022     | 11.60% | 1,366,300,000         |
| BD0927251100  | 18/1/2017  | 18/1/2027     | 6.77%  | 300,000,000           |
| BD0927251100  | 18/1/2017  | 18/1/2027     | 6.77%  | 400,000,000           |
| BD0925381107  | 22/4/2015  | 22/4/2025     | 10.72% | 500,000,000           |
| BD0925071104  | 19/8/2015  | 19/8/2025     | 8.39%  | 500,000,000           |
| BD0923301107  | 13/2/2013  | 13/2/2023     | 12.00% | 285,000,000           |
| BD0926021108  | 20/7/2016  | 20/7/2026     | 7.59%  | 635,000,000           |
| BD0928131103  | 22/11/2018 | 22/11/2028    | 7.15%  | 70,000,000            |
| BD0930261104  | 22/1/2020  | 22/1/2030     | 9.15%  | 400,000,000           |
| BD0930261104  | 22/1/2020  | 22/1/2030     | 9.15%  | 400,000,000           |
| BD0930261104  | 22/1/2020  | 22/1/2030     | 9.15%  | 250,000,000           |
| BD0930141108  | 21/10/2020 | 21/10/2030    | 5.63%  | 200,000,000           |
| BD0930141108  | 21/10/2020 | 21/10/2030    | 5.63%  | 194,400,000           |
| BD0930431103  | 17/6/2020  | 17/6/2030     | 8.66%  | 100,000,000           |
| BD0930431103  | 17/6/2020  | 17/6/2030     | 8.66%  | 100,000,000           |
| BD0921371102  | 6/4/2011   | 6/4/2021      | 9.45%  | 394,800,000           |
| BD0921411106  | 4/5/2011   | 4/5/2021      | 9.45%  | 100,000,000           |
| BD0921451102  | 8/6/2011   | 8/6/2021      | 9.45%  | 392,500,000           |
| BD0921101103  | 14/9/2011  | 14/9/2021     | 9.53%  | 220,500,000           |
| BD0921181105  | 10/11/2011 | 10/11/2021    | 9.55%  | 408,100,000           |
| BD0921221109  | 14/12/2011 | 14/12/2021    | 9.55%  | 310,000,000           |
| <b>Total</b>  |            |               |        | <b>15,524,500,000</b> |

3

  
**K.M. Mohluddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
 59 | Page  
  
**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



Table 11: Unencumbered Assets: 15 Years BGTB

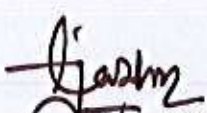
| Instrument ID | Issue Date | Maturity Date | Yield  | Face value in BDT |
|---------------|------------|---------------|--------|-------------------|
| BD0928351156  | 20/3/2013  | 20/3/2028     | 12.38% | 15,900,000        |
| BD0928121153  | 25/9/2013  | 25/9/2028     | 12.42% | 64,800,000        |
| BD0929441154  | 28/5/2014  | 28/5/2029     | 11.97% | 27,900,000        |
| BD0927391153  | 18/4/2012  | 18/4/2027     | 11.70% | 110,000,000       |
| BD0924301155  | 11/2/2009  | 11/2/2024     | 12.14% | 162,500,000       |
| BD0930121159  | 23/9/2015  | 23/9/2030     | 8.44%  | 90,000,000        |
| BD0935391153  | 13/5/2020  | 13/5/2035     | 8.90%  | 170,000,000       |
| BD0935441156  | 24/6/2020  | 24/6/2035     | 8.70%  | 100,000,000       |
| BD0935441156  | 24/6/2020  | 24/6/2035     | 8.70%  | 500,000,000       |
| BD0935391153  | 13/5/2020  | 13/5/2035     | 8.90%  | 30,000,000        |
| BD0923301156  | 13/2/2008  | 13/2/2023     | 12.22% | 120,000,000       |
| BD0925261150  | 10/2/2010  | 10/2/2025     | 8.74%  | 63,100,000        |
| BD0925301154  | 10/3/2010  | 10/3/2025     | 8.75%  | 74,300,000        |
| BD0925341150  | 15/4/2010  | 15/4/2025     | 8.77%  | 20,200,000        |
| BD0925381156  | 12/5/2010  | 12/5/2025     | 8.80%  | 58,500,000        |
| BD0925421150  | 9/6/2010   | 9/6/2025      | 8.80%  | 60,000,000        |
| BD0925021158  | 14/7/2010  | 14/7/2025     | 8.85%  | 108,600,000       |
| BD0925061154  | 11/8/2010  | 11/8/2025     | 8.86%  | 112,000,000       |
| BD0925101158  | 15/9/2010  | 15/9/2025     | 8.92%  | 112,000,000       |
| BD0925141154  | 13/10/2010 | 13/10/2025    | 8.95%  | 85,200,000        |
| BD0925181150  | 10/11/2010 | 10/11/2025    | 9.05%  | 120,000,000       |
| BD0925221154  | 15/12/2010 | 15/12/2025    | 9.12%  | 120,000,000       |
| BD0926261159  | 9/2/2011   | 9/2/2026      | 9.12%  | 160,000,000       |
| BD0926301153  | 9/3/2011   | 9/3/2026      | 9.20%  | 160,000,000       |
| BD0926341159  | 13/4/2011  | 13/4/2026     | 9.30%  | 200,000,000       |
| BD0926381155  | 11/5/2011  | 11/5/2026     | 9.35%  | 200,000,000       |
| BD0926421159  | 15/6/2011  | 15/6/2026     | 9.35%  | 204,000,000       |
| BD0926071152  | 17/8/2011  | 17/8/2026     | 9.65%  | 122,400,000       |
| BD0927271157  | 18/1/2012  | 18/1/2027     | 11.50% | 224,400,000       |
| BD0927311151  | 22/2/2012  | 22/2/2027     | 11.60% | 191,300,000       |
| BD0927351157  | 21/3/2012  | 21/3/2027     | 11.65% | 220,400,000       |
| BD0927111155  | 19/9/2012  | 19/9/2027     | 11.88% | 155,200,000       |
| BD0928431156  | 22/5/2013  | 22/5/2028     | 12.38% | 100,000,000       |
| BD0928471152  | 19/6/2013  | 19/6/2028     | 12.40% | 89,000,000        |
| BD0928121153  | 25/9/2013  | 25/9/2028     | 12.42% | 71,000,000        |
| BD0927031155  | 18/7/2012  | 18/7/2027     | 11.85% | 64,900,000        |
| BD0928041153  | 24/7/2013  | 24/7/2028     | 12.40% | 33,100,000        |

 For and on behalf of  
 Riverstone Capital Limited

  
 Ashraf Ahmed  
 Managing Director

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

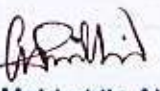
| Instrument ID | Issue Date | Maturity Date | Yield  | Face value in BDT    |
|---------------|------------|---------------|--------|----------------------|
| BD0930121159  | 23/9/2015  | 23/9/2030     | 8.44%  | 50,000,000           |
| BD0927351157  | 21/3/2012  | 21/3/2027     | 11.65% | 92,800,000           |
| BD0927111155  | 19/9/2012  | 19/9/2027     | 11.88% | 54,500,000           |
| BD0927151151  | 17/10/2012 | 17/10/2027    | 11.93% | 14,900,000           |
| BD0927231151  | 19/12/2012 | 19/12/2027    | 12.10% | 12,000,000           |
| BD0928271156  | 16/1/2013  | 16/1/2028     | 12.20% | 10,800,000           |
| BD0928471152  | 19/6/2013  | 19/6/2028     | 12.40% | 30,300,000           |
| BD0928351156  | 20/3/2013  | 20/3/2028     | 12.38% | 5,800,000            |
| BD0929201152  | 26/11/2014 | 26/11/2029    | 11.47% | 13,800,000           |
| BD0931401154  | 27/4/2016  | 27/4/2031     | 7.79%  | 350,000,000          |
| BD0929161158  | 29/10/2014 | 29/10/2029    | 11.42% | 464,500,000          |
| BD0931401154  | 27/4/2016  | 27/4/2031     | 7.79%  | 150,000,000          |
| BD0924181151  | 9/12/2009  | 9/12/2024     | 8.69%  | 135,000,000          |
| BD0927311151  | 22/2/2012  | 22/2/2027     | 11.60% | 191,400,000          |
| BD0930121159  | 23/9/2015  | 23/9/2030     | 8.44%  | 200,000,000          |
| BD0926111156  | 21/9/2011  | 21/9/2026     | 10.30% | 122,400,000          |
| BD0926151152  | 19/10/2011 | 19/10/2026    | 10.99% | 163,300,000          |
| BD0926191158  | 16/11/2011 | 16/11/2026    | 11.00% | 163,200,000          |
| BD0926231152  | 21/12/2011 | 21/12/2026    | 11.00% | 153,100,000          |
| <b>Total</b>  |            |               |        | <b>6,898,500,000</b> |

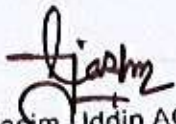
For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

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Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mofluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

Table 12: Unencumbered Assets: 20 Years BGTB

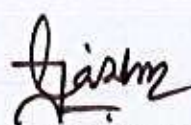
| Instrument ID | Issue Date | Maturity Date | Yield  | Face value in BDT |
|---------------|------------|---------------|--------|-------------------|
| BD0932041207  | 25/7/2012  | 25/7/2032     | 12.12% | 900,000           |
| BD0932361209  | 28/3/2012  | 28/3/2032     | 12.03% | 2,000,000         |
| BD0932361209  | 28/3/2012  | 28/3/2032     | 12.03% | 400,000           |
| BD0934201205  | 26/11/2014 | 26/11/2034    | 11.98% | 2,400,000         |
| BD0935201204  | 25/11/2015 | 25/11/2035    | 8.70%  | 102,000,000       |
| BD0935201204  | 25/11/2015 | 25/11/2035    | 8.70%  | 150,000,000       |
| BD0940401203  | 20/5/2020  | 20/5/2040     | 9.20%  | 57,800,000        |
| BD0935201204  | 25/11/2015 | 25/11/2035    | 8.70%  | 30,000,000        |
| BD0930251204  | 24/2/2010  | 24/2/2030     | 9.11%  | 37,000,000        |
| BD0930281201  | 24/3/2010  | 24/3/2030     | 9.15%  | 80,000,000        |
| BD0930321205  | 28/4/2010  | 28/4/2030     | 9.17%  | 20,500,000        |
| BD0930041209  | 29/7/2010  | 29/7/2030     | 9.20%  | 100,000,000       |
| BD0930081205  | 25/8/2010  | 25/8/2030     | 9.23%  | 56,000,000        |
| BD0930121209  | 29/9/2010  | 29/9/2030     | 9.25%  | 70,000,000        |
| BD0930161205  | 27/10/2010 | 27/10/2030    | 9.25%  | 84,000,000        |
| BD0930201209  | 24/11/2010 | 24/11/2030    | 9.45%  | 69,600,000        |
| BD0930241205  | 29/12/2010 | 29/12/2030    | 9.57%  | 100,000,000       |
| BD0931281200  | 26/1/2011  | 26/1/2031     | 9.60%  | 120,000,000       |
| BD0931321204  | 23/2/2011  | 23/2/2031     | 9.60%  | 120,000,000       |
| BD0931361200  | 23/3/2011  | 23/3/2031     | 9.63%  | 128,000,000       |
| BD0931401204  | 27/4/2011  | 27/4/2031     | 9.65%  | 140,000,000       |
| BD0931441200  | 25/5/2011  | 25/5/2031     | 9.65%  | 140,000,000       |
| BD0931471207  | 29/6/2011  | 29/6/2031     | 9.65%  | 95,600,000        |
| BD0931041208  | 27/7/2011  | 27/7/2031     | 10.00% | 40,600,000        |
| BD0931081204  | 24/8/2011  | 24/8/2031     | 10.25% | 107,200,000       |
| BD0934081201  | 27/8/2014  | 27/8/2034     | 11.89% | 350,000,000       |
| BD0932041207  | 25/7/2012  | 25/7/2032     | 12.12% | 51,900,000        |
| BD0932241203  | 26/12/2012 | 26/12/2032    | 12.28% | 42,600,000        |
| BD0932161203  | 25/10/2012 | 25/10/2032    | 12.16% | 37,800,000        |
| BD0932081203  | 29/8/2012  | 29/8/2032     | 12.16% | 21,800,000        |
| BD0934201205  | 26/11/2014 | 26/11/2034    | 11.98% | 1,334,400,000     |
| BD0935201204  | 25/11/2015 | 25/11/2035    | 8.70%  | 50,000,000        |
| BD0934121205  | 24/9/2014  | 24/9/2034     | 11.98% | 100,000,000       |
| BD0932081203  | 29/8/2012  | 29/8/2032     | 12.16% | 44,100,000        |
| BD0932121207  | 26/9/2012  | 26/9/2032     | 12.16% | 23,200,000        |
| BD0932161203  | 25/10/2012 | 25/10/2032    | 12.16% | 16,000,000        |
| BD0932201207  | 28/11/2012 | 28/11/2032    | 12.18% | 6,700,000         |

 For and on behalf of  
 Riverstone Capital Limited  
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 Ashraf Ahmed  
 Managing Director

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

| Instrument ID | Issue Date | Maturity Date | Yield  | Face value in BDT    |
|---------------|------------|---------------|--------|----------------------|
| BD0934201205  | 26/11/2014 | 26/11/2034    | 11.98% | 28,800,000           |
| BD0932241203  | 26/12/2012 | 26/12/2032    | 12.28% | 13,700,000           |
| BD0932441209  | 30/5/2012  | 30/5/2032     | 12.10% | 130,000,000          |
| BD0936401209  | 27/4/2016  | 27/4/2036     | 8.24%  | 350,000,000          |
| BD0935201204  | 25/11/2015 | 25/11/2035    | 8.70%  | 200,000,000          |
| BD0935041204  | 29/7/2015  | 29/7/2035     | 10.36% | 173,000,000          |
| BD0940441209  | 24/6/2020  | 24/6/2040     | 8.94%  | 100,000,000          |
| BD0940441209  | 24/6/2020  | 24/6/2040     | 8.94%  | 150,000,000          |
| BD0940441209  | 24/6/2020  | 24/6/2040     | 8.94%  | 470,000,000          |
| BD0931121208  | 28/9/2011  | 28/9/2031     | 10.85% | 39,000,000           |
| BD0931161204  | 26/10/2011 | 26/10/2031    | 11.50% | 112,800,000          |
| BD0931201208  | 23/11/2011 | 23/11/2031    | 11.50% | 33,900,000           |
| BD0931241204  | 28/12/2011 | 28/12/2031    | 11.50% | 134,600,000          |
| <b>Total</b>  |            |               |        | <b>5,868,300,000</b> |

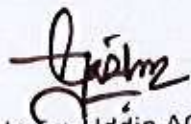
For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

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Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

## 11.5 Profile of Board of Directors

### Muhammad A. (Rume) Ali – Chairman

Mr. Muhammad A. (Rume) Ali is an iconic banker with extensive and wide-ranging experience as CEO, Board Member, and Chairman of several institutions. He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his Masters in Economics from Dhaka University. In 1997, he was the first Bangladeshi to be appointed as the CEO of the bank's Bangladesh operations. After acquisition of this bank by Standard Chartered Group in 2000, he was selected to be the first CEO of the combined operations of these two banks as Standard Chartered Bank. In November 2002 he joined Bangladesh Bank as Deputy Governor and was responsible for driving the regulatory reforms in the country's banking sector, especially in the Risk Management and Corporate Governance areas. He, very successfully, worked as a central banker for four years. He has repeatedly proven himself to be an eminently capable leader in a number of high-profile executive appointments.

Mr. Rume Ali served as Managing Director, Enterprises & Investments at BRAC. During this period, he was Chairman of BRAC Bank Ltd. and founder Chairman of bKash Limited, the first mobile financial system in Bangladesh. He has also served as a member of the Board of BRAC and BRAC International. In the past he served on the boards of Alliance for Bangladesh workers Safety (USA), Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/World Bank Washington, PKSF Bangladesh. He was made a Fellow of the Institute of Bankers, Bangladesh in 2001. In addition, he has participated in many international forums as key-note speaker and panelist. Mr. Rume Ali is also currently the CEO of Bangladesh International Arbitration Centre.

### Feroz Ahmed - Director

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

### Shajir Ahmed – Director

Mr. Shajir Ahmed completed his Bilingual Diploma degree on International Baccalaureate (IB) from United World College of South East Asia, Singapore. Following which, he graduated in Business Management from Kings College London under University of London in 2008. In

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

2009, he started his first job as a Central Accounts Officer in Habib Bank AG Zurich, Dubai. Upon Mr. Ahmed's return to Bangladesh in 2010, he joined his family business as the Director of Elite Paint & Chemical Industries Limited, a pioneer manufacturer of different graded paints in Bangladesh. At present, Mr. Ahmed is the Managing Director of Super Silica Bangladesh Limited and the Director of Super Tel Limited, Super Sea Fish (Pvt.) Limited, Elite Super Plastic Ind. (Pvt.) Limited, Super Shares & Securities Limited., Elite Food Industries Limited, Broast Foods Ind. (Pvt.) Limited and Aurora Decor Limited. Mr. Ahmed also holds the position of Deputy Managing Director of Super Refinery (Pvt.) Limited, the first Natural Gas Condensate Refinery in the private sector since June 01, 2006 till date.

**Khairul Alam Choudhury – Director**

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

**Md. Maqsubul Huq Khan - Director**

Maqsubul H. Khan is a Supply Chain and Compliance professional. Currently he is working as General Manager, Supply Chain & Commercial Division of Millennium Automotive Group. Prior to holding this position, he had served Bureau Veritas, a renowned French multinational conglomerate for about a decade. He has a successful professional career in Operations, Compliance and Legal Affairs. He also worked as the Head of International Trade Division (ITD) of a multinational organization (BVQI) which is the global leader in Quality Assurance, Health, Safety and Environmental Solutions. Maqsubul holds an International Diploma in Supply Chain Management from ITC-UNCTAD/WTO, Geneva. Prior to obtaining Bachelor of Laws (LLB) and Masters in Business Administration (MBA), he completed the Certified Supply Chain Professional (CSCP) course from American Production and Inventory Control Society (APICS).

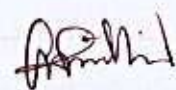
**Shafiqul Alam - Independent Director**

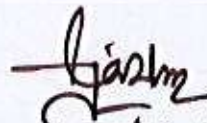
Mr. Shafiqul Alam joined AB Bank as an Independent Director with effect from September 7, 2020. Mr. Alam, a seasoned banker having 40 years of banking experience, served in different Senior Management positions in local and multinational banks. He obtained his M.Sc degree from the University of Dhaka.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

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohtuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka


**Tarique Afzal - President & Managing Director**

Mr. Tarique Afzal joined AB Bank in 2018 as Deputy Managing Director - Head of Corporate, Legal & Regulatory Affairs. Subsequently he has been appointed as the President & Managing Director with effect from July 08, 2019. Prior to joining AB Bank, he was the Chief Executive Officer of Sonali Polaris Financial Technology Limited a joint venture of Sonali Bank and Polaris, India. Mr. Tarique Afzal, to his credit, has impressive overseas work experiences and worked in London during the late 1980s and in Credit Union in Canada, later served in ANZ Grindlays Bank and Standard Chartered Bank in Bangladesh. He also worked in Bank Alfalah, BRAC Bank and served as the CEO for Dun & Bradstreet Rating Agency in Bangladesh. His core competencies are creating new business streams, operational efficiency, performance improvements and regulatory relations

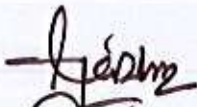
For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

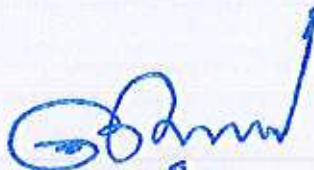
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K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka



Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

## 11.6 Description of Assets and Liabilities

Table 13: Description of Assets (As of March 31, 2021)

| Particulars   | BDT Crore     |
|---|---------------|
| <b>Cash</b>   | <b>2,157</b>  |
| In hand (including foreign currencies)  | 127           |
| Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) | 2,029         |
| <b>Balance with other banks and financial institutions</b>                        | <b>438</b>    |
| In Bangladesh   | 111           |
| Outside Bangladesh  | 327           |
| <b>Money at call and on short notice</b>  | <b>51</b>     |
| <b>Investments</b>  | <b>5,267</b>  |
| Government  | 4,178         |
| Others  | 1,089         |
| <b>Loans, advances and lease/investments</b>                                      | <b>28,556</b> |
| Loans, cash credits, overdrafts, etc./Investments                                 | 28,408        |
| Bills purchased and discounted  | 147           |
| <b>Fixed assets including premises, furniture and fixtures</b>                    | <b>498</b>    |
| <b>Other assets</b>   | <b>756</b>    |
| <b>Non-banking assets</b>   | <b>33</b>     |
| <b>Total Assets</b>   | <b>37,756</b> |

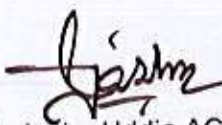
Table 14: Description of Liabilities (As of March 31, 2021)

| Particulars   | BDT Crore     |
|---|---------------|
| <b>Borrowings from other banks, financial institutions and agents</b> | <b>2,555</b>  |
| <b>AB Bank subordinated bond</b>                                      | <b>935</b>    |
| <b>Deposits and other accounts</b>                                    | <b>27,333</b> |
| Current account and other accounts                                    | 2,698         |
| Bills payable   | 178           |
| Savings bank deposits   | 3,660         |
| Fixed deposits  | 12,004        |
| Other deposits  | 8,793         |
| <b>Other liabilities</b>  | <b>4,357</b>  |
| <b>Total liabilities</b>  | <b>35,179</b> |

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director  
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K.M. Mohiuddin Ahmad  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



## 11.7 Description of previously Issued Debt or Equity Securities

### 11.7.1 Debt Securities:

AB Bank Limited previously issued following Sub-ordinated Bonds:

- AB Bank Subordinated Bond-I
- AB Bank Subordinated Bond-II
- AB Bank Subordinated Bond-III
- AB Bank Sub-ordinated Bond-IV


#### AB Bank Subordinated Bond-I

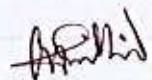
AB Bank Limited issued 250 fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (Ten million Bangladeshi Taka) each totaling BDT 2,500,000,000 (Two and half billion Bangladeshi Taka) through private placement on August 26, 2014. The tenor of the bond was 7 (seven) years. Bangladesh Securities and Exchange Commission vide its letter #BSEC/CI/DS-12/2014/471 dated July 1, 2014 and Bangladesh Bank vide its letter #BRPD(BIC)661/14B(P)/2014-4724 dated July 21, 2014 had given consent to AB Bank Limited to raise the bank's Tier-2 Capital through issuance of the bond. The bank collected BDT 2,500,000,000 from 8 institutional investors on August 26, 2014. The below table shows the investors of the bond along with their respective investment amounts.

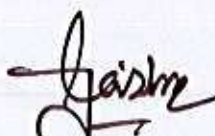
Table 15: Details of AB Bank Subordinated Bond-I

| Amount in Crore Tk. |                                    |                     |               |                                       |
|---------------------|------------------------------------|---------------------|---------------|---------------------------------------|
| Sl#                 | Investors                          | Subscription Amount | Redemption    | Outstanding<br>(As of March 31, 2021) |
| 1                   | BRAC                               | 100.00              | 80.00         | 20.00                                 |
| 2                   | Sonali Bank Limited                | 50.00               | 40.00         | 10.00                                 |
| 3                   | Agrani Bank Limited                | 50.00               | 40.00         | 10.00                                 |
| 4                   | Midland Bank Limited               | 20.00               | 16.00         | 4.00                                  |
| 5                   | BRAC Bank Limited                  | 10.00               | 8.00          | 2.00                                  |
| 6                   | NRB Commercial Bank Limited        | 10.00               | 8.00          | 2.00                                  |
| 7                   | Mutual Trust Bank Limited          | 8.00                | 6.40          | 1.60                                  |
| 8                   | Grameen Capital Management Limited | 2.00                | 1.60          | 0.40                                  |
| <b>Total</b>        |                                    | <b>250.00</b>       | <b>200.00</b> | <b>50.00</b>                          |

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
K.M. Mohtuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

  
Kheirul Beshar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

### AB Bank Subordinated Bond-II

The Bank further issued 400 fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (Ten million Bangladeshi Taka) each totaling BDT 4,000,000,000 (Four billion Bangladeshi Taka) through private placement on September 29, 2015. The tenor of the bond was 7 (seven) years. Bangladesh Securities and Exchange Commission vide its letter #BSEC/CI/DS-12/2015/413 dated August 24, 2015 and Bangladesh Bank vide its letter #BRPD(BFIS)661/14B(P)/2015-11982 dated September 27, 2015 had given consent to AB Bank Limited to raise the bank's Tier-2 Capital through issuance of the bond. The bank collected BDT 4,000,000,000 from 8 institutional investors on September 29, 2015. The below table shows the investors of the bond along with their respective investment amounts.

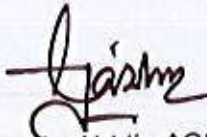
Table 16: Details of AB Bank Subordinated Bond-II

| Amount in Crore Tk. |                                |                     |               |                                    |
|---------------------|--------------------------------|---------------------|---------------|------------------------------------|
| Sl#                 | Investors                      | Subscription Amount | Redemption    | Outstanding (As of March 31, 2021) |
| 1                   | Sonali Bank Limited            | 100.00              | 60.00         | 40.00                              |
| 2                   | Rupali Bank Limited            | 100.00              | 60.00         | 40.00                              |
| 3                   | Agrani Bank Limited            | 50.00               | 30.00         | 20.00                              |
| 4                   | Janata Bank Limited            | 50.00               | 30.00         | 20.00                              |
| 5                   | BRAC Bank Limited              | 30.00               | 18.00         | 12.00                              |
| 6                   | NRB Commercial Bank Limited    | 30.00               | 18.00         | 12.00                              |
| 7                   | Uttara Bank Limited            | 30.00               | 18.00         | 12.00                              |
| 8                   | National Life Ins. Co. Limited | 10.00               | 6.00          | 4.00                               |
| <b>Total</b>        |                                | <b>400.00</b>       | <b>240.00</b> | <b>160.00</b>                      |

### AB Bank Subordinated Bond-III

The Bank further issued 400 fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (Ten million Bangladeshi Taka) each totaling BDT 4,000,000,000 (Four billion Bangladeshi Taka) through private placement on May 29, 2018. The tenor of the bond was 7 (seven) years. Bangladesh Securities and Exchange Commission vide its letter #BSEC/CI/DS-12/2017/657 dated November 28, 2017 and Bangladesh Bank vide its letter #BRPD(BFIS)661/14B(P)/2017-8280 dated December 11, 2017 had given consent to AB Bank Limited to raise the bank's Tier-2 Capital through issuance of the bond. The bank collected BDT 4,000,000,000 from 2 institutional investors on September 29, 2015. The below table shows the investors of the bond along with their respective investment amounts.

  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited  
  
 Ashraf Ahmed  
 Managing Director

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

Table 17: Details of AB Bank Subordinated Bond-III

|              |                     |                     |            | Amount in Crore Tk.                |
|--------------|---------------------|---------------------|------------|------------------------------------|
| Sl#          | Investors           | Subscription Amount | Redemption | Outstanding (As of March 31, 2021) |
| 1            | Jamuna Bank Limited | 230                 | -          | 230.00                             |
| 2            | NCC Bank Limited    | 170                 | -          | 170.00                             |
| <b>Total</b> |                     | <b>400</b>          | <b>-</b>   | <b>400.00</b>                      |

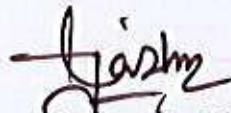
**AB Bank Subordinated Bond-IV**

AB Bank Limited has raised BDT 325 crore 7 years Subordinated Bond on December 30, 2020 under Private Placement of Debt Securities Rules, 2012, as Tier-II capital which is Non-Convertible; unsecured in nature and the Coupon range is 7.00%-10.50% where the interest would be paid semi-annually and the repayment will be started from the end of 54<sup>th</sup> months as per Bangladesh Bank approval BRPD(BFIS)661/14B(P)/2019-2612 dated April 01, 2019 and Bangladesh Securities and Exchange Commission's (BSEC) consent letter BSEC/CI/DS-12/2017/168 dated March 05, 2019. Till March 31, 2021 no interest payment has been done. However, name of investors in AB Bank Sub-ordinated Bonds-IV is given below:

Table 18: Details of AB Bank Subordinated Bond-IV

|              |                     |                     |            | Amount in Crore Tk.                |
|--------------|---------------------|---------------------|------------|------------------------------------|
| Sl#          | Investors           | Subscription Amount | Redemption | Outstanding (As of March 31, 2021) |
| 1            | Janata Bank Limited | 100.00              |            | 100.00                             |
| 2            | Agrani Bank Limited | 75.00               |            | 75.00                              |
| 3            | Sonali Bank Limited | 150.00              |            | 150.00                             |
| <b>Total</b> |                     | <b>325.00</b>       | <b>-</b>   | <b>325.00</b>                      |

  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

### Compliance Status of Previously Issued Debt Securities

| AB Bank Limited |                                 |                 |               |                      |                 |               |                      |                     |                   |             |                 |
|-----------------|---------------------------------|-----------------|---------------|----------------------|-----------------|---------------|----------------------|---------------------|-------------------|-------------|-----------------|
| BDT in crore    |                                 |                 |               |                      |                 |               |                      |                     |                   |             |                 |
| SL              | Name of the Issue               | Date of Consent | IM Issue Date | Date of Subscription | Maturity Period | Maturity Date | Figure in crore Taka |                     |                   |             | Default, if any |
|                 |                                 |                 |               |                      |                 |               | Issue amount         | Subscription amount | Redemption amount | Outstanding |                 |
| 1               | AB Bank Sub-ordinated Bonds-I   | July 01, 2014   | July 02, 2014 | Aug 26, 2014         | 7 years         | Aug 26, 2021  | 250                  | 250                 | 250               | -           | Nil             |
| 2               | AB Bank Sub-ordinated Bonds-II  | Aug 24, 2015    | Aug 25, 2015  | Sep 29, 2015         | 7 years         | Sep 29, 2022  | 400                  | 400                 | 320               | 80          | Nil             |
| 3               | AB Bank Sub-ordinated Bonds-III | Nov 28, 2017    | Nov 29, 2017  | May 16, 2018         | 7 Years         | May 16, 2025  | 400                  | 400                 | -                 | 400         | Nil             |
| 4               | AB Bank Sub-ordinated Bonds-IV  | Mar 05, 2019    | Mar 06, 2019  | Dec 30, 2020         | 7 Years         | Dec 30, 2027  | 500                  | 325                 | -                 | 325         | Nil             |

#### 11.7.2 Equity Securities

AB Bank Limited went for Initial Public Offering in the year 1984 and raised capital BDT 15,000,000 (Taka one crore fifty lac) by issuing 1,50,000 (one lac fifty thousand) ordinary shares at BDT 100.00 each at par.

Subsequently, in 1990 Bank issued Rights Share at the ration of 2:1 and raised BDT 50,000,000 (BDT Five Crore) by issuing 500,000.00 (five lac) ordinary shares at BDT 100.00 each.

The purpose of Initial Public Offering and Rights Issue were to increase Bank's Capital base and to use the fund for extending loans and advances in the normal course of the banking business.

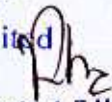
12 Auditors' Reports along with Audited Financial Statements of ABBL

**AB Bank Limited and Its Subsidiaries**  
**Independent Auditor's Report**  
**and**  
**Audited Consolidated & Separate Financial Statements**  
**For the period from 01 January 2021 to 31 March 2021**

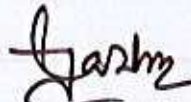
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For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
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Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



BD/BL Bhaban (Level-13 & 15)  
12 Kawran Bazar Commercial Area  
Dhaka-1215, Bangladesh

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(+88-02) 8189428 to 29 (Level-15)  
Facsimile: (+88-02) 410 20036  
E-mail: acnabin@bangladesh, Web: www.acnabin.com

**Independent Auditor's Report  
To the Shareholders of AB Bank Limited**

**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of AB Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of AB Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 March 2021 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 period from 01 January 2021 to 31 March 2021, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 March 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the period from 01 January 2021 to 31 March 2021 in accordance with International Financial Reporting Standards (IFRSs) as explained in note 1.12.

**Basis for opinion**

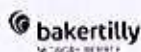
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the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

**Key audit matters**

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

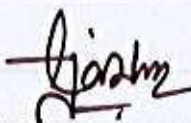
**Measurement of provision for loans and advances**

The process for estimating the provision for loans and advances associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.



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**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
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Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

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For and on behalf of  
Riverstone Capital Limited

  
**Ashraf Ahmed**  
Managing Director

  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



At the end of the period the Group reported total gross loans and advances of BDT 285,557 million (December 2020: BDT 282,901 million) and provision for loans and advances of BDT 20,505 million (December 2020: BDT 20,224 million). Refer to the note nos. 7(a), 8(a), 15 and 15(a) to the consolidated financial statements.

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

**Valuation of treasury bills and treasury bonds**

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

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

**Impairment assessment of unquoted investments**

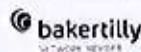
In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence requires an elevated level of judgment. Refer to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

We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 March 2021 and compared our results to the recorded value. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

**Measurement of deferred tax assets**

The Bank reports net deferred tax assets totaling to BDT 3,349 million (December 2020: 3,271 million) as at 31 March 2021. Significant judgment is required in relation to measurement of deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years. Refer to the note no. 10.1 to the financial statements.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and assumptions used in estimating Bank's future taxable income.



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for and on behalf of  
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We assessed the completeness and accuracy of the data used for estimation of future taxable income. Finally, we assessed the appropriateness and presentation of disclosures against IAS 12 - Income Tax.

**IT systems and controls**

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

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

**Legal and regulatory matters**

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

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

**Carrying value of investments in subsidiaries by the Bank**

The Bank has invested in equity shares of its five subsidiaries, namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, AB International Finance Limited, Hong Kong and Arab Bangladesh Bank Foundation. As at 31 March 2021 the carrying value of these investments is BDT 6,249 million. At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36. Refer to note no. 10 to the financial statements.

We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

In particular, our discussions with the management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs



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used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

**Impact of COVID-19 on financial reporting**

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

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

**Other matter**

The Bank has declared Bonus Shares @5% of its paid up share capital for the year ended 31 December 2020, which is in the process of shareholders' approval in the Annual General Meeting (AGM). The Bank in Note 41 and 41 (a) of its financial statements has disclosed the fact.

**Other information**

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with IFRSs as explained in note 1.12, 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



For and on behalf of Riverstone Capital Limited

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**Tarique Afzal**  
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**Khairul Bashar A. T. Mohammed**  
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*K.M. Mohiuddin Ahmed*  
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*Md. Jasim Uddin ACS*  
**Md. Jasim Uddin ACS**  
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 AB Bank Limited  
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and the Bangladesh Bank's Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

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



*[Handwritten signature]*

**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Handwritten signature]*

**Md. Jasim Uddin ACS**  
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*[Handwritten signature]*

**Tarique Afzal**  
President & Managing Director  
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Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited

*[Handwritten signature]*  
**Ashraf Ahmed**  
Managing Director

*[Handwritten signature]*

**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



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

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

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

**Report on other legal and regulatory requirements**

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities section in forming the above opinion on the consolidated financial statements of the group and separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the consolidated and separate financial statements and internal control;
  - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
  - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank;
- iii. consolidated financial statements of the Bank include five subsidiaries, namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, AB International Finance Limited, Hong Kong and Arab Bangladesh Bank Foundation reflect total assets of BDT 8,686 million, BDT 1,492 million, BDT 86 million, BDT 827 million and BDT 534 million respectively as at 31 March 2021 and total revenue of BDT 67.44 million, BDT 49.02 million, BDT 0, BDT 41.37 million and BDT 4.47 million respectively for the period ended 31 March 2021. The financial statements of the subsidiaries of the Bank remain unaudited as at 31 March 2021;
- 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 period;



Prepared on behalf of Riverstone Capital Limited

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**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

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**Md. Jasim Uddin ACS**  
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 President & Managing Director  
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*Ashraf Ahmed*  
**Ashraf Ahmed**  
 Managing Director

*Khairul Bashar A. T. Mohammed*  
**Khairul Bashar A. T. Mohammed**  
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- 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 1.12 and 1.13 as well as related guidance issued by Bangladesh Bank;
- ix. adequate provisions as allowed by Bangladesh Bank against the requirement as explained in note no 15.1, have been made for loans and advances and other assets which are in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 82% of the risk weighted assets of the Bank and spent over 2,075 person hours; and
- xii. Capital to Risk-weighted Asset Ratio (CRAR) has been maintained adequately during the period based on provision allowed by Bangladesh Bank against the requirement as explained in notes 15.1 and 16.6.

Dhaka,  
10 June 2021

Signed for & on behalf of  
ACNABIN  
Chartered Accountants

Md Moniruzzaman FCA  
Partner  
ICAB Enrollment No. 787

DVC: 2106200787A0936844



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Chief Financial Officer  
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
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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This Information Memorandum has been prepared for the purpose of giving information with regard to the Transferable, Unsecured, Non-Cumulative, Contingent-Convertible Perpetual Bond, the Issuer which, according to the particular nature of the Bond is necessary to enable investors to make an informed assessment of the Bond and the rights attaching to the Bond. The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither Riverstone Capital Limited nor any of its respective directors, affiliates, advisers or agents has made an independent verification of the information contained in this Information Memorandum in connection with the issue or offering of the Bond, and no representation or warranty, express or implied, is made by the Arranger or Issue Manager or any of their respective directors, affiliates, advisers or agents with respect to the accuracy or completeness of such information other than the information provided by the Issuer during the due diligence process. Nothing contained in this Information Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Arranger or Issue Manager or any of their respective directors, affiliates, advisers or agents in any respect. The contents of this Information Memorandum are not to be construed as, and should not be relied on as, legal, business or tax advice, and each prospective investor should consult its own legal and other advisers for any such advice relevant to it.

No person is authorized to give any information or make any representation not contained in this Information Memorandum in connection with the issue and offering of the Bond and, if given or made, such information or representation must not be relied upon as having been authorized by any of the Issuer or the Arranger or Issue Manager or any of their respective directors, affiliates, advisers or agents. The delivery of this Information Memorandum does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as at any time subsequent to its date.

This Information Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the Bond by any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Information Memorandum and the offer or sale of the Bond in certain jurisdictions is restricted by law. This Information Memorandum may not be used for, or in connection with, and does not constitute, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstance in which such offer or solicitation is not authorized or is unlawful. Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Information Memorandum may come are required by the Issuer Manager to inform themselves about and to observe such restrictions.

For and on behalf of  
Riverstone Capital Limited




Ashraf Ahmed  
Managing Director

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**AB Bank Limited & Its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 31 March 2021**

|   | Notes  | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|---|--------|------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>  |        |                        |                        |
| <b>Cash</b>   | 3(a)   | 21,566,034,196         | 20,930,795,104         |
| In hand (including foreign currencies)  | 3.1(a) | 1,271,800,864          | 1,010,038,871          |
| Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) | 3.2(a) | 20,294,233,332         | 19,920,756,233         |
| <b>Balance with other banks and financial institutions</b>                        | 4(a)   | 4,381,546,817          | 4,857,240,927          |
| In Bangladesh   | 4.1(a) | 1,110,751,100          | 1,690,034,988          |
| Outside Bangladesh  | 4.2(a) | 3,270,795,717          | 3,167,205,939          |
| <b>Money at call and on short notice</b>  | 5(a)   | 513,852,014            | 1,535,077,827          |
| <b>Investments</b>  | 6(a)   | 52,674,347,986         | 64,092,712,647         |
| Government  | 6.1(a) | 41,784,467,388         | 53,824,738,002         |
| Others  | 6.2(a) | 10,889,880,598         | 10,267,974,644         |
| <b>Loans, advances and lease/Investments</b>                                      |        | 285,556,731,262        | 282,900,906,689        |
| Loans, cash credits, overdrafts, etc./Investments                                 | 7(a)   | 284,083,670,795        | 281,211,180,652        |
| Bills purchased and discounted  | 8(a)   | 1,473,060,466          | 1,689,726,038          |
| <b>Fixed assets including premises, furniture and fixtures</b>                    | 9(a)   | 4,981,376,948          | 5,032,485,136          |
| <b>Other assets</b>   | 10(a)  | 7,556,522,844          | 8,886,511,119          |
| <b>Non-banking assets</b>   | 11     | 334,171,836            | 334,171,836            |
| <b>Total Assets</b>   |        | <b>377,564,583,907</b> | <b>388,569,901,291</b> |
| <b>LIABILITIES AND CAPITAL</b>  |        |                        |                        |
| <b>Liabilities</b>  |        |                        |                        |
| <b>Borrowings from other banks, financial institutions and agents</b>             | 12(a)  | 25,547,268,501         | 19,107,866,247         |
| <b>AB Bank subordinated bond</b>  | 13     | 9,350,000,000          | 9,350,000,000          |
| <b>Deposits and other accounts</b>  | 14(a)  | 273,328,931,355        | 290,547,160,441        |
| Current account and other accounts  |        | 26,979,161,490         | 28,628,792,668         |
| Bills payable   |        | 1,784,436,669          | 6,423,928,975          |
| Savings bank deposits   |        | 36,595,604,182         | 35,246,391,164         |
| Fixed deposits  |        | 120,040,838,260        | 121,516,359,127        |
| Other deposits  |        | 87,928,890,754         | 98,731,688,508         |
| <b>Other liabilities</b>  | 15(a)  | 43,565,329,400         | 43,875,728,453         |
| <b>Total Liabilities</b>  |        | <b>351,791,529,255</b> | <b>362,880,755,141</b> |
| <b>Capital/Shareholders' equity</b>   |        |                        |                        |
| <b>Equity attributable to equity holders of the parent company</b>                |        | 25,761,037,134         | 25,677,210,495         |
| Paid-up capital   | 16     | 7,960,368,300          | 7,960,368,300          |
| Statutory reserve   | 17     | 7,148,378,265          | 7,144,204,404          |
| Other reserve   | 18(a)  | 3,802,732,152          | 3,866,859,865          |
| Retained earnings   | 19(a)  | 6,849,558,417          | 6,705,777,925          |
| Non-controlling interest  | 19(b)  | 12,017,519             | 11,935,655             |
| <b>Total equity</b>   |        | <b>25,773,054,653</b>  | <b>25,689,146,150</b>  |
| <b>Total Liabilities and Shareholders' Equity</b>                                 |        | <b>377,564,583,907</b> | <b>388,569,901,291</b> |





**Off-Balance Sheet Items**

**Contingent liabilities**


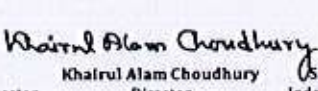

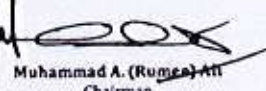
Acceptances and endorsements  
Letters of guarantee  
Irrevocable letters of credit  
Bills for collection  
Other contingent liabilities

**Other commitments**

Documentary credits and short term trade-related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

| Notes                                | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|--------------------------------------|-----------------------|-----------------------|
| 20                                   | 45,718,997,093        | 59,191,446,731        |
| 20.1                                 | 6,564,780,297         | 8,043,330,855         |
|                                      | 12,936,340,226        | 12,837,291,873        |
|                                      | 6,234,958,464         | 6,094,462,753         |
|                                      | 19,826,567,516        | 32,213,798,567        |
|                                      | 156,350,590           | 2,562,682             |
|                                      | -                     | -                     |
|                                      | -                     | -                     |
|                                      | -                     | -                     |
|                                      | -                     | -                     |
| <b>Total off-balance sheet items</b> | <b>45,718,997,093</b> | <b>59,191,446,731</b> |

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

 Tarique Afzal, President & Managing Director  
 Khairul Alam Choudhury, Director  
 Shafiqul Alam, Independent Director  
 Muhammad A. (Rumeen) Ali, Chairman

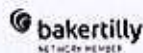
This is the Consolidated Balance Sheet referred to in our separate report of even date.

Dhaka,  
10 June 2021

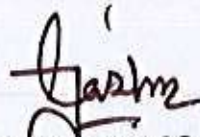
Signed for & on behalf of  
ACNABIN  
Chartered Accountants

  
 Md Moniruzzaman FCA  
 Partner  
 ICAB Enrollment No. 787


DVC: 2106200787A0936844



  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
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 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Ashraf Ahmed**  
 Managing Director


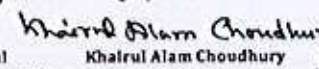

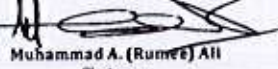
  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**AB Bank Limited and Its Subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the period from 01 January 2021 to 31 March 2021**

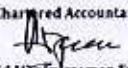
| Notes  | Jan '21-Mar'21<br>Taka | Jan '20-Mar'20<br>Taka |
|--|------------------------|------------------------|
| <b>OPERATING INCOME</b>  |                        |                        |
| Interest income/profit on investments  | 22(a) 4,230,208,816    | 5,319,943,266          |
| Interest/profit paid on deposits and borrowings, etc.                        | 23(a) (4,072,662,797)  | (5,256,049,995)        |
| <b>Net Interest Income</b>   | <b>157,546,050</b>     | <b>63,893,271</b>      |
| Investment income  | 24(a) 1,231,905,435    | 1,267,097,042          |
| Commission, exchange and brokerage   | 25(a) 480,934,144      | 392,327,624            |
| Other operating income   | 26(a) 106,242,386      | 26,241,171             |
|  | <b>1,819,081,964</b>   | <b>1,685,665,837</b>   |
| <b>Total operating income (a)</b>  | <b>1,976,628,014</b>   | <b>1,749,559,108</b>   |
| <b>OPERATING EXPENSES</b>  |                        |                        |
| Salary and allowances  | 27(a) 678,684,188      | 632,755,336            |
| Rent, taxes, insurance, electricity, etc.                                    | 28(a) 146,586,401      | 155,123,548            |
| Legal expenses   | 29(a) 2,455,653        | 5,739,686              |
| Postage, stamps, telecommunication, etc.                                     | 30(a) 26,527,484       | 30,695,044             |
| Stationery, printing, advertisement, etc.                                    | 31(a) 27,250,618       | 25,650,993             |
| Chief executive's salary and fees  | 27.1 3,600,000         | 2,850,000              |
| Directors' fees  | 32(a) 691,300          | 304,020                |
| Auditors' fees   | 33(a) 975,662          | 506,520                |
| Depreciation and repairs of Bank's assets                                    | 34(a) 175,162,763      | 189,778,531            |
| Other expenses   | 35(a) 262,309,237      | 474,014,089            |
| <b>Total operating expenses (b)</b>  | <b>1,324,243,506</b>   | <b>1,517,417,766</b>   |
| <b>Profit before provision (c = (a-b))</b>                                   | <b>652,384,508</b>     | <b>232,141,342</b>     |
| Provision against loans and advances   | 36(a) 322,817,492      | 118,123,385            |
| Provision for investments  | 37(a) 100,030,000      | -                      |
| Other provisions   | 38(a) 1,591,254        | 5,000,000              |
| <b>Total provision (d)</b>   | <b>424,438,746</b>     | <b>123,123,385</b>     |
| <b>Profit before tax (c-d)</b>   | <b>227,945,762</b>     | <b>109,017,957</b>     |
| Provision for taxation   | 100,580,965            | 42,256,846             |
| Current tax  | 191,144,434            | 56,375,287             |
| Deferred tax   | (90,563,469)           | (14,118,441)           |
| <b>Net profit after tax</b>  | <b>127,364,797</b>     | <b>66,761,111</b>      |
| Appropriations   |                        |                        |
| Statutory reserve  | -                      | 9,013,943              |
| General reserve  | -                      | -                      |
| Dividends, etc.  | -                      | -                      |
|  | -                      | <b>9,013,943</b>       |
| <b>Retained surplus</b>  | <b>127,364,797</b>     | <b>57,747,168</b>      |
| Non- controlling interest  | 81,864                 | 91,922                 |
| <b>Net Profits/(Loss) attributable to the shareholders of parent company</b> | <b>127,282,933</b>     | <b>57,655,245</b>      |
| Consolidated Basic Earnings Per Share (EPS)                                  | 40(a) 0.16             | 0.08                   |
| Consolidated Diluted Earnings Per Share (EPS)                                | 41(a) 0.15             | 0.08                   |

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

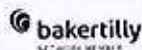
 Tarique Afzal, President & Managing Director  
 Khairul Alam Choudhury, Director  
 Shaheed Alam, Independent Director  
 Muhammad A. (Rume) Ali, Chairman

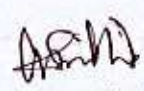
This is the Consolidated Profit and Loss Account referred to in our separate report of even date.

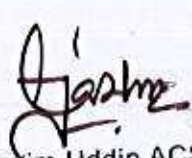
Dhaka,  
10 June 2021

Signed for & on behalf of  
 ACNABIN  
 Chartered Accountants  
  
 Md Moniruzzaman FCA  
 Partner  
 ICAB Enrollment No. 767

DVC: 2106200787A0936844



  
 K.M. Mohiuddin Ahmed, Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Md. Jasim Uddin ACS, Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
  
 Ashraf Ahmed  
 Managing Director

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.


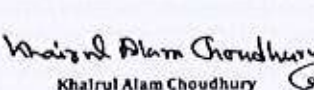






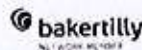
**AB Bank Limited and Its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the period from 01 January 2021 to 31 March 2021**

|  | Jan '21-Mar'21<br>Taka  | Jan'20-Mar'20<br>Taka   |
|--|-------------------------|-------------------------|
| <b>Cash Flows from Operating Activities</b>                                  |                         |                         |
| Interest receipts  | 2,587,959,132           | 2,529,795,107           |
| Interest payments  | (2,984,519,117)         | (3,784,735,824)         |
| Dividend receipts  | 24,031,908              | 31,841,362              |
| Fee and commission receipts  | 393,047,062             | 308,474,770             |
| Recoveries on loans previously written off                                   | 21,583,780              | 6,489,255               |
| Payments to employees  | (682,284,188)           | (635,605,336)           |
| Payments to suppliers  | (27,250,618)            | (25,650,993)            |
| Income taxes paid  | (663,301,100)           | (341,890,262)           |
| Receipts from other operating activities                                     | 1,402,002,995           | 1,345,349,706           |
| Payments for other operating activities                                      | (567,927,244)           | (787,226,842)           |
| <b>Operating profit before changes in operating assets &amp; liabilities</b> | <b>(496,657,390)</b>    | <b>(1,353,159,058)</b>  |
| <b>Increase/decrease in operating assets and liabilities</b>                 |                         |                         |
| Loans and advances to customers  | (1,013,574,858)         | (2,099,985,749)         |
| Other assets   | 1,420,985,015           | (208,292,908)           |
| Deposits from other banks  | 278,070,440             | (327,428,600)           |
| Deposits from customers  | (18,584,443,205)        | (18,896,765,687)        |
| Trading liabilities (short-term borrowings)                                  | 5,177,720,972           | (3,014,929,430)         |
| Other liabilities  | (195,711,011)           | 464,201,099             |
|  | <b>(12,916,952,648)</b> | <b>(24,083,201,274)</b> |
| <b>Net cash used in operating activities (a)</b>                             | <b>(13,413,610,038)</b> | <b>(25,436,360,332)</b> |
| <b>Cash Flows from Investing Activities</b>                                  |                         |                         |
| Sale of government securities  | 11,976,545,178          | 21,196,642,544          |
| (Purchase)/Sale of trading securities, shares, bonds, etc.                   | (621,905,954)           | 49,574,959              |
| Purchase of fixed assets including premises, furniture and fixtures          | (74,688,495)            | (57,775,478)            |
| <b>Net cash flow from investing activities (b)</b>                           | <b>11,279,950,730</b>   | <b>21,188,442,025</b>   |
| <b>Cash Flows from Financing Activities</b>                                  |                         |                         |
| Increase of long-term borrowings   | 1,261,681,282           | 11,234,927              |
| Dividend paid  | -                       | -                       |
| <b>Net cash flow from Financing activities (c)</b>                           | <b>1,261,681,282</b>    | <b>11,234,927</b>       |
| <b>Net decrease in cash (a+b+c)</b>  | <b>(871,978,027)</b>    | <b>(4,236,683,379)</b>  |
| Effects of exchange rate changes on cash and cash equivalents                | 10,882,196              | (18,659,986)            |
| Cash and cash equivalents at beginning of the period                         | 27,324,459,158          | 29,116,505,329          |
| <b>Cash and cash equivalents at end of the period (*)</b>                    | <b>26,463,403,327</b>   | <b>24,861,161,964</b>   |
| (*) Cash and cash equivalents:   |                         |                         |
| Cash   | 1,271,800,864           | 1,504,405,339           |
| Prize bonds  | 1,970,300               | 1,793,000               |
| Money at call and on short notice  | 513,852,014             | 450,166,000             |
| Balance with Bangladesh Bank and its agent bank(s)                           | 20,294,233,332          | 20,216,592,101          |
| Balance with other banks and financial institutions                          | 4,381,546,817           | 2,688,205,524           |
|  | <b>26,463,403,327</b>   | <b>24,861,161,964</b>   |
| <b>Net Operating Cash Flow Per Share (NOCFPS)</b>                            | <b>(16.85)</b>          | <b>(31.95)</b>          |

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements

 **Tarique Afzal**  
 President & Managing Director  
 **Khairul Alam Choudhury**  
 Director  
 **Shaheer Alam**  
 Independent Director  
 **Muhammad A. (Rumel) AH**  
 Chairman

Dhaka,  
10 June 2021



 **K.M. Mohluddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka  
 **Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka  
 **Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka  
 **Ashraf Ahmed**  
 Managing Director  
 Riverstone Capital Limited  
 **Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**AB Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
 For the period from 01 January 2021 to 31 March 2021

| 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 2021                   | 7,940,348,300   | 7,144,304,404     | 2,384,878,054   | 1,294,332,425              | 2,530,706   | 184,918,680                    | 11,935,655               | 6,705,777,925     | 25,689,146,150 |
| Net profit after taxation for the period     |                 |                   |                 |                            |   |                                | 81,864                   | 127,202,933       | 127,284,797    |
| Addition/(Adjustment) made during the period |                 |                   |                 | (6,745)                    |   | (64,310,436)                   |                          | 10,840,489        | (53,476,692)   |
| Foreign exchange rate fluctuation            |                 | 4,173,861         | (174,751)       |                            | 325,219   |                                |                          | 5,657,070         | 10,020,399     |
| Balance at 31 March 2021                     | 7,940,348,300   | 7,148,478,265     | 2,384,703,303   | 1,287,586,680              | 2,855,925   | 120,608,244                    | 12,017,519               | 6,849,558,417     | 25,773,654,653 |
| Balance at 31 March 2020                     | 7,581,303,150   | 6,846,524,775     | 1,704,915,663   | 1,296,490,230              | 4,517,220   | 124,900,367                    | 11,779,919               | 6,877,333,343     | 24,962,145,135 |

The amount shown from 1 to 48 form an integral part of these consolidated financial statements.

*[Signature]*  
 President & Managing Director

*[Signature]*  
 Director

*[Signature]*  
 Independent Director

*[Signature]*  
 Chairman

Dhaka,  
 10 June 2021



*[Signature]*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited

*[Signature]*  
**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**AB Bank Limited**  
Balance Sheet  
As at 31 March 2021

|   | Notes | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|---|-------|------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>  |       |                        |                        |
| <b>Cash</b>   | 3     | 21,565,874,889         | 20,930,650,119         |
| In hand (including foreign currencies)  | 3.1   | 1,271,641,557          | 1,009,893,886          |
| Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) | 3.2   | 20,294,233,332         | 19,920,756,233         |
| <b>Balance with other banks and financial institutions</b>                        | 4     | 4,028,725,764          | 4,363,793,449          |
| In Bangladesh   |       | 761,896,996            | 1,212,295,681          |
| Outside Bangladesh  |       | 3,266,828,769          | 3,151,497,768          |
| <b>Money at call and on short notice</b>  | 5     | 1,106,201,668          | 2,499,682,377          |
| <b>Investments</b>  | 6     | 52,031,175,781         | 63,437,394,797         |
| Government  | 6.1   | 41,784,467,388         | 53,824,738,002         |
| Others  | 6.2   | 10,246,708,392         | 9,612,656,795          |
| <b>Loans, advances and lease/Investments</b>                                      | 7     | 277,966,166,012        | 274,829,861,346        |
| Loans, cash credits, overdrafts, etc /Investments                                 |       | 277,189,582,996        | 274,258,221,380        |
| Bills purchased and discounted  | 8     | 776,583,017            | 571,639,966            |
| <b>Fixed assets including premises, furniture and fixtures</b>                    | 9     | 4,449,833,652          | 4,488,991,390          |
| <b>Other assets</b>   | 10    | 13,368,076,256         | 14,877,104,936         |
| <b>Non-banking assets</b>   | 11    | 334,171,836            | 334,171,836            |
| <b>Total Assets</b>   |       | <b>374,850,225,857</b> | <b>385,761,650,252</b> |
| <b>LIABILITIES AND CAPITAL</b>  |       |                        |                        |
| <b>Liabilities</b>  |       |                        |                        |
| <b>Borrowings from other banks, financial institutions and agents</b>             | 12    | 25,547,268,096         | 19,107,865,842         |
| <b>AB Bank subordinated bond</b>  | 13    | 9,350,000,000          | 9,350,000,000          |
| <b>Deposits and other accounts</b>  | 14    | 273,506,458,103        | 290,719,342,438        |
| Current accounts and other accounts   |       | 27,003,551,042         | 28,639,222,340         |
| Bills payable   |       | 1,784,436,669          | 6,423,928,975          |
| Savings bank deposits   |       | 36,595,604,182         | 35,246,391,164         |
| Fixed deposits  |       | 120,068,793,414        | 121,537,588,967        |
| Other deposits  |       | 88,054,072,796         | 98,872,210,992         |
| <b>Other liabilities</b>  | 15    | 41,943,189,694         | 42,097,503,740         |
| <b>Total liabilities</b>  |       | <b>350,346,915,893</b> | <b>361,274,712,019</b> |
| <b>Capital/Shareholders' equity</b>   |       | <b>24,503,309,964</b>  | <b>24,486,938,234</b>  |
| <b>Shareholders' equity</b>   |       | <b>24,503,309,964</b>  | <b>24,486,938,234</b>  |
| Paid-up capital   | 16    | 7,960,368,300          | 7,960,368,300          |
| Statutory reserve   | 17    | 7,148,378,265          | 7,144,204,404          |
| Other reserve   | 18    | 3,631,422,601          | 3,695,739,782          |
| Retained earnings   | 19    | 5,763,140,798          | 5,686,625,747          |
| <b>Total Liabilities and Shareholders' Equity</b>                                 |       | <b>374,850,225,857</b> | <b>385,761,650,252</b> |



*K.M. Mohiuddin Ahmed*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

*Md. Jasim Uddin*  
Md. Jasim Uddin  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*Tarique Afzal*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited  
*Ashraf Ahmed*  
Ashraf Ahmed  
Managing Director




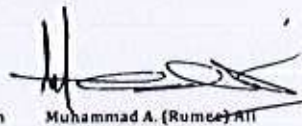
*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**Off-Balance Sheet Items**

| Notes   | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|---|-----------------------|-----------------------|
| <b>Contingent liabilities</b>   | <b>45,718,997,093</b> | <b>59,191,446,731</b> |
| Acceptances and endorsements  | 6,564,780,297         | 8,043,330,855         |
| Letters of guarantee  | 12,936,340,226        | 12,837,291,873        |
| Irrevocable letters of credit   | 6,234,958,464         | 6,094,462,753         |
| Bills for collection  | 19,826,567,516        | 32,213,798,567        |
| Other contingent liabilities  | 156,350,590           | 2,562,682             |
| <b>Other commitments</b>  | <b>-</b>              | <b>-</b>              |
| 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 | -                     | -                     |
| <b>Total off-balance sheet items</b>                                  | <b>45,718,997,093</b> | <b>59,191,446,731</b> |

The annexed notes from 1 to 48 form an integral part of these financial statements.

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 Khairul Alam Choudhury, Director  
 Ishaqul Alam, Independent Director  
 Muhammad A. (Rumee) Ali, Chairman

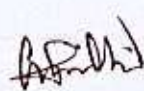
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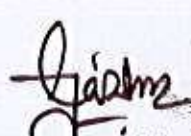
Dhaka,  
10 June 2021

Signed for & on behalf of  
ACNABIN  
Chartered Accountants


  
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DVC: 2106200787A0936844

  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer -  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

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 for and on behalf of  
 Riverstone Capital Limited  
  
 Ashraf Ahmed  
 Managing Director





  
 Khairul Basha A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka



**AB Bank Limited**  
**Profit and Loss Account**  
**For the period from 01 January 2021 to 31 March 2021**

| Notes   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|---|-----------------------|-----------------------|
| <b>OPERATING INCOME</b>                               |                       |                       |
| Interest income/profit on investments                 | 22 4,168,969,999      | 5,290,755,172         |
| Interest paid/profit on deposits and borrowings, etc. | 23 (4,070,238,455)    | (5,255,887,077)       |
| <b>Net Interest Income</b>                            | <b>98,731,543</b>     | <b>34,868,095</b>     |
| Investment income                                     | 24 1,223,957,693      | 1,287,027,360         |
| Commission, exchange and brokerage                    | 25 414,658,567        | 346,983,410           |
| Other operating income                                | 26 85,720,575         | 11,499,365            |
|   | <b>1,724,336,835</b>  | <b>1,645,510,134</b>  |
|   | <b>1,823,068,378</b>  | <b>1,680,378,229</b>  |
| <b>Total operating income (a)</b>                     |                       |                       |
| <b>OPERATING EXPENSES</b>                             |                       |                       |
| Salary and allowances                                 | 27 660,943,701        | 615,625,045           |
| Rent, taxes, insurance, electricity, etc.             | 28 144,147,453        | 151,689,597           |
| Legal expenses  | 29 2,289,675          | 5,739,686             |
| Postage, stamps, telecommunication, etc.              | 30 24,245,225         | 28,603,354            |
| Stationery, printing, advertisement, etc.             | 31 26,706,592         | 25,386,105            |
| Chief executive's salary and fees                     | 27.1 3,600,000        | 2,850,000             |
| Directors' fees                                       | 32 471,300            | 304,020               |
| Auditors' fees  | 33 975,662            | 506,520               |
| Depreciation and repairs of Bank's assets             | 34 169,546,749        | 184,296,177           |
| Other expenses  | 35 251,620,792        | 468,078,366           |
|   | <b>1,284,547,149</b>  | <b>1,483,078,870</b>  |
| <b>Total operating expenses (b)</b>                   | <b>538,521,229</b>    | <b>197,299,360</b>    |
| <b>Profit before provision (c = (a-b))</b>            |                       |                       |
| Provision against loans and advances                  | 36 280,817,492        | 118,123,385           |
| Provision for investments                             | 37 100,000,000        | -                     |
| Other provisions                                      | 38 1,591,254          | 5,000,000             |
|   | <b>382,408,746</b>    | <b>123,123,385</b>    |
| <b>Total provision (d)</b>                            |                       |                       |
| <b>Profit before taxation (c-d)</b>                   | <b>156,112,483</b>    | <b>74,175,975</b>     |
| Provision for taxation                                | 84,519,845            | 32,186,758            |
| Current tax   | 162,566,236           | 45,799,536            |
| Deferred tax  | (78,046,391)          | (13,612,778)          |
| <b>Net profit after taxation</b>                      | <b>71,592,637</b>     | <b>41,989,217</b>     |
| <b>Appropriations</b>                                 |                       |                       |
| Statutory reserve                                     | -                     | 9,013,943             |
| General reserve                                       | -                     | -                     |
| Dividends, etc.                                       | -                     | -                     |
|   | -                     | <b>9,013,943</b>      |
| <b>Retained surplus</b>                               | <b>71,592,637</b>     | <b>32,975,273</b>     |
| <b>Earnings Per Share (EPS)</b>                       | 40 0.09               | 0.05                  |
| <b>Diluted Earnings Per Share (EPS)</b>               | 41 0.09               | 0.05                  |

The annexed notes from 1 to 48 form an integral part of these financial statements.

 Tarique Afzal, President & Managing Director  
 Khairul Alam Choudhury, Director  
 Shaheer Alam, Independent Director  
 Muhammad A. (Rumay) Ali, Chairman

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

Dhaka,  
10 June 2021

Signed for & on behalf of  
**ACNABIN**  
 Chartered Accountants  
  
 Md Moniruzzaman FCA  
 Partner  
 ICAB Enrollment No. 787

DVC: 2106200787A0936844




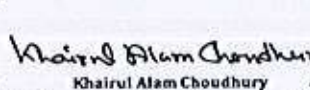


 K.M. Mohiuddin Ahmed, Chief Financial Officer, AB Bank Limited, Corporate Office, Dhaka  
 Md. Jasim Uddin ACS, Company Secretary (In-Charge), AB Bank Limited, Corporate Office, Dhaka  
 Tarique Afzal, President & Managing Director, AB Bank Limited, Corporate Office, Dhaka  
 Ashraf Ahmed, Managing Director, Riverstone Capital Limited  
 Khairul Bashar A. T. Mohammed, Chief Executive Officer, MTB Capital Ltd., Head Office, Dhaka.



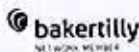
**AB Bank Limited**  
Cash Flow Statement  
For the period from 01 January 2021 to 31 March 2021

| Notes  | Jan'21-Mar'21<br>Taka   | Jan'20-Mar'20<br>Taka   |
|--|-------------------------|-------------------------|
| <b>Cash flows from Operating Activities</b>                                  |                         |                         |
| Interest receipts  | 2,526,720,285           | 2,500,607,013           |
| Interest payments  | (2,982,094,776)         | (3,784,572,906)         |
| Dividend receipts  | 12,906,662              | 14,281,622              |
| Fees and commission receipts   | 326,749,762             | 263,218,093             |
| Recoveries on loans previously written off                                   | 21,583,780              | 6,489,255               |
| Payments to employees  | (664,543,701)           | (618,475,045)           |
| Payments to suppliers  | (26,706,592)            | (25,386,105)            |
| Income taxes paid  | (589,718,661)           | (314,740,794)           |
| Receipts from other operating activities                                     | 42 1,352,214,435        | 1,386,670,405           |
| Payments for other operating activities                                      | 43 (538,017,461)        | (775,487,638)           |
| <b>Operating profit before changes in operating assets &amp; liabilities</b> | <b>(560,906,267)</b>    | <b>(1,347,396,101)</b>  |
| <b>Increase/decrease in operating assets and liabilities</b>                 |                         |                         |
| Loans and advances to customers  | (1,494,054,952)         | (2,388,442,227)         |
| Other assets   | 1,587,330,984           | (187,442,668)           |
| Deposits from other banks  | 278,070,440             | (327,428,600)           |
| Deposits from customers  | (18,579,098,454)        | (18,879,710,355)        |
| Trading liabilities (short-term borrowings)                                  | 5,177,720,972           | (3,014,787,729)         |
| Other liabilities  | (29,245,233)            | 439,615,176             |
|  | <b>(13,059,276,244)</b> | <b>(24,358,196,403)</b> |
| <b>Net cash used in operating activities (a)</b>                             | <b>(13,620,182,511)</b> | <b>(25,705,592,503)</b> |
| <b>Cash Flows from Investing Activities</b>                                  |                         |                         |
| Sale of government securities  | 11,976,545,178          | 21,196,642,544          |
| Purchase of trading securities, shares, bonds, etc.                          | (634,051,597)           | (806,147)               |
| Purchase of fixed assets including premises, furniture and fixtures          | (87,613,172)            | (59,030,062)            |
| <b>Net cash flow from Investing activities (b)</b>                           | <b>11,254,880,409</b>   | <b>21,136,806,335</b>   |
| <b>Cash Flows from Financing Activities</b>                                  |                         |                         |
| Increase of long-term borrowings   | 1,261,681,282           | 11,234,927              |
| Dividend paid  | -                       | -                       |
| <b>Net cash flow from Financing activities (c)</b>                           | <b>1,261,681,282</b>    | <b>11,234,927</b>       |
| <b>Net decrease in cash (a+b+c)</b>  | <b>(1,103,620,821)</b>  | <b>(4,557,551,241)</b>  |
| Effects of exchange rate changes on cash and cash equivalents                | 10,882,196              | (18,659,986)            |
| Cash and cash equivalents at beginning of the period                         | 27,795,511,245          | 29,879,334,455          |
| <b>Cash and cash equivalents at end of the period (*)</b>                    | <b>26,702,772,621</b>   | <b>25,323,123,229</b>   |
| (*) Cash and cash equivalents:   |                         |                         |
| Cash   | 1,271,641,557           | 1,504,239,435           |
| Prize bonds  | 1,970,300               | 1,793,000               |
| Money at call and on short notice  | 1,106,201,668           | 1,036,321,000           |
| Balance with Bangladesh Bank and its agent bank(s)                           | 20,294,233,332          | 20,216,592,101          |
| Balance with other banks and financial institutions                          | 4,028,725,764           | 2,564,177,693           |
|  | <b>26,702,772,621</b>   | <b>25,323,123,229</b>   |
| <b>Net Operating Cash Flow Per Share (NOCFPS)</b>                            | <b>44 (17.11)</b>       | <b>(32.29)</b>          |

The annexed notes from 1 to 48 form an integral part of these financial statements.

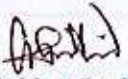
 Tarique Afzal  
President & Managing Director  
 Khairul Alam Choudhury  
Director  
 Shafiqul Alam  
Independent Director  
 Muhammad A. (Rumee) Ali  
Chairman

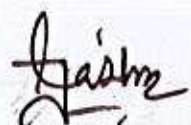
Dhaka,  
10 June 2021



For and on behalf of  
Riverstone Capital Limited

 Ashraf Ahmed  
Managing Director  
 Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

 K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

 Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

 Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



**AB Bank Limited**  
Statement of Changes in Equity  
For the period from 01 January 2021 to 31 March 2021

| Particulars                                | Paid-up capital | Statutory reserve | General reserve | Assets revaluation reserve | Investment revaluation reserve | Retained earnings | Total Equity   |
|--|-----------------|-------------------|-----------------|----------------------------|--------------------------------|-------------------|----------------|
| Balance at 01 January 2021                 | 7,960,366,300   | 7,144,204,404     | 2,302,199,200   | 1,294,532,425              | 99,006,157                     | 5,686,625,747     | 24,486,938,234 |
| Net profit after taxation for the year     |                 |                   |                 |                            |                                | 71,592,637        | 71,592,637     |
| Addition/(Adjustment) made during the year |                 |                   |                 |                            |                                | (907,899)         | (65,225,080)   |
| Foreign exchange rate fluctuation          |                 | 4,173,861         |                 | (6,745)                    | (64,310,436)                   | 5,830,313         | 10,004,174     |
| Balance at 31 March 2021                   | 7,960,366,300   | 7,148,378,265     | 2,302,199,200   | 1,294,525,680              | 34,697,721                     | 5,763,140,798     | 24,503,309,964 |
| Balance at 31 March 2020                   | 7,581,303,150   | 6,860,524,725     | 1,222,199,200   | 1,296,690,729              | 38,989,844                     | 5,834,594,128     | 22,834,291,776 |

The annexed notes from 1 to 48 form an integral part of these financial statements.

Tarique Afzal  
President & Managing Director

Khairul Alam Chowdhury  
Director

Muhammad A. (Rumee) Ali  
Chairman

Dhaka,  
10 June 2021



K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited



**AB Bank Limited**  
Liquidity Statement  
Analysis of Maturity of Assets and Liabilities  
As at 31 March 2021

| Particulars  | (Amount in Taka)         |                       |                        |                         |                             | Total                  |
|--|--------------------------|-----------------------|------------------------|-------------------------|-----------------------------|------------------------|
|  | Up to 1 month's maturity | 1-3 months' maturity  | 3-12 months' maturity  | 1-5 years' maturity     | More than 5 years' maturity |                        |
| <b>Assets</b>  |                          |                       |                        |                         |                             |                        |
| Cash in hand and with banks  | 10,201,827,968           | -                     | -                      | -                       | 11,364,046,921              | 21,565,874,889         |
| Balance with other banks and financial institutions                            | 3,387,701,764            | 150,000,000           | 491,024,000            | -                       | -                           | 4,028,725,764          |
| Money at call and on short notice  | 659,636,070              | 446,765,597           | -                      | -                       | -                           | 1,106,201,668          |
| Investments  | 486,828,561              | 4,969,444,521         | 9,922,000,189          | 16,852,223,524          | 19,800,678,986              | 52,031,175,781         |
| Loans, advances and lease/investments  | 36,841,273,080           | 76,795,100,609        | 103,482,822,752        | 36,517,929,078          | 24,329,040,493              | 277,966,166,032        |
| Fixed assets including premises, furniture and fixtures                        | -                        | -                     | -                      | -                       | 4,449,833,652               | 4,449,833,652          |
| Other assets   | 384,636,667              | 2,930,823,058         | 3,124,495,746          | 1,474,892,010           | 5,453,228,775               | 13,368,076,256         |
| <b>Non-banking assets</b>  |                          |                       |                        |                         |                             |                        |
| <b>Total Assets</b>  | <b>51,961,704,111</b>    | <b>85,292,133,785</b> | <b>117,020,342,687</b> | <b>55,179,216,448</b>   | <b>65,296,829,826</b>       | <b>374,850,225,857</b> |
| <b>Liabilities</b>   |                          |                       |                        |                         |                             |                        |
| Borrowing from Bangladesh Bank, other banks, financial institutions and agents | 15,614,211,697           | 4,176,585,120         | 3,730,637,492          | 5,994,078,653           | 5,381,755,135               | 34,897,268,096         |
| Deposit and other accounts   | 35,194,617,491           | 79,477,674,147        | 108,917,477,221        | 45,767,464,936          | 4,149,224,307               | 273,506,458,103        |
| Provision and other liabilities  | 863,721,303              | 1,318,311,463         | 9,005,017,797          | 30,268,487,869          | 487,651,262                 | 41,943,189,694         |
| <b>Total Liabilities</b>   | <b>51,672,550,491</b>    | <b>84,972,570,730</b> | <b>121,653,132,510</b> | <b>82,030,031,458</b>   | <b>10,018,630,704</b>       | <b>350,346,915,893</b> |
| <b>Net liquidity excess/(shortage)</b>   | <b>289,153,620</b>       | <b>319,563,055</b>    | <b>(4,632,789,823)</b> | <b>(26,810,815,010)</b> | <b>55,078,199,122</b>       | <b>24,503,309,964</b>  |

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

Tarique Afzal  
President & Managing Director

Khairul Alam Chowdhury  
Director

Muhammad A. (Rumsey) Khan  
Chairman

Dhaka,  
10 June 2021



For and on behalf of  
Riverstone Capital Limited

K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Managing Director

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Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.





**AB Bank Limited and Its Subsidiaries**  
**Notes to the Consolidated and Separate Financial Statements**  
**As at and for the period from 01 January 2021 to 31 March 2021**

**1.1 The Bank and its activities**

AB Bank Limited (the Bank) is one of the first generation Private Commercial Banks (PCBs) incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913; subsequently replaced by the Companies Act 1994, and is governed by the Bank Company Act, 1991 (amendment up to 2018). The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. AB Bank Limited has 105 Branches including one (1) Islami Banking Branch and one (1) Overseas Branch in Mumbai, India. The Bank has five subsidiary companies namely AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited, Arab Bangladesh Bank Foundation all incorporated in Bangladesh and AB International Finance Limited, incorporated in Hong Kong.

AB Investment Limited (ABIL) and AB Securities Limited (ABSL) were incorporated as subsidiary companies after obtaining the approvals from Bangladesh Bank following guidelines of the Bangladesh Securities and Exchange Commission (BSEC). These two subsidiaries are being put into operations to cater the merchant banking and brokerage business which were previously carried out by the Bank itself.

The Bank through its Branches and non-banking subsidiaries provides a diverse range of financial services and products in Bangladesh and in certain International markets. The Bank has expanded its capital market oriented service horizon to its customers through AB Investment Limited. The Bank obtained permission from BSEC to embark upon merchant banking vide its certificate no. MB-102/2001-30 dated 15 May 2001 under the Securities and Exchange Commission Act 1993. Subsequently, the Bank has formed a subsidiary company named AB Investment Limited in accordance with the approval of Bangladesh Bank vide letter no. BRPD(R-1)717/2009-538 dated 09 December 2009 and the Bangladesh Securities and Exchange Commission vide letter no. Sec/Reg/MB-79/2010/73 dated 10 March 2010 for dealing the Merchant Banking business.

AB Bank Limited started its Islami Banking operation through its Dikusha Islami Banking Branch, Dhaka on 23 December 2004 following the permission of Bangladesh Bank vide letter no. BRPD (P) 745 (12)/2004-2702 dated 08 July 2004. Subsequently, the Branch was shifted to Kakrail, Dhaka on 18 October 2006.

The Bank obtained permission to work as a security custodian from the Bangladesh Securities and Exchange Commission vide its certificate no. SC-05/2007 dated 22 January 2007 under the Securities and Exchange Commission (Securities Custodian Service) Rules 2003.

In the year 2009, the Bank obtained permission to operate Off Shore Banking Unit (OBU) vide letter # BRPD (P-3)744/(106)/2009-4486 dated 06 December 2009 of Bangladesh Bank. OBU operation has been carried out from 28 April 2010 through the Bank's EPZ Branch, Chittagong.

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

**Presentation of the financial statements**

The consolidated and separate financial statements of the Bank have been prepared for the period ended March 31, 2021 in accordance with the measurement and recognition requirements of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) which have replaced Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) vide circular no. 1/1/JCAB-2017 of the Institute of Chartered Accountants of Bangladesh, the accounting standard setting body for Bangladesh, dated 14 December 2017 for due period begins on or after 1 January 2018.

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

The financial statements have been prepared under historical cost convention, except investments categorised under treasury securities in accordance with Bank Company Act, 1991 (amendment up to 2018); BRPD circular no. 14 dated 25 June 2003, the Companies Act, 1994; the Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other laws and rules applicable for the Bank.



**K.M. Mohluddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka

**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
**Ashraf Ahmed**  
 Managing Director

91 | Page  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**Basis of consolidation**

Separate set of records for consolidating the financial statements of the Branches including Mumbai Branch, India, AB Investment Limited, AB Securities Limited, Cashlink Bangladesh Limited and AB International Finance Limited, Hong Kong are maintained at the Head Office of the Bank, based on which these financial statements have been prepared. The consolidated financial statements have been prepared in accordance with the IFRS 10 "Consolidated Financial Statements". The Consolidated Financial Statements have been prepared to a common reporting period ending 31 March 2021.

**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: D**.

**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: E** as per Bangladesh Bank BRPD Circular No. 15 dated 09 November 2009.

**Custodian Wing**

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: E**.

**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: G**.

**Yangon Representative Office, Myanmar**

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

**Investment in Amana Bank Limited**

The Bank invested in Amana Bank Limited, Sri Lanka which is a licensed commercial bank and established under the Banking Act No. 30 of 1988 (Sri Lankan Banking Act) and amendments thereto. Amana Bank is a public limited liability company incorporated on 05 February 2009 and the registered office of the Bank is located at No. 480, Galle Road, Colombo 3. The Bank commenced commercial banking operations on 01 August 2011. Amana Bank is also a listed company under the Colombo Stock Exchange. AB has invested 7.22% in the shares of Amana Bank Limited.

**Subsidiaries operation**

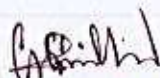
The financial statements of subsidiaries (except Arab Bangladesh Bank Foundation-ABBF) have been consolidated following IFRS 10 "Consolidated Financial Statements". ABBF operated only for philanthropic purpose and its profit is not distributable to the shareholders. Thus, for ensuring the fair presentation of the Financial Statements of the Parent Company (the Bank), the Financial Statements of ABBF has not been consolidated.


**AB Investment Limited (ABIL)**

AB Investment Limited (ABIL) started its operation from 10 March 2010 for Merchant Banking Operation. AB Bank Limited holds 99.99% shares in ABIL. The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of ABIL have been shown separately in **Annexure: I**.



Prepared on behalf of  
Riverstone Capital Limited

  
**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
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**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
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**Ashraf Ahmed**  
Managing Director

  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**AB Securities Limited (ABSL)**

Brokerage business of Arab Bangladesh Bank Foundation has been transferred to AB Securities Limited (ABSL) vide Bangladesh Bank approval letter BRPD(R-1)717/2009-493 dated 08 November 2009. AB Bank Limited at present holds 99.91% shares in ABSL. The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of ABSL have been shown separately in **Annexure-I**.

**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-K**.

**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, 16<sup>th</sup> Floor, Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Hong Kong. It is a fully owned (100%) Subsidiary of AB Bank Limited. Statement of Financial Position and Statement of Income and Retained Earnings of ABIFL have been shown separately in **Annexure-L**.

**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-M**.

**Use of estimates and judgments**

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

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

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

**Materiality, aggregation and offsetting**

The Bank aggregates each material class of similar items and separately which are dissimilar in nature or function unless those are immaterial. The Bank did not offset assets and liabilities or income and expense, unless required or permitted by IAS/ IFRS.

**Foreign currency transactions**

**Functional and presentational currency**

Financial statements of the Bank have been presented in Taka, which is the Bank's functional and presentational currency.

**Foreign currency translation**

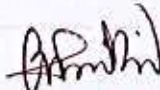
Foreign currency transactions have been converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates".


Assets and liabilities in foreign currencies as at 31 March 2021 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "balances with other banks and financial institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD (R) 717/2004-959 dated 21 November 2004.

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



For and on behalf of Riverstone Capital Limited

  
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**Ashraf Ahmed**  
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**Khairul Bashar A. T. Mohammed**  
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**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**

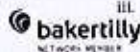
**Cash and cash equivalents**

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.
- 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.



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**Ashraf Ahmed**  
 Managing Director

*Khairul Baskar A. T. Mohammed*  
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iv. Provision for loans and advances is made on the basis of quarter-end review by the management and as per Instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 05 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 04 dated 29 January 2015, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No. 07 dated 21 June 2018, BRPD Circular No. 03 dated 21 April 2019, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no. 17 dated 28 September 2020, BRPD Circular letter no. 52 dated 20 October 2020 and BRPD Circular No. 56 dated 10 December 2020. The rates for provisions are stated below:

| Particulars | Short Term Agri Credit | Consumer Financing |      |      |             | MIF   | Loans to Govt. MIs/SCs | All Other Credit | Off Balance Sheet Exposures |
|-------------|------------------------|--------------------|------|------|-------------|-------|------------------------|------------------|-----------------------------|
|             |                        | Other than HF, LP  | HF   | LP   | Credit Card |       |                        |                  |                             |
| UC          | Standard               | 1%                 | 2%   | 1%   | 2%          | 0.25% | 2%                     | 1%               | 1%                          |
|             | SMA                    | -                  | 2%   | 1%   | 2%          | 0.25% | 2%                     | 1%               |                             |
| Classified  | SS                     | 5%                 | 20%  | 20%  | 20%         | 5%    | 20%                    | 20%              |                             |
|             | DF                     | 5%                 | 50%  | 50%  | 50%         | 20%   | 50%                    | 50%              |                             |
|             | BL                     | 100%               | 100% | 100% | 100%        | 100%  | 100%                   | 100%             |                             |

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

**Investment**

Investments have been initially recognised at cost, including acquisition charges associated with the investment. Premium has been amortised and discount accredited, using the effective or historical yield method. Government Treasury Bills and Bonds (categorized as HFT or/and HTM) are accounted for as per Bangladesh Bank DOS circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009.

The valuation methods of investment used are:

**Government securities**

**Held to Maturity (HTM)**

Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Amortised amount of such premium are booked into Profit and Loss Account or discount is booked to reserve until maturity/disposal.

**Held for Trading (HFT)**

Investment primarily held for selling or trading is classified in this category. After initial recognition, investments are valued on the basis of marked to market on weekly basis. Decrease in the book value is recognised in the Profit and Loss Account and any increase is transferred to revaluation reserve account.

Value of investments has been enumerated as follows:

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



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In Accordance with BRPD Circular no. 14 dated 25 June 2003, provisions should be made for any loss arising from the diminution in value of investments. Subsequently, as per DOS Circular No.04 dated 24 November 2011, provisions may be made for any loss arising from the diminution in value of investments after netting of gain. Provision against Mutual Fund should be maintained in accordance with DOS circular letter no. 10 dated June 28, 2015.

**Investment in unlisted securities**

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

**Investment in subsidiaries**

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements".

**Fixed assets**

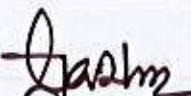
- i) All fixed assets are stated at cost less accumulated depreciation as per IAS 16 "Property, Plant and Equipment". The cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of the IFRS.
- ii) The cost of an item of property, plant and equipment is recognised as an asset if:
  - 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:

| Category of asset      | Rate of depreciation |
|------------------------|----------------------|
| Land                   | Nil                  |
| Building               | 2.5%                 |
| Furniture and fixtures | 10%                  |
| Electrical appliances  | 20%                  |
| Motor vehicles         | 20%                  |
| Core banking hardware  | 12.5%                |

- iv) Depreciation on fixed assets 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".



  
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**Intangible assets**

An intangible asset is recognised if-

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

**Other assets**

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

**Lease**

Bank recognised a contract as (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank applied IFRS 16 Lease since 2019.

**i) Right-of-use assets**

The Bank recognises right-of-use assets at the date of initial application of IFRS 16. The cost of the right of use assets comprises present value of lease payments less incentive plus initial direct payment and dismantling cost etc.

**ii) Lease liabilities**

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

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

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

The Bank as lessee on lease-by-lease basis, elected a single threshold less than BDT 1 crore to consider low value asset on the basis of materiality (less than 1% of Bank's Total capital BDT 3,452 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**

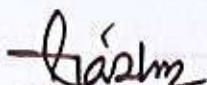
**Share capital**

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

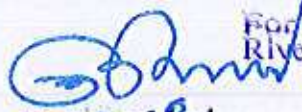




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**Statutory reserve**

As per Section 24 of the Bank Company Act, 1991 (amendment up to 2018), 20% of current year's profit of the Bank is required to be transferred to Statutory Reserve until such reserve together with share premium account equals to its paid up capital. In this reporting period no such type of transfer has been made. Bank will comply the requirement at the year end financial statements.

**Revaluation reserve**

When an asset's carrying amount is increased as a result of revaluation, the increased amount should be credited directly to equity under the head revaluation surplus/ reserve as per IAS 16 "Property, Plant and Equipment". There is no significant change in market value of revalued assets, hence the assets were not further revalued. Management will continuously assess the fair market value.

**Deposits and other accounts**

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

**Borrowing**

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

**Provision for taxation**

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

**Current tax**

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

Provision for current income tax has been made @ 37.50% on the accounting profit made by the Bank after considering taxable allowances and disallowances as per income tax laws applicable for the Bank.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the Profit and Loss Account as per IAS-12 "Income Taxes" (note 10.1).



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**Retirement benefits to the employees**

The retirement benefits accrued for the employees of the Bank as on the reporting date have been accounted for in accordance with the provision of IAS 19 "Employee Benefits". Bases of enumerating the retirement benefits schemes operated by the Bank are outlined below:

**Provident fund**

There is a provident fund scheme under the defined contribution plan. The fund is operated by a separate board of trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 10% of their basic pay to the fund. The Bank also contributes equal of employee's contribution to the fund. These contributions are invested separately. Benefits from the fund are given to eligible employees at the time of retirement/resignation as per approved rules of the fund.

**Staff gratuity**

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. Employees of the Bank, who served the Bank for ten years or above are entitled to get gratuity benefit at rates determined by the Service Rules of the Bank.

**Superannuation fund**

The Bank operates a Superannuation Fund as death-cum-retirement benefit for its employees. The fund is operated by a separate Board of Trustees.

**Provision for liabilities**

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

No provision is recognised for any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot be made.

However, certain provisions on assets and liabilities are maintained in accordance with relevant Bangladesh Bank Circulars issued from time to time.

**Provision for nostro accounts**

Provision for nostro accounts is required to be maintained as per circular letter no. FEFD(FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank.

**Non- controlling Interest**

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

As per IFRS 10 'Consolidated Financial Statements' Bank presents non- controlling interest separately in financial statements.

Profit or loss and each component of other shareholders equity are attributed to the owners of the parent and to the non-controlling interest. Total shareholders equity is attributed to the owners of the parent and to the non-controlling interest even if this result in the non- controlling interest having a deficit balance.

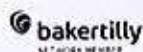
**1.5 Revenue recognition**

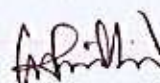
**Interest income**

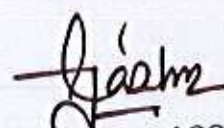
The interest income is recognised on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified or treated as Sub Standard (SS) as per BRPD circular no. 14 dated 23 September 2012 and is kept in interest suspense account. Interest on classified advances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

**Profit on Investment (Islami Banking branch)**

Profit on investment is taken into income account from profit receivable account. Overdue charges/ compensation



  
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on classified investment is transferred to profit suspense/ compensation receivable account instead of income account.

**Investment Income**

Interest income on investments is recognised on accrual basis except treasury bills. Capital gains on investments in shares are also included in investment income. Capital gains are recognized when these are realised.

**Fees and commission income**

Fees and commission income on services provided by the Bank are recognised as and when the services are rendered. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of affecting the transactions.

**Dividend income on shares**

Dividend income from investment in shares is recognised when the Bank's right to receive dividend is established. It recognised when:

- a. It is probable that the economic benefits associated with the transaction will flow to the entity; and
- b. the amount of the revenue can be measured reliably.

**Interest paid on deposits and borrowings**

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

**Other operating expenses**

All other operating expenses are provided for in the books of the account on accrual basis according to the IAS 1 "Presentation of Financial Statements".

**1.6 Reconciliation of books of account**

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch transactions are reconciled.

**1.7 Earnings Per Share (EPS)**

**Basic earnings per share**

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

**Diluted earnings per share**

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

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

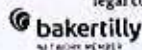
**1.8 Off-balance sheet items**

Off-Balance Sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank's guidelines.

In accordance with BRPD circular no.14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, general provision for Off-Balance Sheet exposure of the Bank as at 31 March 2021 has been considered. Provision is made on the total exposure and amount of cash margin or value of eligible collateral is not deducted while computing Off-Balance sheet exposure.

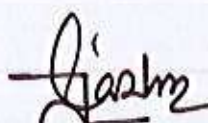
**1.9 Memorandum Items**

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.



For and on behalf of  
Riverstone Capital Limited

  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB Bank Limited  
 Notes to the Financial Statements  
 For the Period from 01 January 2021 to 31 March 2021  
 3.10 Segment Reporting  
 The Bank reports its operations under the following two business segments as per International Financial Reporting Standards (IFRS) in "Operating Segment".  
 By geographical location and segment business

| Particulars                               | AB Bank Limited      |                 |                    |                       |                       | Subsidiaries          |                       |                                 | Adjustment  | AB Int. Finance Ltd. (Hong Kong) | AB Bank and its subsidiaries |               |
|---|----------------------|-----------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------------------|-------------|----------------------------------|------------------------------|---------------|
|   | Inside Bangladesh    |                 | Outside Bangladesh |                       |                       | AB Investment Limited | AB Securities Limited | Cash Link Bangladesh Ltd. (CBL) |             |                                  |                              |               |
|   | Conventional Banking | Islamic Banking | Investment Banking | OR Share Banking Unit | Branch, Branch, India |                       |                       |                                 |             |                                  |                              | Total         |
| <b>Crédit and loan account</b>            |                      |                 |                    |                       |                       |                       |                       |                                 |             |                                  |                              |               |
| Interest income                           | 413.33               | 13.65           | -                  | 3.41                  | 1.14                  | -                     | 4.94                  | 0.42                            | 0.08        | 0.80                             | (0.37)                       | 423.02        |
| Int. paid on deposits & borrowings, etc.  | 394.23               | 11.29           | 6.33               | 5.56                  | 0.25                  | -                     | -                     | 0.20                            | -           | 0.06                             | (0.32)                       | 407.27        |
| Net interest income                       | 17.68                | 0.36            | (6.33)             | (2.14)                | 0.89                  | -                     | 4.94                  | 0.22                            | 0.08        | 0.74                             | -                            | 15.75         |
| Investment income                         | 116.35               | 0.30            | -                  | 5.05                  | -                     | -                     | (0.80)                | 0.80                            | -           | -                                | -                            | 123.19        |
| Commission, exchange and brokerage        | 32.96                | 0.02            | -                  | -                     | 0.72                  | -                     | 0.21                  | 0.00                            | -           | -                                | -                            | 44.06         |
| Other operating income                    | 8.33                 | 0.02            | -                  | (0.01)                | 0.02                  | -                     | 0.21                  | 0.13                            | -           | 1.91                             | (0.20)                       | 10.62         |
| <b>Total operating income</b>             | <b>174.91</b>        | <b>0.69</b>     | <b>(1.29)</b>      | <b>(2.13)</b>         | <b>10.33</b>          | <b>0.02</b>           | <b>5.76</b>           | <b>4.60</b>                     | <b>0.09</b> | <b>5.18</b>                      | <b>(0.21)</b>                | <b>197.66</b> |
| <b>Operating Expenses</b>                 |                      |                 |                    |                       |                       |                       |                       |                                 |             |                                  |                              |               |
| Salary and allowances                     | 65.49                | 0.42            | -                  | 0.07                  | 0.48                  | -                     | 0.47                  | 0.58                            | 0.01        | 0.70                             | -                            | 68.23         |
| Rent, taxes, insurance, electricity, etc. | 13.76                | 0.05            | 0.00               | -                     | 0.61                  | -                     | 0.04                  | 0.20                            | -           | 0.21                             | (0.20)                       | 14.46         |
| Legal expenses                            | 0.23                 | -               | -                  | -                     | -                     | -                     | -                     | -                               | -           | -                                | -                            | 0.23          |
| Postage, stamps, telecom, etc.            | 2.22                 | 0.01            | -                  | 0.00                  | 0.20                  | -                     | 0.01                  | 0.04                            | -           | 0.02                             | -                            | 2.65          |
| Stationery, printing, advertisement, etc. | 2.60                 | 0.01            | -                  | 0.00                  | 0.06                  | -                     | 0.01                  | 0.03                            | -           | 0.01                             | -                            | 2.73          |
| Directors' fees                           | 0.04                 | 0.01            | -                  | -                     | -                     | -                     | -                     | 0.02                            | -           | -                                | -                            | 0.07          |
| Auditors' fees                            | 0.01                 | 0.02            | -                  | 0.00                  | 0.09                  | -                     | 0.47                  | 0.08                            | -           | 0.01                             | -                            | 0.68          |
| Depreciation & repairs of Bank's assets   | 10.46                | 0.14            | 0.14               | 0.00                  | 4.00                  | (0.01)                | 25.17                 | 0.51                            | 0.00        | 0.00                             | (0.01)                       | 32.24         |
| Goodwill impairment                       | 20.45                | 0.14            | 0.34               | 0.01                  | 4.00                  | 0.01                  | 3.57                  | 3.47                            | 0.00        | 0.00                             | (0.01)                       | 32.42         |
| <b>Total operating expenses</b>           | <b>121.67</b>        | <b>0.94</b>     | <b>(1.62)</b>      | <b>(2.23)</b>         | <b>6.29</b>           | <b>0.02</b>           | <b>5.85</b>           | <b>3.17</b>                     | <b>0.07</b> | <b>3.13</b>                      | <b>(0.23)</b>                | <b>132.42</b> |
| <b>Profit before provision</b>            | <b>53.05</b>         | <b>0.04</b>     | <b>0.34</b>        | <b>0.08</b>           | <b>4.04</b>           | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>                     | <b>0.00</b> | <b>0.00</b>                      | <b>0.00</b>                  | <b>65.24</b>  |
| Provision against loans and advances      | -                    | -               | -                  | -                     | -                     | -                     | -                     | -                               | -           | -                                | -                            | -             |
| Provision for revaluation                 | -                    | -               | -                  | -                     | -                     | -                     | -                     | -                               | -           | -                                | -                            | -             |
| Other provision                           | -                    | -               | -                  | -                     | -                     | -                     | -                     | -                               | -           | -                                | -                            | -             |
| Profit after provision                    | -                    | -               | -                  | -                     | -                     | -                     | -                     | -                               | -           | -                                | -                            | -             |
| Provision for taxation                    | -                    | -               | -                  | -                     | -                     | -                     | -                     | -                               | -           | -                                | -                            | -             |
| <b>Net profit after taxation</b>          | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>-</b>              | <b>-</b>                        | <b>-</b>    | <b>-</b>                         | <b>-</b>                     | <b>-</b>      |



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 Head Office, Dhaka.

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 For and on behalf of  
 Riverstone Capital Limited



AB Bank Limited  
Notes to the Financial Statements  
As at 31 March 2021  
By geographical locations and segment business (cont.)  
Balance Sheet

| Particulars  | AB Bank Limited      |                 |                    |                | Subsidiaries          |                   |                  |                                  | Adjustment      | AB Bank and its subsidiaries |
|--|----------------------|-----------------|--------------------|----------------|-----------------------|-------------------|------------------|----------------------------------|-----------------|------------------------------|
|  | Conventional Banking | Islamic Banking | Investment Banking | Other          | AB Investment Limited | AB Services Ltd.  | Cash Ltd. (PCL)  | AB Inv. Finance Ltd. (Hong Kong) |                 |                              |
| <b>PROPERTY AND ASSETS</b>                                     |                      |                 |                    |                |                       |                   |                  |                                  |                 |                              |
| Cash   | 2,129.68             | 26.56           | -                  | -              | 0.00                  | 0.00              | 0.01             | 0.00                             | -               | 2,156.60                     |
| Balance with other banks & financial institutions              | 172.37               | 126.54          | -                  | 0.88           | 164.26                | 61.18             | (61.18)          | 402.87                           | (17.70)         | 618.15                       |
| Money at call and on short notice                              | 812.99               | -               | -                  | 59.23          | 51.29                 | (812.99)          | 118.62           | -                                | (59.23)         | 51.39                        |
| Investments  | 4,618.17             | 37.28           | 368.87             | 163.80         | 47.28                 | (712.41)          | 5,203.12         | 53.17                            | -               | 5,267.43                     |
| Loans and advances   | 26,444.39            | 648.75          | -                  | 612.25         | 72.00                 | (3.78)            | 27,796.62        | 691.86                           | (92.35)         | 28,555.67                    |
| Fixed assets   | 444.57               | 0.66            | -                  | 0.64           | (0.88)                | (0.88)            | 444.98           | 52.43                            | 0.01            | 498.14                       |
| Other assets   | 2,077.85             | 10.33           | 7.40               | 0.00           | 22.04                 | (791.43)          | 1,336.81         | 39.71                            | 82.3            | 2,555.65                     |
| Non-banking assets   | 33.42                | -               | -                  | -              | -                     | -                 | 33.42            | -                                | -               | 33.42                        |
| <b>Total Assets</b>  | <b>36,772.64</b>     | <b>870.12</b>   | <b>376.28</b>      | <b>836.12</b>  | <b>358.68</b>         | <b>(1,278.67)</b> | <b>37,485.02</b> | <b>865.67</b>                    | <b>(806.59)</b> | <b>37,756.66</b>             |
| <b>LIABILITIES AND CAPITAL</b>                                 |                      |                 |                    |                |                       |                   |                  |                                  |                 |                              |
| <b>Liabilities</b>   |                      |                 |                    |                |                       |                   |                  |                                  |                 |                              |
| Borrowings from other banks, financial institutions and agents | 3,675.70             | 100.70          | -                  | 863.08         | -                     | (1,149.76)        | 3,489.73         | 75.59                            | 14.75           | 3,489.73                     |
| Deposits and other accounts                                    | 26,451.79            | 731.39          | 0.00               | 1.36           | 226.30                | (61.19)           | 27,350.65        | -                                | (17.75)         | 27,332.89                    |
| Other liabilities  | 3,899.25             | 37.03           | 376.61             | 194.07         | 10.62                 | (110.24)          | 4,194.32         | 94.41                            | 74.36           | 4,354.52                     |
| <b>Total Liabilities</b>                                       | <b>33,975.75</b>     | <b>875.12</b>   | <b>376.61</b>      | <b>868.52</b>  | <b>236.93</b>         | <b>(1,320.21)</b> | <b>35,034.69</b> | <b>170.01</b>                    | <b>69.35</b>    | <b>35,179.13</b>             |
| <b>Total Shareholders' Equity</b>                              | <b>2,775.91</b>      | <b>-</b>        | <b>(53.31)</b>     | <b>(47.33)</b> | <b>121.55</b>         | <b>(399.45)</b>   | <b>2,450.33</b>  | <b>675.66</b>                    | <b>21.46</b>    | <b>2,576.29</b>              |
| Non-controlling interest                                       | -                    | -               | -                  | -              | -                     | -                 | -                | -                                | -               | -                            |
| <b>Total Liabilities &amp; Shareholders' Equity</b>            | <b>36,772.64</b>     | <b>870.12</b>   | <b>376.28</b>      | <b>836.12</b>  | <b>358.68</b>         | <b>(1,278.67)</b> | <b>37,485.02</b> | <b>865.67</b>                    | <b>(806.59)</b> | <b>37,756.66</b>             |



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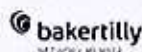
**1.11 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

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

| 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          | Complied |
| 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 Exchange 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 Economies              | 29         | N/A      |
| 17     | Interests in Joint Ventures                                     | 31         | N/A      |
| 18     | Financial Instruments: Presentation                             | 32         | Complied |
| 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           | Complied |
| 8      | Operating Segments   | 8           | Complied |
| 9      | Financial Instruments  | 9           | Complied |
| 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.



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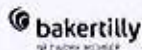
**Khairul Basher A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**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 setting 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 amortised 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 HTM after initial recognition, investments are revalued at mark to market on weekly basis. Decrease in the book value is recognised in the Profit and Loss Account and any increase is transferred to revaluation reserve account. |
| 5      | Non-banking asset                                 | No indication of Non-banking asset is found in any IFRS.   | As per BRPD circular No. 14, dated 25 June 2003 there must exist a face item named Non-banking asset.   |



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| 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 amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).   | As per Bangladesh bank Circulars / guidelines, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on future date (REPO), the arrangement is accounted for as a normal sales transactions and the financial assets should be derecognized in the seller's book and recognized in the buyer's book.   |
| 7      | Provision on loans and advances/ investments | As per IFRS 9, an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. Expected credit losses are required to be measured through a loss allowance at an amount equal to: (i) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or (ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). For loans & Advances whose credit risk increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is required. For loans & advances whose credit risk didn't increased significantly, a loss allowance equal to the 12-month expected credit losses is required. | As per BRPD circular No-14 (23 September 2012), BRPD circular No 19 (27 December 2012), BRPD circular No 05 (29 May 2013), BRPD Circular No 12 (20 August 2017) and BRPD Circular No 15 (27 September 2017), a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9. Also for disclosure such provision shall be shown as liability as opposed to netting of against loans and advances. |
| 8      | Recognition of Interest in suspense          | Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.  | As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to interest suspense account, which is presented as liability in the balance sheet.  |
| 9      | Cash flow statement                          | The cash flow statement can be prepared using either the direct method or the indirect method as per IAS 7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.  | As per BRPD circular No. 14, dated 23 June 2003 cash flow is the mixture of direct and indirect methods.   |



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 Managing Director

**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 Head Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited



| 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 debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities. | As per BRPD Circular no. 14 dated 25 June 2003, financial guarantees such as Letter of Credit, Letter of Guarantee, Acceptance and Endorsement, etc. will be treated as off balance sheet items. |

**1.13 Regulatory and legal compliance**

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

- i. The Bank Company Act, 1991 (amendment up to 2018)
- ii. The Companies Act, 1994
- iii. Rules, regulations and circulars issued by the Bangladesh Bank from time to time
- iv. The Securities and Exchange Rules, 1987
- v. The Securities and Exchange Ordinance, 1969
- vi. The Securities and Exchange Commission Act, 1993
- vii. The Securities and Exchange Commission (Public Issues) Rules, 2015
- viii. The Income Tax Ordinance and Rules, 1984
- ix. The Value Added Tax and Supplementary Duty Act, 2012
- x. The Value Added Tax and Supplementary Duty Rules, 2016
- xi. The Financial Reporting Act 2015 and other regulations of Financial Reporting Council, Bangladesh.
- xii. Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) Listing Regulations, 2015
- xiii. Central Depository Bangladesh Limited (CDBL) rules and regulations
- xiv. Financial Reporting Disclosure (as per BSEC/CMRRCD/2006-158/208/Admin/81 dated, 20 June 2018)
- xv. Other applicable laws and regulations

**1.14 Reporting period**

| Sl no. | Name of the entity/segment       | Reporting period                 |
|--------|----------------------------------|----------------------------------|
| 1      | AB Bank Limited                  | 01 January 2021 to 31 March 2021 |
| 2      | Off Shore Banking Unit           | 01 January 2021 to 31 March 2021 |
| 3      | Mumbai Branch, India             | 01 January 2021 to 31 March 2021 |
| 4      | AB Investment Limited            | 01 January 2021 to 31 March 2021 |
| 5      | AB Securities Limited            | 01 January 2021 to 31 March 2021 |
| 6      | Cashlink Bangladesh Limited      | 01 January 2021 to 31 March 2021 |
| 7      | AB International Finance Limited | 01 January 2021 to 31 March 2021 |
| 8      | Arab Bangladesh Bank Foundation  | 01 January 2021 to 31 March 2021 |



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**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.



For and on behalf of  
Riverstone Capital Limited

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**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
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Corporate Office, Dhaka.

*Md. Jasim Uddin*  
**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
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*Tarique Afzal*  
**Tarique Afzal**  
President & Managing Director  
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Corporate Office, Dhaka

*Ashraf Ahmed*  
**Ashraf Ahmed**  
Managing Director

*Khairul Bashar A. T. Mohammed*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**Interest rate risk**

Interest rate risk may arise from trading portfolio and non-trading portfolio. The trading portfolio of the bank consists of government treasury bills, bond, etc. The short term movement in interest rate is negligible or nil. Interest rate risk of non-trading business arises from mismatches between the future yield of an asset and its funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis.

**Equity risk**

Equity risk arises from movement in market value of equities held. The risks are monitored by the Investment Banking Division under a well-designed policy framework. Adequate provision was maintained by the Bank for diminution of market value of Investments.

**Liquidity risk**

The objective of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Bank is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Financial Institution and Treasury (FIT) Division under approved guidelines. FIT front office is supported by a very structured Mid Office and Back Office. The liquidity management is monitored by Asset Liability Committee (ALCO) on a regular basis. A written contingency plan is in place to manage extreme situation.

**Risk arising from money laundering**

AB Bank Limited considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its core business values. The board of directors and senior management are firmly committed to combat money laundering. Every year, a message from the President and Managing Director's office goes to all employees' of the Bank reiterating the importance of the issue. There is a high profile Central Compliance Unit (CCU) in place to oversee the anti-money laundering activities. The president and managing director himself supervise the function of CCU's. Operation has separated and dedicated headcount for surveillance of the anti-money laundering functions across the bank. Training and awareness programs are regularly held to make all employees' aware of the issue. Bank has also undertaken campaign against money laundering in electronic media.

**Internal control and compliance risk**

Internal Control and Compliance Division (ICCD) of the bank performs three core functions - Internal Audit, Monitoring and Compliance. In order to mitigate the internal control and compliance risk. ICCD conducts Risk Based Audit and Annual Audit of the Branches. Audit of Head Office Divisions also come under ICCD. ICCD monitors compliance of Internal as well as Bangladesh Bank Audit Reports including Bangladesh Bank Special Audit Reports on Core Risks. Besides, Special Audit on some specific issues like year-end Cash Position, Security Stock verification etc. are also done by ICCD.

**Information and communication technology (ICT) security risk**

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

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



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Managing Director Page

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**1.16 Environment Risk Management (ERM)**

Bangladesh Bank issued Guidelines on Environment Risk Management (ERM) to streamline solutions for managing the environmental risks in the financial sector - Ref: BRPD Circular No.01/2011 dated 30 January 2011 and BRPD Circular no.02 dated 27 February 2011 respectively. Bank accordingly introduced the Guideline on Environment Risk Management on 15 June 2011. These ERM guidelines are an attempt to incorporate the environmental impact of a business into the lending process, so that the environment gets due consideration in the appraisal process.

Environmental risk is a facilitating element of credit risk arising from such environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

The Bank is complying with Bangladesh Bank Guidelines to the above effect from time to time and reporting activities on ERM and Green Banking every quarter.

**1.17 Credit rating of the Bank**

| Year                     | Date of Rating    | Long term       | Short term |
|--------------------------|-------------------|-----------------|------------|
| Year 2019 & Jan-Sep 2020 | December 9, 2020  | AA-             | ST-2       |
| Year 2018 & Jan-Sep 2019 | December 19, 2019 | A+              | ST-2       |
| Jan to Sept 2018         | January 10, 2019  | A <sub>2</sub>  | ST-2       |
| Jan to Dec 2017          | June 4, 2018      | A <sub>1</sub>  | ST-2       |
| Jan to Dec 2016          | May 28, 2017      | A <sub>1</sub>  | ST-2       |
| Jan to Dec 2015          | May 19, 2016      | AA <sub>3</sub> | ST-2       |
| Jan to Dec 2014          | April 30, 2015    | AA <sub>3</sub> | 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.



For and on behalf of  
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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      | 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. | Nominated Director | Office Rent           | 3,817,598     |

c) Loans/placement given to subsidiary of the Bank

| Sl. no.                                    | Name of Party                    | Connection with party         | Nature of transaction | Amount in BDT        |
|--|----------------------------------|-------------------------------|-----------------------|----------------------|
| 01   | AB Investment Limited            | 99.99% owned Subsidiary       | Loans and advances    | 755,911,078          |
| 02   | AB Securities Limited            | 99.91% owned Subsidiary       | Loans and advances    | 167,548,156          |
| 03   | AB International Finance Limited | Fully owned (100%) Subsidiary | Placement through OBU | 592,349,654          |
| <b>Total loans/placement to subsidiary</b> |                                  |                               |                       | <b>1,515,808,888</b> |

d) Key Management personnel compensation

Transactions with Key Management personnel of the Bank for the period January-March 2021 is given below:

| Particulars                       | Amount Tk  |
|-----------------------------------|------------|
| Short-term employee benefit       | 33,601,508 |
| Post-employment benefits          | -          |
| Other long-term employee benefits | -          |
| Termination benefits              | -          |

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

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

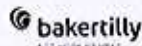
1.20 Audit Committee of the Board of Directors

i) Particulars of Audit Committee

The Audit Committee of the Board was constituted by the Board of Directors of the Bank in accordance with the BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank. Composition of the Audit Committee (2021) is as below:

| Sl. no. | Name                      | Status with Bank     | Status with Committee | Duration                           | Educational/ professional qualification |
|---------|---------------------------|----------------------|-----------------------|------------------------------------|---|
| 1       | Mr. Shafiqul Alam         | Independent Director | Chairman              | From October 13, 2020 to till date | B.Sc (hons) M.Sc. From Dhaka University |
| 2       | Mr. Shajir Ahmed          | Director             | Member                | From October 13, 2020 to till date | B.Sc from University of London          |
| 3       | Mr. Md. Maqsudul Haq Khan | Director             | Member                | January 28, 2021 to till date      | Masters in Business Administration      |

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



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**ii) Meeting held with Audit Committee**

During the period of January-March 2021, the Audit Committee conducted 03 (three) meeting in which, among others, focused on the following activities (not an exhaustive test)

- Reviewed Internal Audit Plan for the year 2021
- Reviewed Comprehensive Inspection Report of Bangladesh Bank including status of compliance thereof.
- Reviewed branch inspection reports and Head Office functions conducted by the Department of Internal Control & Compliance (DICC)

**iii) Steps taken for implementation on effective internal control procedure of the Bank**

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system compliance of rule and regulations and establishment of good governance within the organization.

**1.21 Shariah Council**

Members of AB Bank Shariah Supervisory Committee are as under:

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

During the period January-March 2021, AB Bank Shariah Supervisory Committee met Once 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 up to March quarter, 2021, are:

- Reviewing the yearly Shariah Audit Report (December, 2020) of Islami Banking Branch and its observations.
- Approving the Final Accounts, 2020 of Islami Banking Branch.
- Approving the Annual Report of Shariah Supervisory Committee for the year 2020 on Islamic banking operation of the Bank.



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**1.22 Status of Audit of Subsidiaries**

| Name of the Company                      | Relationship | Status of Audit |
|--|--------------|-----------------|
| AB Investment Limited (ABIL)             | Subsidiary   | Unaudited       |
| AB Securities Limited (ABSL)             | Subsidiary   | Unaudited       |
| Cashlink Bangladesh Limited (CBL)        | Subsidiary   | Unaudited       |
| AB International Finance Limited (ABIFL) | Subsidiary   | Unaudited       |
| Arab Bangladesh Bank Foundation (ABBF)   | Subsidiary   | Unaudited       |

**1.23 Impact of COVID-19**

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

**1.24 Going Concern**

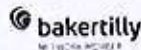
The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will remain in business for the foreseeable future. Conversely, the Bank has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the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

**1.25 Worker's Profit Participation Fund (WPPF)**

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

**2. General**

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



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3. Cash

|   | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|---|-----------------------|-----------------------|
| Cash in hand (Note 3.1)                                       | 1,271,641,557         | 1,009,893,886         |
| Balance with Bangladesh Bank and its agent bank(s) (Note 3.2) | 20,294,233,332        | 19,920,756,233        |
|   | <b>21,565,874,889</b> | <b>20,930,650,119</b> |

3(a) Consolidated Cash

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 21,565,874,889        | 20,930,650,119        |
| AB Investments Limited            | 25,000                | 25,000                |
| AB International Finance Limited  | 47,118                | 28,096                |
| AB Securities Limited             | 35,000                | 35,000                |
| Cashlink Bangladesh Limited (CBL) | 52,189                | 56,889                |
|                                   | <b>21,566,034,196</b> | <b>20,930,795,104</b> |

3.1 Cash in hand

|                     |                      |                      |
|---------------------|----------------------|----------------------|
| In local currency   | 1,237,583,363        | 967,306,177          |
| In foreign currency | 34,058,194           | 42,587,709           |
|                     | <b>1,271,641,557</b> | <b>1,009,893,886</b> |

3.1(a) Consolidated Cash in hand

|                                   |                      |                      |
|-----------------------------------|----------------------|----------------------|
| AB Bank Limited                   | 1,271,641,557        | 1,009,893,886        |
| AB Investments Limited            | 25,000               | 25,000               |
| AB International Finance Limited  | 47,118               | 28,096               |
| AB Securities Limited             | 35,000               | 35,000               |
| Cashlink Bangladesh Limited (CBL) | 52,189               | 56,889               |
|                                   | <b>1,271,800,864</b> | <b>1,010,038,871</b> |

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

|   |                       |                       |
|---|-----------------------|-----------------------|
| Balance with Bangladesh Bank  |                       |                       |
| In local currency   | 11,949,424,051        | 12,333,756,678        |
| In foreign currency   | 8,147,963,765         | 7,185,461,249         |
|   | 20,097,387,816        | 19,519,217,927        |
| Sonali Bank Limited<br>(as an agent bank of Bangladesh Bank) - local currency | 196,845,516           | 401,538,306           |
|   | <b>20,294,233,332</b> | <b>19,920,756,233</b> |

3.2.1 Balance with Bangladesh Bank- local currency

|                            |                       |                       |
|----------------------------|-----------------------|-----------------------|
| Balance as per Bank Ledger | 11,949,424,051        | 12,333,756,678        |
| Unresponded debit entries  | 93,791,589            | 3,962,064             |
| Bangladesh Bank statement  | 93,641,306            | 3,503,071             |
| AB Bank's ledger           | 150,283               | 458,993               |
| Unresponded credit entries | 127,666,730           | 215,464,260           |
| Bangladesh Bank statement  | 91,684,659            | 206,630,001           |
| AB Bank's ledger           | 35,982,071            | 8,834,259             |
|                            | <b>11,983,299,192</b> | <b>12,545,258,875</b> |



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Ashraf Ahmed  
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Head Office, Dhaka.



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 March 2021 is given below:

| Year of Unreconciliation        | Number of unresponded |           | Unresponded BDT   |                    |
|---------------------------------|-----------------------|-----------|-------------------|--------------------|
|                                 | Debit                 | Credit    | Debit             | Credit             |
| Less than 3 months              | 10                    | 14        | 93,791,589        | 127,666,730        |
| 3 months to less than 6 months  | -                     | -         | -                 | -                  |
| 6 months to less than 12 months | -                     | -         | -                 | -                  |
| 12 months and more              | -                     | -         | -                 | -                  |
| <b>Total</b>                    | <b>10</b>             | <b>14</b> | <b>93,791,589</b> | <b>127,666,730</b> |

|                   |                   |
|-------------------|-------------------|
| <b>31.03.2021</b> | <b>31.12.2020</b> |
| <b>Taka</b>       | <b>Taka</b>       |

3.2.2 Balance with Bangladesh Bank-foreign currency

|   |                      |                      |
|---|----------------------|----------------------|
| Balance as per Bank Ledger                      | 8,147,963,765        | 7,185,461,249        |
| <b>Unresponded debit entries</b>                | <b>1,781,104,412</b> | <b>5,340,200</b>     |
| Bangladesh Bank statement                       | 909                  | -                    |
| AB Bank's ledger                                | 1,781,103,504        | 5,340,200            |
| <b>Unresponded credit entries</b>               | <b>1,890,524,356</b> | <b>37,565,433</b>    |
| Bangladesh Bank statement                       | 1,026,687            | 21,210,223           |
| AB Bank's ledger                                | 1,889,497,670        | 16,355,210           |
| <b>Balance as per Bangladesh Bank Statement</b> | <b>8,257,383,709</b> | <b>7,217,686,482</b> |

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 March 2021 is given below:

| Period of unreconciliation      | Number of unresponded |            | Unresponded BDT      |                      |
|---------------------------------|-----------------------|------------|----------------------|----------------------|
|                                 | Debit                 | Credit     | Debit                | Credit               |
| Less than 3 months              | 7                     | 182        | 1,781,104,412        | 1,889,652,539        |
| 3 months to less than 6 months  | -                     | 4          | -                    | 871,817              |
| 6 months to less than 12 months | -                     | -          | -                    | -                    |
| 12 months and more              | -                     | -          | -                    | -                    |
| <b>Total</b>                    | <b>7</b>              | <b>186</b> | <b>1,781,104,412</b> | <b>1,890,524,356</b> |

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

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 20,294,233,332        | 19,920,756,233        |
| AB Investments Limited            | -                     | -                     |
| AB International Finance Limited  | -                     | -                     |
| AB Securities Limited             | -                     | -                     |
| Cashlink Bangladesh Limited (CBL) | -                     | -                     |
| <b>Total</b>                      | <b>20,294,233,332</b> | <b>19,920,756,233</b> |

3.3 Statutory deposits

Conventional Banking (inside Bangladesh)

Cash Reserve Requirement and Statutory Liquidity Ratio

Cash reserve requirement and statutory liquidity ratio have been calculated and maintained in accordance with section 33 of the Bank Company Act 1991 (amendment up to 2018), Bangladesh Bank's DOS Circular no. 01 dated 19 January 2014 and MPD Circular No. 03 dated 09 April 2020.



K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Corporate Office, Dhaka

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Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.





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.

| 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--------------------|--------------------|
|--------------------|--------------------|

**I. Daily position as on the reporting date**

|                           |                |                |
|---------------------------|----------------|----------------|
| Required reserve          | 11,102,297,055 | 10,729,742,384 |
| Actual reserve maintained | 11,710,549,326 | 12,270,941,451 |
| Surplus                   | 608,252,271    | 1,541,199,067  |

As per Bank ledger, balance with Bangladesh Bank (local currency) is BDT 11,687,674,185 while as per Bangladesh Bank Statements balance is BDT 11,635,304,354. Difference between the balance as per Bank Ledger and as per the Bangladesh Bank Statement is properly reconciled and adjusted accordingly.

**II. Fortnightly cumulative position**

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

|   |                 |                 |
|---|-----------------|-----------------|
| Required reserve (4.00% of total time & demand liabilities) | 188,739,049,935 | 182,405,620,528 |
| Actual reserve maintained                                   | 190,087,552,433 | 186,988,926,189 |
| Surplus   | 1,348,502,498   | 4,583,305,661   |

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

|   |                |                |
|---|----------------|----------------|
| Required reserve (13% of total time & demand liabilities) | 36,087,936,593 | 34,874,383,466 |
| Actual reserve maintained                                 | 43,479,115,249 | 56,369,820,548 |
| Total surplus   | 7,391,178,657  | 21,495,437,082 |

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 @ 4.14% and @ 14.86% respectively at the year end.

**(c) Components of Statutory Liquidity Ratio (SLR)**

|                          |                       |                       |
|--------------------------|-----------------------|-----------------------|
| Cash in hand             | 1,264,320,376         | 1,001,530,477         |
| Balance with Sonali Bank | 196,845,516           | 401,538,306           |
| HTM Securities           | 36,021,218,324        | 36,434,249,577        |
| HFT Securities           | 5,388,478,765         | 16,991,303,121        |
| Excess Reserve of CRR    | 608,252,271           | 1,541,199,067         |
|                          | <b>43,479,115,252</b> | <b>56,369,820,548</b> |

**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.



For and on behalf of  
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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 (BGIBB), 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:

|  | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--|--------------------|--------------------|
| <b>(a) Cash Reserve Requirement (CRR)</b>  |                    |                    |
| Required reserve                           | 261,595,000        | 251,615,000        |
| Actual reserve maintained                  | 261,749,866        | 263,317,424        |
| Surplus                                    | 154,866            | 11,702,424         |
| <b>(b) Statutory Liquidity Ratio (SLR)</b> |                    |                    |
| Total required reserve                     | 359,693,000        | 345,970,000        |
| Total actual reserve held                  | 376,763,650        | 414,435,550        |
| Total surplus                              | 17,070,650         | 68,465,550         |

**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 3.00 % for 31.03.2021 and has been calculated and maintained with RBI in current account while statutory liquidity ratio of 18.00% for 31.03.2021 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:

|   |               |               |
|---|---------------|---------------|
| <b>(a) Cash Reserve Ratio (CRR)</b>                           |               |               |
| Required reserve  | 8,199,566     | 7,627,095     |
| Actual reserve maintained                                     | 55,085,647    | 53,180,972    |
| Surplus   | 46,886,081    | 45,553,877    |
| <b>(b) Statutory Liquidity Ratio (SLR)</b>                    |               |               |
| Required reserve  | 245,099,225   | 307,637,695   |
| Actual reserve maintained                                     | 590,718,731   | 757,522,153   |
| Surplus   | 345,619,505   | 449,884,458   |
| Total required reserve  | 253,298,791   | 315,264,790   |
| Total actual reserve held                                     | 645,804,377   | 810,703,125   |
| Surplus   | 392,505,586   | 495,438,335   |
| <b>4. Balance with other banks and financial institutions</b> |               |               |
| In Bangladesh   | 761,896,996   | 1,212,295,681 |
| Outside Bangladesh  | 3,266,828,769 | 3,151,497,768 |
|   | 4,028,725,764 | 4,363,793,449 |



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For and on behalf of  
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|  | 31.03.2021<br>Taka          | 31.12.2020<br>Taka   |
|--|-----------------------------|----------------------|
| <b>4(a) Consolidated balance with other banks and financial institutions</b> |                             |                      |
| In Bangladesh  | (Note: 4.1.a) 1,110,751,100 | 1,690,034,988        |
| Outside Bangladesh (Nostro Accounts)   | (Note: 4.2.a) 3,270,795,717 | 3,167,205,939        |
|  | <b>4,381,546,817</b>        | <b>4,857,240,927</b> |

**4.1 In Bangladesh**
**Current Deposits**

|   |                   |                   |
|---|-------------------|-------------------|
| Standard Chartered Bank, Dhaka City Centre Branch | 19,875,511        | 26,675,395        |
| Agrani Bank Ltd., Local Office, Dhaka             | 24,885            | 24,885            |
| Islami Bank Bangladesh Ltd., Local Office         | 17,277            | 17,277            |
| Agrani Bank Ltd., Bhairab Bazar Branch            | 534               | 534               |
| Janata Bank Ltd., Jessore Branch                  | 2,880             | 43,225            |
| Agrani Bank Ltd., Mymensingh Branch               | 6,655             | 10,000            |
| Trust Bank Ltd., Mymensingh Branch                | 31,131            | 5,046,476         |
| Janata Bank Ltd., Corporate Branch, Bogura        | 4,546             | 4,891             |
| Rupali Bank Ltd., Bogura Branch                   | 5,260             | 5,605             |
| Agrani Bank Ltd., Thana Road Branch, Bogura       | 58,242            | 6,058,242         |
| RAKUB, Bogura Branch                              | 6,431             | 6,834             |
| Agrani Bank Ltd., Shaheb Bazar Branch, Rajshahi   | 5,000             | 5,000             |
| Janata Bank Ltd., Rajshahi Branch                 | 5,000             | 5,575             |
| Rupali Bank Ltd., Rajshahi Branch                 | 11,655            | 9,425             |
| Janata Bank Ltd., Rangpur Branch                  | 472,322           | 6,848,369         |
| Rupali Bank Ltd., Rangpur Branch                  | 325,210           | 400,395           |
| Janata Bank Ltd., Chapai Nawabganj Branch         | 7,906             | 21,251            |
| Janata Bank Ltd., Sirajgonj Branch                | 1,177             | 1,177             |
|   | <b>20,861,619</b> | <b>45,184,553</b> |

**Special Notice Deposits**

|  |            |            |
|--|------------|------------|
| Agrani Bank Ltd., Rangpur Branch                       | 1,270,016  | 270,016    |
| Agrani Bank Ltd., Saidpur Branch                       | 3,505      | 20,003,505 |
| Agrani Bank Ltd., VIP Road Branch, Sylhet              | 4,811      | 4,734      |
| Agrani Bank Ltd., Bogura Branch                        | 7,530      | 7,530      |
| Agrani Bank Ltd., Pabna Branch                         | 1,000      | 1,000      |
| Janata Bank Ltd., Pabna Branch                         | 1,000      | 1,000      |
| Agrani Bank Ltd., Jhikargachha Branch                  | 12,306,585 | 36,686,585 |
| Agrani Bank Ltd., Sirajgonj Branch                     | 63,561     | 492,936    |
| RAKUB, Sirajgonj Branch                                | -          | 770        |
| Agrani Bank Ltd., Sir Iqbal Road Branch, Khulna Br.    | 22,219     | 37,794     |
| Agrani Bank Ltd., Naogaon Branch                       | 24,612     | 2,024,612  |
| Agrani Bank Ltd., Jashore Branch                       | 28,006     | 3,106      |
| Agrani Bank Ltd., Moulvi Bazar Branch                  | 61,818     | 965,268    |
| Agrani Bank Ltd., Satkhira Branch                      | 6,568      | 6,568      |
| Agrani Bank Ltd., Principal Branch, Dhaka              | 7,091,172  | 1,510,098  |
| Agrani Bank Ltd., Barisal Branch                       | 82,046     | 82,046     |
| Bangladesh Krishi Bank, Barisal Branch                 | 7,302      | 5,623      |
| Janata Bank Ltd., Barisal Branch                       | 77,539     | 76,323     |
| Standard Chartered Bank, Dhaka City Centre Branch      | 1,038,033  | 1,038,033  |
| Islami Bank Bangladesh Ltd., HO Complex Corp Br.       | 588,819    | 580,873    |
| Bank Asia Ltd., Islami Banking Window, Shantinagar Br. | 39,875     | 40,030     |
| First Security Islami Bank Ltd, Dilkusha Br.           | 458,018    | 446,244    |
| Al-Arafah Islami Bank Ltd, Dilkusha Branch             | 2,529,722  | 2,503,216  |
| Shahjalal Islami Bank Ltd, Dhaka Main Branch           | 12,406     | 12,309     |
| The City Bank Ltd, Islamic Banking Br, Paltan, Dhaka   | 352,284    | 352,284    |





|  | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--|--------------------|--------------------|
| Bank Alfalah Ltd. Main Branch, Dhaka                       | 16,361             | 17,031             |
| Southeast Bank Ltd., Islami Banking Br, Motijheel          | 54,030             | 54,184             |
| EXIM Bank Ltd, Motijheel Branch                            | 213,049            | 251,328            |
| Agrani Bank Ltd., Islami Bank Window, Amin Court Corp. Br. | 4,592              | 5,087              |
| Jamuna Bank Ltd., Islami Banking Br, Nayabazar             | 7,671              | 7,957              |
| Union Bank Ltd., Dilkusha Branch                           | 7,853,608          | 6,437,941          |
| Premier Bank Ltd., Islami Banking Br, Mohakhali            | 702,620            | 696,705            |
| Pubali Bank Ltd., Islamic Branch, Dilkusha, Dhaka          | 33,254             | 33,486             |
|  | <b>34,963,632</b>  | <b>74,654,385</b>  |

**Savings Deposits**

|  |                   |                   |
|--|-------------------|-------------------|
| Social Islamic Bank Ltd. Principal Branch      | 65,043,418        | 12,452,188        |
| ICB Islamic Bank Ltd., Principal Br, Motijheel | 4,326             | 4,556             |
|  | <b>65,047,745</b> | <b>12,456,744</b> |

**Fixed Deposits**

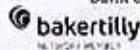
|                                     |                    |                      |
|-------------------------------------|--------------------|----------------------|
| Hajj Finance Company Ltd.           | 35,014,000         | 50,000,000           |
| Phoenix Finance and Investment Ltd. | 230,000,000        | 230,000,000          |
| Exim Bank Ltd.                      | -                  | 250,000,000          |
| Union Capital Ltd.                  | 126,010,000        | 150,000,000          |
| IDLC Finance Ltd.                   | -                  | -                    |
| IIDFC                               | 100,000,000        | 100,000,000          |
| IPDC Finance Ltd.                   | -                  | 150,000,000          |
| Islami Finance Ltd.                 | 150,000,000        | 150,000,000          |
| BD Finance Ltd.                     | -                  | -                    |
|                                     | <b>641,024,000</b> | <b>1,080,000,000</b> |
|                                     | <b>761,896,996</b> | <b>1,212,295,681</b> |

**4.1.a Consolidated In Bangladesh**

|                                   |                      |                      |
|-----------------------------------|----------------------|----------------------|
| AB Bank Limited                   | 761,896,996          | 1,212,295,681        |
| AB Investment Limited             | 84,856,378           | 136,001,739          |
| AB International Finance Limited  | -                    | -                    |
| AB Securities Limited             | 369,499,582          | 456,707,020          |
| Cashlink Bangladesh Limited (CBL) | 47,333,401           | 45,305,051           |
|                                   | <b>1,263,586,357</b> | <b>1,850,309,491</b> |
| Less: Inter company transaction   | 152,835,256          | 160,274,503          |
|                                   | <b>1,110,751,100</b> | <b>1,690,034,988</b> |

**4.2 Outside Bangladesh**

| <b>Current Deposits</b>              |             |             |
|--------------------------------------|-------------|-------------|
| The Bank of Tokyo Mitsubishi Limited | 154,103     | 445,548     |
| MFT, Yangon                          | 84,803      | 84,800      |
| JP Morgan Chase Bank                 | 352,274,715 | 823,199,273 |
| Sonali Bank (Kolkata)                | 5,062,691   | 6,030,102   |
| Myanmar Economic Bank                | 34,769      | 34,768      |
| Citibank NA                          | 154,931,947 | 136,782,639 |
| Hatton National Bank Limited         | 2,769,977   | 57,711,947  |
| Commerz Bank AG                      | 42,206,089  | 28,800,706  |
| MCB Bank Ltd                         | 3,860,808   | 3,860,685   |
| Mashreq Bank Psc                     | 877,520,516 | 128,271,243 |
| Nepal Bangladesh Bank Limited        | 3,919,451   | 4,099,951   |
| Bank of Bhutan                       | 650,782     | 623,285     |



For and on behalf of Page  
Riverstone Capital Limited

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|                                    | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|------------------------------------|----------------------|----------------------|
| Habib America Bank                 | 132,518,548          | 97,311,321           |
| Commerz Bank AG                    | 21,144,746           | 82,490,389           |
| Habib Metro Bank                   | 2,025,017            | 5,325,350            |
| Commerz BK CAD                     | 1,671,643            | 965,642              |
| Commerz BK CHF                     | 4,029,007            | 4,120,869            |
| JPMC NY                            | 147,669,231          | 91,182,868           |
| Commerz Bank ☉                     | 1,423,839            | 1,478,988            |
| Reserve Bank of India              | 55,085,647           | 53,180,886           |
| HDFC Bank CSGL                     | 5,483,997            | 5,297,196            |
| HDFC Bank Limited                  | 60,156,512           | 223,688,896          |
| Kotak Mahindra Bank                | 2,251,823            | 13,542,368           |
| Habib American Bank Limited        | 1,080,211            | 890,080              |
| JP CHASE ACU                       | 1,377,948,474        | 1,371,313,144        |
| Standard Chartered Bank, NY, USA   | 7,956,435            | 7,956,182            |
| Standard Chartered Bank, Singapore | 110,814              | 140,773              |
| Standard Chartered Bank, UK, GBP   | 2,802,174            | 2,667,866            |
|                                    | <b>3,266,828,769</b> | <b>3,151,497,768</b> |

(Details are given in Annexure - A)

#### 4.2.a Consolidated Outside Bangladesh (Nostro Accounts)

|                                   |                      |                      |
|-----------------------------------|----------------------|----------------------|
| AB Bank Limited                   | 3,266,828,769        | 3,151,497,768        |
| AB Investment Limited             | -                    | -                    |
| AB International Finance Limited  | 28,161,476           | 26,029,982           |
| AB Securities Limited             | -                    | -                    |
| Cashlink Bangladesh Limited (CBL) | -                    | -                    |
|                                   | 3,294,990,245        | 3,177,527,750        |
| Less: Inter company transactions  | 24,194,528           | 10,321,811           |
|                                   | <b>3,270,795,717</b> | <b>3,167,205,939</b> |

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

|                       |                      |                      |
|-----------------------|----------------------|----------------------|
| Current deposits      | 3,287,690,388        | 3,196,682,320        |
| Savings deposits      | 65,047,745           | 12,456,744           |
| Short-Notice Deposits | 34,963,632           | 74,654,385           |
| Fixed deposits        | 641,024,000          | 1,080,000,000        |
|                       | <b>4,028,725,764</b> | <b>4,363,793,449</b> |

#### 4.4 Maturity grouping of balance with other banks

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Repayable - on demand            | 3,387,701,764        | 3,274,315,029        |
| - up to 3 months                 | 150,000,000          | 1,089,478,421        |
| - over 3 months but below 1 year | 491,024,000          | -                    |
| - over 1 year but below 5 years  | -                    | -                    |
| - over 5 years                   | -                    | -                    |
|                                  | <b>4,028,725,764</b> | <b>4,363,793,449</b> |



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For and on behalf of  
Riverstone Capital Ltd. & P

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**5. Money at call and on short notice**

|                    | 31.03.2021<br>Taka       | 31.12.2020<br>Taka   |
|--------------------|--------------------------|----------------------|
| In Bangladesh      | (Note 5.1) -             | 1,120,000,000        |
| Outside Bangladesh | (Note 5.2) 1,106,201,668 | 1,379,682,377        |
|                    | <b>1,106,201,668</b>     | <b>2,499,682,377</b> |

**5.1 In Bangladesh**

**With banking companies**

**Local Currency:**

|                        |   |                      |
|------------------------|---|----------------------|
| Bank Asia Limited      | - | -                    |
| Midland Bank Limited   | - | -                    |
| Modhumoti Bank Limited | - | 250,000,000          |
| Rupali Bank Limited    | - | -                    |
| National Bank Limited  | - | 300,000,000          |
| The City Bank Limited  | - | -                    |
| Jamuna Bank Limited    | - | 570,000,000          |
|                        | - | <b>1,120,000,000</b> |

**Foreign Currency:**

**With non-banking financial institutions**

|  |   |                      |
|--|---|----------------------|
|  | - | -                    |
|  | - | -                    |
|  | - | <b>1,120,000,000</b> |

**At short notice**

**On calls and placements**

|                        |   |                      |
|------------------------|---|----------------------|
| Bank Asia Limited      | - | -                    |
| Midland Bank Limited   | - | -                    |
| Modhumoti Bank Limited | - | 250,000,000          |
| Rupali Bank Limited    | - | -                    |
| National Bank Limited  | - | 300,000,000          |
| The City Bank Limited  | - | -                    |
| Jamuna Bank Limited    | - | 570,000,000          |
|                        | - | <b>1,120,000,000</b> |

**5.2 Outside Bangladesh**

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| AB International Finance Limited | 592,349,654          | 964,604,550          |
| Commerz Bank, AG                 | -                    | -                    |
| Kotak Mahindra Bank              | 163,498,368          | 69,179,638           |
| HDFC Bank Limited                | 350,353,646          | 345,898,189          |
|                                  | <b>1,106,201,668</b> | <b>1,379,682,377</b> |

**5(a) Consolidated money at call and on short notice**

|                                   |                      |                      |
|-----------------------------------|----------------------|----------------------|
| AB Bank Limited                   | 1,106,201,668        | 2,499,682,377        |
| AB Investment Limited             | -                    | -                    |
| AB International Finance Limited  | -                    | -                    |
| AB Securities Limited             | -                    | -                    |
| Cashlink Bangladesh Limited (CBL) | -                    | -                    |
|                                   | <b>1,106,201,668</b> | <b>2,499,682,377</b> |
| Less: Inter-group transaction     | (592,349,654)        | (964,604,550)        |
|                                   | <b>513,852,014</b>   | <b>1,535,077,827</b> |



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For and on behalf of  
Riverstone Capital Limited

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office Dhaka

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



**6. Investments**

**Nature wise (Bangladesh operation)**

|                  | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|------------------|-----------------------|-----------------------|
| Held for Trading | 5,388,478,765         | 16,991,303,125        |
| Held to Maturity | 36,021,218,324        | 36,434,249,577        |
| Others           | 10,149,464,019        | 9,545,830,795         |
| <b>Total</b>     | <b>51,559,161,108</b> | <b>62,971,383,497</b> |

**Nature wise (Mumbai branch)**

|                                     | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|-------------------------------------|--------------------|--------------------|
| Held for Trading/Available for Sale | 294,100,712        | 175,650,675        |
| Held to Maturity                    | 177,913,961        | 290,360,625        |
| Others                              | -                  | -                  |
| <b>Total</b>                        | <b>472,014,673</b> | <b>466,011,300</b> |

**Claim wise**

|                       |                           |                       |
|-----------------------|---------------------------|-----------------------|
| Government securities | (Note 6.1) 41,784,467,388 | 53,824,738,002        |
| Other investments     | (Note 6.2) 10,246,708,392 | 9,612,656,795         |
| <b>Total</b>          | <b>52,031,175,781</b>     | <b>63,437,394,797</b> |

**6 (a) Consolidated Investments**

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 52,031,175,781        | 63,437,394,797        |
| AB International Finance Limited  | -                     | -                     |
| AB Investment Limited             | 531,734,657           | 551,741,963           |
| AB Securities Limited             | 111,437,549           | 103,575,886           |
| Cashlink Bangladesh Limited (CBL) | -                     | -                     |
| <b>Total</b>                      | <b>52,674,347,986</b> | <b>64,092,712,647</b> |

**6.1 Government securities**

|   |                       |                       |
|---|-----------------------|-----------------------|
| T Bill-Local-RE REPO                    | -                     | 2,773,230,075         |
| T Bill                                  | -                     | 3,832,710,742         |
| Treasury bonds                          | 41,409,697,088        | 46,819,611,886        |
| Bangladesh Bank Islami Investment bonds | 372,800,000           | 397,800,000           |
| Prize bonds                             | 1,970,300             | 1,385,300             |
| <b>Total</b>                            | <b>41,784,467,388</b> | <b>53,824,738,002</b> |

**6.1.1 Maturity wise Treasury Bonds**

**(a) 30 Days Bangladesh Bank Bill**

**(b) Treasury Bill**

|                              |   |                      |
|------------------------------|---|----------------------|
| (i) 91 Days Treasury Bill    | - | 1,249,621,250        |
| (ii) 182 Days Treasury Bill  | - | 749,876,250          |
| (iii) 364 Days Treasury Bill | - | 1,833,213,240        |
| <b>Total Treasury Bill</b>   | - | <b>3,832,710,740</b> |

**Treasury Bond**

|                              |                       |                       |
|------------------------------|-----------------------|-----------------------|
| (i) 02 Years Treasury Bond   | 2,851,190,094         | 4,040,822,394         |
| (ii) 05 Years Treasury Bond  | 7,913,700,082         | 10,012,437,402        |
| (iii) 10 Years Treasury Bond | 16,673,568,218        | 18,808,231,975        |
| (iv) 15 Years Treasury Bond  | 7,487,351,379         | 7,478,868,393         |
| (v) 20 Years Treasury Bond   | 6,483,887,313         | 6,479,251,719         |
| <b>Total Treasury Bond</b>   | <b>41,409,697,088</b> | <b>46,819,611,886</b> |

**6.1(a) Consolidated Government securities**

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 41,784,467,388        | 53,824,738,002        |
| AB Investment Limited             | -                     | -                     |
| AB International Finance Limited  | -                     | -                     |
| AB Securities Limited             | -                     | -                     |
| Cashlink Bangladesh Limited (CBL) | -                     | -                     |
| <b>Total</b>                      | <b>41,784,467,388</b> | <b>53,824,738,002</b> |



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For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director  
Chairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka


**ACNABIN**  
 Chartered Accountants

|   | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|---|-----------------------|-----------------------|
| <b>6.2 Other Investments</b>                  |                       |                       |
| Shares (Note 6.2.1)                           | 4,136,718,450         | 3,508,722,377         |
| Bond (Note 6.2.2)                             | 4,000,000,000         | 4,000,000,000         |
| Pinnacle Global Fund Pte Limited (Note 6.2.3) | 1,637,975,269         | 1,637,923,118         |
|   | <u>9,774,693,719</u>  | <u>9,146,645,495</u>  |
| <b>Investments -ABBL, Mumbai branch</b>       |                       |                       |
| Treasury bills                                | 472,014,673           | 466,011,300           |
|   | <u>472,014,673</u>    | <u>466,011,300</u>    |
|   | <u>10,246,708,392</u> | <u>9,612,656,795</u>  |
| <b>6.2 (a) Consolidated other Investments</b> |                       |                       |
| AB Bank Limited                               | 10,246,708,392        | 9,612,656,795         |
| AB Investment Limited                         | 531,734,657           | 551,741,963           |
| AB International Finance Limited              |                       |                       |
| AB Securities Limited                         | 111,437,549           | 103,575,886           |
| Cashlink Bangladesh Limited (CBL)             |                       |                       |
|   | <u>10,889,880,598</u> | <u>10,267,974,644</u> |
| <b>6.2.1 Investments in shares</b>            |                       |                       |
| Quoted (Publicly traded)                      | 3,606,941,350         | 2,978,945,276         |
| Unquoted                                      | 529,777,101           | 529,777,101           |
|   | <u>4,136,718,450</u>  | <u>3,508,722,377</u>  |
| <b>6.2.2 Investment in subordinated bonds</b> |                       |                       |
| United Commercial Bank Ltd.                   | 2,750,000,000         | 2,750,000,000         |
| National Bank Ltd.                            | 1,250,000,000         | 1,250,000,000         |
| Trust Bank Limited                            |                       |                       |
|   | <u>4,000,000,000</u>  | <u>4,000,000,000</u>  |
| <b>6.2.3 Pinnacle Global Fund Pte Limited</b> | <u>1,637,975,269</u>  | <u>1,637,923,118</u>  |

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                  | 5,456,273,082         | 8,381,784,389         |
| - over 3 months but below 1 year | 9,922,000,189         | 9,264,322,735         |
| - over 1 year but below 5 years  | 16,852,223,524        | 25,607,579,032        |
| - over 5 years                   | 19,800,678,986        | 20,183,708,641        |
|                                  | <u>52,031,175,781</u> | <u>63,437,394,797</u> |

**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 March 2021:

| Counter party name | Agreement | Reversal date | Amount (1st leg) |
|--------------------|-----------|---------------|------------------|
| The City Bank Ltd  | 25-Mar-21 | 01-Apr-21     | 1,036,752,620    |
| Janata Bank Ltd.   | 25-Mar-21 | 01-Apr-21     | 1,255,306,438    |
| Agrani Bank Ltd.   | 28-Mar-21 | 04-Apr-21     | 1,774,871,492    |
| Bengal Bank Ltd.   | 29-Mar-21 | 05-Apr-21     | 92,037,346       |
| Agrani Bank Ltd.   | 29-Mar-21 | 05-Apr-21     | 1,144,355,024    |
| Agrani Bank Ltd.   | 31-Mar-21 | 07-Apr-21     | 1,506,480,268    |
| Janata Bank Ltd.   | 31-Mar-21 | 07-Apr-21     | 994,435,327      |



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 Corporate Office, Dhaka

**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
**Ashraf Ahmed**  
 Managing Director

**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.





|  | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--|--------------------|--------------------|
|--|--------------------|--------------------|

(ii) Disclosure regarding outstanding Reverse Repo as on 31 March 2021:

| 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 |
|---|--|--|--|
| <b>Securities sold under repo:</b>              |  |  |  |
| i) with Bangladesh Bank                         | -  | -  | -  |
| ii) with other banks & FIS                      | -  | 11,219,220,000                             | 5,984,184,689                                    |
| <b>Securities purchased under reverse repo:</b> |  |  |  |
| i) from Bangladesh Bank                         | -  | -  | -  |
| ii) from other banks & FIS                      | -  | 2,773,230,075                              | 107,792,875                                      |

7. Loans, advances and lease/Investments **277,966,166,012** **274,829,861,346**

**7.1 Maturity grouping**

| Repayable - on demand            | 651,273,817            | 4,744,672,744          |
|----------------------------------|------------------------|------------------------|
| - upto 3 months                  | 112,785,099,872        | 94,150,468,018         |
| - over 3 months but below 1 year | 103,482,822,752        | 128,215,097,684        |
| - over 1 year but below 5 years  | 36,517,929,078         | 31,719,521,979         |
| - over 5 years                   | 24,329,040,493         | 16,000,100,920         |
|                                  | <b>277,966,166,012</b> | <b>274,829,861,346</b> |

**7.2 Broad category-wise breakup excluding bills purchased and discounted**
**In Bangladesh**

|              |                        |                        |
|--------------|------------------------|------------------------|
| Loans        | 259,109,040,986        | 255,617,832,404        |
| Overdrafts   | 18,046,514,691         | 18,606,517,253         |
| Cash credits | -                      | -                      |
|              | <b>277,155,555,678</b> | <b>274,224,349,658</b> |

**Outside Bangladesh: ABBL, Mumbai branch**

|              |                        |                        |
|--------------|------------------------|------------------------|
| Loans        | 643,540                | 705,896                |
| Overdrafts   | -                      | -                      |
| Cash credits | 33,383,778             | 33,165,826             |
|              | <b>34,027,318</b>      | <b>33,871,722</b>      |
|              | <b>277,189,582,996</b> | <b>274,258,221,380</b> |



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**Tarique Afzal**  
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For and on behalf of  
 Riverstone Capital Limited  
  
**Ashraf Ahmed**  
 Managing Director

**Khairul Bashar A. T. Mohammed**  
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 MTB Capital Ltd.  
 Head Office, Dhaka.



|  | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|--|------------------------|------------------------|
| <b>7.3 Product wise loans and advances</b> |                        |                        |
| Overdraft                                  | 18,046,514,691         | 18,600,377,953         |
| Cash Credit                                | 33,383,778             | 33,165,826             |
| Time loan                                  | 45,954,432,245         | 45,728,905,658         |
| Term loan                                  | 188,464,853,863        | 186,322,303,029        |
| Forced loan                                | 11,989,830,545         | 12,956,187,214         |
| Bills under LC                             | 87,906,406             | 36,160,169             |
| Trust Receipt                              | 6,702,154,369          | 6,222,152,680          |
| Packing credit                             | 79,543,525             | 95,704,310             |
| Loan against accepted bills                | 77,740,200             | 46,492,698             |
| Loan-EDF                                   | 2,891,473,743          | 1,548,410,272          |
| Consumer Loan                              | 1,540,708,581          | 1,361,563,536          |
| Staff loan                                 | 1,321,041,049          | 1,306,798,037          |
| Bills purchased & discounted               | 776,593,017            | 571,639,966            |
|  | <b>277,966,166,012</b> | <b>274,829,861,346</b> |

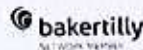
|  |                        |                        |
|--|------------------------|------------------------|
| <b>7.4 Net loans, advances and lease/investments</b> |                        |                        |
| Gross loans and advances                             | 277,966,166,012        | 274,829,861,346        |
| Less:  |                        |                        |
| Interest suspense                                    | 16,277,420,283         | 16,114,355,797         |
| Provision for loans and advances                     | 20,505,225,228         | 20,224,381,003         |
|  | 36,782,645,510         | 36,338,736,801         |
|  | <b>241,183,520,502</b> | <b>238,491,124,546</b> |

|  |                        |                        |
|--|------------------------|------------------------|
| <b>7.5 Significant concentration</b>     |                        |                        |
| Advances to industries                   | 164,481,505,942        | 162,625,517,198        |
| Advances to customer groups              | 104,146,882,081        | 102,971,788,159        |
| Advances to allied concerns of Directors | 9,337,180,539          | 9,231,828,714          |
| Advances to Chief Executive              | 597,451                | 727,276                |
|  | <b>277,966,166,012</b> | <b>274,829,861,346</b> |

|  |                 |                 |
|--|-----------------|-----------------|
| <b>7.6 Advances to customers for more than 10% of Bank's total capital</b> |                 |                 |
| Total capital of the Bank  | 33,120,181,724  | 36,965,972,064  |
| Number of clients  | 25              | 25              |
| Amount of outstanding advances   | 137,535,800,000 | 132,359,600,000 |
| Amount of classified advances  | 13,431,684,326  | 13,431,139,259  |
| Measures taken for recovery*   |                 |                 |

\*Rescheduling/amicable settlement/legal action is under process for recovery/reduction of classified loans.

|  |                        |                        |
|--|------------------------|------------------------|
| <b>7.7 Industry-wise loans, advances and lease/investments</b> |                        |                        |
| Agriculture  | 4,917,283,827          | 4,861,801,894          |
| Large and medium scale industry                                | 85,174,362,289         | 84,212,134,265         |
| Working capital  | 57,660,663,710         | 57,010,075,866         |
| Export   | 1,558,535,993          | 1,540,950,961          |
| Commercial lending   | 52,459,594,162         | 51,867,690,218         |
| Small and cottage industry                                     | 4,544,218,904          | 4,492,946,279          |
| Others   | 71,651,507,128         | 70,844,261,863         |
|  | <b>277,966,166,012</b> | <b>274,829,861,346</b> |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

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For and on behalf of  
Riverstone Capital Limited  
*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



| 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--------------------|--------------------|
|--------------------|--------------------|

**7.8 Geographical location-wise (division) distribution**

**In Bangladesh**

**Urban branches**

|            |                        |                        |
|------------|------------------------|------------------------|
| Dhaka      | 181,303,423,458        | 180,226,670,090        |
| Chattagram | 55,106,938,844         | 54,086,938,844         |
| Khulna     | 13,808,454,548         | 13,687,644,566         |
| Sylhet     | 2,178,460,546          | 2,176,330,866          |
| Barishal   | 453,351,946            | 412,351,525            |
| Rajshahi   | 8,789,356,422          | 8,789,106,635          |
| Rangpur    | 8,646,725,395          | 8,146,725,396          |
| Mymensingh | 5,102,142,682          | 4,902,308,681          |
|            | <u>275,388,853,842</u> | <u>272,428,076,604</u> |

**Rural branches**

|            |                      |                      |
|------------|----------------------|----------------------|
| Dhaka      | 1,053,745,123        | 1,053,670,312        |
| Chattagram | 650,321,548          | 650,319,802          |
| Khulna     | -                    | -                    |
| Sylhet     | 104,735,922          | 109,735,922          |
| Barishal   | -                    | -                    |
| Rajshahi   | 20,125               | 19,942               |
| Rangpur    | 593,533              | 591,198              |
| Mymensingh | 47,851,985           | 47,852,010           |
|            | <u>1,857,268,237</u> | <u>1,862,189,187</u> |

**Outside Bangladesh**

|                     |                        |                        |
|---------------------|------------------------|------------------------|
| ABBL, Mumbai branch | 720,043,933            | 539,595,555            |
|                     | <u>277,966,166,012</u> | <u>274,829,861,346</u> |

**7.9 Classification of loans, advances and lease/investments**

**In Bangladesh**

**Unclassified**

|                         |                        |                        |
|-------------------------|------------------------|------------------------|
| Standard                | 214,328,383,375        | 211,499,306,154        |
| Special Mention Account | 16,840,207,120         | 16,636,366,950         |
|                         | <u>231,168,590,494</u> | <u>228,135,673,104</u> |

**Classified**

|              |                        |                        |
|--------------|------------------------|------------------------|
| Sub-Standard | 1,931,957,731          | 2,345,665,401          |
| Doubtful     | 3,456,771,716          | 3,096,787,235          |
| Bad/Loss     | 40,688,802,138         | 40,712,140,051         |
|              | <u>46,077,531,585</u>  | <u>46,154,592,688</u>  |
|              | <u>277,246,122,080</u> | <u>274,290,265,791</u> |

**Outside Bangladesh-Mumbai Branch**

|                   |                        |                        |
|-------------------|------------------------|------------------------|
| Unclassified Loan | 720,043,933            | 539,595,555            |
| Classified Loan   | -                      | -                      |
|                   | <u>720,043,933</u>     | <u>539,595,555</u>     |
|                   | <u>277,966,166,012</u> | <u>274,829,861,346</u> |

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



For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Khairul Bashar A. T. Mohammed  
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Corporate Office, Dhaka



| 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--------------------|--------------------|
|--------------------|--------------------|

**7.10 Particulars of loans, advances and lease/investments**

|  |                        |                        |
|--|------------------------|------------------------|
| (i) Loans considered good in respect of which the Bank is fully secured  | 240,380,249,792        | 237,668,028,697        |
| (ii) Loans considered good against which the Bank holds no security other than the debtors' personal guarantee   |                        |                        |
| (iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors  | 37,585,916,220         | 37,161,832,649         |
| (iv) Loans adversely classified but provision not maintained there against   |                        |                        |
|  | <b>277,966,166,012</b> | <b>274,829,861,346</b> |
| (v) Loans due by directors or officers of the Bank or any of them either separately or jointly with any other persons  | 1,321,041,049          | 1,306,798,037          |
| (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)]                            | 1,301,068,406          | 1,408,719,698          |
| (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)  | 355,198,348            | 1,984,888,448          |
| (b) Amount of loan written off   |                        |                        |
| (c) Amount realised against loan previously written off  | 21,583,780             | 172,931,675            |
| (d) Provision kept against loans classified as bad /loss on the date of preparing the balance sheet  | 7,795,898,348          | 7,440,688,448          |
| (e) Interest creditable to interest suspense account   | 167,847,328            | 103,308,393            |
| (xi) Written off loan:   |                        |                        |
| Opening written off loan   | 16,960,853,604         | 16,960,853,604         |
| Add: Written off during the year   |                        |                        |
| Cumulative Written off loans   | 16,960,853,604         | 16,960,853,604         |
| Less: Adjustments/ recoveries/ Settlement up to the period   | 3,720,592,024          | 3,698,852,518          |
| <b>Closing Balance of Written off loan</b>   | <b>13,240,261,581</b>  | <b>13,262,001,086</b>  |
| The amount of written off loans for which lawsuits have been filed for its recovery  | 13,239,811,647         | 13,261,551,152         |

7.10 (a) The amount represents loans Tk 1,301,068,406 due by the employees of the Bank.



*[Signature]*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
**Tarique Afzal**  
 Resident & Managing Director  
 AB Bank Limited  
 Corporate Office Dhaka

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 For and on behalf of  
 Riverstone Capital Limited  
*[Signature]*  
**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



|                    |                    |
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| 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--------------------|--------------------|

**7.11 Securities wise loans, advances and lease/investments**

Nature of security

|  |                        |                 |
|--|------------------------|-----------------|
| Collateral of movable/immovable assets     | 237,644,668,344        | 233,413,751,391 |
| Cash collateral                            | 13,476,993,613         | 12,584,902,761  |
| Banks and financial institutions guarantee | -                      | -               |
| Personal guarantee                         | 9,810,836,991          | 12,665,038,466  |
| Corporate guarantee                        | 7,535,249,674          | 6,847,773,600   |
| Other securities                           | 9,498,417,389          | 9,318,395,128   |
| <b>277,966,166,012</b>                     | <b>274,829,861,346</b> |                 |

**7.12 Large Loan Restructuring**

Bank has restructured some loans and advances by complying with the Bangladesh Bank, BRPD Circular No. 04, dated January 29, 2015. Restructured loan details of the Bank has given below:

| Name of the Client                    | Loan Type | Expiry Date | Amount in BDT         |
|---------------------------------------|-----------|-------------|-----------------------|
| Abdul Monem Sugar                     | Term Loan | 22 Dec 2021 | 291,776,393           |
| Beximco Ltd.                          | Term Loan | 29 Mar 2028 | 1,165,339,272         |
| Beximco Ltd.                          | Term Loan | 29 Jun 2022 | 147,640,329           |
| BEL Construction SDN BHD Ltd          | Term Loan | 31 Dec 2027 | 4,641,374,309         |
| BEL Construction SDN BHD Ltd          | Term Loan | 30 Dec 2021 | 601,681,439           |
| R & R Aviation Limited                | Term Loan | 23 Dec 2027 | 112,553,102           |
| International Knitwear & Apparels Ltd | Term Loan | 29 Jun 2028 | 879,889,556           |
| Beximco Ltd.                          | Term Loan | 29 Jun 2022 | 658,376,214           |
| New Dacca Industries Ltd              | Term Loan | 29 Jun 2022 | 3,335,894,292         |
| New Dacca Industries Ltd              | Term Loan | 29 Jun 2028 | 912,415,366           |
| R & R Holdings                        | Term Loan | 23 Dec 2027 | 3,359,277,269         |
|                                       |           |             | <b>16,106,217,540</b> |

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

|                                   |                        |                        |
|-----------------------------------|------------------------|------------------------|
| AB Bank Limited                   | 277,189,582,996        | 274,258,221,380        |
| AB Investment Limited             | 6,918,619,415          | 6,957,399,993          |
| AB International Finance Limited  | -                      | -                      |
| AB Securities Limited             | 898,927,619            | 919,006,263            |
| Cashlink Bangladesh Limited (CBL) | -                      | -                      |
|                                   | <b>285,007,130,030</b> | <b>282,134,627,636</b> |
| Less: Inter company transaction   | 923,459,234            | 923,446,984            |
|                                   | <b>284,083,670,795</b> | <b>281,211,180,652</b> |

**8 Bills purchased and discounted**

|  |                    |                    |
|--|--------------------|--------------------|
| In Bangladesh                            | 90,566,402         | 65,916,133         |
| Outside Bangladesh - ABBL, Mumbai Branch | 686,016,615        | 505,723,833        |
|  | <b>776,583,017</b> | <b>571,639,966</b> |

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

|                                   |                      |                      |
|-----------------------------------|----------------------|----------------------|
| AB Bank Limited                   | 776,583,017          | 571,639,966          |
| AB Investment Limited             | -                    | -                    |
| AB International Finance Limited  | 696,477,450          | 1,118,086,071        |
| AB Securities Limited             | -                    | -                    |
| Cashlink Bangladesh Limited (CBL) | -                    | -                    |
|                                   | <b>1,473,060,466</b> | <b>1,689,726,038</b> |



*[Signature]*  
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AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
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Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited

*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



|  | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--|--------------------|--------------------|
| <b>8.1 Maturity grouping of Bills Purchased and discounted</b> |                    |                    |
| Repayable - within 1 month                                     | 111,441,623        | 118,013,770        |
| - over 1 month but within 3 months                             | 333,597,911        | 179,342,439        |
| - over 3 months but within 6 months                            | 331,543,483        | 274,283,756        |
| - over 6 months  |                    |                    |
|  | <b>776,583,017</b> | <b>571,639,966</b> |

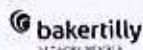
|   | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|---|----------------------|----------------------|
| <b>9. Fixed assets including premises, furniture and fixtures</b> |                      |                      |
| Cost:   |                      |                      |
| Land and Building   | 2,962,553,953        | 2,962,553,953        |
| Furniture and fixtures  | 252,334,303          | 252,394,773          |
| Office appliances   | 65,559,108           | 65,411,271           |
| Electrical appliances   | 1,958,563,194        | 1,933,469,202        |
| Motor vehicles  | 334,265,892          | 838,058,314          |
| Intangible Assets   | 893,800,187          | 783,812,337          |
| Right of Use Assets   | 1,329,421,828        | 1,329,421,828        |
|   | 7,796,498,465        | 8,165,121,677        |
| Less: Accumulated depreciation and amortization                   | 3,346,664,813        | 3,676,130,287        |
|   | <b>4,449,833,652</b> | <b>4,488,991,390</b> |

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| <b>9(a) Consolidated Fixed assets including premises, furniture and fixtures</b> |                      |                      |
| Cost:  |                      |                      |
| AB Bank Limited  | 7,796,498,465        | 8,165,121,677        |
| AB Investments Limited   | 687,232,447          | 688,571,092          |
| AB International Finance Limited   | 4,723,786            | 4,731,583            |
| AB Securities Limited  | 40,008,861           | 56,999,872           |
| Cashlink Bangladesh Limited (CBL)  | 81,471,369           | 81,471,369           |
|  | <b>8,609,934,927</b> | <b>8,996,895,593</b> |

|                                   | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|-----------------------------------|----------------------|----------------------|
| Accumulated depreciation:         |                      |                      |
| AB Bank Limited                   | 3,346,664,813        | 3,676,130,287        |
| AB Investments Limited            | 162,899,729          | 159,634,894          |
| AB International Finance Limited  | 4,639,765            | 4,601,076            |
| AB Securities Limited             | 32,882,303           | 42,572,830           |
| Cashlink Bangladesh Limited (CBL) | 81,471,369           | 81,471,369           |
|                                   | <b>3,628,557,979</b> | <b>3,964,410,457</b> |
|                                   | <b>4,981,376,948</b> | <b>5,032,485,136</b> |

|   | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|---|----------------------|----------------------|
| <b>10 Other Assets:</b>   |                      |                      |
| Income generating Equity Investment   |                      |                      |
| In Bangladesh:  |                      |                      |
| AB Investment Limited<br>(99.99% owned subsidiary company of ABBL)          | 5,811,431,750        | 5,811,431,750        |
| AB Securities Limited<br>(99.91% owned subsidiary company of ABBL)          | 199,898,000          | 199,898,000          |
| Cashlink Bangladesh Limited (CBL)<br>(90% owned subsidiary company of ABBL) | 212,581,228          | 212,581,228          |
|   | <b>6,223,910,978</b> | <b>6,223,910,978</b> |

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| Outside Bangladesh:  |                      |                      |
| AB International Finance Ltd, Hong Kong<br>(wholly owned subsidiary company of ABBL) | 5,203,944            | 5,203,944            |
|  | <b>5,203,944</b>     | <b>5,203,944</b>     |
|  | <b>6,229,114,922</b> | <b>6,229,114,922</b> |



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 For and on behalf of  
Riverstone Capital Limited


 Ashraf Ahmed  
Managing Director

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 K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.


 Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Corporate Office, Dhaka


 Tarique Afzal  
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Head Office, Dhaka.



**Non-Income generating**

|  | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|--|-----------------------|-----------------------|
| Arab Bangladesh Bank Foundation<br>(99.60% owned subsidiary company of ABBL)   | 19,920,000            | 19,920,000            |
| Deferred tax assets (Note 10.1)  | 3,348,863,258         | 3,270,784,720         |
| Accounts receivable  | 1,607,143,917         | 1,586,836,210         |
| Preliminary, formation, organisational, renovation,<br>development, prepaid expenses and others  | 705,162,694           | 757,841,435           |
| Exchange for clearing  | 70,058,344            | 1,580,837,111         |
| Interest accrued on investment but not collected,<br>commission and brokerage receivable on shares<br>and debentures, and other income receivables | 1,147,453,285         | 1,221,859,948         |
| Security deposits  | 73,180,559            | 73,046,316            |
| Advance rent and advertisement (Note 10.2)   | 111,092,522           | 103,540,859           |
| Stationery, stamps, printing materials, etc.   | 43,628,615            | 33,323,414            |
| Inter-branch adjustment  | 12,458,139            | -                     |
|  | <b>7,138,961,333</b>  | <b>8,647,990,013</b>  |
|  | <b>13,368,076,256</b> | <b>14,877,104,936</b> |

**10(a) Consolidated Other assets**

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 13,368,076,256        | 14,877,104,936        |
| AB Investment Limited             | 397,114,345           | 237,079,608           |
| AB International Finance Limited  | 82,330,142            | 47,698,127            |
| AB Securities Limited             | 51,829,534            | 98,164,731            |
| Cashlink Bangladesh Limited (CBL) | 30,247,356            | 31,571,199            |
|                                   | <b>13,929,597,632</b> | <b>15,291,618,600</b> |
| Less: Inter-group transaction     | 6,373,074,789         | 6,405,107,481         |
|                                   | <b>7,556,522,844</b>  | <b>8,886,511,119</b>  |

**10.1 Deferred tax assets**

**a) Deferred tax assets for specific provisions of loans and advances**

|  |                      |                      |
|--|----------------------|----------------------|
| Opening Deferred Tax Assets                | 3,359,092,484        | 2,622,704,984        |
| Add: Deferred Tax Income during the period | 90,000,000           | 736,387,500          |
| Closing deferred tax assets                | <b>3,449,092,484</b> | <b>3,359,092,484</b> |

**b) Deferred tax liabilities against property, plant & equipment**

|   |                      |                      |
|---|----------------------|----------------------|
| Balance at 01 January   | 88,307,764           | 63,579,718           |
| Add: Provision made during the period                         | 11,953,609           | 24,645,723           |
| Add/(Less): Adjustment for Rate Fluctuation during the period | (32,147)             | 82,324               |
| Closing deferred tax liabilities                              | <b>100,229,226</b>   | <b>88,307,764</b>    |
| Net Deferred Tax Assets (a-b)                                 | <b>3,348,863,258</b> | <b>3,270,784,720</b> |

**Net Deferred Tax Income during the period**

|  |                   |                    |
|--|-------------------|--------------------|
|  | <b>78,046,391</b> | <b>711,741,777</b> |
|--|-------------------|--------------------|

**Deferred tax liabilities against Property, Plant & Equipment**

|  |                    |                    |
|--|--------------------|--------------------|
| Accounting base of Property, Plant & Equipment | 3,585,071,683      | 3,556,621,763      |
| Tax base of Property, Plant & Equipment        | 3,311,404,816      | 3,314,479,078      |
| Difference                                     | <b>273,666,867</b> | <b>242,142,685</b> |



For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



|   | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|---|-----------------------|-----------------------|
| (Deductible)/Taxable Temporary Difference   | 273,666,867           | 242,142,685           |
| Effective Tax Rate  | 37.50%                | 37.50%                |
| Deferred Tax (Assets)/Liabilities   | 102,625,075           | 90,803,507            |
| Deferred Tax (Assets)/Liabilities of Mumbai Branch  | (2,395,851)           | (2,495,745)           |
| Closing Deferred Tax Liabilities  | <u>100,229,226</u>    | <u>88,307,764</u>     |
| <b>10.1.2 Consolidated deferred tax liabilities</b>   |                       |                       |
| AB Bank Limited   | 100,229,226           | 88,307,764            |
| AB Investment Limited   | -                     | -                     |
|   | <u>100,229,226</u>    | <u>88,307,764</u>     |
| <b>10.1.3 Consolidated deferred tax assets</b>  |                       |                       |
| AB Bank Limited   | 3,449,092,484         | 3,359,092,484         |
| AB Securities Limited   | 1,845,930             | 1,979,667             |
| AB Investment Limited   | 52,083,627            | 39,432,812            |
|   | <u>3,503,022,041</u>  | <u>3,400,504,963</u>  |
| <b>10.2 Advance rent and advertisement</b>  |                       |                       |
| Advance rent BDT 175,468,372.97 as on 31 March 2021 is included with Right of Use (ROU) assets as per IFRS 16 Leases.   |                       |                       |
| <b>11 Non-Banking Assets</b>  | <u>334,171,836</u>    | <u>334,171,836</u>    |
| The Bank has obtained absolute ownership of eleven mortgaged properties according to the verdict of the Honorable Court under section 33 (7) of Artha Rin Adalat Ain, 2003. These have been recorded as non-banking assets in accordance with Bank Companies Act, 1991 (amendment up to 2018) and BRPD circular no. 14 of 2003. |                       |                       |
| <b>12. Borrowings from other banks, financial institutions and agents</b>   |                       |                       |
| In Bangladesh (Note 12.1)   | 25,547,268,096        | 19,107,865,842        |
| Outside Bangladesh  | -                     | -                     |
|   | <u>25,547,268,096</u> | <u>19,107,865,842</u> |
| <b>12.1 In Bangladesh:</b>  |                       |                       |
| <b>12.1.1 Bangladesh Bank</b>   |                       |                       |
| Export Development Fund   | 2,863,728,282         | 1,537,686,974         |
| Islamic Investment Bond   | 1,007,027,397         | 816,485,540           |
| Refinance against IPFF  | 236,218,134           | 246,135,320           |
| Refinance against Women Entr., Small Enterprise, ETP, Covid 19 & Others   | 3,165,365,131         | 1,893,766,663         |
|   | <u>7,272,338,944</u>  | <u>4,494,074,497</u>  |
| <b>12.1.2 Call &amp; Term Borrowing from</b>  |                       |                       |
| NCC Bank Limited  | 1,000,000,000         | 500,000,000           |
| Basic Bank Limited  | 689,212,400           | -                     |
| Agrani Bank Limited   | 6,996,062,000         | 9,496,008,000         |
| Sonali Bank Limited   | 2,098,031,000         | 848,004,000           |
| Janata Bank Limited   | 300,000,000           | -                     |
| Simanto Bank Limited  | 400,000,000           | 400,000,000           |
| Uttara Bank Limited   | 2,124,015,500         | 1,924,002,000         |
| Bank Asia Limited   | 2,000,000,000         | -                     |
| Pubali Bank Limited   | 127,204,650           | -                     |
| Rupali Bank Limited   | 2,339,212,400         | 924,002,000           |
| National Bank Limited   | -                     | 296,801,400           |
| South East Bank Limited   | 169,606,200           | 169,600,800           |
| Accrued interest  | 31,585,002            | 55,373,145            |
|   | <u>18,274,929,152</u> | <u>14,613,791,345</u> |
| <b>Total in Bangladesh</b>  | <u>25,547,268,096</u> | <u>19,107,865,842</u> |



For and on behalf of  
Riverstone Capital Limited

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|--|-----------------------|-----------------------|
| <b>12.2 Analysis by security</b>   |                       |                       |
| Secured (assets pledge as security for liabilities)                                      | -                     | -                     |
| Unsecured  | 25,547,268,096        | 19,107,865,842        |
|  | <b>25,547,268,096</b> | <b>19,107,865,842</b> |
| <b>12.3 Repayment pattern</b>  |                       |                       |
| Repayable on demand  | 1,250,000,000         | 1,000,000,000         |
| Repayable on maturity (Note 12.3.1)  | 24,297,268,096        | 13,820,039,741        |
|  | <b>25,547,268,096</b> | <b>14,820,039,741</b> |
| <b>12.3.1 Repayable on maturity</b>  |                       |                       |
| <b>Bangladesh Bank:</b>  |                       |                       |
| Export Development Fund  | 2,863,728,282         | 1,537,686,974         |
| Islamic Investment Bond  | 1,007,027,397         | 816,485,540           |
| Refinance against IPFF   | 236,218,134           | 246,135,320           |
| Refinance against Women Entr, Small Ent, ETP & Others                                    | 3,165,365,131         | 1,893,766,663         |
|  | <b>7,272,338,944</b>  | <b>4,494,074,497</b>  |
| <b>Term borrowings:</b>  |                       |                       |
| Agrani Bank Limited  | 6,996,062,000         | 9,496,008,000         |
| NCC Bank Limited   | 1,000,000,000         | 500,000,000           |
| Uttara Bank Limited  | 2,124,015,500         | 1,924,002,000         |
| Bank Asia Limited  | 2,000,000,000         | -                     |
| Rupali Bank Limited  | 2,339,212,400         | 924,002,000           |
| Shimanto Bank Limited  | 400,000,000           | 400,000,000           |
| Sonali Bank Limited  | 848,031,000           | 848,004,000           |
| Basic Bank Limited   | 689,212,400           | -                     |
| Janata Bank Limited  | 300,000,000           | -                     |
| National Bank Limited  | -                     | 296,801,400           |
| Southeast Bank Limited   | 169,606,200           | 169,600,800           |
| Pubali Bank Limited  | 127,204,650           | -                     |
| Accrued interest   | 31,585,002            | 55,373,145            |
|  | <b>17,024,929,152</b> | <b>14,613,791,345</b> |
|  | <b>24,297,268,096</b> | <b>19,107,865,842</b> |
| <b>12(a) Consolidated Borrowings from other banks, financial institutions and agents</b> |                       |                       |
| AB Bank Limited  | 25,547,268,096        | 19,107,865,842        |
| AB Investment Limited  | 755,911,078           | 755,898,828           |
| AB International Finance Limited   | 589,507,641           | 962,746,929           |
| AB Securities Limited  | 167,548,561           | 167,548,561           |
| Cashlink Bangladesh Limited (CBL)  | -                     | -                     |
|  | <b>27,060,235,376</b> | <b>20,994,060,160</b> |
| <b>Less: Intercompany transactions</b>   | <b>1,512,966,875</b>  | <b>1,886,193,913</b>  |
|  | <b>25,547,268,501</b> | <b>19,107,866,247</b> |
| <b>13. AB Bank Subordinated Bond</b>   |                       |                       |
| AB Bank Subordinated Bond-I  | 500,000,000           | 500,000,000           |
| AB Bank Subordinated Bond-II   | 1,600,000,000         | 1,600,000,000         |
| AB Bank Subordinated Bond-III  | 4,000,000,000         | 4,000,000,000         |
| AB Bank Subordinated Bond-IV   | 3,250,000,000         | 3,250,000,000         |
|  | <b>9,350,000,000</b>  | <b>9,350,000,000</b>  |

Bank has issued 7 years Sub-Ordinated bonds in four phases, namely- AB Bank Subordinated Bond-I for BDT 250 crore in August 2014, AB Bank Subordinated Bond-II for BDT 400 crore in September 2015, AB Bank Subordinated Bond-III for BDT 400 crore in May 2018 and AB Bank Subordinated Bond-IV for BDT 325 crore in December 2020 under Private Placement of Debt Securities Rules, 2012. These bonds are non-convertible, unsecured in nature and approved by the Central Bank for inclusion in Tier-II capital of the Bank.



For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

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|   | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|---|----------------------|----------------------|
| Jamuna Bank Limited                     | 2,300,000,000        | 2,300,000,000        |
| Sonali Bank Limited                     | 2,000,000,000        | 2,000,000,000        |
| National Credit & Commerce Bank Limited | 1,700,000,000        | 1,700,000,000        |
| Janata Bank Limited                     | 1,200,000,000        | 1,200,000,000        |
| Agrani Bank Limited                     | 1,050,000,000        | 1,050,000,000        |
| Rupali Bank Limited                     | 400,000,000          | 400,000,000          |
| BRAC                                    | 200,000,000          | 200,000,000          |
| BRAC Bank Limited                       | 140,000,000          | 140,000,000          |
| NRB Commercial Bank Limited             | 140,000,000          | 140,000,000          |
| Uttara Bank Limited                     | 120,000,000          | 120,000,000          |
| Midland Bank Limited                    | 40,000,000           | 40,000,000           |
| National Life Insurance Co. Limited     | 40,000,000           | 40,000,000           |
| Mutual Trust Bank Limited               | 16,000,000           | 16,000,000           |
| Grameen Capital Management Limited      | 4,000,000            | 4,000,000            |
|   | <b>9,350,000,000</b> | <b>9,350,000,000</b> |

**14. Deposit and other accounts**

|                     |                        |                        |
|---------------------|------------------------|------------------------|
| Inter-bank deposits | 5,469,590,556          | 5,191,520,116          |
| Other deposits      | 268,036,867,547        | 285,527,822,321        |
|                     | <b>273,506,458,103</b> | <b>290,719,342,438</b> |

**14(a) Consolidated Deposit and other accounts**

|                                   |                        |                        |
|-----------------------------------|------------------------|------------------------|
| AB Bank Limited                   | 273,506,458,103        | 290,719,342,438        |
| AB Investment Limited             | -                      | -                      |
| AB International Finance Limited  | -                      | -                      |
| AB Securities Limited             | -                      | -                      |
| Cashlink Bangladesh Limited (CBL) | -                      | -                      |
|                                   | <b>273,506,458,103</b> | <b>290,719,342,438</b> |
| Less: Inter-group transaction     | 177,526,748            | 172,181,996            |
|                                   | <b>273,328,931,355</b> | <b>290,547,160,441</b> |

**14.1 Maturity analysis of inter-bank deposits**

|                                      |                      |                      |
|--------------------------------------|----------------------|----------------------|
| Repayable - on demand                | 1,944,251,935        | 1,726,356,465        |
| - within 1 month                     | 2,740,429,315        | 2,601,623,560        |
| - over 1 month but within 3 months   | 503,187,500          | 336,309,536          |
| - over 3 months but within 1 year    | 281,721,806          | 527,230,556          |
| - over 1 period but within 5 years   | -                    | -                    |
| - over 5 periods but within 10 years | -                    | -                    |
| - over 10 years                      | -                    | -                    |
|                                      | <b>5,469,590,556</b> | <b>5,191,520,116</b> |

**14.2 Maturity analysis of other deposits**

|                                    |                        |                        |
|------------------------------------|------------------------|------------------------|
| Repayable - on demand              | 2,967,738,666          | 3,382,104,377          |
| - within 1 month                   | 27,542,197,575         | 28,219,742,148         |
| - over 1 month but within 3 months | 78,974,486,647         | 72,380,237,274         |
| - over 3 months but within 1 year  | 108,635,755,416        | 128,651,601,082        |
| - over 1 year but within 5 years   | 45,767,464,936         | 46,613,421,773         |
| - over 5 years                     | 4,149,224,307          | 6,280,715,668          |
|                                    | <b>268,036,867,547</b> | <b>285,527,822,321</b> |


 For and on behalf of  
 Riverstone Capital Limited


 Ashraf Ahmed  
 Managing Director


 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.


 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka


 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.


 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**14.3 Demand and time deposits**

**a) Demand Deposits**

|                                     | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|-------------------------------------|--------------------|--------------------|
| Current accounts and other accounts | 27,003,551,042     | 28,639,222,340     |
| Savings Deposits (9%)               | 3,293,604,376      | 3,172,175,205      |
| Bills Payable                       | 1,784,436,669      | 6,423,928,975      |

**b) Time Deposits**

|                                       | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|---------------------------------------|------------------------|------------------------|
| Savings Deposits (91%)                | 33,301,999,805         | 32,074,215,959         |
| Short Notice Deposits                 | 36,896,167,605         | 47,144,703,134         |
| Fixed Deposits                        | 120,068,793,414        | 121,537,588,967        |
| Other Deposits                        | 51,157,905,191         | 51,727,507,857         |
| <b>Total Demand and Time Deposits</b> | <b>273,506,458,103</b> | <b>290,719,342,438</b> |

**14.4 Sector-wise break up of deposits and other accounts**

|                                     | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|-------------------------------------|------------------------|------------------------|
| Government                          | 1,486,190,613          | 1,890,797,992          |
| Deposit money Banks                 | 3,483,025,910          | 5,191,520,116          |
| Autonomous & Semi-Autonomous Bodies | 5,852,373,335          | 5,305,444,172          |
| Public Non-Financial Organisation   | 48,269,075,274         | 64,957,043,101         |
| Other Public                        | 2,806,432,839          | 2,666,271,479          |
| Foreign Currency                    | 13,275,675,685         | 13,690,452,844         |
| Private                             | 198,333,684,447        | 197,017,812,733        |
| <b>Total</b>                        | <b>273,506,458,103</b> | <b>290,719,342,438</b> |

**15. Other liabilities**

|  |  | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|--|--|-----------------------|-----------------------|
| Accumulated provision against loans and advances (Note 15.1) |  | 20,505,225,228        | 20,224,381,003        |
| Inter-branch adjustment                                      |  | -                     | 145,930               |
| Provision for current tax (net of advance tax) (Note 15.2)   |  | 1,222,873,807         | 1,649,440,346         |
| Interest suspense account (Note 15.3)                        |  | 16,277,420,283        | 16,114,355,797        |
| Provision against other assets (Note 15.4)                   |  | 350,873,106           | 348,873,106           |
| Accounts payable - Bangladesh Bank                           |  | 146,255,001           | 69,049,890            |
| Accrued expenses   |  | 217,664,993           | 133,009,666           |
| Lease Liabilities (Note 15.5)                                |  | 616,811,553           | 688,375,584           |
| Provision for off balance sheet items (Note 15.6)            |  | 270,000,000           | 270,000,000           |
| Provision against investments (Note 15.7)                    |  | 1,789,603,000         | 1,689,603,000         |
| Start-up Fund *  |  | 64,669,774            | 64,669,774            |
| Others **  |  | 481,792,950           | 845,599,643           |
| <b>Total</b>   |  | <b>41,943,189,694</b> | <b>42,097,503,740</b> |

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

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

**15.1 Accumulated provision against loans and advances**

The movement in specific provision for bad and doubtful debts

|   |  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|---|--|----------------------|----------------------|
| Opening Balance   |  | 8,957,579,956        | 6,993,879,956        |
| Fully provided debts written off during the period (-)  |  | -                    | -                    |
| Recovery of amounts previously written off (+)          |  | -                    | -                    |
| Specific provision made during the period (+)           |  | 240,000,000          | 1,963,700,000        |
|   |  | 240,000,000          | 1,963,700,000        |
| Closing Balance   |  | <b>9,197,579,956</b> | <b>8,957,579,956</b> |
| Provision made by ABBL, Mumbai Branch                   |  | -                    | -                    |
| <b>Total provision on classified loans and advances</b> |  | <b>9,197,579,956</b> | <b>8,957,579,956</b> |



For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka



**On unclassified loans**

Opening Balance  
 Transferred from Investment provisions  
 General provision made during the period  
 Closing Balance  
 Provision made by ABBL, Mumbai Branch  
**Total provision on un-classified loans and advances**  
**Total provision on loans and advances**

| 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|--------------------|--------------------|
|--------------------|--------------------|

|                |                |
|----------------|----------------|
| 11,264,725,658 | 8,282,733,658  |
| (*)            | 20,000,000     |
| (*)            | 2,961,992,000  |
| 40,000,000     | 2,981,992,000  |
| 40,000,000     | 2,981,992,000  |
| 11,304,725,658 | 11,264,725,658 |
| 2,919,614      | 2,075,389      |
| 11,307,645,271 | 11,266,801,047 |
| 20,505,225,228 | 20,224,381,003 |

| Provision for                    | Required              |
|----------------------------------|-----------------------|
| Un-classified loans and advances | 11,300,419,614        |
| Classified loans and advances    | 9,193,000,000         |
|                                  | <b>20,493,419,614</b> |

| 31.03.2021     |            |
|----------------|------------|
| Maintained     | Excess     |
| 11,307,645,271 | 7,225,658  |
| 9,197,579,956  | 4,579,956  |
| 20,505,225,228 | 11,805,614 |

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

**15.1.1 Special General Provision -Covid-19** 209,562,642      206,561,420

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

**15.1.2 Details of provision for loans and advances**

**General Provision**  
 Standard  
 Special Mention Account  
**Specific Provision**  
 Substanda  
 Doubtful  
 Bad/Loss

| 31.03.2021     |                   |
|----------------|-------------------|
| Required       | Maintained        |
| 11,300,419,614 | 11,307,645,271    |
| 10,901,625,820 | 10,908,851,477    |
| 398,793,794    | 398,793,794       |
| 9,193,000,000  | 9,197,579,956     |
| 232,293,538    | 232,293,538       |
| 1,169,388,070  | 1,169,388,070     |
| 7,791,318,392  | 7,795,898,348     |
|                | <b>11,805,614</b> |

Excess provision maintained at 31 March 2021

**15.2 Provision for current tax (net of advance tax)**

Current Tax  
 Advance Income Tax  
**Provision for current tax (net of advance tax)**

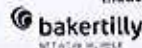
|               |                      |                      |
|---------------|----------------------|----------------------|
| (note 15.2.1) | 5,767,973,376        | 5,604,721,360        |
| (note 15.2.2) | 4,545,099,568        | 3,955,281,014        |
|               | <b>1,222,873,807</b> | <b>1,649,440,346</b> |

**15.2.1 Provision for current tax**

Opening Balance  
 Add: Provision made during the period  
 Less: Adjustment during the period  
 Less: Deferred Tax Adjustment during the period  
 Less: Write-off adjustment  
 Closing Balance  
 Provision held by ABBL, Mumbai Branch

|                      |                      |
|----------------------|----------------------|
| 5,561,731,999        | 3,895,988,647        |
| 151,114,713          | 1,665,743,353        |
| -                    | -                    |
| -                    | -                    |
| -                    | -                    |
| 5,712,846,713        | 5,561,731,999        |
| 55,126,663           | 42,989,360           |
| <b>5,767,973,376</b> | <b>5,604,721,360</b> |

Corporate income tax assessment of the Bank is completed up to the income year ended 31 December 2018 (Assessment Year 2019-20). Corporate income tax return for the year 2019 submitted under section 82BB corresponding to Assessment Years 2020-21. Tax assessments for income years 1995, 1996, 1997, 2007, 2009, 2010, 2011 and 2012 were completed but these were referred to the Hon'ble High Court on the application made by the Bank for some disputed points.



For and on behalf of  
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Ashraf Ahmed  
 Managing Director | Page

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 Head Office, Dhaka.


**15.2.1 Reconciliation of Provision for Current Tax made during the period (Bangladesh Operation)**

|  | 31.03.2021<br>Taka | 31.12.2020<br>Taka   |
|--|--------------------|----------------------|
| Income tax @ 37.50% on estimated taxable Business Profit | 144,776,545        | 1,638,240,554        |
| Income tax @ 20.00% on Dividend Income                   | 2,581,332          | 27,502,800           |
| Income tax @ 10% on Capital Gain on Sale of Shares       | 3,756,836          | -                    |
| Estimated Total Provision Required                       | <b>151,114,713</b> | <b>1,665,743,353</b> |
| Effective Tax Rate on Profit before Provision            | 28.06%             | 25.84%               |

**15.2.2 Advance corporate income tax**
**In Bangladesh:**

|   |                      |                      |
|---|----------------------|----------------------|
| Opening Balance                             | 3,866,952,852        | 1,584,282,901        |
| Paid during the year                        | 566,606,140          | 2,282,669,951        |
| Less: Transfer/Adjustment during the period | -                    | -                    |
| Closing balance (Bangladesh operations)     | 4,433,558,992        | 3,866,952,852        |
| Advance tax of ABBL, Mumbai Branch          | 111,540,577          | 88,328,162           |
|   | <b>4,545,099,568</b> | <b>3,955,281,014</b> |

**15.3 Interest suspense account**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Balance at 01 January                       | 16,114,355,797        | 18,134,825,637        |
| Add: Transferred during the period          | 167,847,328           | 103,308,393           |
| Less: Recovery/adjustment during the period | (4,940,843)           | (2,004,941,382)       |
| Less: Waiver during the period              | 158,000               | (118,836,850)         |
| Less: Written off during the period         | -                     | -                     |
| Balance at 31 March                         | <b>16,277,420,283</b> | <b>16,114,355,797</b> |

**15.4 Provision against other assets**
**Provision for**

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Prepaid legal expenses | 138,030,000        | 136,030,000        |
| Protested bills        | 73,355,678         | 73,355,678         |
| Others                 | 139,487,428        | 139,487,428        |
|                        | <b>350,873,106</b> | <b>348,873,106</b> |

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

**15.4.1 Calculation of Provision against other assets**

|   | Outstanding amount | Base for Provision | Rate | Provisions Requirement | Provisions Maintained |
|---|--------------------|--------------------|------|------------------------|-----------------------|
| Prepaid legal exp.                                  | 141,818,780        | 141,818,780        | 50%  | 70,909,390             | 138,030,000           |
| Protested bills                                     | 72,370,749         | 72,370,749         | 100% | 72,370,749             | 73,355,678            |
| Others  | 102,591,983        | 102,591,983        | 100% | 102,591,983            | 139,487,428           |
| <b>Required provision for other assets</b>          |                    |                    |      | <b>245,872,122</b>     | <b>350,873,106</b>    |
| Total provision requirement                         |                    |                    |      | 245,872,122            |                       |
| Total provision maintained                          |                    |                    |      |                        | 350,873,106           |
| <b>Excess provision maintained at 31 March 2021</b> |                    |                    |      |                        | <b>105,000,984</b>    |

**15.5 Leasehold Liabilities**

|   |                    |                    |
|---|--------------------|--------------------|
| Opening balance of present value of lease liability | 688,375,584        | 842,847,290        |
| Finance Cost @ 8%                                   | 13,767,512         | 67,427,783         |
| Rental payment during the period                    | 85,331,543         | 221,899,489        |
| Closing balance of lease liability                  | <b>616,811,553</b> | <b>688,375,584</b> |

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

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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.

|   | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|---|--------------------|--------------------|
| <b>15.6 Provision for off balance sheet items</b> |                    |                    |
| Opening balance                                   | 270,000,000        | 710,000,000        |
| Less: Transferred to general reserve              | -                  | (440,000,000)      |
|   | <b>270,000,000</b> | <b>270,000,000</b> |

**15.6.1 Particulars of required provision for Off-Balance Sheet Items**

|   | Base for Provision    | Rate (%) | 31 March 2021      | 31 Dec 2020        |
|---|-----------------------|----------|--------------------|--------------------|
| Acceptances and endorsement                                   | 6,450,763,513         | 1%       | 64,507,635         | 78,441,893         |
| Letters of guarantee  | 12,929,726,002        | 1%       | 129,297,260        | 128,307,653        |
| Irrevocable letters of credit                                 | 6,234,958,464         | 1%       | 62,349,585         | 60,944,628         |
| Others  | 156,350,590           | 1%       | 1,563,506          | 25,627             |
| <b>Total Off Balance Sheet Items &amp; required provision</b> | <b>25,771,798,569</b> |          | <b>257,717,986</b> | <b>267,719,801</b> |
| Total provision maintained                                    |                       |          | 270,000,000        | 270,000,000        |
| <b>Excess provision at 31 March 2021</b>                      |                       |          | <b>12,282,014</b>  | <b>2,280,199</b>   |

Provision is not required against Off Balance Sheet items of Mumbai Branch BDT 17,599,735,617.76 as per Reserve Bank of India (RBI) guidelines.

**15.7 Provision against investments**

|  | 1,170,353,000        | 1,830,353,000        |
|--|----------------------|----------------------|
| <b>Provision against quoted shares:</b>                |                      |                      |
| Opening balance  | 100,000,000          | (660,000,000)        |
| Add/Less: Provision made/transferred during the period | <b>1,270,353,000</b> | <b>1,170,353,000</b> |
| Total provision maintained for Investment              | 1,270,353,000        | 1,170,353,000        |
| Total provision requirement for Investment             | 1,269,384,448        | 1,169,528,839        |
| <b>Excess provision</b>                                | <b>968,552</b>       | <b>824,161</b>       |

**Provision for Pinnacle Global Fund Pte Limited:**

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Opening balance                       | 519,250,000        | 379,250,000        |
| Add: Provision made during the period | -                  | 140,000,000        |
|                                       | <b>519,250,000</b> | <b>519,250,000</b> |

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

**Total Provision maintained against investment:**

|  |                      |                      |
|--|----------------------|----------------------|
| Provision against quoted shares                | 1,270,353,000        | 1,170,353,000        |
| Provision for Pinnacle Global Fund Pte Limited | 519,250,000          | 519,250,000          |
|  | <b>1,789,603,000</b> | <b>1,689,603,000</b> |

**15(a) Consolidated Other liabilities**

|                                   |                       |                       |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 41,943,189,694        | 42,097,503,740        |
| AB Investment Limited             | 944,139,715           | 911,761,681           |
| AB International Finance Limited  | 3,002,955             | 54,610,986            |
| AB Securities Limited             | 743,551,119           | 910,021,973           |
| Cashlink Bangladesh Limited (CBL) | 28,750                | 28,750                |
|                                   | <b>43,633,912,232</b> | <b>43,973,927,130</b> |
| Less: Inter-group transaction     | 68,582,833            | 98,198,677            |
|                                   | <b>43,565,329,400</b> | <b>43,875,728,453</b> |



For and on behalf of  
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**16. Share Capital**
**16.1 Authorised Capital**

1,500,000,000 ordinary shares of BDT 10 each

**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  
 781,036,830 ordinary shares of BDT 10 each issued as bonus shares

**16.3 Percentage of shareholding**

|              | As at 31 March 2021 |               |
|--------------|---------------------|---------------|
|              | No. of shares       | %             |
| Sponsors and | 791,473,869         | 99.43         |
| Govt.        | 4,562,961           | 0.57          |
|              | <b>796,036,830</b>  | <b>100.00</b> |

|  | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|--|-----------------------|-----------------------|
|  | <b>7,960,368,300</b>  | <b>7,960,368,300</b>  |
|  | <b>15,000,000,000</b> | <b>15,000,000,000</b> |
|  | 100,000,000           | 100,000,000           |
|  | 50,000,000            | 50,000,000            |
|  | <b>7,810,368,300</b>  | <b>7,810,368,300</b>  |
|  | <b>7,960,368,300</b>  | <b>7,960,368,300</b>  |

|              | As at 31 December 2020 |               |
|--------------|------------------------|---------------|
|              | No. of shares          | %             |
| Sponsors and | 791,473,869            | 99.43         |
| Govt.        | 4,562,961              | 0.57          |
|              | <b>796,036,830</b>     | <b>100.00</b> |

**16.4 Classification of shareholders by holding**

| Holding              | No. of holders |               | % of total holding |             |
|----------------------|----------------|---------------|--------------------|-------------|
|                      | 31 Mar 2021    | 31 Dec 2020   | 31 Mar 2021        | 31 Dec 2020 |
| Upto 500             | 27,870         | 28,708        | 47.16              | 48.16       |
| 501 to 5,000         | 22,745         | 22,734        | 38.49              | 38.14       |
| 5,001 to 10,000      | 3,808          | 3,626         | 6.44               | 6.08        |
| 10,001 to 20,000     | 2,246          | 2,214         | 3.80               | 3.71        |
| 20,001 to 30,000     | 800            | 742           | 1.35               | 1.24        |
| 30,001 to 40,000     | 415            | 379           | 0.70               | 0.64        |
| 40,001 to 50,000     | 241            | 230           | 0.41               | 0.39        |
| 50,001 to 100,000    | 464            | 472           | 0.79               | 0.79        |
| 100,001 to 1,000,000 | 452            | 443           | 0.76               | 0.74        |
| Over 1,000,000       | 59             | 61            | 0.10               | 0.10        |
|                      | <b>59,100</b>  | <b>59,609</b> | <b>100</b>         | <b>100</b>  |

**16.5 Names of the Directors and their shareholding as at 31 March 2021**

| Name of the Director  | Status                        | No. of Shareholding including nominating institution/individual |             |
|---|-------------------------------|---|-------------|
|   |                               | 31 Mar 2021   | 31 Dec 2020 |
| Mr. Muhammad A. (Rumee) Ali<br>Nominated by Pacific Traders Limited   | Chairman                      | 79,480,564  | 79,480,564  |
| Mr. Feroz Ahmed   | Director                      | 16,516,704  | 16,516,704  |
| Mr. Shajir Ahmed<br>Nominated by Hexagong Chemical Complex Ltd.       | Director                      | 21,804,184  | 21,804,184  |
| Mr. Khairul Alam Choudhury<br>Nominated by Pacific Industries Limited | Director                      | 77,865,692  | 77,865,692  |
| Mr. Md. Maqsoodul Huq Khan<br>Nominated by Emkay Holdings Limited     | Director                      | 16,275,000  | -           |
| Mr. Shafiqul Alam   | Independent Director          | -   | -           |
| Mr. Tarique Afzal   | President & Managing Director | -   | -           |

 For and on behalf of  
 Riverstone Capital Limited

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 Ashraf Ahmed  
 Managing Director


 K.M. Mohluddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.


 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka


 Tarique Afzal  
 President & Managing Director  
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 Khairul Bashir A. T. Mohammed  
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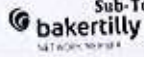


**16.6 Capital to Risk Weighted Assets Ratio (CRAR) - As per BASEL III**

**Consolidated - Capital Adequacy Ratio**

In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to 2018) and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Consolidated basis at the close of business on March 31, 2021 is Taka 43,128,777,470 as against available Total Common Equity Tier-1 Capital of Taka 20,719,895,403 and Total Tier-2 Capital available of Taka 13,801,208,791 that is, a total of Taka 34,521,104,194 thereby showing a deficit capital of Taka 8,607,673,277 at that date. Details are shown below:

|   | 31.03.2021<br>Taka    | 31.12.2020<br>Taka    |
|---|-----------------------|-----------------------|
| <b>Tier I Capital (Going Concern Capital)</b>   |                       |                       |
| Common Equity Tier-1 Capital  |                       |                       |
| Fully Paid-up Capital/Capital Deposited with BB   | 7,960,368,300         | 7,960,368,300         |
| Statutory Reserve   | 7,148,378,265         | 7,144,206,404         |
| Non-repayable share premium account   | -                     | -                     |
| General Reserve   | 2,470,728,393         | 2,384,878,054         |
| Retained earnings   | 6,851,734,000         | 6,705,777,925         |
| Minority interest in Subsidiaries   | 12,017,519            | 11,935,655            |
| Non-Cumulative irredeemable Preference shares   | -                     | -                     |
| Dividend Equalization Account   | -                     | -                     |
|   | <b>24,443,226,477</b> | <b>24,207,164,338</b> |
| <b>Regulatory adjustment:</b>   |                       |                       |
| Goodwill and all other Intangible Assets  | 224,499,292           | 125,974,104           |
| Shortfall in provisions required against Non Performing Loans   | -                     | -                     |
| Shortfall in provisions required against investment in shares   | -                     | -                     |
| Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.            | -                     | -                     |
| Deferred Tax Assets (DTA)   | 3,449,092,484         | 3,359,092,484         |
| 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  | 37,603,715            | 38,225,677            |
| 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  | -                     | -                     |
|   | <b>3,721,155,491</b>  | <b>3,533,252,265</b>  |
| <b>Total Common Equity Tier-1 Capital</b>   | <b>20,722,070,986</b> | <b>20,673,912,073</b> |
| <b>Additional Tier-1 Capital</b>  |                       |                       |
| <b>Tier-2 Capital (Gone concern Capital)</b>  |                       |                       |
| General Provision/General loan-loss reserve   | 12,706,390,287        | 12,623,546,062        |
| All other preference shares   | -                     | -                     |
| Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines) | 7,990,000,000         | 7,990,000,000         |
| Minority Interest   | -                     | -                     |
| HO borrowings in foreign currency received that meet the criteria of Tier 2 debt capital  | -                     | -                     |
| Revaluation Reserves as on 31 December, 2014 (50% of Fixed Assets and Securities & 10% of Equities)   | -                     | -                     |
| Other (if any item approved by Bangladesh Bank)   | -                     | -                     |
| <b>Sub-Total</b>  | <b>20,696,390,287</b> | <b>20,613,546,062</b> |



For and on behalf of Riverstone Capital Limited  
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Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.





|  | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|--|------------------------|------------------------|
| <b>Regulatory Adjustments:</b>   |                        |                        |
| 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)   | -                      | -                      |
| <b>Total Tier-2 Capital Available</b>  | <b>20,686,430,287</b>  | <b>20,603,586,062</b>  |
| Maximum limit of Tier-2 Capital (Tier 2 Capital can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher) | 13,801,116,755         | 18,377,040,442         |
| Excess amount over maximum limit of Tier-2 Capital   | <b>6,885,313,532</b>   | <b>2,226,545,620</b>   |
| <b>Total admissible Tier 2 Capital</b>   | <b>13,801,116,755</b>  | <b>18,377,040,442</b>  |
| <b>Total Eligible Capital</b>  | <b>34,523,187,741</b>  | <b>39,050,952,515</b>  |
| Total assets including off-Balance Sheet items   | 423,283,581,000        | 447,761,348,022        |
| Total risk-weighted assets (RWA)   | 345,027,918,871        | 344,617,096,606        |
| <b>B. Total required capital (12.50% of Total RWA)</b>   | <b>43,128,489,859</b>  | <b>43,077,137,076</b>  |
| <b>Capital Surplus / (Shortfall) (A-B)</b>   | <b>(8,605,302,118)</b> | <b>(4,026,184,561)</b> |
| <b>Capital to Risk Weighted Assets Ratio (CRAR)</b>  | <b>10.01%</b>          | <b>11.33%</b>          |

**Solo - Capital to Risk Weighted Assets Ratio (CRAR)**

In terms of section 13(2) of the Bank Company Act, 1991 (Amendment up to 2018) and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank on Solo basis at the close of business on 31 March 2021 is BDT 42,672,522,199 as against available Common Equity Tier-1 capital of BDT 19,462,891,073 and Total Tier-2 Capital Available capital of BDT 13,655,207,104 that is, a total of BDT 33,118,098,176 thereby showing a deficit capital of BDT 9,554,424,023 at that date. Details are shown below:

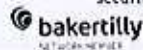
**Tier I Capital (going-concern capital)**

**Common Equity Tier-I Capital**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Fully Paid-up Capital/Capital Deposited with BB | 7,960,368,300         | 7,960,368,300         |
| Statutory Reserve                               | 7,148,378,265         | 7,144,204,404         |
| Non-repayable share premium account             | -                     | -                     |
| General Reserve                                 | 2,302,199,200         | 2,302,199,200         |
| Retained earnings                               | 5,765,316,381         | 5,686,625,747         |
| Minority interest in Subsidiaries               | -                     | -                     |
| Non-Cumulative Irredeemable Preferences shares  | -                     | -                     |
| Dividend Equalization Account                   | -                     | -                     |
|   | <b>23,176,262,146</b> | <b>23,093,397,651</b> |

**Regulatory adjustment :**

|  |             |             |
|--|-------------|-------------|
| Goodwill and all other Intangible Assets   | 224,499,292 | 125,974,104 |
| 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. | -           | -           |



For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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Head Office, Dhaka.

K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.



|   | 31.03.2021<br>Taka     | 31.12.2020<br>Taka     |
|---|------------------------|------------------------|
| Deferred Tax Assets (DTA)   | 3,449,092,484          | 3,359,092,484          |
| 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  | 37,603,715             | 38,225,677             |
| 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  | -                      | -                      |
| <b>Total Common Equity Tier-I Capital</b>   | <b>3,711,195,491</b>   | <b>3,523,292,265</b>   |
| <b>Additional Tier-I Capital</b>  | <b>19,465,066,656</b>  | <b>19,570,105,386</b>  |
| <b>Tier-2 Capital (Gone concern Capital)</b>  |                        |                        |
| General Provision/General loan-loss reserve   | 11,577,645,271         | 11,536,801,047         |
| All other preference shares   | -                      | -                      |
| Subordinated debt/Instruments issued by the banks that meet the qualifying criteria for Tier 2 capital (as per Annex 4 of Basel III Guidelines) | 7,990,000,000          | 7,990,000,000          |
| 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)   | -                      | -                      |
| <b>Sub-Total</b>  | <b>19,567,645,271</b>  | <b>19,526,801,047</b>  |
| <b>Regulatory adjustments:</b>  |                        |                        |
| 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)  | -                      | -                      |
| <b>Total Tier-2 Capital Available</b>   | <b>19,567,645,271</b>  | <b>19,526,801,047</b>  |
| Maximum limit of Tier-2 Capital (Tier 2 Capital) can be maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher)             | 13,655,115,068         | 17,395,866,678         |
| Excess amount over maximum limit of Tier 2 Capital  | 5,912,530,203          | 2,130,934,369          |
| <b>Total admissible Tier 2 Capital</b>  | <b>13,655,115,068</b>  | <b>17,395,866,678</b>  |
| <b>Total Eligible Capital</b>   | <b>33,120,181,724</b>  | <b>36,965,972,064</b>  |
| Total assets including off-Balance Sheet items  | 420,569,222,950        | 444,953,096,983        |
| Total risk-weighted assets (RWA)  | 341,377,876,700        | 343,056,687,284        |
| <b>B. Total required capital (12.50% of Total RWA)</b>  | <b>42,672,234,588</b>  | <b>42,632,085,911</b>  |
| <b>Capital Surplus / (Shortfall) [A-B]</b>  | <b>(9,552,052,864)</b> | <b>(5,666,113,847)</b> |
| <b>Capital to Risk Weighted Assets Ratio (CRAR)</b>   | <b>9.70%</b>           | <b>10.84%</b>          |



*K.M. Mohiuddin Ahmed*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka

*Md. Jasim Uddin ACS*  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*Tarique Afzal*  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Ltd

*Ashraf Ahmed*  
**Ashraf Ahmed**  
 Managing Director

*Khairul Bashar A. T. Mohammed*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**17. Statutory reserve**

**In Bangladesh**

Opening balance

Add: Addition during the period

**Outside Bangladesh - ABBL, Mumbai Branch**

Opening balance

Add: Addition during the period

Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation

**18. Other reserve**

General reserve

Assets revaluation reserve

Investment revaluation reserve

**18.1 General reserve**

Opening balance

Addition/(adjustment) during the period

**18.2 Assets revaluation reserve**

Opening balance

Add: Addition/(adjustment) during the year

Less: Transferred to retained earnings

**18.3 Investment revaluation reserve (T.Bills & T.Bonds)**

**In Bangladesh**

Revaluation Reserve for:

Held to Maturity (HTM)

Held for Trading (HFT)

**Outside Bangladesh**

ABBL, Mumbai Branch

**18.3.1 Revaluation Reserve for Held to Maturity (HTM)**

Opening balance

Add: Addition during the period

Less: Adjustment during the period

**18.3.2 Revaluation Reserve for Held for Trading (HFT)**

Opening balance

Add: Addition during the period

Less: Adjustment during the period

**18(a) Consolidated Other reserve**

AB Bank Limited

AB Investment Limited

AB International Finance Limited

AB Securities Limited

Cashlink Bangladesh Limited (CBL)

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| <b>17. Statutory reserve</b>                                       |                      |                      |
| <b>In Bangladesh</b>   |                      |                      |
| Opening balance  | 6,820,167,867        | 6,547,756,164        |
| Add: Addition during the period                                    | -                    | 272,411,703          |
|  | 6,820,167,867        | 6,820,167,867        |
| <b>Outside Bangladesh - ABBL, Mumbai Branch</b>                    |                      |                      |
| Opening balance  | 324,036,537          | 324,296,165          |
| Add: Addition during the period                                    | -                    | 9,338,685            |
| Add/(Less): Adjustment for Foreign Exchange Rate Fluctuation       | 4,173,861            | (9,598,312)          |
|  | 328,210,398          | 324,036,537          |
|  | <b>7,148,378,265</b> | <b>7,144,204,404</b> |
| <b>18. Other reserve</b>   |                      |                      |
| General reserve (Note 18.1)  | 2,302,199,200        | 2,302,199,200        |
| Assets revaluation reserve   | 1,294,525,680        | 1,294,532,425        |
| Investment revaluation reserve                                     | 34,697,721           | 99,008,157           |
|  | <b>3,631,422,601</b> | <b>3,695,739,782</b> |
| <b>18.1 General reserve</b>  | <b>2,302,199,200</b> | <b>2,302,199,200</b> |
| Opening balance  | 2,302,199,200        | 1,222,199,200        |
| Addition/(adjustment) during the period                            | -                    | 1,080,000,000        |
|  | <b>2,302,199,200</b> | <b>2,302,199,200</b> |
| <b>18.2 Assets revaluation reserve</b>                             |                      |                      |
| Opening balance  | 1,294,532,425        | 1,296,690,729        |
| Add: Addition/(adjustment) during the year                         | -                    | -                    |
| Less: Transferred to retained earnings                             | (6,745)              | (2,158,304)          |
|  | <b>1,294,525,680</b> | <b>1,294,532,425</b> |
| <b>18.3 Investment revaluation reserve (T.Bills &amp; T.Bonds)</b> |                      |                      |
| <b>In Bangladesh</b>   |                      |                      |
| Revaluation Reserve for:   |                      |                      |
| Held to Maturity (HTM) (Note 18.3.1)                               | 5,601,811            | 5,601,811            |
| Held for Trading (HFT) (Note 18.3.2)                               | 24,585,817           | 88,953,608           |
|  | 30,187,628           | 94,555,419           |
| <b>Outside Bangladesh</b>  |                      |                      |
| ABBL, Mumbai Branch  | 4,510,093            | 4,452,738            |
|  | <b>34,697,721</b>    | <b>99,008,157</b>    |
| <b>18.3.1 Revaluation Reserve for Held to Maturity (HTM)</b>       |                      |                      |
| Opening balance  | 5,601,811            | 38,000,145           |
| Add: Addition during the period                                    | -                    | 1,281,174            |
|  | 5,601,811            | 39,281,319           |
| Less: Adjustment during the period                                 | -                    | 33,679,508           |
|  | <b>5,601,811</b>     | <b>5,601,811</b>     |
| <b>18.3.2 Revaluation Reserve for Held for Trading (HFT)</b>       |                      |                      |
| Opening balance  | 88,953,608           | 13,075,096           |
| Add: Addition during the period                                    | 97,529,416           | 1,067,382,545        |
|  | 186,483,024          | 1,080,457,641        |
| Less: Adjustment during the period                                 | 161,897,207          | 991,504,033          |
|  | <b>24,585,817</b>    | <b>88,953,608</b>    |
| <b>18(a) Consolidated Other reserve</b>                            |                      |                      |
| AB Bank Limited  | 3,631,422,601        | 3,695,739,782        |
| AB Investment Limited  | -                    | -                    |
| AB International Finance Limited                                   | 85,399,028           | 85,209,560           |
| AB Securities Limited  | 85,910,523           | 85,910,523           |
| Cashlink Bangladesh Limited (CBL)                                  | -                    | -                    |
|  | <b>3,802,732,152</b> | <b>3,866,859,865</b> |



*Arshad*  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Jasim*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*Tarique Afzal*  
Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka.

*Ashraf Ahmed*  
For and on behalf of  
Riverstone Capital Limited  
141 Page  
Ashraf Ahmed  
Managing Director

*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.


**19. Retained earnings**

|   | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|---|----------------------|----------------------|
| Opening balance   | 5,686,625,747        | 5,817,160,874        |
| Add: Post-tax profit for the period                     | 71,592,637           | 391,416,392          |
| Less: Transfer to statutory reserve                     | -                    | (281,750,388)        |
| Bonus Share Issued                                      | -                    | (379,065,150)        |
|   | <b>5,758,218,384</b> | <b>5,547,761,728</b> |
| Add/(Less): Transferred from Assets Revaluation Reserve | 6,745                | 2,158,304            |
| Add/(Less): Adjustment made during the period           | (914,644)            | 147,709,892          |
| Add/(Less): Foreign Exchange Translation gain/(loss)    | 5,830,313            | (11,004,177)         |
|   | <b>5,763,140,798</b> | <b>5,686,625,747</b> |

**19(a) Consolidated Retained earnings**

|   |                      |                      |
|---|----------------------|----------------------|
| AB Bank Limited                               | 5,763,140,798        | 5,686,625,747        |
| AB Investment Limited                         | 299,731,909          | 286,624,182          |
| AB International Finance Limited              | 121,131,511          | 81,002,494           |
| AB Securities Limited                         | 169,727,691          | 156,316,938          |
| Cashlink Bangladesh Limited (CBL)             | (164,595,805)        | (165,295,612)        |
|   | 6,189,136,105        | 6,045,273,749        |
| Add/(Less): Adjustment made during the period | 644,113,334          | 644,113,334          |
| Non-controlling Interest                      | 16,308,979           | 16,390,843           |
|   | <b>6,849,558,417</b> | <b>6,705,777,925</b> |

**19(b) Non-controlling interest**

|                             |                   |                   |
|-----------------------------|-------------------|-------------------|
| AB Investment Limited       | 10,224            | 10,204            |
| AB Securities Limited       | 466,876           | 455,012           |
| Cashlink Bangladesh Limited | 11,540,420        | 11,470,439        |
|                             | <b>12,017,519</b> | <b>11,935,655</b> |

**20. Contingent liabilities**

|  |                       |                       |
|--|-----------------------|-----------------------|
|  | <b>45,718,997,093</b> | <b>59,191,446,731</b> |
|--|-----------------------|-----------------------|

**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 | 92,651,791            | 99,230,755            |
| Others                                 | 12,843,668,435        | 12,738,061,119        |
|  | <b>12,936,340,226</b> | <b>12,837,291,873</b> |

**21. Profit and loss account**
**Income:**

|  |                      |                      |
|--|----------------------|----------------------|
| Interest, discount and similar income                        | 5,273,917,053        | 6,367,288,539        |
| Dividend income  | 12,906,662           | 14,281,622           |
| Fee, commission and brokerage                                | 326,749,762          | 263,218,093          |
| Gains less losses arising from investment securities         | 37,568,363           | 3,317,269            |
| Gains less losses arising from dealing in foreign currencies | 87,908,804           | 83,765,317           |
| Other operating income                                       | 85,720,575           | 11,499,365           |
| Gains less losses arising from dealing securities            | 68,535,615           | 192,895,103          |
| Income from non-banking assets                               | -                    | -                    |
|  | <b>5,893,306,833</b> | <b>6,936,265,307</b> |

**Expenses:**

|   |                      |                      |
|---|----------------------|----------------------|
| Interest, fee and commission                    | 4,070,238,455        | 5,255,887,077        |
| Administrative expenses                         | 906,082,929          | 885,976,121          |
| Other operating expenses                        | 251,620,792          | 468,078,366          |
| Depreciation and amortization on banking assets | 126,843,427          | 129,024,383          |
| Loss on loans and advances                      | -                    | -                    |
|   | <b>5,354,785,605</b> | <b>6,738,965,947</b> |
|   | <b>538,521,229</b>   | <b>197,299,360</b>   |



K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

for and on behalf of  
Riverstone Capital Limited


**22 Interest income/profit on investments**
**Interest on loans and advances:**

 Loans and advances  
 Bills purchased and discounted

**Interest on:**

 Calls and placements  
 Balance with foreign banks  
 Reverse Repo  
 Balance with Bangladesh Bank

**22(a). Consolidated Interest income/profit on investments**

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

**Less: Intercompany transactions**
**23. Interest/profit paid on deposits, borrowings, etc.**
**Interest on deposits:**

 Fixed deposits  
 Savings deposits  
 Special notice deposits  
 Other deposits

**Interest on borrowings:**

 Local banks, financial institutions including BB  
 Subordinated Bond

**23(a). Consolidated Interest/profit paid on deposits, borrowings, etc.**

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

**Less: Intercompany transactions**
**24. Investment Income**

 Capital gain on sale of shares  
 Interest on treasury bills  
 Dividend on shares  
 Interest on treasury bonds  
 Gain/(Loss) on treasury bills and treasury bonds  
 Interest on other bonds & others

**24(a). Consolidated Investment Income**

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

**Less: Intercompany transactions**

|   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|---|-----------------------|-----------------------|
| <b>22 Interest income/profit on investments</b>                               |                       |                       |
| <b>Interest on loans and advances:</b>  |                       |                       |
| Loans and advances  | 4,131,915,163         | 5,194,108,996         |
| Bills purchased and discounted  | 9,692,147             | 23,580,294            |
|   | <b>4,141,607,310</b>  | <b>5,217,689,290</b>  |
| <b>Interest on:</b>   |                       |                       |
| Calls and placements  | 24,345,142            | 53,518,543            |
| Balance with foreign banks  | 248,368               | 5,817,063             |
| Reverse Repo  | 199,417               | 7,989,674             |
| Balance with Bangladesh Bank  | 2,569,762             | 5,740,602             |
|   | <b>27,362,689</b>     | <b>73,065,882</b>     |
|   | <b>4,168,969,999</b>  | <b>5,290,755,172</b>  |
| <b>22(a). Consolidated Interest income/profit on investments</b>              |                       |                       |
| AB Bank Limited   | 4,168,969,999         | 5,290,755,172         |
| AB International Finance Limited  | 7,984,414             | 14,479,007            |
| AB Investment Limited   | 49,408,611            | 13,171,436            |
| AB Securities Limited   | 4,213,474             | 1,992,416             |
| Cashlink Bangladesh Limited (CBL)   | 802,828               | 993,079               |
|   | <b>4,231,379,327</b>  | <b>5,321,391,110</b>  |
| <b>Less: Intercompany transactions</b>  | <b>1,170,480</b>      | <b>1,447,844</b>      |
|   | <b>4,230,208,846</b>  | <b>5,319,943,266</b>  |
| <b>23. Interest/profit paid on deposits, borrowings, etc.</b>                 |                       |                       |
| <b>Interest on deposits:</b>  |                       |                       |
| Fixed deposits  | 1,859,677,483         | 2,551,688,297         |
| Savings deposits  | 281,017,336           | 245,742,466           |
| Special notice deposits   | 423,145,334           | 689,117,392           |
| Other deposits  | 1,150,397,806         | 1,211,460,916         |
|   | <b>3,714,237,959</b>  | <b>4,698,009,072</b>  |
| <b>Interest on borrowings:</b>  |                       |                       |
| Local banks, financial institutions including BB                              | 159,923,786           | 362,439,923           |
| Subordinated Bond   | 196,076,711           | 195,438,083           |
|   | <b>4,070,238,455</b>  | <b>5,255,887,077</b>  |
| <b>23(a). Consolidated Interest/profit paid on deposits, borrowings, etc.</b> |                       |                       |
| AB Bank Limited   | 4,070,238,455         | 5,255,887,077         |
| AB Investment Limited   | -                     | -                     |
| AB International Finance Limited  | 626,072               | 1,610,762             |
| AB Securities Limited   | 2,968,750             | 4,200,000             |
| Cashlink Bangladesh Limited (CBL)   | -                     | -                     |
|   | <b>4,073,833,277</b>  | <b>5,261,697,839</b>  |
| <b>Less: Intercompany transactions</b>  | <b>1,170,480</b>      | <b>5,647,844</b>      |
|   | <b>4,072,662,797</b>  | <b>5,256,049,995</b>  |
| <b>24. Investment Income</b>  |                       |                       |
| Capital gain on sale of shares  | 37,568,363            | 3,317,269             |
| Interest on treasury bills  | 7,455,007             | 73,839,747            |
| Dividend on shares  | 12,906,662            | 14,281,622            |
| Interest on treasury bonds  | 1,014,973,778         | 897,185,503           |
| Gain/(Loss) on treasury bills and treasury bonds                              | 68,535,615            | 192,895,103           |
| Interest on other bonds & others  | 82,518,269            | 105,508,116           |
|   | <b>1,223,957,693</b>  | <b>1,287,027,360</b>  |
| <b>24(a). Consolidated Investment Income</b>                                  |                       |                       |
| AB Bank Limited   | 1,223,957,693         | 1,287,027,360         |
| AB Investment Limited   | (47,080)              | (25,780,625)          |
| AB International Finance Limited  | -                     | -                     |
| AB Securities Limited   | 7,994,822             | 5,850,307             |
| Cashlink Bangladesh Limited (CBL)   | -                     | -                     |
|   | <b>1,231,905,435</b>  | <b>1,267,097,042</b>  |
| <b>Less: Intercompany transactions</b>  | -                     | -                     |
|   | <b>1,231,905,435</b>  | <b>1,267,097,042</b>  |


 For and on behalf of  
 Riverstone Capital Limited

 Ashraf Ahmed  
 Managing Director

 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

 Farouque Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.


**25. Commission, exchange and brokerage**

|  | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|--|-----------------------|-----------------------|
| Other fees, commission and service charges                             | 205,097,887           | 161,070,364           |
| Commission on letters of credit  | 97,669,839            | 87,636,052            |
| Commission on letters of guarantee                                     | 23,982,036            | 14,511,677            |
| Exchange gains less losses arising from dealings in foreign currencies | 87,908,804            | 83,765,317            |
|  | <b>414,658,567</b>    | <b>346,983,410</b>    |

**25(a). Consolidated Commission, exchange and brokerage**

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| AB Bank Limited                   | 414,658,567        | 346,983,410        |
| AB Investment Limited             | 15,978,666         | 12,195,981         |
| AB International Finance Limited  | 14,960,383         | 13,763,730         |
| AB Securities Limited             | 35,464,760         | 19,384,504         |
| Cashlink Bangladesh Limited (CBL) | -                  | -                  |
|                                   | <b>481,062,377</b> | <b>392,327,624</b> |
| Less: Intercompany transactions   | (128,233)          | -                  |
|                                   | <b>480,934,144</b> | <b>392,327,624</b> |

**26. Other Income**

|   |                   |                   |
|---|-------------------|-------------------|
| Locker rent, Insurance claim and others     | 834,181           | 653,831           |
| Recoveries on loans previously written off  | 21,583,780        | -                 |
| Recoveries on telex, telephone, fax, etc.   | 7,062,766         | 8,194,406         |
| Recoveries on courier, postage, stamp, etc. | 1,619,980         | 1,805,858         |
| Non-operating income (*)                    | 54,619,868        | 845,271           |
|   | <b>85,720,575</b> | <b>11,499,365</b> |

(\*) Non-operating income includes sale of scrap items, Gain on sale of properties etc.

**26(a). Consolidated other income**

|                                   |                    |                   |
|-----------------------------------|--------------------|-------------------|
| AB Bank Limited                   | 85,720,575         | 11,499,365        |
| AB Investment Limited             | 2,100,930          | 2,100,930         |
| AB International Finance Limited  | 19,056,213         | 18,095,695        |
| AB Securities Limited             | 1,343,798          | 124,311           |
| Cashlink Bangladesh Limited (CBL) | -                  | -                 |
|                                   | 108,221,516        | 31,820,301        |
| Less: Inter company transactions  | 1,979,130          | 5,579,130         |
|                                   | <b>106,242,386</b> | <b>26,241,171</b> |

**27. Salary and allowances**

|  |                    |                    |
|--|--------------------|--------------------|
| Basic salary, provident fund contribution and all other allowances | 660,943,701        | 615,625,045        |
| Festival and incentive bonus                                       | -                  | -                  |
|  | <b>660,943,701</b> | <b>615,625,045</b> |

**27.1 Chief executive's salary and fees**

|  |                  |                  |
|--|------------------|------------------|
|  | <b>3,600,000</b> | <b>2,850,000</b> |
|--|------------------|------------------|

**27(a). Consolidated salary and allowances**

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| AB Bank Limited                   | 660,943,701        | 615,625,045        |
| AB Investment Limited             | 4,736,133          | 3,407,574          |
| AB International Finance Limited  | 7,025,455          | 7,426,835          |
| AB Securities Limited             | 5,904,650          | 6,229,006          |
| Cashlink Bangladesh Limited (CBL) | 74,250             | 66,876             |
|                                   | <b>678,684,188</b> | <b>632,755,336</b> |

**28. Rent, taxes, insurance, electricity, etc.**

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| Rent, rates and taxes         | 72,142,089         | 79,363,424         |
| Electricity, gas, water, etc. | 18,752,279         | 20,899,353         |
| Insurance                     | 53,253,085         | 51,426,820         |
|                               | <b>144,147,453</b> | <b>151,689,597</b> |

(Note 28.1)

**28.1 Rent, rates and taxes**

Right of Use (ROU) assets has been calculated for the period ended as on 31 March 2021 as per IFRS-16 leases considering monthly rental expenses excluding low value assets.



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

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

| Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|-----------------------|-----------------------|
| 144,147,453           | 151,689,597           |
| 364,692               | 300,175               |
| 2,093,587             | 2,640,641             |
| 1,959,799             | 1,872,265             |
| -                     | -                     |
| 148,565,531           | 156,502,678           |
| 1,979,130             | 1,379,130             |
| <u>146,586,401</u>    | <u>155,123,548</u>    |

29. Legal expenses  
 Legal expenses

|           |           |
|-----------|-----------|
| 2,289,675 | 5,739,686 |
|-----------|-----------|

29(a). Consolidated legal expenses

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

|                  |                  |
|------------------|------------------|
| 2,289,675        | 5,739,686        |
| -                | -                |
| 165,578          | -                |
| -                | -                |
| 600              | -                |
| <u>2,455,853</u> | <u>5,739,686</u> |

30. Postage, stamp, telecommunication, etc.

Telex, fax, internet, wireless link, SWIFT, etc.  
 Telephone  
 Postage, stamp and shipping

|                   |                   |
|-------------------|-------------------|
| 19,991,877        | 22,709,391        |
| 1,491,661         | 1,591,017         |
| 2,761,687         | 4,302,946         |
| <u>24,245,225</u> | <u>28,603,354</u> |

30(a). Consolidated Postage, stamp, telecommunication, etc.

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

|                   |                   |
|-------------------|-------------------|
| 24,245,225        | 28,603,354        |
| 142,719           | 142,759           |
| 1,739,640         | 1,561,445         |
| 399,900           | 387,485           |
| -                 | -                 |
| <u>26,527,484</u> | <u>30,695,044</u> |

31. Stationery, printing, advertisements, etc.

Printing and stationery  
 Publicity, advertisement, etc.

|                   |                   |
|-------------------|-------------------|
| 22,667,166        | 23,140,241        |
| 4,039,426         | 2,245,865         |
| <u>26,706,592</u> | <u>25,386,105</u> |

31(a). Consolidated Stationery, printing, advertisements, etc.

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

|                   |                   |
|-------------------|-------------------|
| 26,706,592        | 25,386,105        |
| 104,896           | 25,092            |
| 136,132           | 5,816             |
| 302,997           | 233,979           |
| -                 | -                 |
| <u>27,250,618</u> | <u>25,650,993</u> |

32. Directors' fees

Directors' fees  
 Meeting expenses

|                |                |
|----------------|----------------|
| 468,800        | 186,000        |
| 2,500          | 118,020        |
| <u>471,300</u> | <u>304,020</u> |

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



*Asif*  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*Jasim*  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

*Tarique Afzal*  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited

*Ashraf Ahmed*  
 Ashraf Ahmed  
 Managing Director

*Khairul Bashar A. T. Mohammed*  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



**32(a). Consolidated Directors' fees**

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

| Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|-----------------------|-----------------------|
| 471,300               | 304,020               |
| -                     | -                     |
| 220,000               | -                     |
| -                     | -                     |
| <b>691,300</b>        | <b>304,020</b>        |

**33. Auditors' fees**

Statutory  
 Others

|                |                |
|----------------|----------------|
| 291,654        | 302,305        |
| 684,008        | 204,215        |
| <b>975,662</b> | <b>506,520</b> |

**33(a). Consolidated Auditors' fees**

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

|                |                |
|----------------|----------------|
| 975,662        | 506,520        |
| -              | -              |
| -              | -              |
| -              | -              |
| <b>975,662</b> | <b>506,520</b> |

**34. Depreciation and repairs of Bank's assets**

**Depreciation:**

Electrical appliances  
 Furniture and fixtures  
 Office appliances  
 Building  
 Motor vehicles

|                   |                   |
|-------------------|-------------------|
| 28,654,154        | 29,294,730        |
| 2,220,742         | 2,465,729         |
| 410,720           | 441,239           |
| 3,795,229         | 3,904,812         |
| 15,782,731        | 17,735,415        |
| <b>50,863,576</b> | <b>53,842,925</b> |

Depreciation of ROU (Right Of Use) assets

64,399,997 64,700,389

**Repairs:**

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

|                   |                   |
|-------------------|-------------------|
| 6,728,565         | 6,074,195         |
| 14,201,704        | 14,604,694        |
| 19,439,435        | 33,042,617        |
| 372,726           | 356,005           |
| 1,960,891         | 1,194,284         |
| <b>42,703,321</b> | <b>55,271,794</b> |

Amortization of Intangible Assets

11,579,855 10,481,069

**169,546,749 184,296,177**

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

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

|                    |                    |
|--------------------|--------------------|
| 169,546,749        | 184,296,177        |
| 4,677,917          | 4,660,893          |
| 102,325            | 117,390            |
| 835,773            | 704,071            |
| -                  | -                  |
| <b>175,162,763</b> | <b>189,778,531</b> |

**35. Other expenses**

Contractual service  
 Petrol, oil and lubricant  
 Software expenses  
 Entertainment  
 Travelling  
 Subscription, membership and sponsorship  
 Training, seminar and workshop  
 Local conveyance  
 Professional charges  
 Books, newspapers and periodicals  
 Finance charge under lease liability  
 Donation  
 Bank Charges  
 Sundry expenses (\*)

|                    |                    |
|--------------------|--------------------|
| 100,797,400        | 136,448,194        |
| 15,245,980         | 14,588,795         |
| 36,703,920         | 37,808,312         |
| 8,798,552          | 11,308,867         |
| 3,635,097          | 3,754,425          |
| 3,590,211          | 4,317,952          |
| 1,868,703          | 4,821,744          |
| 2,421,235          | 2,188,620          |
| 8,753,969          | 22,246,532         |
| 181,756            | 641,820            |
| 13,767,512         | 16,856,946         |
| 5,358,581          | 56,849,561         |
| 3,747,149          | 2,234,444          |
| 46,750,728         | 154,012,155        |
| <b>251,620,792</b> | <b>468,078,366</b> |

(\*) Sundry expenses includes business promotion, rebate to foreign correspondents and dress of supply



*[Signature]*

**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*

**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*

**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 For and on behalf of  
 Riverstone Capital Limited

**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.





**35(a). Consolidated other expenses**

|                                   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|-----------------------------------|-----------------------|-----------------------|
| AB Bank Limited                   | 251,620,792           | 468,078,366           |
| AB Investment Limited             | 5,675,823             | 2,207,726             |
| AB International Finance Limited  | 7,663                 | 7,303                 |
| AB Securities Limited             | 5,105,022             | 3,670,274             |
| Cashlink Bangladesh Limited (CBL) | 28,170                | 50,420                |
|                                   | <b>262,437,470</b>    | <b>474,014,089</b>    |
| Less: Inter company transactions  | 128,233               | -                     |
|                                   | <b>262,309,237</b>    | <b>474,014,089</b>    |

**36. Provision against loans and advances**

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| On un-classified loans | 40,817,492         | 85,623,385         |
| On classified loans    | 240,000,000        | 32,500,000         |
|                        | <b>280,817,492</b> | <b>118,123,385</b> |

**36(a). Consolidated provision against loans and advances**

|                                   |                    |                    |
|-----------------------------------|--------------------|--------------------|
| AB Bank Limited                   | 280,817,492        | 118,123,385        |
| AB Investment Limited             | 32,000,000         | -                  |
| AB International Finance Limited  | -                  | -                  |
| AB Securities Limited             | 10,000,000         | -                  |
| Cashlink Bangladesh Limited (CBL) | -                  | -                  |
|                                   | <b>322,817,492</b> | <b>118,123,385</b> |

**37. Provisions for Investments**

|  |                    |          |
|--|--------------------|----------|
| Provision for quoted shares in Bangladesh operations | 100,000,000        | -        |
| <b>Total provision for Investments</b>               | <b>100,000,000</b> | <b>-</b> |

**37(a). Consolidated provisions for diminution in value of Investments**

|                                   |                    |          |
|-----------------------------------|--------------------|----------|
| AB Bank Limited                   | 100,000,000        | -        |
| AB Investment Limited             | -                  | -        |
| AB International Finance Limited  | -                  | -        |
| AB Securities Limited             | 30,000             | -        |
| Cashlink Bangladesh Limited (CBL) | -                  | -        |
|                                   | <b>100,030,000</b> | <b>-</b> |

**38. Other provision**

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Provision for off balance sheet items | -                | -                |
| Provision for Other assets            | 1,591,254        | 5,000,000        |
|                                       | <b>1,591,254</b> | <b>5,000,000</b> |

Provision for other assets included prepaid legal expenses, protested bills and others has been made as per Bangladesh Bank BRPD Circular # 14 dated 25 June 2001.

**38(a). Consolidated other provisions**

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| AB Bank Limited                   | 1,591,254        | 5,000,000        |
| AB Investment Limited             | -                | -                |
| AB International Finance Limited  | -                | -                |
| AB Securities Limited             | -                | -                |
| Cashlink Bangladesh Limited (CBL) | -                | -                |
|                                   | <b>1,591,254</b> | <b>5,000,000</b> |



**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

**Tarique Ahsan**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
**Riverstone Capital Limited**  
**Ashraf Ahmed**  
 Managing Director

**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



39. Appropriations

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| Retained earnings - brought forward              | 5,686,625,747        | 5,817,160,875        |
| Add: Post-tax profit for the year                | 71,592,637           | 391,416,392          |
|  | 5,758,218,384        | 6,208,577,266        |
| Less: Dividend-<br>Cash dividend                 | -                    | -                    |
| Bonus shares issued                              | -                    | 379,065,150          |
|  | 5,758,218,384        | 5,829,512,116        |
| <b>Transferred to</b>                            |                      |                      |
| Statutory reserve                                | -                    | 281,750,388          |
| General reserve                                  | -                    | -                    |
| Proposed dividend                                | -                    | -                    |
|  | -                    | 281,750,388          |
| <b>Retained earnings</b>                         | <b>5,758,218,384</b> | <b>5,547,761,728</b> |
| Add: Transferred from Assets Revaluation Reserve | 6,745                | 2,158,304            |
| Less: Adjustment during the year                 | (914,644)            | 147,709,892          |
| Add: Foreign Exchange translation gain/(Loss)    | 5,830,313            | (11,004,177)         |
|  | <b>5,763,140,798</b> | <b>5,686,625,747</b> |

40 Basic Earnings Per Share (EPS)

|                                       | Jan '21-Mar '21<br>Taka | Jan '20-Mar '20<br>Taka |
|---------------------------------------|-------------------------|-------------------------|
| Profit after taxation                 | 71,592,637              | 41,989,217              |
| Number of ordinary shares outstanding | 796,036,830             | 796,036,830             |
| Basic Earnings Per Share              | <b>0.09</b>             | <b>0.05</b>             |

40.(a) Consolidated Basic Earnings Per Share

|  | Jan '21-Mar '21<br>Taka | Jan '20-Mar '20<br>Taka |
|--|-------------------------|-------------------------|
| Net Profit/(Loss) attributable to the shareholders of parent company | 127,282,933             | 66,669,189              |
| Number of ordinary shares outstanding                                | 796,036,830             | 796,036,830             |
| Consolidated Basic Earnings Per Share                                | <b>0.16</b>             | <b>0.08</b>             |

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 March 31, 2021.

41 Diluted Earnings Per Share (EPS)

|                                       | Jan '21-Mar '21<br>Taka | Jan '20-Mar '20<br>Taka |
|---------------------------------------|-------------------------|-------------------------|
| Profit after taxation                 | 71,592,637              | 41,989,217              |
| Number of ordinary shares outstanding | 835,838,672             | 835,838,672             |
| Diluted Earnings Per Share            | <b>0.09</b>             | <b>0.05</b>             |

41.(a) Consolidated Diluted Earnings Per Share

|  | Jan '21-Mar '21<br>Taka | Jan '20-Mar '20<br>Taka |
|--|-------------------------|-------------------------|
| Net Profit/(Loss) attributable to the shareholders of parent company | 127,282,933             | 66,669,189              |
| Number of ordinary shares outstanding                                | 835,838,672             | 835,838,672             |
| Consolidated Diluted Earnings Per Share                              | <b>0.15</b>             | <b>0.08</b>             |

Diluted Earnings Per Share has been computed in accordance with International Accounting Standard (IAS)-33 by dividing the earnings by the potential number of ordinary shares those will be increased by 5% bonus shares approved by the Board of Directors on its 708th Board Meeting held on 27 April 2021 subject to the approval of the Shareholders in Annual General Meeting (AGM). AGM will be held on 10 June 2021.

42. Receipts from other operating activities

|   | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|---|----------------------|----------------------|
| Interest on treasury bills, bonds, debenture and others | 1,211,051,032        | 1,272,745,738        |
| Exchange earnings                                       | 77,026,608           | 102,425,302          |
| Recoveries on telex, telephone, fax, etc.               | 7,062,766            | 8,194,406            |
| Recoveries on courier, postage, stamp, etc.             | 1,619,980            | 1,805,858            |
| Non-operating Income                                    | 54,619,868           | 845,271              |
| Others  | 834,181              | 653,831              |
|   | <b>1,352,214,435</b> | <b>1,386,670,405</b> |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A.T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited



**43. Payments for other operating activities**

|   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|---|-----------------------|-----------------------|
| Rent, taxes, insurance, electricity, etc. | 229,478,996           | 233,840,844           |
| Postage, stamps, telecommunication, etc.  | 24,245,225            | 28,603,354            |
| Repairs of Bank's assets                  | 42,703,321            | 55,271,794            |
| Legal expenses                            | 2,289,675             | 5,739,686             |
| Auditor's fees                            | 975,662               | 506,520               |
| Directors' fees                           | 471,300               | 304,020               |
| Other Expenses                            | 237,853,281           | 451,221,420           |
|   | <b>538,017,461</b>    | <b>775,487,638</b>    |

**44. Net Operating Cash Flow Per Share (NOCFPS)**

|  |                  |                  |
|--|------------------|------------------|
| Net Operating Cash Flow                    | (13,620,182,511) | (25,705,592,503) |
| Weighted average number of shares          | 796,036,830      | 796,036,830      |
| Net Operating Cash Flow Per Share (NOCFPS) | <b>(17.11)</b>   | <b>(32.29)</b>   |

**44(a) Consolidated Net Operating Cash Flow Per Share (NOCFPS)**

|  |                  |                  |
|--|------------------|------------------|
| Net Operating Cash Flow                    | (13,413,610,038) | (25,436,360,332) |
| Weighted average number of shares          | 796,036,830      | 796,036,830      |
| Net Operating Cash Flow Per Share (NOCFPS) | <b>(16.85)</b>   | <b>(31.95)</b>   |

**45 Net Asset Value Per Share (NAVPS)**

|   |                |                |
|---|----------------|----------------|
| Net Asset Value                                       | 24,503,309,964 | 22,834,291,776 |
| Number of shares outstanding at the end of the period | 796,036,830    | 758,130,315    |
| Net Asset Value Per Share (NAVPS)                     | <b>30.78</b>   | <b>30.12</b>   |

**45(a) Consolidated Net Asset Value Per Share (NAVPS)**

|   |                |                |
|---|----------------|----------------|
| Net Asset Value                                       | 25,761,037,134 | 24,050,385,195 |
| Number of shares outstanding at the end of the period | 796,036,830    | 758,130,315    |
| Net Asset Value Per Share (NAVPS)                     | <b>32.36</b>   | <b>31.72</b>   |

**46. Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities**

| Cash flows from operating activities                              |                      |                        |
|---|----------------------|------------------------|
| Net Profit after Taxation   | 71,592,637           | 41,989,217             |
| Provision for Tax   | 84,519,845           | 32,186,758             |
| Provision for Loans, Investment and others                        | 382,408,746          | 123,123,385            |
| Increase in interest receivable                                   | (1,642,249,714)      | (2,790,148,159)        |
| (Decrease)/Increase interest Payable on Deposits                  | 1,088,143,679        | 1,471,314,171          |
| Non cash items, Lease Impact and others                           | 55,279,396           | 70,219,336             |
| Income tax paid   | (589,718,661)        | (314,740,794)          |
| Effect of exchange rate changes on cash & cash equivalents        | (10,882,196)         | 18,659,986             |
| Operating Profit before changes in operating assets & liabilities | <b>(560,906,267)</b> | <b>(1,347,396,100)</b> |

**47. Conversion Rates**

Assets and liabilities as at March 31, 2021 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 | 116.9180          |
| European Currency      | EURO         | 1.00 | 100.0168          |
| Indian Rupee           | INR          | 1.00 | 1.1678            |
| US Dollar              | USD          | 1.00 | 84.8031           |



K.M. Montuiddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.




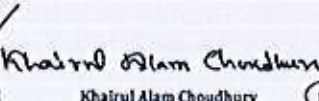


48. Highlights of the overall activities of the Bank

(Amount in Taka)

| Sl no. | Particulars  | 31 Mar 2021     | 31 Dec 2020     |
|--------|--|-----------------|-----------------|
| 1      | Paid-up capital  | 7,960,368,300   | 7,960,368,300   |
| 2      | Total capital  | 33,118,098,176  | 36,965,972,064  |
| 3      | Capital surplus/(shortfall)                                | (9,554,424,023) | (5,666,113,847) |
| 4      | Total assets   | 374,850,225,857 | 385,761,650,252 |
| 5      | Total deposits   | 273,506,458,103 | 290,719,342,438 |
| 6      | Total loans and advances                                   | 277,966,166,012 | 274,829,861,346 |
| 7      | Total contingent liabilities and commitments               | 45,718,997,093  | 59,191,446,731  |
| 8      | Credit-deposit ratio*                                      | 89.98%          | 85.26%          |
| 9      | Ratio of classified loans against total loans and advances | 16.58%          | 16.79%          |
| 10     | Profit after tax and provision                             | 71,592,637      | 391,416,392     |
| 11     | Loans classified during the period                         | -               | 678,221,000     |
| 12     | Provision kept against classified loans                    | 9,197,579,956   | 8,957,579,956   |
| 13     | Provision surplus/ (deficit)                               | 11,805,614      | 17,305,614      |
| 14     | Cost of fund   | 6.86%           | 8.35%           |
| 15     | Interest earning assets                                    | 293,164,476,079 | 303,275,615,385 |
| 16     | Non-Interest earning assets                                | 81,685,749,778  | 82,486,034,868  |
| 17     | Return on investments (ROI)                                | 8.48%           | 10.34%          |
| 18     | Return on assets (ROA)                                     | 0.08%           | 0.10%           |

| Sl no. | Particulars                  | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|--------|------------------------------|-----------------------|-----------------------|
| 19     | Income from Investments      | 1,223,957,693         | 1,287,027,360         |
| 20     | Earnings per share           | 0.09                  | 0.05                  |
| 21     | Net Income per share         | 0.09                  | 0.05                  |
| 22     | Price-earnings ratio (Times) | 27.52                 | 24.61                 |

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

 Tarique Azeal  
 President & Managing Director  
 Khairul Alam Choudhury  
 Director  
 Shafigul Alam  
 Independent Director  
 Muhammad A. (Rumeel) Ali  
 Chairman

Dhaka,  
10 June 2021



 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.  
 Tarique Azeal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.  
 For and on behalf of  
 Riverstone Capital Limited  
 Ashraf Ahmed  
 Managing Director  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



Annexure-A

AB Bank Limited  
Currency wise Balances

| Name of the bank                  | Location | Name of currency | As at March 31, 2021        |                 |                           |
|-----------------------------------|----------|------------------|-----------------------------|-----------------|---------------------------|
|                                   |          |                  | Amounts in foreign currency | Conversion rate | Equivalent amounts in BDT |
| Commerzbank AG, Germany           | Germany  | CAD              | 24,790                      | 67.4325         | 1,671,643                 |
| Commerzbank AG, Germany           | Germany  | CHF              | 44,617                      | 90.3025         | 4,029,007                 |
| Commerzbank AG, Germany           | Germany  | EUR              | 211,412                     | 100.0168        | 21,144,746                |
| The Bank of Tokyo-Mitsubishi      | Japan    | JPY              | 199,254                     | 0.7734          | 154,103                   |
| Standard Chartered, Singapur      | Singapur | SGD              | 1,758                       | 63.0272         | 110,814                   |
| Standard Chartered, UK            | London   | GBP              | 23,967                      | 116.9180        | 2,802,174                 |
| JP Morgan Chase Bank, NY          | Newyork  | USD              | 4,154,031                   | 84.8031         | 352,274,715               |
| Myanma Economic Bank              | Myanmar  | ACU              | 410                         | 84.8031         | 34,769                    |
| Citibank, NA, NY, USA             | Newyork  | USD              | 1,826,961                   | 84.8031         | 154,931,947               |
| Hatton National Bank Ltd, Colombo | Colombo  | ACU              | 32,664                      | 84.8031         | 2,769,977                 |
| Commerzbank AG, Germany           | Germany  | USD              | 497,695                     | 84.8031         | 42,206,089                |
| MCB Bank Ltd, Karachi, Pakistan   | Karachi  | ACU              | 45,527                      | 84.8031         | 3,860,808                 |
| Mashreq Bank, NY, USA             | Newyork  | USD              | 10,347,741                  | 84.8031         | 877,520,516               |
| Nepal Bangladesh                  | Nepal    | ACU              | 46,218                      | 84.8031         | 3,919,451                 |
| Bank of Bhutan, Thimpu, Bhutan    | Bhutan   | ACU              | 7,674                       | 84.8031         | 650,782                   |
| Habib American Bank, NY, USA      | Newyork  | USD              | 1,562,662                   | 84.8031         | 132,518,548               |
| Habib Metro Bank, Karachi         | Karachi  | ACU              | 23,879                      | 84.8031         | 2,025,017                 |
| MFT Bank, Yangon                  | Yangon   | ACU              | 1,000                       | 84.8031         | 84,803                    |
| Standard Chartered, NY, USA       | Newyork  | USD              | 93,822                      | 84.8031         | 7,956,435                 |
| Sonali Bank, Kolkata, India       | Kolkata  | ACU              | 59,699                      | 84.8031         | 5,062,691                 |
| JP Morgan Chase                   | Newyork  | INR              | 120,395,909                 | 1.1678          | 140,603,819               |
| JP Chase ACU                      | Newyork  | INR              | 1,179,906,495               | 1.1678          | 1,377,948,474             |
| Habib American                    | Newyork  | INR              | 924,961                     | 1.1678          | 1,080,211                 |
| Reserve Bank of India             | India    | INR              | 47,168,608                  | 1.1678          | 55,085,647                |
| HDFC Bank CSGL                    | India    | INR              | 4,695,824                   | 1.1678          | 5,483,997                 |
| HDFC Bank Limited                 | India    | INR              | 51,510,678                  | 1.1678          | 60,156,512                |
| Kotak Mahindra Bank               | India    | INR              | 1,928,186                   | 1.1678          | 2,251,823                 |
| JPMC NY-OBU                       | USA      | USD              | 83,316                      | 84.8031         | 7,065,413                 |
| COMMERZ BANK-OBU                  | Germany  | EUR              | 14,236                      | 100.0168        | 1,423,839                 |
| <b>Total</b>                      |          |                  |                             |                 | <b>3,266,828,769</b>      |



*K.M. M.*  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Jasim*  
Md. Jasim Uddin ACS  
Company Secretary (in-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*Tarique Afzal*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*U*  
For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

*Khairul*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Annexure-B

AB Bank Limited  
Investment in Shares  
As at 31 March 2021

| Particulars                              | Number of shares | Market price per share | Total market price   | Amount in Taka |                      |
|--|------------------|------------------------|----------------------|----------------|----------------------|
|  |                  |                        |                      | Cost per Share | Total cost           |
| Dhaka Bank Limited                       | 3,368,348        | 32.00                  | 40,420,152           | 15.45          | 52,038,103           |
| Exim Bank Limited                        | 5,350,000        | 11.30                  | 15,255,000           | 12.16          | 16,419,591           |
| NCC Bank Limited                         | 3,578,529        | 13.40                  | 21,152,289           | 14.05          | 22,187,600           |
| National Bank Limited                    | 2,160,052        | 7.30                   | 15,768,380           | 21.53          | 46,512,856           |
| Southeast Bank Limited                   | 3,406,400        | 12.40                  | 42,239,360           | 13.05          | 44,466,021           |
| Standard Bank Limited                    | 2,538,723        | 8.60                   | 21,833,018           | 5.46           | 24,023,745           |
| The City Bank Limited                    | 900,000          | 26.70                  | 23,130,000           | 27.46          | 24,710,698           |
| First Janata Bank Mutual Fund            | 4,158,766        | 5.00                   | 20,793,830           | 6.50           | 27,032,851           |
| AB Bank 1st Mutual Fund                  | 42,086,435       | 5.20                   | 218,845,162          | 6.27           | 264,040,965          |
| EBL NRB Mutual Fund                      | 3,095,504        | 4.90                   | 15,167,170           | 6.33           | 19,588,797           |
| Grameen One   Schema 2                   | 810,780          | 15.90                  | 12,891,402           | 16.96          | 13,747,935           |
| LX Global Bangladesh Mutual Fund One     | 10,369,343       | 6.30                   | 65,326,861           | 9.64           | 100,000,001          |
| Popular Life First Mutual Fund           | 748,479          | 4.60                   | 3,443,003            | 5.12           | 3,829,325            |
| Trust Bank 1st Mutual Fund               | 4,300,000        | 5.30                   | 22,790,000           | 6.55           | 28,170,000           |
| Dash General Insurance Company Ltd       | 7,702            | 22.50                  | 173,295              | 10.00          | 77,020               |
| Pragati Insurance Limited                | 1,243,866        | 46.40                  | 57,964,156           | 100.96         | 125,579,301          |
| Dhaka Electric Supply Company Limited    | 7,023,760        | 34.80                  | 244,476,848          | 87.73          | 616,189,388          |
| Khulna Power Company Limited             | 245,865          | 45.30                  | 11,138,685           | 88.49          | 30,606,883           |
| Padma Oil Company Limited                | 347,094          | 191.20                 | 66,364,373           | 209.66         | 104,010,918          |
| Powergrid Company of Bangladesh Limited  | 3,366,500        | 41.50                  | 139,709,750          | 81.41          | 274,321,472          |
| Shahjibazar Power Co. Limited            | 229,417          | 72.00                  | 16,518,024           | 103.04         | 23,639,315           |
| Titas Gas T & D Co. Ltd.                 | 136,883          | 33.70                  | 4,399,193            | 35.48          | 4,856,832            |
| Active Fire Chemicals Limited            | 756,000          | 15.40                  | 11,642,400           | 31.45          | 23,775,809           |
| Beximco Pharmaceuticals Limited          | 2,696,610        | 185.40                 | 499,551,494          | 192.72         | 515,687,271          |
| Orion Pharma Limited                     | 3,200,000        | 44.40                  | 142,080,000          | 83.33          | 266,000,001          |
| Square Pharmaceuticals Limited           | 331,009          | 196.60                 | 65,144,369           | 194.85         | 60,600,412           |
| Appollo Ispat Complex Limited            | 3,146,999        | 5.80                   | 18,252,594           | 14.64          | 46,066,978           |
| BBS Cables Limited                       | 1,179,922        | 54.60                  | 64,423,743           | 89.86          | 104,029,209          |
| Bangladesh Building Systems Limited      | 116,054          | 16.20                  | 1,880,075            | 25.08          | 2,910,878            |
| BSRM Steels Limited                      | 2,454,181        | 42.60                  | 104,547,259          | 98.32          | 241,287,030          |
| GPI Ispat Limited                        | 3,225,322        | 27.60                  | 89,018,887           | 34.09          | 109,544,544          |
| IFAD Aurore Limited                      | 442,099          | 43.00                  | 19,010,257           | 103.40         | 47,780,493           |
| Olympic Industries Limited               | 138,542          | 164.60                 | 22,804,013           | 222.14         | 30,776,387           |
| Heidelberg Cement Bangladesh Limited     | 66,720           | 170.30                 | 11,362,416           | 555.88         | 37,088,160           |
| LafargeHolcim Bangladesh Limited         | 125,000          | 69.10                  | 8,637,500            | 134.50         | 16,812,500           |
| LankaBangla Finance Ltd.                 | 1,200,000        | 27.70                  | 33,240,000           | 31.64          | 37,970,902           |
| Union Capital Limited                    | 2,440,006        | 6.30                   | 15,372,038           | 61.08          | 149,037,209          |
| Bangladesh Export Import Company Limited | 600,000          | 73.80                  | 44,280,000           | 73.80          | 29,520,000           |
| Sea Pearl Beach Resort & Spa Limited     | 3,916            | 79.10                  | 309,756              | 9.53           | 37,301               |
| Argon Denims Limited                     | 2,205,000        | 19.20                  | 42,336,000           | 34.71          | 76,525,583           |
| Ring Shire Textiles Limited              | 50,767           | 6.40                   | 324,909              | 7.62           | 386,455              |
| Shasha Denims Limited                    | 1,035,378        | 21.60                  | 22,364,145           | 38.52          | 74,546,499           |
| Sunmit Power Limited                     | 500,000          | 42.90                  | 21,450,000           | 42.87          | 21,434,427           |
| Grameenphone Limited                     | 25,000           | 328.50                 | 8,212,500            | 331.24         | 8,281,118            |
| <b>Total quoted shares (a)</b>           |                  |                        | <b>2,241,108,420</b> |                | <b>3,606,941,350</b> |

Shares/Bond (unquoted)

| Particulars                       | Number of shares | Cost per Share | Book Value/Cost    |
|-----------------------------------|------------------|----------------|--------------------|
| CDRL                              | 5,000,000        | 2.00           | 10,000,000         |
| CDRL (Placemnt)                   | 711,804          | 8.00           | 5,694,430          |
| IDPCL                             | 3,667,923        | 6.16           | 22,411,700         |
| Bangladesh Fund                   | 2,000,000        | 100.00         | 200,000,000        |
| Stock Market Stabilization Fund   | 500,500          | 10.00          | 5,000,000          |
| <b>Total un-quoted shares (b)</b> |                  |                | <b>237,116,130</b> |

Strategic Investment:

| Particulars                           | Number of shares   | Cost price         | Book Value         |
|---------------------------------------|--------------------|--------------------|--------------------|
| Amara Bank Limited PLC, Sri Lanka     | 187,784,490        | 616,735,915        | 292,660,971        |
| <b>Total Strategic Investment (c)</b> | <b>187,784,490</b> | <b>616,735,915</b> | <b>292,660,971</b> |

Total Investment (a+b+c)

**4,126,718,451**



*AB Bank*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Jasim*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*Tarique Afzal*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*Ashraf Ahmed*  
For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director

*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Annexure-C

AB Bank Limited  
Schedule of Fixed Assets  
As of 31 March 2021

| Particulars                               | Land and Building    | Furniture and Fixtures | Office Appliances | Electrical Appliances | Motor Vehicles     | Intangible Assets  | Right of Use Assets  | Total                |
|---|----------------------|------------------------|-------------------|-----------------------|--------------------|--------------------|----------------------|----------------------|
| <b>Cost/Revaluation</b>                   |                      |                        |                   |                       |                    |                    |                      |                      |
| Balance at 01 January 2021                | 2,962,553,953        | 252,394,773            | 65,411,270        | 1,933,469,203         | 838,058,314        | 783,812,339        | 1,329,421,828        | 8,165,121,679        |
| Addition during the year                  | -                    | -                      | 84,000            | 26,189,634            | -                  | 109,738,683        | -                    | 136,012,317          |
| Less: Disposal/Adjustment during the year | -                    | 100,000                | 1,390,000         | 1,390,000             | 503,836,370        | -                  | -                    | 505,326,370          |
| Adjustment for USD/ INR Rate Fluctuation  | -                    | (39,531)               | (63,837)          | (294,350)             | (43,948)           | (249,164)          | -                    | (690,839)            |
| <b>At 31 March 2021</b>                   | <b>2,962,553,953</b> | <b>252,334,303</b>     | <b>65,559,108</b> | <b>1,958,563,194</b>  | <b>334,265,892</b> | <b>893,800,187</b> | <b>1,329,421,828</b> | <b>7,796,498,465</b> |
| <b>Accumulated Depreciation</b>           |                      |                        |                   |                       |                    |                    |                      |                      |
| Balance at 01 January 2021                | 173,547,733          | 169,446,916            | 57,439,787        | 1,486,573,725         | 665,706,026        | 657,838,233        | 465,577,871          | 3,676,130,291        |
| Addition during the year                  | 3,795,229            | 2,220,742              | 410,720           | 28,654,154            | 15,782,731         | 11,579,855         | 64,399,997           | 126,843,427          |
| Less: Disposal/Adjustment during the year | -                    | 99,999                 | -                 | 1,389,865             | 455,437,363        | -                  | -                    | 456,927,225          |
| Adjustment for USD/ INR Rate Fluctuation  | -                    | (35,597)               | (61,062)          | (607,460)             | (33,305)           | (117,194)          | -                    | (618,320)            |
| <b>At 31 March 2021</b>                   | <b>177,342,962</b>   | <b>171,603,256</b>     | <b>57,011,560</b> | <b>1,514,445,474</b>  | <b>226,082,791</b> | <b>649,300,894</b> | <b>529,977,868</b>   | <b>3,346,669,813</b> |
| <b>Net Book Value</b>                     |                      |                        |                   |                       |                    |                    |                      |                      |
| At 31 March 2021                          | 2,785,210,991        | 80,731,047             | 7,647,539         | 444,117,720           | 108,183,101        | 224,499,293        | 799,443,960          | 4,449,833,652        |
| At 31 December 2020                       | 2,789,006,220        | 82,947,857             | 7,871,483         | 446,895,478           | 172,352,208        | 125,974,106        | 862,642,388          | 4,487,789,819        |



M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.


**AB Bank Limited**
**Annexure-D**
**Mumbai Branch  
Balance Sheet  
As at 31 March 2021**

|   | 31.03.2021<br>INR    | 31.12.2020<br>INR    |
|---|----------------------|----------------------|
| <b>PROPERTY AND ASSETS</b>  |                      |                      |
| Cash  | 50,176,198           | 49,099,278           |
| In hand (including foreign currencies)                            | 3,007,590            | 2,975,111            |
| Balance with Reserve Bank India<br>(including foreign currencies) | 47,168,608           | 46,124,167           |
| <b>Balance with other banks and financial institutions</b>        | <b>1,359,362,052</b> | <b>1,467,013,519</b> |
| In India  | 58,134,688           | 210,346,687          |
| Outside India   | 1,301,227,364        | 1,256,666,832        |
| <b>Money at call and on short notice</b>                          | <b>440,000,000</b>   | <b>360,000,000</b>   |
| <b>Investments</b>  | <b>404,175,620</b>   | <b>404,174,970</b>   |
| Government  | 404,175,620          | 404,174,970          |
| Others  | -                    | -                    |
| <b>Loans and advances</b>   | <b>616,557,534</b>   | <b>467,995,126</b>   |
| Loans, cash credits, overdrafts, etc.                             | 29,136,832           | 29,377,189           |
| Bills purchased and discounted                                    | 587,420,701          | 438,617,937          |
| <b>Fixed assets including premises, furniture and fixtures</b>    | <b>5,469,871</b>     | <b>4,932,319</b>     |
| <b>Other assets</b>   | <b>193,896,677</b>   | <b>161,485,475</b>   |
| <b>Non-banking assets</b>   | <b>-</b>             | <b>-</b>             |
| <b>Total Assets</b>   | <b>3,069,637,952</b> | <b>2,914,700,687</b> |
| <b>LIABILITIES AND CAPITAL</b>                                    |                      |                      |
| <b>Liabilities</b>  |                      |                      |
| <b>Borrowings from other banks, FIs and agents</b>                |                      |                      |
| <b>Deposits and other accounts</b>                                | <b>1,937,798,080</b> | <b>1,827,518,908</b> |
| Current deposits  | 1,868,286,517        | 1,657,348,235        |
| Demand deposits   | 131,609              | 123,609              |
| Bills payable   | 115,829              | 110,148              |
| Savings deposits  | 27,092,445           | 21,305,255           |
| Fixed deposits  | 42,171,680           | 148,631,661          |
| <b>Other liabilities</b>  | <b>90,996,532</b>    | <b>75,436,396</b>    |
| <b>Total Liabilities</b>  | <b>2,028,794,612</b> | <b>1,902,955,303</b> |
| <b>Capital/Shareholders' Equity</b>                               |                      |                      |
| <b>Total Shareholders' Equity</b>                                 | <b>1,040,843,340</b> | <b>1,011,745,384</b> |
| Paid-up capital   | 369,822,602          | 369,822,602          |
| Statutory reserve   | 281,039,231          | 281,039,231          |
| Other reserve   | 3,861,892            | 3,861,892            |
| Retained earnings   | 386,119,615          | 357,021,659          |
| <b>Total Liabilities and Shareholders' Equity</b>                 | <b>3,069,637,952</b> | <b>2,914,700,687</b> |



**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka

**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

**Tarique Azal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
  
**Ashraf Ahmed**  
 Managing Director

**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.





**AB Bank Limited**  
**Mumbai Branch**  
**Balance Sheet**  
**As at 31 March 2021**

|                                | 31.03.2021<br>INR            | 31.12.2020<br>INR            |
|--------------------------------|------------------------------|------------------------------|
| <b>Off-Balance Sheet Items</b> |                              |                              |
| <b>Contingent liabilities</b>  | <b>15,179,762,739</b>        | <b>26,096,215,667</b>        |
| Acceptances and endorsements   | 97,630,025                   | 172,716,881                  |
| Letters of guarantee           | 5,663,612                    | 5,660,514                    |
| Irrevocable letters of credit  | -                            | -                            |
| Bills for collection           | 15,076,469,102               | 25,917,838,272               |
| Other contingent liabilities   | -                            | -                            |
| <b>Other commitments</b>       | -                            | -                            |
| <b>Total</b>                   | <b><u>15,179,762,739</u></b> | <b><u>26,096,215,667</u></b> |



*K.M. Mohiuddin*  
**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Md. Jasim Uddin*  
**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*Tarique Aizal*  
**Tarique Aizal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*Ashraf Ahmed*  
for and on behalf of  
Riverstone Capital Limited

*Khalrul Bashar A. T. Mohammed*  
**Khalrul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB Bank Limited

Annexure-D-1

Mumbai Branch  
Profit and Loss Account  
For the period from 01 January 2021 to 31 March 2021

|  | Jan'21-Mar'21<br>INR | Jan'20-Mar'20<br>INR |
|--|----------------------|----------------------|
| <b>Operating Income</b>                        |                      |                      |
| Interest income                                | 9,729,062            | 16,336,248           |
| Interest paid on deposits and borrowings, etc. | (2,320,981)          | (2,860,585)          |
| <b>Net interest income</b>                     | <b>7,408,081</b>     | <b>13,475,663</b>    |
| Investment income                              | 6,060,547            | 6,517,801            |
| Commission, exchange and brokerage             | 72,768,293           | 61,431,282           |
| Other operating income                         | 201,044              | 391,277              |
|  | <b>79,029,884</b>    | <b>68,340,360</b>    |
| <b>Total operating income (a)</b>              | <b>86,437,965</b>    | <b>81,816,023</b>    |
| <b>Operating Expenses</b>                      |                      |                      |
| Salary and allowances                          | 4,080,968            | 4,182,333            |
| Rent, taxes, insurance, electricity, etc.      | 5,204,289            | 6,041,112            |
| Legal expenses                                 | -                    | 3,815                |
| Postage, stamps, telecommunication, etc.       | 1,708,302            | 1,784,120            |
| Stationery, printing, advertisement, etc.      | 487,133              | 468,767              |
| Auditors' fees                                 | 787,030              | 410,080              |
| Depreciation and repairs of Bank's assets      | 688,783              | 991,878              |
| Other expenses                                 | 34,114,757           | 129,062,267          |
| <b>Total operating expenses (b)</b>            | <b>47,071,262</b>    | <b>142,944,372</b>   |
| <b>Profit before provision (c = a-b)</b>       | <b>39,366,703</b>    | <b>(61,128,348)</b>  |
| Provision against loans and advances           | 700,000              | 650,000              |
| Other provisions                               | (350,000)            | -                    |
| <b>Total provision (d)</b>                     | <b>350,000</b>       | <b>650,000</b>       |
| <b>Profit before taxation (c-d)</b>            | <b>39,016,703</b>    | <b>(61,778,348)</b>  |
| <b>Provision for taxation</b>                  | <b>9,918,747</b>     | <b>(16,332,938)</b>  |
| Current tax                                    | 9,805,683            | (16,449,847)         |
| Deferred tax                                   | 113,064              | 116,909              |
| <b>Net profit after taxation (PAT)</b>         | <b>29,097,956</b>    | <b>(45,445,410)</b>  |



*ARM*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Jasim*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*Tarique Aizal*  
Tarique Aizal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*Ashraf Ahmed*  
Ashraf Ahmed  
Managing Director

*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB Bank Limited  
 Islami Banking Branch  
 Balance Sheet  
 As at 31 March 2021

Annexure-E

**PROPERTY AND ASSETS**

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| <b>Cash in hand</b>  | <b>265,558,646</b>   | <b>268,250,549</b>   |
| Cash in Hand (Including foreign currencies)                    | 3,808,780            | 4,933,125            |
| Balance with Bangladesh Bank and its Agent Banks (Incl. FC)    | 261,749,866          | 263,317,424          |
| <b>Balance with Other Banks and Financial Institutions</b>     | <b>1,265,432,803</b> | <b>1,348,247,393</b> |
| In Bangladesh  | 1,265,432,803        | 1,348,247,393        |
| Outside Bangladesh   | -                    | -                    |
| <b>Placement with other Banks &amp; Financial Institutions</b> | <b>-</b>             | <b>-</b>             |
| <b>Investment in shares &amp; other financial institutions</b> | <b>372,800,000</b>   | <b>397,800,000</b>   |
| Government (BGIB For SLR)                                      | 372,800,000          | 397,800,000          |
| Others   | -                    | -                    |
| <b>Investments</b>   | <b>6,687,506,512</b> | <b>6,510,299,811</b> |
| <b>Fixed Assets</b>  | <b>6,555,576</b>     | <b>6,685,044</b>     |
| <b>Other Assets</b>  | <b>103,332,172</b>   | <b>99,243,204</b>    |
|  | <b>8,701,185,709</b> | <b>8,630,526,001</b> |

**LIABILITIES AND CAPITAL**

**Liabilities**

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Borrowing from Banks (BGIB) &amp; Other Financial Institutions</b> | <b>1,007,027,397</b> | <b>816,485,540</b>   |
| <b>Deposits and Other Accounts</b>                                    | <b>7,323,850,346</b> | <b>7,436,081,443</b> |
| Mudaraba Savings Deposits   | 153,579,010          | 137,255,111          |
| Mudaraba Term Deposits  | 5,552,814,017        | 5,444,950,896        |
| Other Mudaraba Deposits   | 1,522,386,546        | 1,804,024,982        |
| Al-Wadeeah Current and Other Deposit Accounts                         | 90,954,703           | 40,223,141           |
| Bills Payable   | 4,116,071            | 9,627,313            |
| <b>Other Liabilities</b>  | <b>370,307,966</b>   | <b>377,959,018</b>   |
| <b>Total Liabilities</b>  | <b>8,701,185,709</b> | <b>8,630,526,001</b> |



*[Signature]*  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 For and on behalf of  
 Riverstone Capital Limited  
 Ashraf Ahmed  
 Managing Director

*[Signature]*  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



AB Bank Limited  
Islamic Banking Branch  
Balance Sheet  
As at 31 March 2021

|   | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|---|--------------------|--------------------|
| <b>Contingent Liabilities</b>   |                    |                    |
| Acceptances & Endorsements  | -                  | -                  |
| Letter of Guarantee   | 16,906,054         | 19,806,054         |
| Irrevocable Letters of Credit (including Back to Back Bills)          | 8,325,100          | 58,861,855         |
| Inland Bills for collection   | -                  | -                  |
| Other Contingent Liabilities  | -                  | -                  |
| <b>Total</b>  | <b>25,231,154</b>  | <b>78,667,909</b>  |
| <b>Other Commitments</b>  | -                  | -                  |
| <b>Total Off-Balance Sheet items including Contingent Liabilities</b> | <b>25,231,154</b>  | <b>78,667,909</b>  |



*K.M. M.*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Jasim*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*Tarique*  
Tarique Rizal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*Ashraf*  
Ashraf Ahmed  
Managing Director

*Khairul*  
For and on behalf of  
Riverstone Capital Limited  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB Bank Limited

Annexure-E-1

Islamic Banking Branch  
 Profit and Loss Account  
 For the period from 01 January 2021 to 31 March 2021

|   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|---|-----------------------|-----------------------|
| Profit Income                                   | 136,506,353           | 166,130,369           |
| Profit paid on Deposits                         | 132,923,666           | 161,049,849           |
| <b>Net Investment Income</b>                    | <b>3,582,688</b>      | <b>5,080,520</b>      |
| Income from Investments in Shares/Securities    | 2,953,200             | 3,060,000             |
| Commission, Exchange and Brokerage              | 236,044               | 584,166               |
| Other Operating Income                          | 150,400               | 166,600               |
| <b>Total Operating Income</b>                   | <b>6,922,331</b>      | <b>8,891,286</b>      |
| <b>Operating Expenses</b>                       |                       |                       |
| Salaries and Allowances                         | 4,392,113             | 4,454,045             |
| Rent, Taxes, Insurance, Electricity etc.        | 461,714               | 449,166               |
| Postage, Stamps, Telecommunication etc.         | 66,337                | 59,366                |
| Stationeries, Printing and Advertisement etc.   | 107,331               | 97,875                |
| Shariah Supervisory Committee's Fees & Expenses | 57,700                | 40,620                |
| Depreciation and repair to Bank's Assets        | 206,753               | 325,209               |
| Other Expenses                                  | 1,394,059             | 1,551,674             |
| <b>Total Operating Expenses</b>                 | <b>6,686,006</b>      | <b>6,977,956</b>      |
| <b>Operating Profit</b>                         | <b>236,326</b>        | <b>1,913,331</b>      |



*K.M. Ahmed*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*Md. Jasim Uddin*  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*Tarique Nozal*  
**Tarique Nozal**  
 Resident & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

*Ashraf Ahmed*  
**Ashraf Ahmed**  
 Managing Director

*Khairul Bashar A. T. Mohammed*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



AB Bank Limited  
Custodian Wing  
Balance Sheet  
As at 31 March 2021

Annexure- F

|                                  | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|----------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                    |                    |                    |
| <b>Non-Current Assets</b>        |                    |                    |
| Property, Plant and Equipment    | 47,446             | 52,528             |
| Intangible Assets                | -                  | -                  |
| <b>Total Non Current Assets</b>  | <b>47,446</b>      | <b>52,528</b>      |
| <b>Current Assets</b>            |                    |                    |
| Cash and Bank Balances           | -                  | -                  |
| Advance, Deposit and Prepayments | -                  | -                  |
| Accounts Receivables             | 12,494,889         | 12,494,889         |
| <b>Total Current Assets</b>      | <b>12,494,889</b>  | <b>12,494,889</b>  |
| <b>Total Assets</b>              | <b>12,542,335</b>  | <b>12,547,418</b>  |
| <b>LIABILITIES</b>               |                    |                    |
| <b>Non-Current Liabilities</b>   |                    |                    |
| <b>Current Liabilities</b>       |                    |                    |
| Payable to AB Bank               | 5,400,252          | 5,405,334          |
| Accounts Payable                 | 7,092,083          | 7,092,083          |
| Provision for Audit Fees         | 50,000             | 50,000             |
| <b>Total Current Liabilities</b> | <b>12,542,335</b>  | <b>12,547,418</b>  |
| <b>Total Liabilities</b>         | <b>12,542,335</b>  | <b>12,547,418</b>  |



  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Farique Ahsan**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited



AB Bank Limited

Annexure- F-1

Custodian Wing  
 Profit and Loss Account  
 For the period from 01 January 2021 to 31 March 2021

|  | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|--|-----------------------|-----------------------|
| <b>Operating Income</b>                  |                       |                       |
| Commission, exchange and brokerage       | 39,541                | -                     |
| <b>Total Operating Income</b>            | <b>39,541</b>         | <b>-</b>              |
| <b>Operating Expenses</b>                |                       |                       |
| Rent, taxes and insurance                | -                     | -                     |
| Auditor's fees                           | -                     | -                     |
| Depreciation and repair of bank's assets | 5,083                 | -                     |
| Other expenses                           | 1,500                 | 1,500                 |
| <b>Total operating expenses</b>          | <b>6,583</b>          | <b>1,500</b>          |
| <b>Operating Profit</b>                  | <b>32,958</b>         | <b>(1,500)</b>        |



*[Signature]*  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
 Farique Akmal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 For and on behalf of  
 Riverstone Capital Limited  
 Ashraf Ahmed  
 Managing Director

*[Signature]*  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



AB Bank Limited

Annexure-G

Off-Shore Banking Unit (OBU)  
Balance Sheet  
As at 31 March 2021

|  | 31.03.2021<br>Taka   | 31.03.2021<br>USD  | 31.12.2020<br>Taka   | 31.12.2020<br>USD  |
|--|----------------------|--------------------|----------------------|--------------------|
| <b>PROPERTY AND ASSETS</b>                           |                      |                    |                      |                    |
| <b>Cash</b>  |                      |                    |                      |                    |
| Balance with Other Banks and Fis' In Bangladesh      | 8,798,321            | 103,750            | 6,640,740            | 78,310             |
| Outside Bangladesh                                   | 309,069              | 3,645              | 183,351              | 2,162              |
|  | 8,489,252            | 100,105            | 6,457,389            | 76,148             |
| <b>Money at call and on short notice (Placement)</b> | 592,349,654          | 6,985,000          | 964,604,550          | 11,375,000         |
| <b>Investment</b>                                    | 1,637,975,269        | 19,315,040         | 1,637,923,118        | 19,315,041         |
| <b>Loans and Advances:</b>                           | 6,122,025,578        | 72,191,058         | 6,109,181,062        | 72,041,892         |
| Loans & Advances - Regular                           | 2,860,710,512        | 33,733,560         | 2,847,969,831        | 33,584,392         |
| Loans & Advances - Classified                        | 3,261,315,066        | 38,457,498         | 3,261,211,230        | 38,457,499         |
| <b>Premises and Fixed Assets (WDV)</b>               | -                    | -                  | -                    | -                  |
| <b>Other Assets:</b>                                 | 552,141              | 6,511              | 813,310              | 9,591              |
| Accrued Interest                                     | 518,747              | 6,117              | 746,527              | 8,803              |
| Pre-paid Advances                                    | 33,395               | 394                | 66,784               | 768                |
| Miscellaneous  | -                    | -                  | -                    | -                  |
| <b>Total Assets</b>                                  | <b>8,361,700,962</b> | <b>98,601,359</b>  | <b>8,719,162,780</b> | <b>102,819,834</b> |
| <b>LIABILITIES AND CAPITAL</b>                       |                      |                    |                      |                    |
| <b>Liabilities</b>                                   |                      |                    |                      |                    |
| <b>Borrowing from Bank &amp; Fis'</b>                | 8,630,844,944        | 101,775,111        | 8,966,465,025        | 105,736,120        |
| In Bangladesh  | 8,630,844,944        | 101,775,111        | 8,966,465,025        | 105,736,120        |
| Outside Bangladesh                                   | -                    | -                  | -                    | -                  |
| <b>Deposits and Other Accounts</b>                   | 13,635,641           | 160,792            | 13,261,591           | 156,386            |
| Demand Deposits                                      | 11,567,342           | 136,402            | 11,193,359           | 131,997            |
| Demand Deposits - Others                             | 2,068,298            | 24,389             | 2,068,233            | 24,389             |
| Other Deposits                                       | -                    | -                  | -                    | -                  |
| <b>Other Liabilities</b>                             | 190,715,073          | 2,248,916          | 190,709,001          | 2,248,916          |
| <b>Total Liabilities</b>                             | <b>8,835,195,657</b> | <b>104,184,819</b> | <b>9,170,435,617</b> | <b>108,141,422</b> |
| <b>Capital and Shareholders' Equity</b>              |                      |                    |                      |                    |
| Profit/(Loss)  | (473,494,695)        | (5,583,460)        | (451,272,837)        | (5,321,589)        |
| <b>Total Shareholders' Equity</b>                    | <b>(473,494,695)</b> | <b>(5,583,460)</b> | <b>(451,272,837)</b> | <b>(5,321,589)</b> |
| <b>Total Liabilities and Shareholders' Equity</b>    | <b>8,361,700,962</b> | <b>98,601,359</b>  | <b>8,719,162,780</b> | <b>102,819,834</b> |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Tarique Arzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
for and on behalf of  
Riverstone Capital Limited  
Khatrul Bashar A. T. Mohammed  
Chief Executive Officer  
Khatrul Bashar A. T. Mohammed  
Head Office, Dhaka.  
MTB Capital Ltd.  
Head Office, Dhaka.



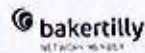


AB Bank Limited

Annexure-G-1

Off-Shore Banking Unit (OBU)  
Profit and Loss Account  
For the period from 01 January 2021 to 31 March 2021

|  | Jan'21-Mar'21<br>Taka | Jan'21-Mar'21<br>USD | Jan'20-Mar'20<br>Taka | Jan'20-Mar'20<br>USD |
|--|-----------------------|----------------------|-----------------------|----------------------|
| Interest income                              | 34,148,986            | 402,691              | 41,558,883            | 489,327              |
| Interest paid on deposits and borrowing etc. | 55,551,452            | 655,072              | 74,245,005            | 874,184              |
| <b>Net Interest Income</b>                   | <b>(21,402,466)</b>   | <b>(252,382)</b>     | <b>(32,686,122)</b>   | <b>(384,857)</b>     |
| Commission, exchange and brokerage           | (50,994)              | (601)                | (55,473)              | (653)                |
| <b>Total operating Income</b>                | <b>(21,453,460)</b>   | <b>(252,983)</b>     | <b>(32,741,595)</b>   | <b>(385,510)</b>     |
| Salaries and allowances                      | 651,297               | 7,680                | 690,679               | 8,132                |
| Rent, taxes, insurance, electricity etc.     | -                     | -                    | 830                   | 10                   |
| Postage, stamps, telecommunication etc.      | 11,229                | 132                  | 12,709                | 150                  |
| Stationeries, printing, advertisement etc.   | 13,897                | 164                  | 9,990                 | 118                  |
| Depreciation and repair of bank's assets     | 231                   | 3                    | 107,900               | 1,270                |
| Other expenses                               | 77,122                | 909                  | 95,117                | 1,120                |
| <b>Total operating expenses</b>              | <b>753,776</b>        | <b>8,889</b>         | <b>917,225</b>        | <b>10,800</b>        |
| <b>Operating Profit/(Loss)</b>               | <b>(22,207,236)</b>   | <b>(261,872)</b>     | <b>(33,658,820)</b>   | <b>(396,310)</b>     |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Myanmar Representative Office  
Statement of Receipts and Payments  
For the period from 01 January 2021 to 31 March 2021

Annexure-II

| Receipts        | Total         |                  | Payments                        | Total         |                  |
|-----------------|---------------|------------------|---------------------------------|---------------|------------------|
|                 | USD           | BDT              |                                 | USD           | BDT              |
| Opening Balance | 66,423        | 5,054,986        | Other Allowances-Officers       | 1,102         | 93,450           |
|                 |               |                  | Internet bill                   | 68            | 5,766            |
|                 |               |                  | Stamp duty                      | 52            | 4,410            |
|                 |               |                  | Stationery Others               | 28            | 2,374            |
|                 |               |                  | Service charges for Electrician | 12            | 1,018            |
|                 |               |                  | Water and Sewerage              | 4             | 339              |
|                 |               |                  | Mobile bill                     | 4             | 339              |
|                 |               |                  | Local Conveyance                | 7             | 594              |
|                 |               |                  | Bank Charges (Nostro & Others)  | 2             | 170              |
|                 |               |                  | Closing Balance                 | 65,144        | 4,946,527        |
| <b>Total</b>    | <b>66,423</b> | <b>5,054,986</b> | <b>Closing Balance</b>          | <b>66,423</b> | <b>5,054,986</b> |



*[Signature]*  
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AB Bank Limited  
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Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

for and on behalf of  
Riverstone Capital Limited

*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB Investment Limited  
(A Subsidiary of AB Bank Limited)

Annexure-I

Statement of Financial Position (Balance Sheet)  
As at 31 March 2021

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| <b>Non-current assets</b>                              | <b>576,416,346</b>   | <b>568,369,010</b>   |
| Property, Plant and Equipment                          | 214,542,596          | 216,694,350          |
| Investment Property                                    | 309,790,122          | 312,241,848          |
| Deferred Tax Assets                                    | 52,083,628           | 39,432,812           |
| <b>Current Assets</b>                                  | <b>8,109,691,623</b> | <b>8,052,324,539</b> |
| Investment in shares                                   | 531,734,657          | 551,741,963          |
| Loans to clients                                       | 6,918,619,415        | 6,957,399,993        |
| Advances, deposits and prepayments                     | 525,200              | 556,400              |
| Receivable from brokers & Others                       | 396,589,143          | 236,523,208          |
| Advance income tax                                     | 177,341,830          | 170,076,236          |
| Cash and bank balances                                 | 84,881,378           | 136,026,739          |
| <b>TOTAL ASSETS</b>                                    | <b>8,686,107,968</b> | <b>8,620,693,549</b> |
| <b>EQUITY AND LIABILITIES</b>                          |                      |                      |
| <b>Equity</b>  | <b>6,756,631,719</b> | <b>6,743,523,992</b> |
| Share capital  | 6,456,899,810        | 6,456,899,810        |
| Retained earnings                                      | 299,731,909          | 286,624,182          |
| <b>Liabilities</b>                                     |                      |                      |
| <b>Non-current liabilities</b>                         | <b>15,529,493</b>    | <b>15,048,050</b>    |
| Provident fund, gratuity fund and recreation club fund | 15,529,493           | 15,048,050           |
| Deferred tax liability                                 | -                    | -                    |
| <b>Current liabilities</b>                             | <b>1,913,946,756</b> | <b>1,862,121,507</b> |
| Borrowing from banks                                   | 755,911,078          | 755,898,828          |
| Liabilities for expenses                               | -                    | 834,601              |
| Provision for taxation                                 | 202,633,423          | 183,159,276          |
| Provision for diminution value of investment & loans   | 936,818,239          | 904,818,239          |
| Payable to clients                                     | 18,584,016           | 17,410,563           |
| <b>Total liabilities</b>                               | <b>1,929,476,249</b> | <b>1,877,169,557</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                    | <b>8,686,107,968</b> | <b>8,620,693,549</b> |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACE  
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AB Bank Limited  
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*[Signature]*  
Tarique Afzal  
President & Managing Director  
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*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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Head Office, Dhaka.



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

Annexure-I-1

**Statement of Profit or Loss and Other Comprehensive Income**  
(Profit and Loss Statement)  
For the period from 01 January 2021 to 31 March 2021

|  | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|--|-----------------------|-----------------------|
| <b>Operating Income</b>                          | <b>67,441,127</b>     | <b>1,687,718</b>      |
| Interest income                                  | 49,408,611            | 13,171,433            |
| Management fee                                   | 1,218,852             | 1,159,776             |
| Transaction/settlement fee                       | 14,748,814            | 11,035,204            |
| Investment income                                | (47,080)              | (25,780,625)          |
| Other operating income                           | 2,111,930             | 2,101,930             |
| <b>Operating expenses</b>                        | <b>15,702,180</b>     | <b>10,743,220</b>     |
| Salary and allowances                            | 4,736,133             | 3,402,360             |
| Administrative expenses                          | 10,966,047            | 7,340,860             |
| <b>Profit before provision and tax</b>           | <b>51,738,947</b>     | <b>(9,055,502)</b>    |
| Provision for diminution in value of investment  | 32,000,000            | -                     |
| <b>Net profit/(loss) before tax for the year</b> | <b>19,738,947</b>     | <b>(9,055,502)</b>    |
| <b>Income tax expenses</b>                       | <b>6,823,331</b>      | <b>(512,278)</b>      |
| Current tax expenses                             | 19,474,147            | -                     |
| Deferred tax expenses                            | (12,650,816)          | (512,278)             |
| <b>Net profit/(loss) after tax for the year</b>  | <b>12,915,615</b>     | <b>(8,543,224)</b>    |
| Other Comprehensive Income                       | -                     | -                     |
| <b>Total Comprehensive Income</b>                | <b>12,915,615</b>     | <b>(8,543,224)</b>    |



*[Signature]*  
K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
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*[Signature]*  
Tarique Afzal  
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Corporate Office, Dhaka

*[Signature]*  
For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director

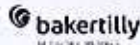
*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB Securities Limited  
Statement of Financial Position  
As at 31 March 2021

Annexure-I

|  | 31.03.2021<br>Taka   | 31.12.2020<br>Taka   |
|--|----------------------|----------------------|
| <b>I Sources of Fund</b>                     |                      |                      |
| <b>A) Shareholders' Equity</b>               | <b>527,756,160</b>   | <b>514,345,408</b>   |
| Share Capital                                | 272,041,880          | 272,041,880          |
| Revaluation Reserve                          | 85,986,590           | 85,986,590           |
| Retained Earnings                            | 169,727,690          | 156,316,938          |
| <b>B) Non-Current Liabilities</b>            | <b>207,733,098</b>   | <b>210,989,474</b>   |
| Liabilities for Other Finance                | 190,000,000          | 190,000,000          |
| Provision for Gratuity                       | 7,360,089            | 7,930,439            |
| Provision for Provident Fund                 | 10,373,009           | 11,602,235           |
| Lease Liabilities                            | -                    | 1,456,800            |
| <b>Total Source of Fund (A+B)</b>            | <b>735,489,258</b>   | <b>725,334,882</b>   |
| <b>II Application of Fund</b>                |                      |                      |
| <b>A) Non Current Assets</b>                 | <b>8,972,488</b>     | <b>16,406,708</b>    |
| Property, Plant & Equipment                  | 7,126,558            | 14,427,041           |
| Deferred Tax Assets                          | 1,845,930            | 1,979,667            |
| <b>B) Investments</b>                        | <b>111,437,549</b>   | <b>103,575,886</b>   |
| <b>C) Current Assets</b>                     | <b>1,371,994,654</b> | <b>1,516,996,822</b> |
| Cash and Cash Equivalents                    | 369,534,582          | 456,742,020          |
| Advance, Deposit & Prepayments               | 1,830,717            | 17,376,617           |
| Advance Income Tax                           | 51,702,920           | 43,083,808           |
| Accounts Receivable                          | 49,998,817           | 80,788,114           |
| Margin Loan                                  | 898,927,619          | 919,006,263          |
| <b>D) Current Liabilities and Provisions</b> | <b>756,915,433</b>   | <b>911,644,535</b>   |
| Accounts Payable                             | 328,258,973          | 494,550,750          |
| Bank Overdraft                               | 167,548,561          | 167,548,561          |
| Liabilities for Expense                      | 2,270,766            | 6,548,349            |
| Provision for Income Tax                     | 54,038,073           | 46,292,599           |
| Other Liabilities                            | 204,799,059          | 191,418,093          |
| Lease Liabilities                            | -                    | 5,286,182            |
| <b>E) Net Current Assets (C-D)</b>           | <b>615,079,221</b>   | <b>605,352,287</b>   |
| <b>F) Total Application of Fund (A+B+E)</b>  | <b>735,489,258</b>   | <b>725,334,882</b>   |



*[Signature]*

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

*[Signature]*

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohluddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.



AB Securities Limited

Annexure-J-1

Statement of Profit or Loss and Other Comprehensive Income  
For the period from 01 January 2021 to 31 March 2021

|   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|---|-----------------------|-----------------------|
| <b>A) Operating Income</b>                  | <b>49,016,854</b>     | <b>27,351,539</b>     |
| Brokerage Commission                        | 35,464,760            | 19,384,504            |
| Interest Income                             | 4,213,474             | 1,992,416             |
| Investment Income                           | 7,994,822             | 5,850,307             |
| Other Operating Income                      | 1,343,798             | 124,311               |
| <b>B) Operating &amp; Other Expense</b>     | <b>17,696,891</b>     | <b>17,297,080</b>     |
| Operating Expenses                          | 14,095,544            | 12,535,393            |
| Other Financial Expenses                    | 2,981,583             | 4,206,905             |
| Depreciation on Property, Plant & Equipment | 619,764               | 554,782               |
| <b>C) Profit before Provision (A-B)</b>     | <b>31,319,963</b>     | <b>10,054,459</b>     |
| <b>D) Provision</b>                         | <b>10,030,000</b>     | <b>-</b>              |
| For Diminution in Value of Investments      | 30,000                | -                     |
| For Diminution in Value of Loan             | 10,000,000            | -                     |
| <b>E) Profit before Taxation (C-D)</b>      | <b>21,289,963</b>     | <b>10,054,459</b>     |
| <b>F) Provision for Taxation</b>            | <b>7,879,211</b>      | <b>5,129,431</b>      |
| Current Tax                                 | 7,745,474             | 5,122,816             |
| Deferred Tax                                | 133,737               | 6,615                 |
| <b>Net Profit After Taxation (E-F)</b>      | <b>13,410,752</b>     | <b>4,925,027</b>      |



*[Signature]*

K.M. Mohiuddin Ahmed  
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AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*

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Company Secretary (In-Charge)  
AB Bank Limited  
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*[Signature]*

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*

Per and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

*[Signature]*

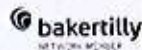
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Cashlink Bangladesh Limited  
Statement of Financial Position  
As at 31 March 2021

Annexure-K

|                                     | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|-------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                       |                    |                    |
| <b>Non Current Assets</b>           |                    |                    |
| Property, Plant and Equipment       | -                  | 3                  |
|                                     | -                  | 3                  |
| <b>Current Assets</b>               |                    |                    |
| Cash & Bank Balances                | 625,550            | 1,242,062          |
| Investment in Fixed Deposits        | 46,759,040         | 44,118,875         |
| Investment in Shares                | 1,000              | 1,000              |
| Advance, Deposit & Prepayment       | 38,485,274         | 38,248,978         |
| Other Receivable                    | 470,071            | 2,030,210          |
|                                     | 86,340,935         | 85,641,125         |
| <b>Total Assets</b>                 | <b>86,340,935</b>  | <b>85,641,128</b>  |
| <b>EQUITY AND LIABILITIES</b>       |                    |                    |
| <b>Equity</b>                       |                    |                    |
| Share Capital                       | 238,000,000        | 238,000,000        |
| Share Money Deposit                 | 4,200,000          | 4,200,000          |
| Retained Earnings                   | (164,595,805)      | (165,295,612)      |
| <b>Total Equity</b>                 | <b>77,604,195</b>  | <b>76,904,388</b>  |
| <b>Liabilities</b>                  |                    |                    |
| <b>Current Liabilities</b>          |                    |                    |
| Accrued Expenses                    | 28,750             | 28,750             |
| Provision for Taxation              | 8,707,990          | 8,707,990          |
|                                     | 8,736,740          | 8,736,740          |
| <b>Total Liabilities</b>            | <b>8,736,740</b>   | <b>8,736,740</b>   |
| <b>Total Equity and Liabilities</b> | <b>86,340,935</b>  | <b>85,641,128</b>  |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
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*[Signature]*  
Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka

*[Signature]*  
for and on behalf of  
Riverstone Capital Limited  
*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



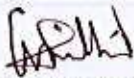
Cashlink Bangladesh Limited

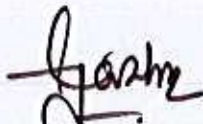
Annexure-K-1

**Statement of Profit or Loss and Other Comprehensive Income  
For the period from 01 January 2021 to 31 March 2021**

|   | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|---|-----------------------|-----------------------|
| Revenue                                   | -                     | -                     |
| Less: General and Administration Expenses | 103,020               | 117,296               |
| <b>Operating Profit/(Loss)</b>            | <b>(103,020)</b>      | <b>(117,296)</b>      |
| Add: Other Income                         | 802,828               | 993,079               |
| <b>Profit Before Provision &amp; Tax</b>  | <b>699,808</b>        | <b>875,783</b>        |
| Provision for taxation                    | -                     | -                     |
| <b>Net Profit/(Loss) After Tax</b>        | <b>699,808</b>        | <b>875,783</b>        |
| Other Comprehensive Income                | -                     | -                     |
| <b>Total Comprehensive Income</b>         | <b>699,808</b>        | <b>875,783</b>        |



  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Ashraf Ahmed**  
 Managing Director

for and on behalf of  
 Riverstone Capital Limited

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.





AB International Finance Limited

Annexure-L

Statement of Financial Position  
As at 31 March 2021

|  | 31.03.2021<br>HK\$ | 31.12.2020<br>HK\$ |
|--|--------------------|--------------------|
| <b>NON-CURRENT ASSETS</b>                  |                    |                    |
| Property, plant and equipment              | 7,697              | 11,936             |
| <b>CURRENT ASSETS</b>                      |                    |                    |
| Discounted bills receivable                | 63,806,254         | 102,262,201        |
| Deposits, prepayments and other receivable | 9,335,280          | 4,362,558          |
| Tax refundable                             |                    | 734,081            |
| Cash and bank balances                     | 2,584,269          | 2,383,320          |
|  | <b>75,725,802</b>  | <b>109,742,160</b> |
| <b>CURRENT LIABILITIES</b>                 |                    |                    |
| Accrued liabilities and other payables     | 479,533            | 4,667,123          |
| Deferred interest income                   | 1,238,243          | 837,511            |
| Provision for long service payments        | 350,117            | 350,117            |
| Due to ultimate holding company            | 54,006,450         | 87,928,750         |
|  | <b>56,074,342</b>  | <b>93,783,501</b>  |
| <b>NET CURRENT ASSETS</b>                  | <b>19,651,460</b>  | <b>15,958,659</b>  |
|  | <b>19,659,157</b>  | <b>15,970,595</b>  |
| <b>EQUITY</b>                              |                    |                    |
| Share capital                              | 1,000,000          | 1,000,000          |
| Retained earnings                          | 563,904            | 563,904            |
| Proposed final dividend                    | 10,533,293         | 6,844,732          |
| Capital Reserve                            | 7,561,960          | 7,561,960          |
|  | <b>19,659,157</b>  | <b>15,970,595</b>  |



*K.M. Mohiuddin Ahmed*  
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Corporate Office, Dhaka.

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*Tarique Afzal*  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited

*Ashraf Ahmed*  
Managing Director

*Khairul Bashar A. T. Mohammed*  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



AB International Finance Limited

Annexure-L-1

Statement of Income and Retained Earnings  
For the period from 01 January 2021 to 31 March 2021

|                                 | Jan'21-Mar'21<br>HK\$ | Jan'20-Mar'20<br>HK\$ |
|---------------------------------|-----------------------|-----------------------|
| Interest income                 | 730,509               | 1,326,880             |
| Interest expenses               | (57,280)              | (147,613)             |
| <b>Net Interest Income</b>      | <b>673,228</b>        | <b>1,179,268</b>      |
| Other operating income          | 3,112,241             | 2,919,651             |
| <b>Total operating income</b>   | <b>3,785,469</b>      | <b>4,098,919</b>      |
| Staff costs                     | (642,772)             | (680,608)             |
| Depreciation                    | (4,239)               | (4,239)               |
| Other operating expenses        | (384,137)             | (392,807)             |
| <b>Total operating expenses</b> | <b>(1,031,148)</b>    | <b>(1,077,654)</b>    |
| <b>Profit before taxation</b>   | <b>2,754,321</b>      | <b>3,021,265</b>      |
| Income tax                      | (124,463)             | (498,509)             |
| <b>Profit for the period</b>    | <b>2,629,858</b>      | <b>2,522,756</b>      |



 **K.M. Mohluddin Ahmed**  
 Chief Financial Officer  
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 Corporate Office, Dhaka.

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 Corporate Office, Dhaka.

 **Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

 **Ashraf Ahmed**  
 Managing Director  
 For and on behalf of  
 Riverstone Capital Limited

 **Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



Arab Bangladesh Bank Foundation (ABBF)

Annexure-M

Statement of Financial Position  
As at 31 March 2021

|                                     | 31.03.2021<br>Taka | 31.12.2020<br>Taka |
|-------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                       |                    |                    |
| <b>Non Current Assets</b>           | <b>37,741,352</b>  | <b>37,893,534</b>  |
| Property, Plant & Equipment         | 37,740,352         | 37,892,534         |
| Investment in share                 | 1,000              | 1,000              |
| <b>Current Assets</b>               | <b>496,733,054</b> | <b>492,324,968</b> |
| Loan to ABSL                        | 190,000,000        | 190,000,000        |
| Investment in FDR                   | 106,275,779        | 105,915,271        |
| Rent Receivable                     | 3,858,845          | 75,338             |
| Advance Tax                         | 23,553,702         | 23,405,346         |
| Cash and Cash equivalents           | 173,044,728        | 172,929,013        |
| <b>TOTAL ASSETS</b>                 | <b>534,474,406</b> | <b>530,218,502</b> |
| <b>EQUITY AND LIABILITIES</b>       |                    |                    |
| <b>Shareholders' Equity</b>         | <b>502,147,402</b> | <b>499,290,836</b> |
| Share Capital                       | 20,000,000         | 20,000,000         |
| Retained Earnings                   | 482,147,402        | 479,290,836        |
| <b>Non-Current Liabilities</b>      |                    |                    |
| Advance Rent                        | -                  | -                  |
| <b>Current Liabilities</b>          | <b>32,327,004</b>  | <b>30,927,666</b>  |
| Provision for Income Tax            | 32,211,004         | 30,811,666         |
| Provision for expenses              | 116,000            | 116,000            |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>534,474,406</b> | <b>530,218,502</b> |









K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

Tarique Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

Shraf Ahmed  
 Managing Director  
 Riverstone Capital Limited

Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



Arab Bangladesh Bank Foundation (ABBF)

Annexure-M-1

Statement of Profit or Loss and Other Comprehensive Income  
For the period from 01 January 2021 to 31 March 2021

|  | Jan'21-Mar'21<br>Taka | Jan'20-Mar'20<br>Taka |
|--|-----------------------|-----------------------|
| <b>Income</b>                                |                       |                       |
| Operating Income                             | 4,466,612             | 6,399,762             |
| Interest Income                              | 4,240,599             | 6,173,749             |
| Rental Income                                | 226,013               | 226,013               |
| <b>Less : Operating &amp; Other Expenses</b> | <b>287,182</b>        | <b>428,084</b>        |
| Operating expenses                           | 287,182               | 328,084               |
| Other expenses                               | -                     | 100,000               |
| Profit before Tax                            | 4,179,430             | 5,971,679             |
| Less: Provision for Tax                      | 1,358,315             | 1,940,796             |
| <b>Profit carried forward</b>                | <b>2,821,115</b>      | <b>4,030,883</b>      |



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
For and on behalf of  
Riverstone Capital Limited  
Tarique Rizal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

*[Signature]*  
Ashraf Ahmed  
Managing Director



Annexure-N

Name of the Directors and entities in which had interest as on March 31, 2021

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



*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

## 13 Comparative Financial Statements of ABBL for the Last 05 (Five) Years

### 13.1 Consolidated Financial Statements

#### 13.1.1 Comparative Balance Sheet and Income Statement on Consolidated Basis

|   | In Million Taka |                |                |                |                |                |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|
|   | 31.03.2021      | 31.12.2020     | 31.12.2019     | 31.12.2018     | 31.12.2017     | 31.12.2016     |
| <b>Property And Assets</b>  |                 |                |                |                |                |                |
| <b>Cash</b>   | 21,566          | 20,931         | 19,873         | 16,433         | 17,781         | 19,708         |
| In hand (including foreign currencies)  | 1,272           | 1,010          | 1,136          | 1,960          | 1,572          | 1,536          |
| Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) | 20,294          | 19,921         | 18,736         | 14,473         | 16,209         | 18,171         |
| <b>Balance with other banks and financial institutions</b>                        | 4,382           | 4,857          | 5,315          | 3,378          | 4,241          | 4,655          |
| In Bangladesh   | 1,111           | 1,690          | 1,023          | 1,823          | 2,491          | 2,624          |
| Outside Bangladesh  | 3,271           | 3,167          | 4,292          | 1,555          | 1,750          | 2,031          |
| <b>Money at call and on short notice</b>  | 514             | 1,535          | 3,927          | 590            | 496            | 6,113          |
| <b>Investments</b>  | 52,674          | 64,093         | 62,416         | 44,352         | 46,382         | 49,082         |
| Government  | 41,784          | 53,825         | 51,272         | 33,523         | 39,732         | 41,904         |
| Others  | 10,890          | 10,268         | 11,145         | 10,828         | 6,650          | 7,178          |
| <b>Loans, advances and lease/investments</b>                                      | 285,557         | 282,901        | 264,385        | 249,185        | 237,634        | 226,547        |
| Loans, cash credits, overdrafts, etc./Investments                                 | 284,084         | 281,211        | 262,550        | 246,986        | 235,801        | 225,024        |
| Bills purchased and discounted  | 1,473           | 1,690          | 1,835          | 2,199          | 1,833          | 1,523          |
| <b>Fixed assets including premises, furniture and fixture:</b>                    | 4,981           | 5,032          | 5,427          | 4,110          | 4,699          | 4,681          |
| <b>Other assets</b>   | 7,557           | 8,887          | 6,390          | 6,762          | 5,864          | 6,384          |
| <b>Non-banking assets</b>   | 334             | 334            | 343            | 343            | -              | -              |
| <b>Total Assets</b>   | <b>377,565</b>  | <b>388,570</b> | <b>368,076</b> | <b>325,154</b> | <b>317,098</b> | <b>317,169</b> |
| <b>Liabilities and Capital</b>  |                 |                |                |                |                |                |
| <b>Liabilities</b>  |                 |                |                |                |                |                |
| <b>Borrowings from other banks, fin. inst. &amp; agents</b>                       | 25,547          | 19,108         | 14,820         | 18,272         | 21,872         | 15,758         |
| <b>AB Bank Subordinated Bond</b>  | 9,350           | 9,350          | 7,400          | 8,700          | 6,000          | 6,500          |
| <b>Deposits and other accounts</b>  | 273,329         | 290,547        | 279,395        | 235,383        | 235,562        | 245,394        |
| Current account and other accounts  | 26,979          | 28,629         | 24,205         | 22,819         | 21,822         | 22,297         |
| Bills payable   | 1,784           | 6,424          | 4,568          | 2,994          | 2,251          | 4,866          |
| Savings bank deposits   | 36,596          | 35,246         | 29,889         | 28,686         | 29,870         | 28,025         |
| Fixed deposits  | 120,041         | 121,516        | 122,907        | 128,220        | 129,606        | 122,034        |
| Other deposits  | 87,929          | 98,732         | 97,825         | 52,664         | 52,013         | 68,173         |
| <b>Other liabilities</b>  | 43,565          | 43,876         | 42,421         | 38,902         | 29,660         | 25,182         |
| <b>Total Liabilities</b>  | <b>351,792</b>  | <b>362,881</b> | <b>344,036</b> | <b>301,258</b> | <b>293,095</b> | <b>292,835</b> |
| <b>Capital/Shareholders' Equity</b>   |                 |                |                |                |                |                |
| <b>Equity attributable to equity holders of parent com.</b>                       | 25,761          | 25,677         | 24,028         | 23,885         | 23,994         | 24,324         |
| Paid-up capital   | 7,960           | 7,960          | 7,581          | 7,581          | 7,581          | 6,739          |
| Statutory reserve   | 7,148           | 7,144          | 6,872          | 6,623          | 6,549          | 6,496          |
| Other reserve   | 3,803           | 3,867          | 2,740          | 2,713          | 2,811          | 3,253          |
| Retained earnings   | 6,850           | 6,706          | 6,835          | 6,968          | 7,052          | 7,836          |
| Non- controlling interest   | 12              | 12             | 12             | 10             | 10             | 10             |
| <b>Total Equity</b>   | <b>25,773</b>   | <b>25,689</b>  | <b>24,040</b>  | <b>23,896</b>  | <b>24,004</b>  | <b>24,334</b>  |
| <b>Total Liabilities and Shareholders' Equity</b>                                 | <b>377,565</b>  | <b>388,570</b> | <b>368,076</b> | <b>325,154</b> | <b>317,098</b> | <b>317,169</b> |

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 Resident & Managing Director
   
 AB Bank Limited
   
 Corporate Office, Dhaka

For and on behalf of
   
 Riverstone Capital Limited
   
 Ashraf Ahmed
   
 Managing Director

Khairul Bashar A. T. Mohammed
   
 Chief Executive Officer
   
 MTB Capital Ltd.
   
 Head Office, Dhaka.

In Million Taka

|   | 31.03.2021 | 31.12.2020 | 31.12.2019 | 31.12.2018 | 31.12.2017 | 31.12.2016 |
|---|------------|------------|------------|------------|------------|------------|
| <b>Off-Balance Sheet Items</b>  |            |            |            |            |            |            |
| <b>Contingent liabilities</b>   | 45,719     | 59,191     | 47,836     | 57,209     | 65,451     | 73,479     |
| Acceptances and endorsements  | 6,565      | 8,043      | 9,766      | 21,729     | 24,089     | 29,035     |
| Letters of guarantee  | 12,936     | 12,837     | 14,058     | 14,569     | 13,525     | 13,920     |
| Irrevocable letters of credit   | 6,235      | 6,094      | 6,196      | 12,060     | 15,837     | 22,006     |
| Bills for collection  | 19,827     | 32,214     | 17,605     | 7,390      | 9,392      | 8,518      |
| Other contingent liabilities  | 156        | 3          | 211        | 1,461      | 2,607      | -          |
| <b>Other commitments</b>  |            |            |            |            |            |            |
| 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 | -          | -          | -          | -          | -          | -          |
| <b>Total off-balance sheet items</b>                                  | 45,719     | 59,191     | 47,836     | 57,209     | 65,451     | 73,479     |

**3. Comparative consolidated Statements of Comprehensive Income (Profit & Loss Account) are as follows:**

|   | Jan-Mar 21 | 2020     | 2019     | 2018     | 2017     | 2016     |
|---|------------|----------|----------|----------|----------|----------|
| <b>OPERATING INCOME</b>   |            |          |          |          |          |          |
| Interest income/profit on investments                             | 4,230      | 24,427   | 26,954   | 19,811   | 18,095   | 19,450   |
| Interest/profit paid on deposits and borrowings, etc.             | (4,073)    | (20,172) | (18,868) | (17,580) | (14,937) | (16,139) |
| <b>Net interest income</b>  | 158        | 4,255    | 8,086    | 2,230    | 3,158    | 3,311    |
| Investment income   | 1,232      | 6,492    | 2,922    | 4,247    | 4,726    | 5,106    |
| Commission, exchange and brokerage                                | 481        | 1,440    | 1,898    | 2,478    | 2,994    | 2,856    |
| Other operating income  | 106        | 327      | 148      | 198      | 178      | 169      |
|   | 1,819      | 8,259    | 4,968    | 6,923    | 7,899    | 8,131    |
| <b>Total operating income (a)</b>                                 | 1,977      | 12,514   | 13,054   | 9,153    | 11,057   | 11,411   |
| <b>OPERATING EXPENSES</b>   |            |          |          |          |          |          |
| Salary and allowances   | 679        | 2,807    | 2,805    | 2,896    | 2,990    | 3,011    |
| Rent, taxes, insurance, electricity, etc.                         | 147        | 608      | 581      | 763      | 747      | 711      |
| Legal expenses  | 2          | 14       | 12       | 3        | 8        | 19       |
| Postage, stamps, telecommunication, etc.                          | 27         | 98       | 107      | 127      | 137      | 144      |
| Stationery, printing, advertisement, etc.                         | 27         | 96       | 136      | 153      | 200      | 197      |
| Chief executive's salary and fees                                 | 4          | 13       | 6        | 10       | 10       | 13       |
| Directors' fees   | 1          | 2        | 3        | 5        | 9        | -        |
| Auditors' fees  | 1          | 3        | 8        | 3        | 4        | 11       |
| Charges on loan losses  | -          | -        | 1,107    | -        | -        | 6        |
| Depreciation and repairs of Bank's assets                         | 175        | 729      | 701      | 486      | 538      | 586      |
| Other expenses  | 262        | 1,492    | 1,117    | 1,267    | 1,379    | 1,324    |
| <b>Total operating expenses (b)</b>                               | 1,324      | 5,862    | 6,583    | 5,714    | 6,021    | 6,021    |
| <b>Profit before provision (c = (a-b))</b>                        | 652        | 6,652    | 6,471    | 3,439    | 5,036    | 5,420    |
| Provision against loans and advances                              | 323        | 5,100    | 4,747    | 2,091    | 4,950    | 2,939    |
| Provision for diminution in value of investments                  | 100        | 140      | 343      | 578      | 12       | 22       |
| Other provisions  | 2          | 80       | 18       | 67       | 0.2      | 60       |
| <b>Total provision (d)</b>  | 424        | 5,320    | 5,109    | 2,736    | 4,962    | 3,021    |
| Loss on disposal of AB Exchange (UK) Limited                      | -          | -        | -        | -        | -        | 4        |
| <b>Profit before tax (e-d)</b>                                    | 228        | 1,332    | 1,363    | 703      | 73       | 2,395    |
| <b>Provision for taxation</b>                                     | 101        | 938      | 1,239    | 660      | 33       | 887      |
| Current tax   | 191        | 1,700    | 2,077    | 1,140    | 1,594    | 1,775    |
| Deferred tax  | (91)       | (762)    | (838)    | (480)    | (1,561)  | (888)    |
| <b>Net profit after tax</b>                                       | 127        | 394      | 123      | 43       | 41       | 1,509    |
| <b>Appropriations</b>   |            |          |          |          |          |          |
| Statutory reserve   | -          | 282      | 251      | 95       | 26       | 389      |
| General reserve   | -          | -        | -        | -        | -        | -        |
| Dividends, etc.   | -          | -        | -        | -        | -        | -        |
|   | -          | 282      | 251      | 95       | 26       | 389      |
| <b>Retained surplus</b>   | 127        | 113      | (128)    | (52)     | 15       | 1,120    |
| Non-controlling interest  | 0.1        | 0.2      | 1        | 0.3      | 0.2      | (6)      |
| <b>Net Profit attributable to the shareholders of parent com.</b> | 127        | 112      | (129)    | (52)     | 15       | 1,126    |
| <b>Consolidated Basic Earnings Per Share (EPS)</b>                | 0.16       | 0.50     | 0.15     | 0.05     | 0.05     | 1.90     |
| <b>Consolidated Diluted Earnings Per Share</b>                    | 0.15       | -        | -        | -        | -        | -        |



*(Signature)*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

*(Signature)*  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*(Signature)*  
**Tarique Aizal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

*(Signature)*  
**Ashraf Ahmed**  
 Managing Director

*(Signature)*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

## 13.1.2 Comparative Cash Flow Statement on Consolidated Basis

## 4. Comparative Consolidated Cash Flow Statement are as follows:

In Million Taka

|  | 31.03.2021      | 31.12.2020     | 31.12.2019      | 31.12.2018     | 31.12.2017      | 31.12.2016      |
|--|-----------------|----------------|-----------------|----------------|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b>                                  |                 |                |                 |                |                 |                 |
| Interest receipts  | 2,588           | 13,885         | 23,171          | 16,243         | 15,020          | 18,320          |
| Interest payments  | (2,985)         | (21,693)       | (18,655)        | (16,680)       | (15,277)        | (16,126)        |
| Dividend receipts  | 24              | 82             | 174             | 117            | 129             | 133             |
| Fee and commission receipts  | 393             | 1,111          | 1,348           | 1,644          | 1,895           | 2,008           |
| Recoveries on loans previously written off                                   | 22              | 173            | 109             | 9              | 6               | 23              |
| Payments to employees  | (682)           | (2,820)        | (2,811)         | (2,906)        | (3,000)         | (3,024)         |
| Payments to suppliers  | (27)            | (96)           | (136)           | (153)          | (200)           | (197)           |
| Income taxes paid  | (663)           | (2,403)        | (1,058)         | (580)          | (798)           | (1,531)         |
| Receipts from other operating activities                                     | 1,402           | 7,066          | 3,446           | 5,135          | 5,869           | 6,171           |
| Payments for other operating activities                                      | (568)           | (2,732)        | (2,205)         | (2,349)        | (2,501)         | (2,443)         |
| <b>Operating profit before changes in operating assets &amp; liabilities</b> | <b>(497)</b>    | <b>(7,426)</b> | <b>3,383</b>    | <b>480</b>     | <b>1,142</b>    | <b>3,334</b>    |
| <b>Increase/decrease in operating assets and liabilities</b>                 |                 |                |                 |                |                 |                 |
| Loans and advances to customers  | (1,014)         | (7,974)        | (12,891)        | (8,684)        | (11,290)        | (12,092)        |
| Other assets   | 1,421           | (1,681)        | 759             | (876)          | (362)           | 285             |
| Deposits from other banks  | 278             | 2,828          | 363             | (324)          | (2,356)         | 963             |
| Deposits from customers  | (18,584)        | 9,846          | 43,436          | (755)          | (7,136)         | 30,746          |
| Trading liabilities (short-term borrowings)                                  | 5,178           | 2,577          | (3,353)         | (3,549)        | 6,231           | (8,558)         |
| Other liabilities  | (196)           | (1,841)        | (3,048)         | 6,781          | 4,505           | 5,875           |
|  | <b>(12,917)</b> | <b>3,755</b>   | <b>25,265</b>   | <b>(7,407)</b> | <b>(10,409)</b> | <b>17,220</b>   |
| <b>Net cash (used in)/flow from operating activities (a)</b>                 | <b>(13,414)</b> | <b>(3,672)</b> | <b>28,647</b>   | <b>(6,927)</b> | <b>(9,267)</b>  | <b>20,554</b>   |
| <b>Cash Flows from Investing Activities</b>                                  |                 |                |                 |                |                 |                 |
| (Purchase)/Sale of government securities                                     | 11,977          | (2,505)        | (17,718)        | 6,122          | 1,733           | (14,791)        |
| (Purchase)/Sale of trading securities, shares, bonds, etc.                   | (622)           | 877            | (316)           | (3,921)        | 528             | (120)           |
| Purchase of property, plant and equipment                                    | (75)            | (159)          | (518)           | (59)           | (335)           | (217)           |
| <b>Net cash flow from/(used in) investing activities (b)</b>                 | <b>11,280</b>   | <b>(1,788)</b> | <b>(18,552)</b> | <b>2,141</b>   | <b>1,926</b>    | <b>(15,128)</b> |
| <b>Cash Flows from Financing Activities</b>                                  |                 |                |                 |                |                 |                 |
| Increase/(decrease) of long-term borrowings                                  | 1,262           | 3,660          | (1,399)         | 2,649          | (616)           | 217             |
| Dividend paid  | -               | (0.2)          | (0.1)           | (0.3)          | (0.3)           | (0.1)           |
| <b>Net cash flow from/(used) in financing activities (c)</b>                 | <b>1,262</b>    | <b>3,660</b>   | <b>(1,399)</b>  | <b>2,649</b>   | <b>(616)</b>    | <b>217</b>      |
| <b>Net (decrease)/increase in cash (a+b+c)</b>                               | <b>(872)</b>    | <b>(1,800)</b> | <b>8,696</b>    | <b>(2,136)</b> | <b>(7,958)</b>  | <b>5,643</b>    |
| Effects of exchange rate changes on cash and cash equiv.                     | 11              | 8              | 17              | 18             | -               | -               |
| Cash and cash equivalents at beginning of the year                           | 27,324          | 29,117         | 20,404          | 22,522         | 30,479          | 24,837          |
| <b>Cash and cash equivalents at end of the period (*)</b>                    | <b>26,463</b>   | <b>27,324</b>  | <b>29,117</b>   | <b>20,404</b>  | <b>22,522</b>   | <b>30,479</b>   |

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Tarique Afzal  
 Resident & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited

Ashraf Ahmed  
 Managing Director

Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.



## 13.2 Comparative Financial Statements on Solo Basis

### 13.2.1 Comparative Balance Sheet and Income Statement on Solo Basis

|   | In Million Taka |                |                |                |                |                |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|
|   | 31.03.2021      | 31.12.2020     | 31.12.2019     | 31.12.2018     | 31.12.2017     | 31.12.2016     |
| <b>Property And Assets</b>  |                 |                |                |                |                |                |
| <b>Cash</b>   | 21,566          | 20,931         | 19,872         | 16,433         | 17,781         | 19,708         |
| In hand (including foreign currencies)  | 1,272           | 1,010          | 1,136          | 1,960          | 1,572          | 1,536          |
| Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies) | 20,294          | 19,921         | 18,736         | 14,473         | 16,209         | 18,171         |
| <b>Balance with other banks and financial institutions</b>                        | 4,029           | 4,361          | 5,249          | 3,178          | 3,987          | 4,557          |
| In Bangladesh   | 762             | 1,212          | 960            | 1,625          | 2,295          | 2,532          |
| Outside Bangladesh  | 3,267           | 3,151          | 4,289          | 1,553          | 1,692          | 2,026          |
| <b>Money at call and on short notice</b>  | 1,106           | 2,500          | 4,776          | 1,429          | 1,170          | 6,806          |
| <b>Investments</b>  | 52,031          | 63,437         | 61,579         | 43,594         | 45,749         | 48,187         |
| Government  | 41,704          | 53,825         | 51,272         | 33,523         | 39,732         | 41,904         |
| Others  | 10,247          | 9,613          | 10,307         | 10,070         | 6,017          | 6,283          |
| <b>Loans, advances and lease/investments</b>                                      | 277,966         | 274,830        | 256,512        | 241,070        | 229,647        | 218,769        |
| Loans, cash credits, overdrafts, etc./Investments                                 | 277,190         | 274,258        | 255,778        | 239,945        | 228,624        | 218,136        |
| Bills purchased and discounted  | 777             | 572            | 734            | 1,125          | 1,023          | 633            |
| <b>Fixed assets including premises, furniture and fixture:</b>                    | 4,450           | 4,489          | 4,871          | 3,543          | 4,113          | 4,080          |
| <b>Other assets</b>   | 13,368          | 14,877         | 12,366         | 12,936         | 12,117         | 12,728         |
| <b>Non-banking assets</b>   | 334             | 334            | 343            | 343            | -              | -              |
| <b>Total Assets</b>   | <b>374,850</b>  | <b>385,762</b> | <b>365,569</b> | <b>322,526</b> | <b>314,565</b> | <b>314,836</b> |
| <b>Liabilities and Capital</b>  |                 |                |                |                |                |                |
| <b>Liabilities</b>  |                 |                |                |                |                |                |
| <b>Borrowings from other banks, fin. inst. &amp; agents</b>                       | 25,547          | 19,108         | 14,820         | 18,272         | 21,871         | 15,454         |
| <b>AB Bank Subordinated Bond</b>  | 9,350           | 9,350          | 7,400          | 8,700          | 6,000          | 6,500          |
| <b>Deposits and other accounts</b>  | 273,506         | 290,719        | 279,458        | 235,445        | 235,954        | 245,641        |
| Current account and other accounts  | 27,004          | 28,639         | 24,206         | 22,820         | 21,823         | 22,298         |
| Bills payable   | 1,784           | 6,424          | 4,568          | 2,994          | 2,251          | 4,866          |
| Savings bank deposits   | 36,596          | 35,246         | 29,889         | 28,686         | 29,870         | 28,025         |
| Fixed deposits  | 120,069         | 121,538        | 122,908        | 128,220        | 129,606        | 122,034        |
| Other deposits  | 88,054          | 98,872         | 97,887         | 52,725         | 52,404         | 68,418         |
| <b>Other liabilities</b>  | 41,943          | 42,098         | 41,051         | 37,458         | 27,968         | 24,126         |
| <b>Total Liabilities</b>  | <b>350,347</b>  | <b>361,275</b> | <b>342,728</b> | <b>299,875</b> | <b>291,794</b> | <b>291,721</b> |
| <b>Capital/Shareholders' Equity</b>   |                 |                |                |                |                |                |
| <b>Total Shareholders' Equity</b>   | 24,503          | 24,487         | 22,840         | 22,650         | 22,771         | 23,114         |
| Paid-up capital   | 7,960           | 7,960          | 7,581          | 7,581          | 7,581          | 6,739          |
| Statutory reserve   | 7,148           | 7,144          | 6,872          | 6,623          | 6,549          | 6,496          |
| Other reserve   | 3,631           | 3,696          | 2,570          | 2,541          | 2,629          | 3,070          |
| Retained earnings   | 5,763           | 5,687          | 5,817          | 5,905          | 6,012          | 6,810          |
| <b>Total Liabilities and Shareholders' Equity</b>                                 | <b>374,850</b>  | <b>385,762</b> | <b>365,569</b> | <b>322,526</b> | <b>314,565</b> | <b>314,836</b> |

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 Corporate Office, Dhaka.

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 Corporate Office, Dhaka

Tanque Mozal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

Ashraf Ahmed  
 Managing Director

Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

**Off-Balance Sheet Items**
**Contingent liabilities**

|                               | 45,719 | 59,191 | 47,836 | 57,209 | 65,451 | 73,479 |
|-------------------------------|--------|--------|--------|--------|--------|--------|
| Acceptances and endorsements  | 6,565  | 8,043  | 9,766  | 21,729 | 24,089 | 29,035 |
| Letters of guarantee          | 12,936 | 12,837 | 14,058 | 14,569 | 13,525 | 13,920 |
| Irrevocable letters of credit | 6,235  | 6,094  | 6,196  | 12,060 | 15,837 | 22,006 |
| Bills for collection          | 19,827 | 32,214 | 17,605 | 7,390  | 9,392  | 8,518  |
| Other contingent liabilities  | 156    | 3      | 211    | 1,461  | 2,607  | -      |

**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**

|  |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|
|  | 45,719 | 59,191 | 47,836 | 57,209 | 65,451 | 73,479 |
|--|--------|--------|--------|--------|--------|--------|

**3. Comparative Statements of Comprehensive Income (Profit & Loss Account) are as follows:**

|   | Jan-Mar 21 | 2020     | 2019     | 2018     | 2017     | 2016     |
|---|------------|----------|----------|----------|----------|----------|
| <b>OPERATING INCOME</b>                               |            |          |          |          |          |          |
| Interest income/profit on investments                 | 4,169      | 24,291   | 26,715   | 19,467   | 17,567   | 18,914   |
| Interest/profit paid on deposits and borrowings, etc. | (4,070)    | (20,135) | (18,847) | (17,557) | (14,897) | (16,077) |
| <b>Net interest income</b>                            | 99         | 4,157    | 7,869    | 1,910    | 2,670    | 2,837    |
| Investment income                                     | 1,224      | 6,464    | 3,193    | 4,278    | 4,782    | 5,348    |
| Commission, exchange and brokerage                    | 415        | 1,259    | 1,753    | 2,333    | 2,785    | 2,717    |
| Other operating income                                | 86         | 266      | 70       | 128      | 110      | 116      |
| <b>Total operating income (a)</b>                     | 1,823      | 12,146   | 12,884   | 8,648    | 10,347   | 11,018   |
| <b>OPERATING EXPENSES</b>                             |            |          |          |          |          |          |
| Salary and allowances                                 | 661        | 2,728    | 2,733    | 2,825    | 2,914    | 2,934    |
| Rent, taxes, insurance, electricity, etc.             | 144        | 603      | 566      | 749      | 734      | 698      |
| Legal expenses  | 2          | 13       | 11       | 3        | 8        | 18       |
| Postage, stamps, telecommunication, etc.              | 24         | 87       | 93       | 115      | 126      | 136      |
| Stationery, printing, advertisement, etc.             | 27         | 94       | 135      | 151      | 199      | 196      |
| Chief executive's salary and fees                     | 4          | 13       | 6        | 10       | 10       | 13       |
| Directors' fees                                       | 0          | 1        | 2        | 4        | 8        | 10       |
| Auditors' fees  | 1          | 2        | 7        | 3        | 3        | 5        |
| Charges on loan losses                                | -          | -        | 1,107    | -        | -        | -        |
| Depreciation and repairs of Bank's assets             | 170        | 702      | 680      | 465      | 517      | 564      |
| Other expenses  | 252        | 1,435    | 1,095    | 1,248    | 1,353    | 1,424    |
| <b>Total operating expenses (b)</b>                   | 1,285      | 5,679    | 6,434    | 5,573    | 5,871    | 5,999    |
| <b>Profit before provision (c = (a-b))</b>            | 539        | 6,467    | 6,450    | 3,075    | 4,476    | 5,019    |
| Provision against loans and advances                  | 281        | 4,925    | 4,747    | 1,938    | 4,624    | 2,933    |
| Provision for diminution in value of investments      | 100        | 140      | 375      | 514      | 10       | 25       |
| Other provisions                                      | 2          | 80       | 18       | 67       | 0.2      | 60       |
| <b>Total provision (d)</b>                            | 382        | 5,145    | 5,141    | 2,519    | 4,634    | 3,017    |
| <b>Profit before tax (c-d)</b>                        | 156        | 1,322    | 1,309    | 556      | (158)    | 2,002    |
| <b>Provision for taxation</b>                         | 85         | 931      | 1,141    | 538      | (188)    | 697      |
| Current tax   | 163        | 1,642    | 1,978    | 1,003    | 1,378    | 1,581    |
| Deferred tax  | (78)       | (712)    | (836)    | (466)    | (1,565)  | (884)    |
| <b>Net profit after tax</b>                           | 72         | 391      | 168      | 18       | 30       | 1,305    |
| <b>Appropriations</b>                                 |            |          |          |          |          |          |
| Statutory reserve                                     | -          | 282      | 251      | 95       | 26       | 389      |
| General reserve                                       | -          | -        | -        | -        | -        | -        |
| Dividends, etc.                                       | -          | -        | -        | -        | -        | -        |
| <b>Retained surplus/(Deficit)</b>                     | 72         | 110      | (83)     | (77)     | 3        | 916      |
| <b>Basic Earnings Per Share (EPS)</b>                 | 0.09       | 0.49     | 0.21     | 0.02     | 0.04     | 1.64     |
| <b>Diluted Earnings Per Share</b>                     | 0.09       | -        | -        | -        | -        | -        |

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Pariquea Afzal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited

Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

Ashraf Ahmed  
 Managing Director

**13.2.2 Comparative Cash Flow Statement on Solo Basis**

|  | In Million Taka |                |                 |                |                |                 |
|--|-----------------|----------------|-----------------|----------------|----------------|-----------------|
|  | 31.03.2021      | 31.12.2020     | 31.12.2019      | 31.12.2018     | 31.12.2017     | 31.12.2016      |
| <b>Cash flows from Operating Activities</b>                                  |                 |                |                 |                |                |                 |
| Interest receipts  | 2,527           | 13,750         | 22,932          | 15,900         | 14,491         | 17,784          |
| Interest payments  | (2,982)         | (21,656)       | (18,634)        | (16,657)       | (15,237)       | (16,063)        |
| Dividend receipts  | 13              | 138            | 236             | 198            | 188            | 193             |
| Fees and commission receipts   | 327             | 930            | 1,209           | 1,506          | 1,690          | 1,872           |
| Recoveries on loans previously written off                                   | 22              | 173            | 109             | 9              | 6              | 23              |
| Payments to employees  | (665)           | (2,741)        | (2,738)         | (2,835)        | (2,924)        | (2,947)         |
| Payments to suppliers  | (27)            | (94)           | (135)           | (151)          | (199)          | (196)           |
| Income taxes paid  | (590)           | (2,329)        | (985)           | (397)          | (588)          | (1,426)         |
| Receipts from other operating activities                                     | 1,352           | 6,742          | 3,554           | 4,981          | 5,779          | 6,168           |
| Payments for other operating activities                                      | (538)           | (2,551)        | (2,150)         | (2,299)        | (2,418)        | (2,518)         |
| <b>Operating profit before changes in operating assets &amp; liabilities</b> | <b>(561)</b>    | <b>(7,639)</b> | <b>3,398</b>    | <b>255</b>     | <b>760</b>     | <b>2,890</b>    |
| <b>Increase/decrease in operating assets and liabilities</b>                 |                 |                |                 |                |                |                 |
| Loans and advances to customers  | (1,494)         | (7,776)        | (13,134)        | (8,556)        | (11,080)       | (10,955)        |
| Other assets   | 1,587           | (1,695)        | 957             | (797)          | (271)          | (575)           |
| Deposits from other banks  | 278             | 2,828          | 363             | (324)          | (2,356)        | 963             |
| Deposits from customers  | (18,579)        | 9,955          | 43,437          | (1,085)        | (6,990)        | 30,845          |
| Trading liabilities (short-term borrowings)                                  | 5,178           | 2,577          | (3,353)         | (3,548)        | 6,533          | (8,456)         |
| Other liabilities  | (29)            | (2,080)        | (2,965)         | 7,225          | 4,221          | 5,746           |
|  | <b>(13,059)</b> | <b>3,810</b>   | <b>25,305</b>   | <b>(7,086)</b> | <b>(9,943)</b> | <b>17,569</b>   |
| <b>Net cash (used in)/flow from operating activities (a)</b>                 | <b>(13,620)</b> | <b>(3,829)</b> | <b>28,703</b>   | <b>(6,831)</b> | <b>(9,184)</b> | <b>20,459</b>   |
| <b>Cash Flows from Investing Activities</b>                                  |                 |                |                 |                |                |                 |
| (Purchase)/Sale of government securities                                     | 11,977          | (2,505)        | (17,718)        | 6,122          | 1,733          | (14,791)        |
| (Purchase)/Sale of trading securities, shares, bonds, etc.                   | (634)           | 694            | (236)           | (3,796)        | 266            | (104)           |
| Purchase of property, plant and equipment                                    | (88)            | (131)          | (509)           | (61)           | (332)          | (217)           |
| <b>Net cash flow from/(used in) investing activities (b)</b>                 | <b>11,255</b>   | <b>(1,942)</b> | <b>(18,463)</b> | <b>2,265</b>   | <b>1,667</b>   | <b>(15,112)</b> |
| <b>Cash Flows from Financing Activities</b>                                  |                 |                |                 |                |                |                 |
| Increase/(decrease) of long-term borrowings                                  | 1,262           | 3,660          | (1,399)         | 2,649          | (616)          | 217             |
| Dividend paid  | -               | (0.2)          | (0.1)           | (0.3)          | (0.3)          | (0.1)           |
| <b>Net cash flow from/(used in) financing activities (c)</b>                 | <b>1,262</b>    | <b>3,660</b>   | <b>(1,399)</b>  | <b>2,649</b>   | <b>(616)</b>   | <b>217</b>      |
| <b>Net Increase/(decrease) in cash (a+b+c)</b>                               | <b>(1,104)</b>  | <b>(2,112)</b> | <b>8,840</b>    | <b>(1,917)</b> | <b>(8,133)</b> | <b>5,563</b>    |
| Effects of exchange rate changes on cash and cash equiv.                     | 11              | 8              | 17              | 18             | -              | -               |
| Cash and cash equivalents at beginning of the year                           | 27,796          | 29,899         | 21,043          | 22,942         | 31,074         | 25,511          |
| <b>Cash and cash equivalents at end of the year/period (*)</b>               | <b>26,703</b>   | <b>27,796</b>  | <b>29,899</b>   | <b>21,043</b>  | <b>22,942</b>  | <b>31,074</b>   |

13.3 Financial Ratios of the last 05 (Five) Years

**AB BANK LIMITED  
KEY RATIOS**

| SL # | Ratio  | Formula                            | 31-Mar-21 | 2020   | 2019   | 2018   | 2017   | 2016   |
|------|--|------------------------------------|-----------|--------|--------|--------|--------|--------|
| 1    | Current Ratio                                | Total Current Assets               | N/A       |        |        |        |        |        |
|      |  | Total Current Liabilities          |           |        |        |        |        |        |
| 2    | Quick Ratio                                  | Total Current Assets-<br>Inventory | N/A       |        |        |        |        |        |
|      |  | Total Current Liabilities          |           |        |        |        |        |        |
| 3    | Break-Even Point                             | Fixed Costs                        | N/A       |        |        |        |        |        |
|      |  | Contribution Margin                |           |        |        |        |        |        |
| 4    | Debt to Equity Ratio                         | Total Debt                         | 1,430%    | 1,475% | 1,501% | 1,324% | 1,281% | 1,262% |
|      |  | Total Equity                       |           |        |        |        |        |        |
| 5    | Debt to Total Assets Ratio                   | Total Debt                         | 93.46%    | 93.65% | 93.75% | 92.98% | 92.76% | 92.66% |
|      |  | Total Assets                       |           |        |        |        |        |        |
| 6    | Accounts Receivable Turnover Ratio           | Total Credit Sales                 | N/A       |        |        |        |        |        |
|      |  | Average Accounts Receivable        |           |        |        |        |        |        |
| 7    | Gross Margin Ratio/Net Interest Margin (NIM) | Net Interest Income                | 0.13%     | 1.41%  | 3.15%  | 0.79%  | 0.98%  | 1.09%  |
|      |  | Total Average Earning Assets       |           |        |        |        |        |        |
| 8    | Operating Income Ratio*                      | Total Operating Income             | 174.92%   | 50.00% | 48.23% | 44.42% | 58.90% | 58.25% |
|      |  | Total Interest Income              |           |        |        |        |        |        |
| 9    | Net Income Ratio*                            | Net Profit                         | 6.87%     | 1.61%  | 0.63%  | 0.09%  | 0.17%  | 6.90%  |
|      |  | Total Interest Income              |           |        |        |        |        |        |

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

|    |  |   |          |         |         |         |         |         |
|----|--|---|----------|---------|---------|---------|---------|---------|
| 10 | Return on assets (ROA)                       | Net Profit                              | 0.08%    | 0.10%   | 0.05%   | 0.01%   | 0.01%   | 0.44%   |
|    |  | Total Average Assets                    |          |         |         |         |         |         |
| 11 | Return on Equity (ROE)                       | Net Profit                              | 1.17%    | 1.65%   | 0.74%   | 0.08%   | 0.13%   | 5.68%   |
|    |  | Total Average Equity                    |          |         |         |         |         |         |
| 12 | Earnings Per Share (EPS)*                    | Net Profit                              | 0.36     | 0.49    | 0.21    | 0.02    | 0.04    | 1.64    |
|    |  | No. of Share Outstanding                |          |         |         |         |         |         |
| 13 | Net Asset Value Per Share                    | Net Asset Value                         | 30.78    | 30.76   | 30.13   | 29.88   | 30.04   | 34.30   |
|    |  | No. of Share Outstanding                |          |         |         |         |         |         |
| 14 | Net operating cash-flow to Net Income        | Total Net Operating Cash Flow           | -747.10% | -31.53% | 222.78% | -78.99% | -88.76% | 185.68% |
|    |  | Total Operating Income                  |          |         |         |         |         |         |
| 15 | Total debt to tangible assets ratio (Times). | Total Debt                              | 73.23    | 74.90   | 65.73   | 77.16   | 70.94   | 71.49   |
|    |  | Total Tangible Assets                   |          |         |         |         |         |         |
| 16 | Debt-Service Coverage Ratio (DSCR)           | Net Operating Income                    | 0.70%    | 2.03%   | 2.14%   | 1.17%   | 1.70%   | 1.88%   |
|    |  | Debt Service                            |          |         |         |         |         |         |
| 17 | Interest Service Coverage Ratio (Times)      | EBIT (Earnings Before Interest and Tax) | 1.45     | 1.60    | 1.68    | 1.49    | 1.69    | 1.69    |
|    |  | Interest Expense                        |          |         |         |         |         |         |
| 18 | Capital Adequacy Ratio                       | Total Regulatory Capital                | 9.70%    | 10.84%  | 10.12%  | 10.03%  | 10.80%  | 10.79%  |
|    |  | Total Risk Weighted Assets (RWA)        |          |         |         |         |         |         |
| 19 | Capital Adequacy Ratio (Tier I)              | Tier I Capital                          | 5.70%    | 5.74%   | 5.65%   | 5.82%   | 6.81%   | 6.58%   |
|    |  | Total Risk Weighted Assets (RWA)        |          |         |         |         |         |         |

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 AB Bank Limited
   
 Corporate Office, Dhaka.

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 Corporate Office, Dhaka

Tarique Afzal
   
 President & Managing Director
   
 AB Bank Limited
   
 Corporate Office, Dhaka.

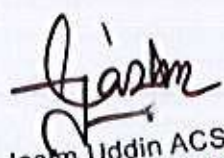
For and on behalf of
   
 Riverstone Capital Limited

Ashraf Ahmed
   
 Managing Director

Khairul Bashar A. T. Mohammed
   
 Chief Executive Officer
   
 MTB Capital Ltd.
   
 Head Office, Dhaka.

|  |   |  |           |           |           |           |           |           |
|--|---|--|-----------|-----------|-----------|-----------|-----------|-----------|
| 20   | Capital Adequacy Ratio (Tier II)                            | Tier II Capital                                    |           |           |           |           |           |           |
|  |   | Total Risk Weighted Assets (RWA)                   | 4.00%     | 5.10%     | 4.48%     | 4.20%     | 3.99%     | 4.20%     |
| 21   | Return on investments (ROI)                                 | Investment income                                  |           |           |           |           |           |           |
|  |   | Total Average Investment                           | 8.48%     | 10.34%    | 6.07%     | 9.58%     | 10.18%    | 13.50%    |
| 22   | Net Interest Margin (NIM)                                   | Net Interest Income                                |           |           |           |           |           |           |
|  |   | Total Average Earning Assets                       | 0.13%     | 1.41%     | 3.15%     | 0.79%     | 0.98%     | 1.09%     |
| 23   | Net Operating Cash Flow Per Share (NOCFPS)                  | Net cash flow from/ (used) in operating activities | -17.11    | -4.81     | 36.06     | -8.58     | -11.54    | 25.7      |
|  |   | No. of Share Outstanding                           |           |           |           |           |           |           |
| 24   | Cash Reserve Requirement (CRR):                             |  |           |           |           |           |           |           |
|  | Required reserve (4.00% of total time & demand liabilities) |  | 18,873.90 | 18,240.56 | 24,861.19 | 22,169.45 | 26,015.98 | 28,091.80 |
|  | Actual reserve maintained                                   |  | 19,008.76 | 18,698.89 | 25,499.05 | 22,549.72 | 26,292.25 | 28,344.86 |
|  | Surplus   |  | 134.85    | 458.33    | 637.86    | 380.27    | 276.27    | 253.06    |
| 25   | Statutory Liquidity Ratio (SLR)                             |  |           |           |           |           |           |           |
|  | Required reserve (13% of total time & demand liabilities)   |  | 3,608.79  | 3,487.44  | 3,456.64  | 3,082.38  | 3,060.70  | 3,304.92  |
|  | Actual reserve maintained                                   |  | 4,347.91  | 5,636.98  | 5,465.60  | 3,584.22  | 4,154.70  | 4,389.86  |
|  | Total surplus   |  | 739.12    | 2,149.54  | 2,008.97  | 501.83    | 1,093.99  | 1,084.94  |
| 26   | Non-performing Loans  |  | 16.58%    | 16.79%    | 18.28%    | 33.07%    | 7.15%     | 5.19%     |
| * Annualized   |   |  |           |           |           |           |           |           |
| ** Loan-Deposit ratio calculation has been done as per Bangladesh Bank guidelines. |   |  |           |           |           |           |           |           |

  
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 AB Bank Limited  
 Corporate Office, Dhaka

  
**Tarique Anzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka

  
 For and on behalf of  
 Riverstone Capital Limited  
**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

## 14 Rating Summary with Rating Rationale of the Issue and the Issuer

The credit rating for the Bond was done by ARGUS Credit Rating Services Limited (ACRSL), a leading credit rating agency of Bangladesh, providing rating, grading, advisory and information services.

Table 19: Rating Summary of the Issue

| Credit Rating   | Current       |
|-----------------|---------------|
| Long Term       | A+            |
| Short-Term      | ST-2          |
| Publishing Date | June 27, 2021 |

Table 20: Rating Summary of the Issuer

| Credit Rating   | Current          | Previous          |
|-----------------|------------------|-------------------|
| Long Term       | AA-              | A+                |
| Short-Term      | ST-2             | ST-2              |
| Publishing Date | December 9, 2020 | December 19, 2019 |

### 14.1 Rating Rational of the Issue

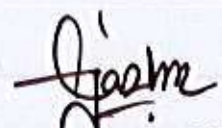
ACRSL has assigned a long-term rating of "A+" and a short-term rating of "ST-2" to AB Bank Limited Perpetual Bond.

ABBL has maintained healthy growth in loan disbursement. Total loans & advances demonstrated a positive growth since last year. Interest income from disbursed loan is one of the major revenue sources for ABBL and the bank always put efforts to construct a good credit portfolio by expanding its credit portfolio. During the last three years ABBL's loan portfolio increased at a Compound Annual Growth rate (CAGR) of 6.55%.

Total loans & advances: ABBL has maintained healthy growth in loan disbursement. During last three year, ABBL's loan portfolio was in an increasing trend. In FY2018 ABBL's total loan portfolio was BDT 249,185.31 million which reached to BDT 264,385.00 million in FY2019, representing a YoY growth of 6.10%. Later in FY2020, it further increased 6.10% to BDT 282,900.91 million from previous year. Over the last three years, ABBL's loan portfolio increased by a CAGR of 6.55%.

ABBL's Investment income demonstrated a robust growth in FY2020. ABBL has a portfolio of investments which includes government securities, treasury bills, treasury bonds and others. ABBL's total investment was BDT 44,351.75 million in FY2019 which further increased to BDT 64,092.71 million. Net ABBL's investment grew at a CAGR of 20.21%. This healthy investment portfolio helped ABBL to book a robust investment income growth in FY2020. The investment income of ABBL increased from BDT 2,922.02 million in FY2019 to BDT 6,491.86 million, representing a YoY growth of 122.17%.

  
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Tarique Anzal  
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For and on behalf of  
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Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
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ABBL's capital adequacy ratio (CAR) remains inconsistent within the regulatory requirement. High risk weighted asset compared to inadequate total eligible capital resulting low Capital Adequacy Ratio. The capital adequacy ratio of ABBL remained lower than the regulatory requirement of 12.50% under the BASEL III framework in FY2020.

**Paid up capital:** The paid-up capital of ABBL stood at BDT 7,960.37 million in FY2020 which was BDT 7,581.30 million in FY2019 and BDT 7,581.30 million in FY2018. From FY2018 to FY2020, ABBL's paid up capital grew at a CAGR of 2.47%.

**Tier-I capital:** ABBL's Tier-I capital stayed at BDT19,813.57 million in FY2019 which further increased to BDT20,673.91 million in FY2020 representing a YoY growth of 4.34%.

**Tier-II capital:** ABBL's Tier-II capital stayed at BDT15,584.77 million in FY2019 which further increased to BDT18,377.04 million in FY2020 representing a YoY growth of 17.92%.

**Capital adequacy ratio:** The capital adequacy ratio of ABBL is lower than the regulatory requirement of 12.50% under the BASEL III framework. ABBL's capital adequacy ratio was 10.59% in FY2019 which increased to 11.33% in FY2020, in line with its risk weighted asset of BDT 334,211.41 million in FY2019 and BDT 344,617.10 million in FY2020.

Over the near to intermediate term, ACRSL is concerned regarding the exposure of to the Banking sector. The Bangladesh bank sector will be one of the hardest hit sectors of the economy, owing to the broad-based slowdown in the economy as a whole, combined with its exposure to the hardest hit sectors of the economy, such as foreign trade, RMG and the capital market. The economic recession recovery is not going to be like L shape or V shape rather than the recovery is likely to be 'K' shaped. The sector was already struggling prior to the pandemic owing to the imposition of a 9% interest ceiling on all loans (except credit cards), liquidity pressures and a persistently deteriorating non-performing loan (NPL) situation. However, owing to the COVID-19 pandemic and subsequent lockdown, the banking sector will face an acute crisis on multiple fronts, as banks' asset quality is likely to deteriorate while their interest and fee-based income are all affected at the same time. Lending cap will take a heavy toll on SME and retail businesses. Not being able to price loans effectively will essentially force commercial banks to turn the tap off to the segments of economy small and medium-sized enterprises most affected by the crisis, exactly when liquidity is much needed. The high level of non-performing loans in the banking sector in Bangladesh has been an area of concern even before the pandemic. With the pandemic, the risk profile of the borrower has deteriorated across the world and Bangladesh is no exception. The COVID-19 pandemic has caused a historic fall in the operating income of banks. In an unprecedented situation, both interest income and non-interest income have been drastically hit by the economy grinding to a total halt.

Detailed Credit Rating Report of the Issue is added in section 22.1 of this Information Memorandum.

For and on behalf of  
Riverstone Capital Limited

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Managing Director

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Chief Executive Officer  
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AB Bank Limited  
Corporate Office, Dhaka.

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.



**14.2 Rating Rationale of the Issuer**

ACRSL conducted the credit rating of AB Bank Limited and long-term rating for AB Bank is AA- and short-term rating is ST-2. The report has been prepared considering all the relevant quantitative and qualitative aspects covering the Commercial Bank Entity Credit Rating methodology. ACRSL compared ABBL's performances with its peers. Detailed inter-bank analysis is done to determine the relative strengths and weaknesses of the bank in its present operating environment and any impact on it in future.

After detailed analysis with information from ABBL's latest annual report, financial statements and information from other primary and secondary data sources, the credit report described only the summary of finding with applicable charts and graphs and relevant information of ABBL. The final rating decision is made by the Rating Committee of ACRSL after a thorough analysis of the ABBL's position over the term of the instrument with regard to business fundamentals. Based on that ACRSL found that ABBL falls under highest credit quality with lowest expectation of credit risk. The assigned rating indicates that ABBL has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.

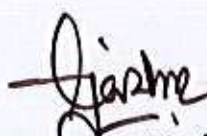
Detailed Credit Rating Report of the Issuer is added in section 22.2 of this Information Memorandum.

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Md. Jasim Uddin ACS  
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Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

## 15 Latest Default Matrix and Transition Statistics of Credit Rating Company

### 15.1 Default Matrix of the Credit Rating Company

Table 21: Corporate Client's Default Study-2020

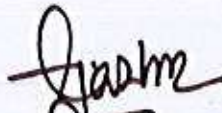
| Rating Grade | First (1) Year Default Rate | Third (3) Year Default Rate |
|--------------|-----------------------------|-----------------------------|
| AAA          | 0.00%                       | 0.00%                       |
| AA+          | 0.00%                       | 0.00%                       |
| AA           | 0.00%                       | 0.00%                       |
| AA-          | 0.00%                       | 0.00%                       |
| A+           | 0.00%                       | 0.00%                       |
| A            | 0.00%                       | 0.00%                       |
| A-           | 0.00%                       | 0.00%                       |
| BBB+         | 0.00%                       | 0.00%                       |
| BBB          | 0.00%                       | 0.00%                       |
| BBB-         | 0.00%                       | 0.00%                       |
| BB+          | 0.00%                       | 0.00%                       |
| BB           | 0.00%                       | 0.00%                       |
| BB-          | 0.00%                       | 0.00%                       |
| CC+          | 0.00%                       | 0.00%                       |
| CC           | 0.00%                       | 0.00%                       |
| CC-          | 0.00%                       | 0.00%                       |
| C+           | 0.00%                       | 0.00%                       |
| C            | 0.00%                       | 0.00%                       |
| C-           | 0.00%                       | 0.00%                       |
| D            | 0.00%                       | 0.00%                       |

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
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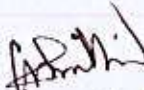
  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

Table 22: SME Client's Default Study-2020

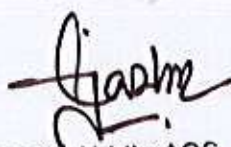
| Rating Grade | First (1) Year Default Rate | Third (3) Year Default Rate |
|--------------|-----------------------------|-----------------------------|
| AQSE-1       | 0.00%                       | 0.00%                       |
| AQSE-2       | 0.00%                       | 0.00%                       |
| AQSE-3       | 0.00%                       | 0.00%                       |
| AQSE-4       | 0.00%                       | 0.00%                       |
| AQSE-5       | 0.00%                       | 0.10%                       |
| AQSE-6       | 0.00%                       | 0.00%                       |
| AQSE-7       | 0.00%                       | 0.00%                       |
| AQSE-8       | 0.00%                       | 0.00%                       |

 For and on behalf of page  
 Riverstone Capital Limited

  
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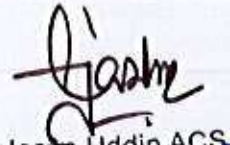
  
 Tarique Rizal  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

15.2 Transition Matrix of the Credit Rating Company

Table 23: Three (3) Years Rating Transition Matrix (2018-2020) (Corporate)

| Rating | AAA    | AA+   | AA    | AA-   | A+    | A     | A-    | BBB+ | BBB  | BBB- | BB+  | BB   | BB-  | CC+  | CC   | CC-  | C+   | C    | C-   | D    |
|--------|--------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| AAA    | 100.0% | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0%  | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| AA+    | 0.0%   | 66.7% | 27.3% | 3.0%  | 3.0%  | 0.0%  | 0.0%  | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| AA     | 0.0%   | 18.2% | 63.6% | 18.2% | 0.0%  | 0.0%  | 0.0%  | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| AA-    | 0.0%   | 0.0%  | 13.3% | 62.2% | 20.0% | 4.4%  | 0.0%  | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| A+     | 0.0%   | 0.0%  | 0.0%  | 7.7%  | 50.0% | 15.4% | 19.2% | 7.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

  
 K.M. Mohiuddin Ahmed  
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 Tarique Rozal  
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 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited  
  
 Ashraf Ahmed  
 Managing Director

  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

## 16 Description of the Trustee

### 16.1 Overview of the Trustee

MTB Capital Limited (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited is a full-fledged Merchant Bank licensed by the Securities and Exchange Commission (SEC) on December 06, 2010. MTBCL was incorporated on October 08, 2009 as a private limited company with the registrar of joint stock companies and firms Bangladesh Dhaka under Companies Act, 1994 with the objective to carry out the business as Issue Manager, Underwriter and Portfolio Manager. As a fully owned Subsidiary of Mutual Trust Bank Ltd, MTB Capital Limited has already started its operation on April 18, 2011.

### 16.2 Financial Highlights of Trustee

The following table provides a snapshot of the financial highlights of the company.

Table 24: Financial Highlights of Trustee for the year ended 31st December, 2020

| Particulars                | BDT            |
|----------------------------|----------------|
| Total Assets               | 64,22,70,448/- |
| Paid up Capital            | 35,68,83,500/- |
| Total Shareholders' Equity | 37,73,28,638/- |
| Operating Profit/(Loss)    | 2,28,08,587/-  |
| Profit After Tax           | 1,34,79,960/-  |

### 16.3 Shareholding Structure of Trustee

The table below illustrates the shareholders structure of MTB Capital Limited.

Table 25: Shareholding Structure of Trustee (As of December 31, 2020)

| Sl | Name of the Shareholders  | Number of Shares | Amount (BDT) | % of ownership |
|----|---------------------------|------------------|--------------|----------------|
| 1  | Mutual Trust Bank Limited | 35,68,693        | 35,686,930   | 99.996 %       |
| 2  | Mr. Md. Hedayetullah      | 142              | 1,420        | 0.004 %        |
|    | Total                     | 35,68,835        | 35,688,350   | 100.000 %      |

### 16.4 Board of Directors of Trustee

Table 26: List of Board of Directors of Trustee

| Sl | Name   | Remarks              |
|----|--|----------------------|
| 1  | <b>Mr. Md. Wakiluddin</b>                                  | Chairman             |
| 2  | <b>Mr. Syed Mahbubur Rahman</b><br>MD & CEO, MTB           | Vice-Chairman        |
| 3  | <b>Ms. Nasreen Sattar</b><br>Independent Director, MTB     | Independent Director |
| 4  | <b>Mr. Syed Rafiqul Haq</b><br>AMD & CBO, MTB              | Director             |
| 5  | <b>Mr. Mohammad Aminul Haque</b>                           | Director             |
| 6  | <b>Mr. Khairul Bashar Abu Taher Mohammed</b><br>CEO, MTBCL | Director             |

## 17 Modus Operandi of the Issue

### 17.1 Application Procedure for Private Placement

BDT 5,400,000,000 of the Bond shall be distributed through private placement

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement containing in details the rights and obligations of the investors.

#### 17.1.1 Undertaking to Issue

Bonds shall be issued in dematerialized form and shall be delivered in the BO Account of the Bondholders.

### 17.2 Allotment

#### 17.2.1 The Bonds

Subject to the BSEC Approval and the completion of the condition precedent as set forth in the Subscription Agreement and receipt of issue price, the Issuer shall issue the Bonds on the Issue Date in the name of the Bondholders in such number the respective Bondholder is entitled. Bonds shall be subject to the terms and conditions of the Bond Documents. On the Issue Date the Register shall be completed by the Issuer by registering the name of the Bondholders in the Register. On or promptly following the date of issuance, the Issuer shall procure the delivery Bonds in the Account to the registered Bondholders.

Each Bondholder shall be entitled to receive a notification of Bonds in respect of its entire holding of Bonds issued by the Issuer to such Bondholder.

#### 17.2.2 Status

The Bonds shall be a Transferable, Unsecured, Non-Cumulative, Contingent-Convertible coupon bearing Perpetual Bond. All payments made to any such Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Bonds. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay any Redemption Amount and any Default Interest on the Bonds according to the Conditions.

The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their authorization.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond.

17.2.3 Form and Denomination

The Bonds are issued in registered and dematerialized form in the denomination of BDT 1,000 each. Each Bond will be numbered serially with an identifying number, which will be recorded in the records of CDBL (the "Register") a copy of which will be maintained by the Issuer.

17.2.4 Register

The Issuer will cause a duplicate of the records of CDBL to be kept at its registered office on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. On the Issue Date, each Bondholder shall be entitled to receive his/her bonds in dematerialized form in their BO account.

17.3 Application Procedure for Public Issue

This section is applicable for public issue of BDT 60 Crore of Perpetual Bond only.

The Public Issue subscription money collected from investors will be remitted in following bank account with AB Bank Limited, Principal Branch:

| Name of Account | Account Number  | Type of A/C | Currency |
|-----------------|-----------------|-------------|----------|
| AB Bank Limited | 4005-775047-000 | Current     | BDT      |

Undertaking to Issue

Bonds shall be issued in dematerialized form and shall be delivered in the BO Account of the Bondholders

17.3.1 Step – 1 (Applicant)


- a. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of Information Memorandum.
- b. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
  - i. Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).

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For and on behalf of  
Riverstone Capital Limited

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashir A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



- II. The General Public, and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

17.3.2 Step-2 (Intermediary)

- c. The registered Stock broker/Merchant Banker in the ESS shall
- a. Post the amount separately in the customer account equivalent to the application money;
  - b. Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;
  - d. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
  - e. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
  - f. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
  - g. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name and Joint Account information along with the verification report.
  - h. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
  - i. On the next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

17.3.3 Step-3 (Issuer)

- j. The Issuer and issue manager shall post the final status of subscription on their websites within 6 (six) hours and on the websites of the Commission and Exchanges

within 12 (twelve) hours of receiving information by the Commission and the Exchanges.

k. Within 3 (three) working days of receipt of the subscription result, the Issuer and Exchanges shall:

- I. Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
- II. Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
- III. Issuer shall issue allotment letters in the names of allottees in electronic format; and
- IV. Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

#### 17.3.4 Step-4 (Intermediary)

- I. On the next working day, Exchanges shall:
  - I. remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose;
  - II. send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
  - III. distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
- m. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

#### 17.3.5 Miscellaneous

- n. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
- o. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public, and Non-Resident Bangladeshi (NRB) applicants.
- p. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.

- q. The Exchanges shall provide the Issuer with a statement of the remittance.
- r. The Issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
- s. The concerned Exchange is authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

#### 17.4 Refund

There is no refund feature for the AB Bank Perpetual Bond.

#### 17.5 Transfer

Subject to regulations concerning Closed Periods detailed in the Trust Deed, a Bond may be transferred subject to the detailed regulation concerning transfer of Bonds stipulated by the CDBL from time to time. A copy of the current regulations will be mailed (free of charge) by the Issuer to any Bondholder upon request. No transfer of a Bond will be valid unless and until entered in the records of CDBL.

##### 17.5.1 Formalities Free of Charge

Registration of a transfer of Bonds will be affected without charge by or on behalf of the Issuer, but upon payment (or the giving of such indemnity as the Issuer or the CDBL may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

##### 17.5.2 Closed Periods

No Bondholders may require transfers to be registered:

- a) in the case of a payment as a result of an Event of Default, during the period from the later of (i) 15 (fifteen) Business Days prior to the due date of such payment and (ii) the date on which the Trustee provides a notice pursuant to Clause 11.5 (Events of Default) of the "Deed of Trust" to and including the due date for such payment or interest; or
- b) on the due date for any payment in respect of such Bond.

For and on behalf of  
Riverstone Capital Limited

Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
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K.M. Mohiuddin Ahmed  
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Corporate Office, Dhaka.

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

**17.5.3 Regulations concerning transfers and registration**

All transfers of Bonds and entries in the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may only be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed by the Registrar to any Bondholder who requests in writing a copy of such regulations.

**17.6 Trading or Listing with the Stock Exchange**

Trading and settlement regulations of the stock exchange shall apply in respect of trading and settlement of the bonds.

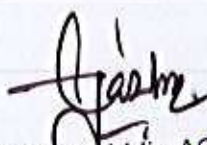
**17.7 Repayment and Coupon Payment**

**17.7.1 Payments**

**17.7.1.1 Payment of Coupon**

- (a) The Issuer hereby covenants that from (and including) the Issue Date, the Issuer will pay to the Bondholders coupon on each Perpetual Bond at the Coupon Rate, provided however that all payment of Coupon Rate shall be subject to exercise of Issuer's Coupon Discretion and/or having distributable profit after making payments to creditors senior to the Bondholders and Coupon Range shall be, subject to the Coupon Ceiling, proportionately adjusted based on such available distributable profits of the Issuer;
- (b) The first coupon payment shall be made on the date falling six (6) months (182 days) after the Issue Date. The first coupon payment shall be calculated for the period commencing from the Issue Date up to the aforesaid date of first coupon payment (inclusive of the date of commencement, but excluding the date of expiry). Thereafter, coupon calculated for each subsequent six (6) months (182 days) period (inclusive of the date of commencement, but excluding the date of expiry) shall be payable semi-annually in arrears. The date of expiry of each six (6) months (182 days) period commencing from the Issue Date shall be known as the "Coupon Payment Date". If any Coupon Payment Date would otherwise fall on a day which is not a Business Day, the date on which payment shall be made shall be next Business Day. A holder of a Bond shall not be entitled to any payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day. All coupon payments shall be calculated based on the outstanding nominal value of the Perpetual Bonds as at the day immediately preceding the Coupon Payment Date.
- (c) Trustee will notify the amount of the coupon payment to the Issuer 21 (twenty-one) days prior to any Coupon Payment Date.

  
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**Khairul Bashar A. T. Mohammed**  
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(d) Every payment by the Issuer to the Bondholders in respect of the coupon shall be in satisfaction pro tanto of the covenant by the Issuer contained in this Condition and the obligations and liabilities of the Issuer with regard to that coupon payment.

17.7.1.2 Payments subject to applicable laws

Unless otherwise agreed herein, all payments in respect of the Bonds are subject in all cases to any applicable laws and regulations of Bangladesh, but without prejudice to the provisions of Clause 11.5 (Events of Default) of the "Deed of Trust". No commissions or expenses shall be charged to the Bondholders in respect of such payments.

17.7.1.3 Record Date

Each payment in respect of a Bond will be made to the person shown as the holder in the Register at the close of business on the day that is ten Business Days before the due date for such payment (the "Record Date").

17.7.1.4 Default Rate

The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment unless exercise of Issuer's Coupon Discretion is not in effect. However, a holder of a Bond shall not be entitled to any late payment fee in respect of any delay in payment resulting from the due date for a payment not being a Business Day.

17.7.1.5 Payment to Nominee

If the Holder of a Bond is a natural person, he may appoint a nominee who shall on the death of the Holder of a Bond is entitled to receive money in relation to the Bond held in the name of the Bondholder in the Register. Bondholder shall inform the Registrar in the prescribed form the name of his nominee and upon receipt of such information the Registrar shall record the name of nominee in the Register and shall inform the Issuer. If the Holder of a Bond is more than one person each Holder of a Bond may appoint a nominee for himself who shall hold the Bond along with the surviving Holder of the Bond. Payment by the Paying Agent to the nominee on the Coupon Payment Date on the death of the Bondholder shall be sufficient to discharge payment obligations of the Issuer to the Bondholders and it shall be responsibility of the nominee to distribute amongst the heirs of the deceased in accordance with applicable laws.

17.7.2 Coupon Rates

17.7.2.1 Calculation of Coupon Rate and Coupon Payment Dates

- i. The Bonds shall bear Coupon Rate from (and including) the Issue Date until its maturity on the principal amount of the Outstanding Bonds. The Coupon Rate of Bonds during tenor of the Bonds shall be per annum. Prior to issue of the Bonds the Issuer, Bondholder and the Trustee shall negotiate in good faith for the determination of the Coupon Rate.
- ii. Such Coupon Rate shall be payable on a semi-annual basis on the "Coupon Payment Date" as specified in the "Expected Coupon Payment Date" column of the Repayment Schedule (Annexure B to these conditions) on which this Coupon Rate is due and payable by the issuer to the Bondholder(s); provided however, if any Coupon Payment Date would otherwise fall on a date which is not a Business Day, the payment of moneys due on such Coupon Payment Date will be postponed to the next Business Day. Each period beginning on (and including) the Issue Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date is herein called a "Coupon Period".

17.7.2.2 Coupon Rate Accrual

- i. Each Bond will cease to bear Coupon Rate from the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at the Default Interest specified in Condition VIII(F).
- ii. If Coupon Rate is required to be paid in respect of a Bond on any date other than a Coupon Payment Date, it shall be calculated by applying half of the Coupon Rate to the Outstanding Bonds, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where "Day Count Fraction" means, in respect of any period for which Coupon Rate is to be calculated, the actual number of days in the relevant period for which this Coupon Rate has accrued divided by the total number of days within the relevant Coupon Period.

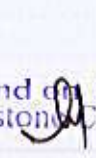
17.8 Redemption or Conversion or Exchange

There is no redemption or exchange feature for the AB Bank Perpetual Bond. However, the Bond has a contingent-conversion feature. The Bonds are subject to principal loss absorption through conversion to common shares at an objective pre-specified trigger, as described in the "Features of the Bond" in Section 4.

  
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For and on behalf of  
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**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

## 18 Details of Fees Structure and Expenses

### Issuer's costs and expenses

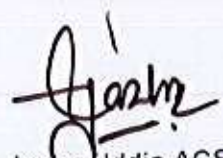
The Issuer is responsible for paying:

- **Regulatory Fees:** the applicable regulatory fees payable to the BSEC in connection with the Issue.  
**BSEC Application Fee:** BDT 10,000  
**BSEC Consent Fee:** 0.10% of total Issue Amount
- **Legal documentation:** the costs incurred in connection with the preparation and execution of this Agreement and the Bond Documents;  
**Legal Fee:** BDT 500,000
- The fees and expenses of the Trustee and the Paying Agent of the Bond and the other parties to this Agreement and the Bond Documents;  
**Trustee Fee:** BDT 250,000 p.a.
- The cost of obtaining and maintaining any credit rating for the Bonds and the Issuer;  
**Credit Rating Fee:** BDT 400,000 p.a.
- **Other associated costs:** other costs and expenses associated with the Issue including the fee payable to the Arranger
- **Issue Manager Fee:** 0.5% of total Public Issue Size
- **Advisory and Arranger Fee:** 1.00% of Total Private Placement Issue Size
- **Underwriter Fee:** 0.1% of Total Amount Underwritten
- The fees and expenses of Central Depository Bangladesh Limited for maintain the Bonds in its system in dematerialized form;  
**CDBL Fee:** TBD
- **DSE Fee:** As per applicable law.
- **CSE Fee:** As per applicable law

For and on behalf of  
Riverstone Capital Limited

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Managing Director

  
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## 19 Additional Disclosures for IM under Public Issue

Based on Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, an Issuer must fulfill the following conditions before making application for public issue.

- a) **If it is a public limited company and it has minimum existing shareholders' equity (excluding revaluation reserve) of Tk. 30 (thirty) crore**

AB Bank Limited is a publicly listed company. 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's total equity stands at BDT 2,577 Crore as of March 31, 2021.

Table 27: Shareholders' Equity of ABBL as of March 31st, 2021

| Particulars               | BDT Crore    |
|---------------------------|--------------|
| Paid-up capital           | 796          |
| Statutory reserve         | 715          |
| Other reserve             | 380          |
| Retained earnings         | 685          |
| Non- controlling interest | 1            |
| <b>Total Equity</b>       | <b>2,577</b> |

- b) **its total debt including the proposed issue along with redeemable preference share, if any, does not exceed 70% (seventy percent) of its total tangible assets:**

Since AB Bank is a financial institution, this condition does not apply to AB Bank.

- c) **it has utilized at least 90% of the fund raised through issuance of capital previously.**

AB Bank has fully utilized its previous proceedings from IPO and Rights Issue.

AB Bank Limited went for Initial Public Offering in the year 1984 and raised capital BDT 15,000,000 (Taka one crore fifty lac) by issuing 1,50,000 (one lac fifty thousand) ordinary shares at BDT 100.00 each at par.

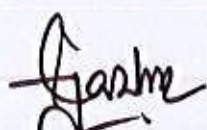
Subsequently, in 1990 Bank issued Rights Share at the ration of 2:1 and raised BDT 50,000,000 (BDT Five Crore) by issuing 500,000.00 (five lac) ordinary shares at BDT 100.00 each.

The purpose of Initial Public Offering and Rights Issue were to increase Bank's Capital base and to use the fund for extending loans and advances in the normal course of the banking business.

- d) **if it is a subsidiary, its parent entity shall make guarantee for the debt securities issued or to be issued:**

AB Bank is the parent company, and it is issuing the Perpetual Bond.

  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
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- e) it has got its latest financial statements audited by the panel of auditors as declared by the Commission from time to time.

Auditor of AB Bank Limited is ACNABIN Chartered Accountants which is included in the panel of auditors declared by BSEC.

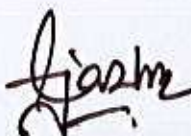
- f) the issue shall not be rated below the single "A" or equivalent rating in the long term and "ST-2" or equivalent rating in the short term.

ABBL meets this condition for the Perpetual Bond as the Issue is rated A+ in the long term and ST-2 in the short term.


**19.1 Particulars of the Public Issue**

|                                      |  |
|--------------------------------------|--|
| Name of the Company                  | AB Bank Limited  |
| Legal Status                         | Public Limited Company   |
| Name of Instrument                   | AB Bank Perpetual Bond   |
| Issue Type                           | Transferable, Unsecured, Non-Cumulative, Contingent-Convertible, BASEL III compliant, Perpetual Debt instrument for inclusion in Additional Tier I Capital |
| Total Size of Issue                  | BDT 6,000,000,000 /-   |
| Mode of Issue                        | 90% through Private Placement (BDT 5,400,000,000 /-)<br>10% through Public Issue (BDT 600,000,000 /-)  |
| Total Issue Size for Public Offer    | BDT 600,000,000  |
| Face Value                           | BDT 1,000  |
| Offer Price per bond                 | BDT 1,000  |
| Bonds per lot                        | 01 Bond  |
| Market Lot                           | 01 Unit  |
| Minimum Subscription Amount          | BDT 1,000  |
| Maximum Subscription Amount          | None   |
| Coupon Rate                          | 6% - 10% (as approved by Bangladesh Bank)  |
| Coupon Payment                       | Semi-Annually  |
| Tenor/maturity                       | Perpetual  |
| Other Major Terms and Features       | As per the Term Sheet, disclosed in page 11-21   |
| Issue Manager                        | Riverstone Capital Limited   |
| Underwriter(s)                       | BMSL Investment Limited  |
| Legal Advisor                        | Chowdhury and Company  |
| Trustee                              | MTB Capital Limited  |
| Auditor                              | ACNABIN Chartered Accountants  |
| Credit Rating Status of Issue        | A+   |
| Credit Rating Assigned by            | ARGUS Credit Rating Services Limited (ACRSL)   |
| Authorized Capital                   | BDT 15,000,000,000   |
| Paid-up Capital                      | BDT 7,960,368,300 (As of 31.03.2021)   |
| Subscription Opening Date            |  |
| Subscription Closing date            |  |
| Date of Audited Financial Statements | 31-Mar-21  |

  
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 Chief Executive Officer  
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 Head Office, Dhaka.

**19.2 Particulars of Parties Related to Public Issue**

| <b>AB BANK LIMITED</b><br><b>(Issuer and Banker to the Issue)</b>  |
|--|
| Address: The Skymark, 18 Gulshan Avenue, Gulshan-1, Dhaka-1212   |
| <b>Contact Information:</b>  |
| <b>K. M. Mohiuddin Ahmed</b><br>Chief Financial Officer<br>AB Bank Limited<br>Office Address:<br>Tel: +88-09678555636, (EXT-5636)<br><a href="mailto:mohiuddin@abbl.com">Email: mohiuddin@abbl.com</a><br>Mobile: +8801713477103, +8801552402256   |
| <b>Ihsanul Arefin, FCA</b><br>Head of Central Accounts & Finance<br>AB Bank Limited<br>Office Address: The Skymark, 18 Gulshan Avenue, Gulshan-1, Dhaka-1212<br>Tel: +88-09678555637, (EXT-5637)<br><a href="mailto:ihsanul@abbl.com">Email: ihsanul@abbl.com</a><br><a href="tel:+8801711249032">Mobile: +8801711249032</a> |

| <b>RIVERSTONE CAPITAL LIMITED</b><br><b>(The Arranger for the Private Placement and The Issue Manager for The Public Issue)</b>  |
|--|
| <b>Ashraf Ahmed</b><br>Managing Director & CEO<br>Riverstone Capital Limited<br>Office Address: Road 6, House 10, Block C, Banani, Dhaka. 1213, Bangladesh<br>Phone: +88-09-604500500<br>Email: info@riverstone.com.bd |
| <b>Imran Ahmed</b><br>Director<br>Riverstone Capital Limited<br>Road 6, House 10, Block C, Banani, Dhaka, 1213, Bangladesh<br>Phone: +88-09-604500500<br>Email: imran@riverstone.com.bd                                |

**MTB CAPITAL LIMITED  
(Trustee)**

**Khairul Bashar Abu Taher Mohammed**  
Chief Executive Officer  
MTB Capital Limited

Office Address: Chandrashila Suvastu Tower (2nd Floor), 69/1, Panthapath, Dhaka 1205

Phone: +88(02) 8321714

Email: khairul.bashar@mutualtrustbank.com

**ARGUS Credit Rating Services Limited (ACRSL)  
(Credit Rating Agency)**

**Md. Syfullah Miah**  
Vice President

ARGUS Credit Rating Services Limited (ACRSL)

Office Address: Plot No: 32, Road No: 11, Block: G, Chandiwala Mansion (5th Floor), Banani,  
Dhaka-1213

Phone: 01914995221

Email: syfullah@acrslbd.com

**ACNABIN Chartered Accountants  
(Auditor of the Issuer)**

**Md. Moniruzzaman FCA**  
Partner

ACNABIN Chartered Accountants

Office Address: BDBL Bhaban (Level-13), 12 Kawran Bazar Commercial Area, Dhaka-1215

Phone: +8801911381617

Email: monir@acnabin-bd.com

**19.3 Particulars of Exchange(s) in which Securities are to be Listed**

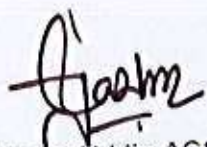
| <b>DHAKA STOCK EXCHANGE (DSE)</b>                          |
|--|
| Address: DSE Tower, Road 21, House 46, Nikunja, Dhaka 1229 |
| Tel: 88 02 9564601, 88 02 9576210-18                       |
| Fax: 88 02 9564727, 88 02 9569755                          |
| E-mail: research@dsebd.org                                 |
| Website: www.dsebd.org                                     |

| <b>CHITTAGONG STOCK EXCHANGE (DSE)</b>                     |
|--|
| Address: 52-53, Dilkusha C/A, (level-15), Dhaka-1000       |
| Tel: +880 31-714632-3, +880 31-720871-3, +880-2-9513911-15 |
| Fax: +880 31-714101, +880 31-726810, +880-2-9513906        |
| E-mail: info@cse.com.bd                                    |
| Website: www.cse.com.bd                                    |

For and on behalf of <sup>207 | Page</sup>  
Riverstone Capital Limited

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Moharimed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**20 Conditions imposed by the Commission in the consent letter:**

**20.1 For Public Issue of BDT 600,000,000 (BDT Sixty Crore)**

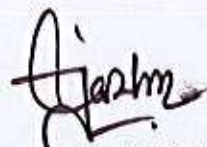
**DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM**

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose AB Bank Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system, and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

**CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969**

1. The Company shall go for Public Offer for 600,000 Perpetual Bonds of BDT 1,000 each at par totaling to Tk. 600,000,000 (BDT Sixty Crore only) following the Securities and Exchange Ordinance, 1969, Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, the Depository Act, 1999 and rules made there under.
2. The issuer shall post the full IM, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, the issue managers and the trustee, within 3 (three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges, the issue managers and trustee a diskette containing the text of the vetted IM in "MSWord" format.
3. The issuer company and the issue manager shall ensure transmission of the IM for non-resident Bangladeshis (NRBs) through email to the Bangladesh Embassies and Missions abroad within 5 (Five) working days from the date of publication of the abridged version of the IM in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within 02 (Two) working days from the date of said transmission of the IM.
4. The Issuer shall circulate a notice regarding the publication of Information Memorandum in the websites mentioning web-addresses in the national daily newspaper at least one in Bangla and another in English.
5. The following declaration shall be made by the company in the IM, namely: -

  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

For and on behalf of  
 Riverstone Capital Limited  
  
**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

"Declaration about Listing of the Perpetual Bond with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy-Five) days from the closure of subscription, any allotment in terms of this IM shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy-Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within 07 (Seven) days of expiry of the aforesaid 15 (Fifteen) days' time period allowed for refund of the subscription money."

6. All applicants shall apply for a minimum lot of 1 bond worth Taka 1,000/- (Taka one thousand only) or its multiples.

7. The Public offer shall stand cancelled in case of under-subscription in any category above 50%. In such an event, the issuer and issue manger shall inform the Commission within 2 (two) working days and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.

8. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of bond (unit) before or after issuance of the same by the issuer. The said

forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the bonds will be listed, within 24 (Twenty-Four) hours of allotment.

13. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking "No Objection" from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

14. The company shall ensure the compliance of Securities and Exchange Commission (Debt Securities) Rules, 2021;

15. The issuer shall execute the deed of trust as approved by the Commission in favor of the trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the issuer and the trustee to the Commission before opening of subscription;

16. All transactions excluding petty cash expenditures shall be affected through the company's bank accounts;

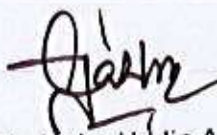
17. Financial statements shall be prepared in accordance with International Financial Reporting Standards (IFRS)/ International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;

18. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar;

19. A copy of audited financial statements and a copy of annual report and the minutes of annual general meeting shall be submitted to the Commission within fourteen days (14) of the completion of the audit or, as the case may be, holding of the annual general meeting;

20. The company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Atzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited  
  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

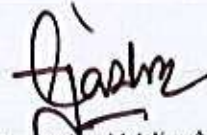


21. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;
22. The issuer shall ensure periodic coupon payment to the investors/bond holders within 15 (fifteen) days of the due date as per the terms and conditions of the Coupon Bond mentioned in the Information Memorandum (IM). Both the issuer and the trustee shall submit a report on such payment and/or redemption to the Commission and the stock exchanges within 21 (twenty-one) days of the due date.

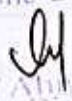
### 20.2 For Private Placement of BDT 5,400,000,000 (BDT Five Hundred Forty Crore)

1. The issuer shall ensure the compliance of Securities and Exchange Commission (Debt Securities) Rules, 2021;
2. The issuer shall not change or modify the submitted draft Information Memorandum, Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
3. The issuer shall submit the Commission's approval of the trustee to act as trustee to the issue before opening of subscription;
4. The issuer shall execute the deed of trust as approved by the Commission in favor of the trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the issuer and the trustee to the Commission;
5. Auditors' Report along with Audited Financial Statements of the issuer made up to a date not earlier than 180 (one hundred eighty) days from the date of issue of the IM and shall be incorporated in IM.
6. All transactions excluding petty cash expenditures shall be affected through the company's bank accounts;
7. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar;
8. The issuer shall submit a status report, containing the name and address of the bondholders along with number of bonds purchased, of the issue to the Commission within 30 (thirty) days of issue of the securities or expiry of the period mentioned above, whichever comes earlier;
9. The issuer shall submit list of subscribers, bank statement and banker's certificate for the amount of capital to be issued to the Commission upon completion of the subscription;
10. All transactions excluding petty cash expenditures shall be affected through the company's bank accounts;
11. Financial statements shall be prepared in accordance with International Accounting Standards (IAS) and audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial

  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 Ashraf Ahmed  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.


For and on behalf of  
 Riverstone Capital Limited

statements shall be audited within 120 days from the date of ending of the financial year;

12. The company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;
13. Any further issue of capital shall require Commission's prior consent;
14. If there is any FDI or external debt, the issuer shall report it to Bangladesh Bank;

The Commission may impose conditions/restrictions from time to time as and when required.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**21 Declaration and Due Diligence Certificates**

**21.1 By Issuer**

**Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum**


This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Sd/-

Tarique Afzal  
President & Managing Director  
AB Bank Limited

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited  
  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

21.2 By Trustee

Due Diligence Certificate of the Trustee

To

The Bangladesh Securities and Exchange Commission

**Sub: Issuance of BDT 600,000,000 of AB Bank Limited Perpetual Bonds**

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above-mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

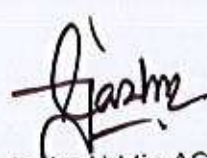
**WE CONFIRM THAT:**

- a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft deed of trust and draft subscription agreement forwarded to the Commission has been approved by us;
- b) we have also examined all documents of the assets to be charged with the trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;
- e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- f) the above declarations are unequivocal and irrevocable.

Sd- /

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Limited

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited

  
Khairul Bashar A. T. Mohammed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

DECLARATION OF THE TRUSTEE REGARDING THE PRESENT STATUS OF ISSUE(S)  
WHERE IT HAS ACTED AS TRUSTEE BEFORE:



A Mutual Trust Bank Company

MTB Capital Ltd. (MTBCL)  
Present status of Trustee

| S. N  | Name of the Issuer             | Name of Issue                     | Maturity Period | IM Issue Date | Date of Completion of Subscription | Issue Amount (Crore) | Repayment amount (crore) | Outstanding (crore) | Defaults (if any) | Remarks |
|-------|--------------------------------|-----------------------------------|-----------------|---------------|------------------------------------|----------------------|--------------------------|---------------------|-------------------|---------|
| 1     | AB Bank Ltd                    | Subordinated Bond                 | 7 years         | 01-04-2019    | 30-12-2020                         | 325                  |                          | 325                 | Regular           |         |
| 2     | One Bank Ltd                   | Subordinated Bond                 | 7 years         | 11-10-2018    | 27.06.2019                         | 400                  |                          | 400                 | Regular           |         |
| 3     | United Commercial Bank Ltd     | Subordinated Bond                 | 7 years         | 13-03-2019    | 30-09-2020                         | 800                  |                          | 800                 | Regular           |         |
| 4     | AB Bank Ltd                    | Subordinated Bond                 | 7 years         | 11-12-2017    | 30-09-2020                         | 400                  |                          | 400                 | Not started       |         |
| 5     | Standard Bank Ltd              | Subordinated Bond                 | 7 years         | 30-10-2019    | 31-01-2021                         | 500                  |                          | 500                 | Not started       |         |
| 6     | United Finance Ltd             | Zero Coupon Bond                  | 4 years         | 06-10-2020    | 20-12-2020                         | 100                  | 8                        | 92                  | Not started       |         |
| 7     | United Commercial Bank Ltd     | Perpetual Bond                    | Perpetual       | 23-11-2020    | Yet to complete                    | 400                  |                          | 400                 | Not started       |         |
| 8     | BRAC                           | Zero Coupon Bond                  | 5 years         |               | Yet to complete                    | 1350                 |                          | 1350                | Not started       |         |
| 9     | Trust Bank Ltd                 | Perpetual Bond                    | Perpetual       | 24-09-2020    | Yet to complete                    | 400                  |                          | 400                 | Not started       |         |
| 10    | TMSS                           | Zero Coupon Bond                  | 3 years         | 18-07-2021    | Yet to complete                    | 200.10               |                          | -                   | Not applicable    |         |
| 11    | Meghna Bank Limited            | Subordinated and Zero Coupon Bond | 5 years         | 23-07-2021    | Yet to complete                    | 400                  |                          | -                   | Not applicable    |         |
| 12    | Al-Anfal Islamic Bank Limited  | Mudarabs perpetual Bond           | Perpetual       | 29-07-2021    | Yet to complete                    | 500                  |                          | -                   | Not applicable    |         |
| 13    | Shahjalal Islamic Bank Limited | Mudarabs perpetual Bond           | Perpetual       | 29-07-2021    | Yet to complete                    | 500                  |                          | -                   | Not applicable    |         |
| 14    | The Premier Bank Limited       | Perpetual Bond                    | Perpetual       |               | Yet to complete                    | 400                  |                          | -                   | Not applicable    |         |
| Total |                                |                                   |                 |               |                                    | 6675.10              |                          |                     |                   |         |

KHAIROL BASHAR A. T. MOHAMMED  
CHIEF EXECUTIVE OFFICER

MTB Capital Ltd., Chandrachila Sivasata Tower (2nd Floor), 69/1, Panthapath, Dhaka-1205, Tel: +88 02 9641158

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited  
  
Ashraf Ahmed  
Managing Director

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

21.3 By Issue Manager

**Due Diligence Certificate to be Furnished by Issue Manager**

To

The Bangladesh Securities and Exchange Commission

**Subject: Issuance of Transferable, Unsecured, Non-Cumulative, Contingent-Convertible Perpetual Bond of BDT 600,000,000 (Total Number of Unit is 600,000 and each Unit worth BDT 1,000) for AB Bank Limited.**

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

(1) We have examined all the documents submitted with the application for the above-mentioned issue, visited the premises of the issuer or originator and interviewed the chairperson, directors and key management personnel of the issuer or originator in connection with the finalization of the information memorandum pertaining to the said issue;

(2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer or originator, other agencies, independent verification of the statements concerning

objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

We confirm that:

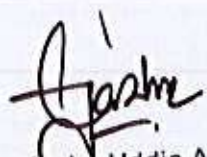
(a) The information memorandum filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;

b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the government have been duly complied with;

c) The disclosures made in information memorandum are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Trust Act, 1882, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and other applicable laws;


(d) Besides ourselves, all the intermediaries named in the information memorandum are registered with the Commission and till date such registrations are valid;

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited

  
Khairul Bashir  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

- (e) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer or originator and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the information memorandum;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer or originator, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the issue of securities for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 containing details such as the rule number, its text, the status of compliance, page numbers of the information memorandum where the rules have been complied with and our comments, if any;
- (k) We also declare that we have not managed any issue of securities in the last 05 (five) years.

Sd/-  
 Ashraf Ahmed  
 Managing Director and Chief Executive Officer  
 Riverstone Capital Limited

*[Signature]*  
 K.M. Mohiuddin Ahmed  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
 M. Jasm Uddin ACS  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka

*[Signature]*  
 For and on behalf of  
 Riverstone Capital Limited  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
 Ashraf Ahmed  
 Managing Director

*[Signature]*  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

21.4 By Underwriter

Annexure- IV

**Due diligence certificate by the underwriter(s)**

[See rule 4(2)(a)]

To

**The Bangladesh Securities and Exchange Commission**

**Sub: Issuance of 600,000 Perpetual Bond of Tk. 1,000/- each of AB Bank Limited**

Dear Sir,

We, the under-noted underwriter(s) to the above-mentioned forth coming issue, state individually and collectively as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft information memorandum, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer or originator, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer or originator.

**WE CONFIRM THAT:**

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 420,000,000.00 (Forty-Two Crore Only) and we have the capacity to underwrite a total amount of Tk. 2,100,000,000.00 (Two Hundred ten Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk.120,000,000.00 (Twelve Crore Only) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:  
(Name of issue and amount underwritten)

| Sl no        | Name of the company                  | Amount Underwritten (In BDT) |
|--------------|--------------------------------------|------------------------------|
| 1            | Anik Trims Ltd.                      | 35,000,000                   |
| 2            | Mostafa Metal Ind. Ltd. (QIO)        | 15,000,000                   |
| 3            | Ratanpur Steel Re-Rolling Mills Ltd. | 28,500,000                   |
| <b>Total</b> |                                      | <b>78,500,000</b>            |

(c) All information as is relevant to our underwriting decision have been received by us and the draft IM forwarded to the Commission has been approved by us;

*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited  
*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



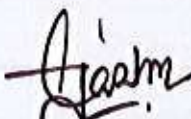
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned issue within 15 (fifteen) days of calling up there of by the issuer or originator; and
- (e) This underwriting commitment is unequivocal and irrevocable.

Sd/-

Managing Director

**BMSL INVESTMENT LTD.**

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited  
  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

22 Credit Rating Report of the Issue and Issuer

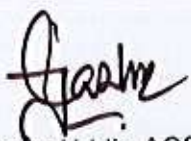
22.1 Credit Report of the Issue

ARGUS CREDIT RATING SERVICES LTD.  
(ACRSL)

Credit Rating Report

**AB Bank Perpetual Bond**

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited  
  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)

AB Bank Perpetual Bond



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*[Signature]*  
**Md. Jasim Uddin ACS**  
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*[Signature]*  
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*[Signature]*  
**Ashraf Ahmed**  
Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**Credit Rating Report (Instrument)  
AB Bank Perpetual Bond**



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Authorized Signature:

Name:

Designation:

Date:

**CONTACT INFORMATION**

For Additional Information Please Contact:



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Bangladesh  
Email: info@acrsbd.com

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3 of 56 |

*[Signature]*

*[Signature]*  
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*[Signature]*  
**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Per and on behalf of  
Riverstone Capital Limited  
*[Signature]*  
**Ashraf Ahmed**  
Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**CREDIT RATING REPORT**

Of  
AB Bank Perpetual Bond

**Instrument:**  
AB Bank Perpetual Bond

**Issuance Amount:**  
BDT 6,000.00 MN

**TRUSTEE:**  
MTB Capital Limited

**Coupon Rate:**  
Reference Rate + Coupon Margin  
Reference Rate: 20-year Treasury Bond rate

**Coupon Margin:**  
2.00% p.a.  
**Coupon Floor Rate:**  
6.00% p.a.  
**Coupon Ceiling Rate:**  
10.00% p.a.

**Placement Process:**  
BDT 5,400.00 MN through Private Placement & BDT 600.00 MN through Public Issue

**Tenor:** Perpetual

**Bond Issuer:**  
AB Bank Limited  
**Activity:**  
Private Commercial Bank  
**Incorporated On:**  
Dec 31st, 1981

**Chairman:**  
Muhammad A. (Rumeel) Ali  
**Managing Director:**  
Tarique Afzal

**Total Assets:**  
BDT 388,569.90 Million  
**Total Equity:**  
BDT 25,677.21 Million

**Head Office:**  
The Skymark, 18 Gulshan Avenue, Gulshan-1, Dhaka-1212.

**Ref No** : ACRSL116826/2021  
**Instrument Name** : AB Bank Perpetual Bond  
**Assigned Ticker** : ABBankPerpBond  
**Issuer Name** : AB Bank Limited

**Rating Type** : Instrument  
**Rating Validity** : 26 Jun 2022  
**Analyst(s)** : ACRSL Analyst Team  
**Committee(s)** : ACRSL Rating Committees

**Rating Summary**

| CREDIT RATING   | CURRENT     | PREVIOUS |
|-----------------|-------------|----------|
| Long-Term       | A+          | N/A      |
| Short-Term      | ST-2        | N/A      |
| Publishing Date | 27 Jun 2021 | N/A      |

**Rating Explanation**

|             |   |
|-------------|---|
| <b>A+</b>   | Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings. |
| <b>ST-2</b> | High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.   |

Xhen Md. Abdul Wahab, FCMA  
Chief Operating Officer  
ARGUS Credit Rating Services Ltd.

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Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Ashraf Ahmed  
Managing Director

Khairul Bashar A.T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**Executive Summary**

**Strengths:**

- **AB Bank Limited (ABBL) has maintained healthy growth in terms of loan disbursement.** Total loans & advances demonstrated a positive growth since last year. Interest income from disbursed loan is one of the major revenue sources for ABBL and the bank always try to construct a good credit portfolio by expanding its credit portfolio. During the last three years ABBL's loan portfolio increased at a Compound Annual Growth rate (CAGR) of 6.55%.
- **ABBL's investment income demonstrated a robust growth in FY20.** ABBL has a portfolio of investments which includes Government securities, Treasury bills, Treasury bonds and others. Income from investment showed a positive growth in FY20. The investment income of ABBL increased from BDT 2,922.02 MN in FY19 to BDT 6,491.86 MN, representing a YoY growth of 122.17%.

**Concerns:**

- **ABBL's capital adequacy ratio remained below the regulatory requirement since last year.** ABBL's CAR ratio remains inconsistent in line with the regulatory requirement. High risk weighted asset compared to inadequate total eligible capital resulting low Capital Adequacy Ratio. The capital adequacy ratio of ABBL remained lower than the regulatory requirement of 12.50% under the BASEL III framework.
- **ACRS& is concerned regarding the exposure of ABBL to the Banking sector.** The Bangladesh bank sector will be one of the hardest hit sectors of the economy, owing to the broad-based slowdown in the economy as a whole, combined with its exposure to the hardest hit sectors of the economy, such as foreign trade, RMG and the capital market. Due to Covid-19 the economic recession recovery is not going to be like L shape or V shape rather than the recovery is likely to be 'K' shaped. The Bangladesh bank sector was already struggling prior to the pandemic owing to the imposition of a 9% interest ceiling on all loans (except credit cards), liquidity pressures and a persistently deteriorating non-performing loan (NPL) situation. However, owing to the COVID-19 pandemic and subsequent lockdown, the banking sector will face an acute crisis on multiple fronts, as banks' asset quality is likely to deteriorate while their interest and fee-based income are all affected at the same time.

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of 56 | Page  
*K. M. Mehruddin Ahmed*

*K.M. Mehruddin Ahmed*  
**K.M. Mehruddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Md. Jasim Uddin ACS*  
**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

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AB Bank Limited  
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*Ashraf Ahmed*  
**Ashraf Ahmed**  
Managing Director

*Khairul Bashar A. T. Mohammed*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**Rating Rationale**

**Key Rating Drivers:**

We are assigning a long-term rating of "A+" and a short-term rating of "ST-2" to AB Bank Perpetual Bond (hereinafter "ABSBond" or "the Bond")

- **AB Bank Limited (ABBL) has maintained healthy growth in loan disbursement.** Total loans & advances demonstrated a positive growth since last year. Interest income from disbursed loan is one of the major revenue sources for ABBL and the bank always try to construct a good credit portfolio by expanding its credit portfolio. During the last three years ABBL's loan portfolio increased at a Compound Annual Growth rate (CAGR) of 6.55%.
  - **Total loans & advances:** ABBL has maintained healthy growth in loan disbursement. During last three years ABBL's loan portfolio was in an increasing trend. In FY18 ABBL's Total loan portfolio was BDT 249,185.31 MN which reached to BDT 264,385.00 MN in FY19, representing a YoY growth of 6.10%. Later in FY20 it further increased 6.10% to BDT 282,900.91 MN from previous year. Over the last three years ABBL's loan portfolio increased by at a Compound annual growth rate (CAGR) of 6.55%.
- **ABBL's investment income demonstrated a robust growth in FY20.** ABBL has a portfolio of investments which includes Government securities, treasury bills, treasury bonds and others. Income from investment showed a positive growth in FY20.
  - **ABBL's total investment** was BDT 44351.75 MN in FY19 which further increased to BDT 64092.71 MN. Net-net ABBL's investment grew at a CAGR of 20.21%. This healthy investment portfolio helped ABBL to book a robust investment income growth in FY20. The investment income of ABBL increased from BDT 2,922.02 MN in FY19 to BDT 6,491.86 MN, representing a YoY growth of 122.17%.
- **ABBL's capital adequacy ratio remained below the regulatory requirement since last year.** ABBL's CAR ratio remains inconsistent within the regulatory requirement. High risk weighted asset compared to inadequate total eligible capital resulting low Capital Adequacy Ratio. The capital adequacy ratio of ABBL remained lower than the regulatory requirement of 12.50% under the BASEL III framework.
  - **Paid up capital:** The paid-up capital of ABBL stood at BDT 7,960.37MN in FY20 which was BDT 7,581.30 MN in FY19 and BDT 7,581.30 MN in FY18. From FY18 to FY20 ABBL's paid up capital grew at a CAGR of 2.47%.

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*[Signature]*

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**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

*[Signature]*  
**Tarique Afzal**  
 President & Managing Director  
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For and on behalf of  
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*[Signature]*  
**Ashraf Ahmed**  
 Managing Director

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



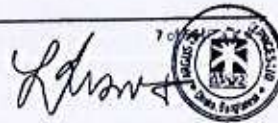
Tier-I capital: ABBL's Tier-I capital stayed at BDT19,813.57 MN in FY19 which further increased to BDT20,673.91 MN in FY20 representing a YoY growth of 4.34%.

o Tier-II capital: ABBL's Tier-II capital stayed at BDT15,584.77 MN in FY19 which further increased to BDT18,377.04 MN in FY20 representing a YoY growth of 17.92%.

o Capital adequacy ratio: The capital adequacy ratio of ASBL is lower than the regulatory requirement of 12.50% under the BASEL III framework. ASBL's capital adequacy ratio was 10.59% in FY19 which increased to 11.33% in FY20, in line with its risk weighted asset of BDT 334,211.41MN in FY19 and BDT 344,617.10 MN in FY20.

- Over the near to intermediate term, ACRSL is concerned regarding the exposure of to the Banking sector. The Bangladesh bank sector will be one of the hardest hit sectors of the economy, owing to the broad-based slowdown in the economy as a whole, combined with its exposure to the hardest hit sectors of the economy, such as foreign trade, RMG and the capital market. The economic recession recovery is not going to be like L shape or V shape rather than the recovery is likely to be 'K' shaped. The Bangladesh bank sector was already struggling prior to the pandemic owing to the imposition of a 9% interest ceiling on all loans (except credit cards), liquidity pressures and a persistently deteriorating non-performing loan (NPL) situation. However, owing to the COVID-19 pandemic and subsequent lockdown, the banking sector will face an acute crisis on multiple fronts, as banks' asset quality is likely to deteriorate while their interest and fee-based income are all affected at the same time. Lending cap will take a heavy toll on SME and retail businesses. Not being able to price loans effectively will essentially force commercial banks to turn the tap off to the segments of economy small and medium-sized enterprises most affected by the crisis, exactly when liquidity is much needed. The high level of non-performing loans in the banking sector in Bangladesh has been an area of concern even before the pandemic. With the pandemic, the risk profile of the borrower has deteriorated across the world and Bangladesh is no exception. The COVID-19 pandemic has caused a historic fall in the operating income of banks. In an unprecedented situation, both interest income and non-interest income have been drastically hit by the economy grinding to a total halt.

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*Ashraf Ahmed*  
Ashraf Ahmed  
Managing Director

*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.



Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**BANKING SECTOR OF BANGLADESH**

Banking is the backbone of national economy. All sorts of economic and financial activities revolve round the axis of the bank. As the industry produces goods and commodities, so does the bank creates and controls money-market and promotes formation of capital. From this point of view, banking a technical profession- can be termed as industry. Services to its customers are the products of banking industry besides being a pivotal factor in promoting capital formation in the country. As all economic and fiscal activities revolve round this important industry, the role of banking can hardly be over emphasized.

Banking industry of Bangladesh has achieved remarkable momentum over the last few decades. It has brought several positive changes in terms of expansion, modernization, quality of assets, application of international standards, technology adaptation, capacity development efforts, corporate governance, and improved regulatory and supervisory environment. The development is not, however, uniform in all banks. Fortunately, the industry did not have to face any severe fallout from the 2007-2008 Global Financial Crisis (GFC). However, like other global economies, the industry is becoming exposed to newer challenges, financial crimes, and competitions. Though there are several instances and successful efforts of bank leadership to address the changing needs, all banks are required to develop their customized paths to sustain on a continuous process. Effective leadership, sound governance framework, and emotional intelligence are tools for tomorrow's banks to survive.

As a developing economy Bangladesh has encouraged to develop its banking industry to promote economic growth. Over the last three decades or so the country has seen spectacular expansion of the banking industry. The banking industry in Bangladesh has even gone a step further by promoting financial inclusion of the very poor in rural areas of which microfinance and microcredit are the policy instruments to achieve that objective. This has helped to expand the monetization of the rural economy, and as a consequence it has become more market-oriented. Such market orientation of the rural economy also facilitated continuous resource transfer from rural areas to urban areas. Now the biggest threat to achieving sustained economic growth has become the banking industry itself, especially the state-owned banks. This is despite Bangladesh adopting internationally recognized banking practices such as Basel III Accord.

The banking sector of Bangladesh has been struggling to survive in the last couple of years. Most of the banks are in trouble regarding loan default, high non-performing loans and other issues. The pandemic situation has made the situation worse for the whole economy. The banking sector, a vital player in a country's monetary and fiscal system, continues to face the wrath of the Covid-19 pandemic.

The banking sector in Bangladesh is going to face a difficult period in 2021 due to the continuing impact of the coronavirus outbreak. To maintain good growth in the upcoming years, Bangladesh Bank along with the government has taken some steps to stabilize the economy, including the banking sector, by implementing some monetary and fiscal policies.

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



A major change in policy in the banking sector was seen in 2020. The Bangladesh Bank initiated single-digit borrowing and lending rate back in April 2020. The main purpose was to attract investors with a single-digit interest rate. It was expected that investments would go up as the borrowing rate is below ten percent. Along with this, some banks expected that deposits from individuals would go down because of the less-than-six percent interest rate in depository money.

The banking sector has been facing excess liquidity in recent days. The main reason for this excess cash is low investment opportunities in the economy due to the Covid-19 situation along with a huge cash injection from the Bangladesh Bank. Rather than being low, bank deposits, excluding inter-bank balance, rose to Tk. 13,454.36 billion at the end of September 2020 from Tk. 13,054.54 billion nearly three months prior. Also, excess liquidity increased to almost 105 percent and stood at around Tk. 160,979 crore at that same period of time if we look at year-to-year analysis. Bangladesh Bank has already injected around Tk. 55,000 crore into the financial sector as part of its effort to implement the stimulus packages.

Also, remittances increased drastically last year, likely due to heightened uncertainty in the global economy. It is expected to increase by over 40 percent this year compared to the previous year. Excess dollars in the banking sector create an imbalance in the dollar rate by making a stronger national currency. But to provide an advantage to the local exporters, keeping the price stable is necessary. As a result, Bangladesh Bank bought back around 5 billion dollars from the regular market to keep the dollar stable which is needed in terms of maintaining export-import balance. And it also helped to increase the liquidity in the market.

According to data released by Bangladesh Bank, the call money rate went below two percent in November after two years due to excess liquidity. It was seen in the last two months that the bank's daily borrowings from the call money market ranged between Tk. 3,600 crore and Tk. 5,300 crore. But some months ago, in last July-August, the bank's daily borrowings from the call money market ranged between Tk. 7,000 crore and Tk. 9,200 crore.

At the end of September last year, the banking sector's total default loans stood at Tk. 94,440.5 crore, which was 8.88 percent of total outstanding loans; it was around Tk. 116,288 crore in the same period in the year prior. The amount decreased because of the regularization of a big chunk of defaulted loans through a special rescheduling policy of the central bank.

One of the main problems faced by banks is recovering money from big borrowers. If business as usual continues, it will be hard to survive in the long term. To address the problem of defaulted loans in the future, banks should take the necessary steps to investigate borrowers' position.

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**1 INSTRUMENT DESCRIPTION**

**1.1 AB BANK PERPETUAL BOND**

**1.1.1 Instrument Summary:**

AB Bank Limited (ABBL) has decided to raise Additional Tier-1 Capital through issuance of AB Bank Perpetual Bond, in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III). The proposed bond issue will allow the bank to enhance its capital strength and continue to grow its balance sheet in the future years.

The proposed bond will qualify as part of ABBL's Additional Tier-1 capital and will help maintain healthy capital adequacy ratios in the coming years. Besides, the BDT 6 billion fund will be used for undertaking general business activities of the bank including strengthening of the loan portfolio and other securities.

ABBL has envisaged to issue up to 1000 units of Transferable, Unsecured, Non-Cumulative, Non-Convertible Perpetual Bond of BDT 6,000.00 MN of which BDT 5,400.00 MN will be issued through private placement and BDT 600.00 MN will be issued through public offer.

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



The major features of the AB Bank Perpetual Bond are presented below:

**BASIC FEATURES OF THE INSTRUMENT**

Finalization of all terms & conditions of this instrument (stipulated in below table) are subject to approval from concerned regulatory authorities and may need to change as per regulatory instruction.

| Issuer                                 | AB Bank Limited (ABBL)  |
|--|---|
| The Issue                              | AB Bank Perpetual Bond  |
| Nature of Instrument                   | Unsecured   |
| Purpose and Objectives                 | To raise Additional Tier-I capital, proceed will be used for enhancing normal course of business. <ul style="list-style-type: none"> <li>• Growing the bank's loan portfolio in corporate, SME and retail segments</li> <li>• Investing in treasury securities and other instruments</li> </ul> |
| Advisor & Arranger                     | Riverstone Capital Limited  |
| Issue Manager for Public Offer         | Riverstone Capital Limited  |
| Trustee                                | MTB Capital Limited   |
| Paying Agent, Register, Transfer Agent | AB Investment Limited   |
| Mode of Issue                          | Private Placement and Public Offer  |
| Facility Size                          | Total BDT 6000.00 MN of which, <ul style="list-style-type: none"> <li>BDT 5400.00 MN through private placement</li> <li>BDT 600.00 MN through public offer</li> </ul>   |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



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| No. of Bonds to be Issued                  | 6,000,000 units  |
| Face Value                                 | BDT 1,000 per unit   |
| Bonds per lot/ Minimum Subscription        | 01   |
| Tenure                                     | Not Applicable. The Bonds shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.   |
| Investors                                  | The following class of investors are eligible to participate in the offer. <ul style="list-style-type: none"> <li>Public financial institutions which are duly authorized to invest in Bonds as per Bangladesh Bank Regulations</li> <li>Mutual Funds, Insurance Companies, Scheduled Commercial Banks,</li> <li>Co-operatives, Specialized Banks or any other institutions approved by law and authorized to invest in bonds/debentures,</li> <li>Societies authorized to invest in bonds/debentures,</li> <li>Trusts authorized to invest in bonds/debentures,</li> <li>Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/debentures,</li> <li>Any other institution or person not mentioned in the list but is eligible to subscribe as per applicable regulations.</li> </ul> |
| Coupon Rate                                | Reference Rate + Coupon Margin   |
| Reference Rate                             | 20-year Treasury-Bond rate (Latest available rate of 20-year Treasury-Bond rate as published by Debt Management Department of Bangladesh Bank on the quotation day)  |
| Coupon Margin                              | 2%   |
| Quotation Day                              | Five (05) days before the first day of any period for which a coupon rate is to be determined  |
| Coupon Range                               | <ul style="list-style-type: none"> <li>Coupon Ceiling: 10%</li> <li>Coupon Floor: 6% subject to having available distributable profit</li> </ul>   |
| Coupon Discretion                          | The bank will have full discretion at all times to cancel distributions/payments to the bondholder   |
| Exercise of Coupon Discretion              | Any coupon payment will be distributed subject to having available distributable profit of the issuer  |
| Coupon Payment Frequency                   | Semi-Annual  |
| Late Payment                               | Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date till the date of actual payment unless exercise of coupon discretion is not in effect.  |
| Business Day Convention/Effect of Holidays | <ul style="list-style-type: none"> <li>If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately</li> </ul>   |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



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|---|---|
|   | <p>succeeding Business Day.</p> <ul style="list-style-type: none"> <li>If the Call Option Due Date (also being the last Coupon Payment Date, in case Call Option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</li> </ul>  |
| Late Redemption   | <p>Not Applicable.</p> <p>Since the instrument is perpetual in nature i.e. there is no maturity date, late redemption is not applicable unless and until it is eligible for call option criteria.</p>   |
| Put Date  | Not Applicable  |
| Put Price   | Not Applicable  |
| Call Option   | Can be exercised only after ten years of issuance, with prior approval from the Bangladesh Bank.  |
| Call Option Eligibility                                 | <ol style="list-style-type: none"> <li>Replace this instrument with capital of the same or better quality that are sustainable for the income capacity of the Bank, or,</li> <li>Capital position is above the minimum requirements after the call option is exercised.</li> </ol>  |
| Claim Settlement in the event of Liquidation or Wind-up | <p>Claims of the investors on the bond are:</p> <ol style="list-style-type: none"> <li>Superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future.</li> <li>subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines) of the Bank;</li> <li>is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Loss Absorption in this terms and features.</li> </ol> |
| Loss Absorption   | <p>The Bonds are subject to principal loss absorption as described herein and required of Additional Tier 1 Instruments at Level of Pre-Specified Trigger as per BASEL III guidelines:</p> <p>The write-down will have the following effects:</p> <p>(a) Reduce the claim of the Bonds as needed to reach minimum Consolidated CET-1 ratio of 4.5%, until</p>   |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



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|  | <p>write-up event or liquidation</p> <p>(b) Reduce the amount repaid when a call is exercised (subject to Bangladesh Bank approval)</p> <p>(c) Fully reduce Coupon payments on the written-down amount until write-up event or liquidation</p> <p>(i) If a Pre-Specified Trigger Level (as described below) occurs, the Bank shall:</p> <ol style="list-style-type: none"> <li>1. notify the Trustee;</li> <li>2. cancel any coupon which is accrued and unpaid to as on the write-down date, and</li> <li>3. without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide subject to the amount of write down not exceeding the amount which would be required to bring the consolidated Common Equity Tier 1 (CET 1) ratio to 4.5% of RWA.</li> </ol> <p>(ii) When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained minimum consolidated CET 1 ratio as per Bangladesh Bank regulations without counting the replenished equity capital that point onwards, the Bank shall include the replenished equity capital for accruing coupon interest on bond.</p> <p>(iii) The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down which was partial. The Bonds which have been written down can be written up to the original written down amount.</p> |
| <p>Trigger Point for Loss Absorption</p> | <ul style="list-style-type: none"> <li>• If the bank's consolidated CET-1 falls below Bangladesh Bank requirement (Currently of 4.50%) and stays below for 03 (Three) successive quarters; then, the 3<sup>rd</sup> quarter-</li> </ul>  |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



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|  | <p>end date of consecutive below-minimum CET-1 Ratio would be the Trigger-Point (date)</p> <ul style="list-style-type: none"> <li>If the bank's consolidated CET-1 improves to 4.5% or above without considering the written-down bond value transferred to reserves, the bond will be written up immediately subject to publication of audited financials.</li> </ul>  |
| Payment Suspension Methodology (in case of written down) | In case of the event of written down of the bond, any coupon payment in between the trigger date and publication date of audited financials will be hold. The bondholder will not be eligible for the coupon payment if the same situation prevails (CET-1 (Conso) remains below the regulatory requirement of 4.5%) after the publication of audited financials.   |
| Payment Resume Methodology (in case of written up)       | In case of the event of write up of the bond, coupon payment in between the trigger date and the date of publication of audited financials will be hold. The bondholder will receive the coupon payment after the publication of audited financials provided that minimum CET 1 requirement of 4.5% is met by the issuer without considering the written down bond value. Interest accrual will resume from the reporting date (quarter-end date when the bank's consolidated CET-1 reaches 4.5% or above).   |
| Events of Default  | Not Applicable.<br>It is further clarified that cancellation of discretionary payments/coupon shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.  |
| Consent Right of Bondholders                             | Issuer needs to take prior consent from AT-1 (TBD Bond) bondholders to issue new Tier-II capital over maximum limit as set by Bangladesh Bank.  |
| Common Equity Holders' Dividend Stopper Clause           | <p>Dividend Stopper Clause will be applicable to these Bonds and it will stop common equity holders' dividend payments on common shares in the event the holders of the Bonds are not paid coupon. In the event the holders of the Bonds are not paid coupon, they shall not impede the full discretion that issuer has at all times to cancel distributions/payments on the Bonds, nor will they impede / hinder:</p> <ul style="list-style-type: none"> <li>(i) The Re-Capitalization of the Issuer.</li> <li>(ii) The Issuer's right to make payments on other instruments, where the payments on this other instrument were not also fully discretionary.</li> </ul> <p>The Issuer's right to making distributions to shareholders for a period that extends beyond the point in time that coupon on the Bonds are resumed.</p> |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



|                           |   |
|---------------------------|---|
|                           | The normal operation of the Issuer or any restructuring activity (including acquisitions/disposals).  |
| Transferability/Liquidity | Freely transferable in accordance with the provisions of the Deed of Trust.   |
| Costs to the Issue        | Costs related to the issue is approximately BDT TBD. Moreover, the mentioned cost considers the fees for Trustee, Registrar, Transfer Agent and Credit Rating Agency for 10 years which may change based on the infinite maturity period of the perpetual bond. |
| Governing Law             | The Bonds are governed by and shall be construed in accordance with the existing laws of Bangladesh. Any dispute arising thereof shall be subject to the jurisdiction of courts of Bangladesh.  |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**1.1.2 Issuer's History:**

AB Bank Limited is one of the first generation Private Commercial Banks (PCBs) incorporated in Bangladesh on 31 December 1981 as a public limited company under the Companies Act 1913, subsequently replaced by the Companies Act 1994, and is governed by the Bank Company Act, 1991 (amendment up to 2018). The Bank went for public issue of its shares on 28 December 1983 and its shares are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. AB Bank Limited has 105 Branches including one (1) Islamic Banking Branch and one (1) Overseas Branch in Mumbai, India. The Bank has five subsidiary companies namely AB Investment Limited, AB Securities Limited, Cash link Bangladesh Limited, Arab Bangladesh Bank Foundational 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.

**1.1.3 Description of Collateral Securities and Type of Charges to Be Created**

The Bond will be unsecured, but it will be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares, if any, of the bank whether currently outstanding or issued at any time in the future and subordinated to the claims of depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 capital (as defined in Basel III Guidelines of Bangladesh Bank) of ABBL. It is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**1.2 RIGHTS AND OBLIGATIONS OF THE ISSUER**

**COVENANTS TO REPAY**

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of the Interest payment under the Bonds become due for payment or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds, the interest payments or the principal amount of the Bonds or any of them becoming due for payment, redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

- a) Every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions
- b) if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions and
- c) in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused upon due date, interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**Following an Event of Default**

At any time after any Event of Default shall have occurred, the Trustee may:

by notice in writing to the Issuer, the Paying Agent and the other Agents, require the Paying Agent and the other Agents or any of them, until notified by the Trustee to the contrary:

(i) to act thereafter as agents of the Trustee under the provisions of the Trust Deed on the terms provided in the Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Agents shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Deed in relation to the Bonds on the terms of the Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Bond units and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; and/or

(k) to deliver up all units of Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any document or record which the relevant Agent is obliged not to release by any law or regulation; and

by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 6.1.1 of Clause 11.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer), (Payment to Bondholders) in the Trust Deed shall cease to have effect.

**Covenant to comply with Trust Deed, conditions, Schedules, Agency Agreement and applicable law**

- A. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Agency Agreement, the Conditions (including, without limitation, Condition 5 (Covenants)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.
- B. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be

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entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

- C. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

**Covenants by the Issuer**

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

**Books of account :** At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer.

**Event of Default :** Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action.

**Corporate Governance:** Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

**Information:** So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents.

**Execution of further Documents:** So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed.

**Notices to Bondholders:** Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice.

**Notification of non-payment:** Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds.

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**Notification of late payment:** In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made.

**Notification of Call Exercise Date:** Not less than 30 (thirty) days prior to the Call Exercise Date in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly.

**Obligations of Agents:** Observe and comply with its obligations and use all reasonable endeavors to procure that the Agents observe and comply with all their obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds.

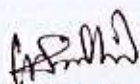
**Authorized Signatories:** Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the issuer, together with certified specimen signatures of the same.

**Payments:** Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by laws of the land.

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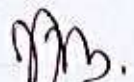
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**1.3 RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISK**

Following are certain issues for the investors to consider before taking an investment decision in the offer. In some of the risk factors and management proposals thereof, reference has been described below in addition to the other information contained in this Information Memorandum:

**A. INTEREST RATE RISKS**

Interest rate risk arises refers to the potential risk to the bank's capital and earnings arising from unfavorable movements in market interest rates. The bank may face such unfavorable conditions due to rise in borrowing rates and/or fall in lending rates. When interest rates change, the present value and timing of future cash flows change. This in turn changes the underlying value of a bank's assets, liabilities and off-balance sheet items and hence its economic value. Changes in interest rates also affect a bank's earnings by altering interest rate-sensitive income and expenses, affecting its net interest income (NII).

**ABBL's Management Perception:**

From April 2020, Bangladesh Bank fixed the lending caps for all the banks at single digit which ultimately adversely impacted Net Interest Income of the Bank. For mitigating this interest rate risk, AB Bank is trying to re-price its deposit and borrowing books.

**B. EXCHANGE RATE RISK**

Foreign exchange risk, for a bank, is defined as the potential change in earnings due to changes in market exchange risk. This risk arises due to the bank's involvement in various foreign currency transactions, if the local currency appreciates against the major foreign currencies and the bank holds a significant net long position in foreign currencies during that time, the bank might incur losses. Similarly, if the local currency depreciates against the major foreign currencies while the bank holds a net short position in foreign currencies, the bank might also incur huge losses.

**ABBL's Management Perception:**

The foreign exchange risk for AB Bank Limited is minimal as all the transactions are carried out on behalf of the customers against underlying LC commitments and other remittance requirements. The Financial Institution and Treasury (FIT) Division independently conducts the foreign exchange transactions while the Treasury department is responsible for the verification of the deals and their entries in the accounting books. All foreign exchange transactions are revalued at market rate as determined by Bangladesh Bank at each month-end. 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.

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**C. NON-REPAYMENT RISK (I.E. CREDIT RISK)**

It arises mainly from lending, trade finance, settlement and other financial transactions. 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 counterparty or decline in his/her financial condition.

ABBL's Management Perception:

ABBL operates under the tight regulations and close supervision of Bangladesh Bank. Moreover, it is highly unlikely that a reputed organization like ABBL will risk its reputation by setting an instance of default. Furthermore, in case of non-repayment, the Trustee would give notice period to the issuer in protecting the non-repayment and take further steps to ensure the interest of the investors.

**D. PREPAYMENT, CALL OR REFUNDING RISK**

Prepayment, call or refunding risks are the risks associated with the principal amount of a bond.

ABBL's Management Perception:

This bond is perpetual in nature i.e., there is no maturity date and there are no set-ups or other incentives to redeem unless and until it is eligible for call option criteria depicted in features of the Bond section.

**E. SECURITY RISK**

Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of issuer's inability to repay the face value of the bond(s).

ABBL's Management Perception:

AB Bank Perpetual bond is an unsecured bond. Specific Revenue sources or assets are not being pledged against issuance of the bonds. Investors will have the right on the Bank's cash flow to get repaid but rank of a Perpetual bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

**F. LIQUIDITY RISK**

Liquidity risk is the risk to the bank's earnings and capital arising from its inability to timely meet obligations. Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the bank. Although liquidity risk dynamics vary according to a bank's funding market, balance

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sheet, and inter-corporate structure, the most common signs of possible liquidity problems include rising funding costs, a rating downgrade, decreases in credit lines, or reductions in the availability of long-term funding.

**ABBL's Management Perception:**

ABBL's management is well aware of the risks involving liquidity constraint and is capable of handling such risks by practicing modern Asset Liability Management (ALM) techniques. The ALM committee regularly monitors the overall liquidity position of the bank and proactively makes policy changes in due course of time. Therefore, it is highly unlikely that the bondholders will face any material loss from liquidity risk.

**G. MANAGEMENT RISK**

Management risk refers to the chance that bank managers' inefficiency or under performance which will finally affect the shareholders. The bondholders may suffer financial losses in such an event.

**ABBL's Management Perception:**

Issuer has a strong corporate governance and sound management system. The dynamic management team is constantly working on making the organization more effective and result oriented. Strong financial, technical, and marketing teams are led by qualified professionals. Strategic management and control are centralized and undertaken by the key sponsors. Moreover, the management of the company is constantly supervised by a Board of Directors consisting of seasoned professionals who work hard to ensure that the interest of all the stakeholders is served by the management.

**H. OPERATIONAL RISK**

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the bank.

**ABBL's Management Perception:**

ABBL employs experienced as well as young individuals having both academic and practical knowledge. The bank organizes both on the job and off the job training facilities so that the employees can be equipped to properly handle operational challenges. Most importantly, ABBL has procured latest sophisticated technology and world class hardware to ensure smooth operation process. The management is confident that it has the capability of combating any future operational challenges.

**I. BUSINESS RISK**

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is

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influenced by numerous factors, including business environment, economic situation and government regulations.

**ABBL's Management Perception:**

Like all other businesses such risk exists in the banking industry. The Bank scrutinizes all of its clients and the associated risks systematically using up to date risk evaluation techniques and thereby has been able to maintain good asset quality so far and expects the same in the future. Some other systematic risks might arise from the external environment of the Bank, similar to any other bank.

**J. INDUSTRY RISK**

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.

**ABBL's Management Perception:**

The Bank has always been careful in offering its products and services at competitive terms and conditions. It updates its strategies continuously to keep up with the changes in the market dynamics and demand of the young generation. The management continues to focus on the sustainable growth by diversifying its loan book and by fostering innovation in the management level. ABBL has also introduced new deposit and loan products to cater to different demographics and it is working on digitization of its service to stay on par with the global shift in the banking industry.

**K. MARKET AND TECHNOLOGICAL- RELATED RISK**

Market and technology related risk mainly refers to the change in market condition due to technological modifications which would adversely affect the business and profitability of the company. As the banking industry is becoming more and more technology-dependent, the risks derived from technological use is increasing day-by-day. As a result, the bank might be exposed to risks such as computer virus attacks, system collapse, system hacking, unauthorized electronic fund transfer, etc.

**ABBL's Management Perception:**

ABBL maintains a strong IT Infrastructure to provide technological support to the vast operational personnel of the bank as well as its clients. The bank also follows the Bangladesh Bank ICT Policies along with other leading industry compliances such as PCI DSS. The IT Infrastructure is built on Microsoft Active Directory along with Microsoft Exchange Email System with enhanced cloud

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security. The bank also has Next Generation Firewall (NGF) in to protect the organization from external threats. For endpoint security the 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). Additionally, ABBL regularly arranges Security Awareness training for the employees as per the regulations of Bangladesh Bank. ABBL checks and updates its technological infrastructure regularly to keep up with the changes in the global banking industry and minimize any threat from major technological shift in the market.

**L. RISKS RELATED TO POTENTIAL OR EXISTING GOVERNMENT REGULATIONS**

AB Bank Limited operates its business under the specific guidelines laid by Bangladesh Bank, Bangladesh Securities and Exchange Commission and other regulatory authorities. The bank is also regulated by Bank Companies Act 1991 revised up to 2013, Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984 and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank enforces certain regulatory requirements in the form of Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) for banking institutions, which are changed from time to time. Any abrupt changes in these policies and regulations made by the authorities may adversely affect the business of the company.

**ABBL's Management Perception:**

Unless there are any policy changes that have significant negative impact on the industry as a whole, ABBL's business is not expected to be affected materially. Like all scheduled banks in Bangladesh, ABBL has been funding their assets from their deposits after maintaining the required SLR and CRR and the bank has been consistently compliant to any such changes. Additionally, the regulatory bodies in Bangladesh are not expected to take any steps that might prove detrimental to the country's banking industry.

**M. RISKS RELATED TO POTENTIAL CHANGES IN GLOBAL OR NATIONAL POLICIES**

A financial institution's ability to operate a profitable business is directly related to the national policies including, monetary and fiscal policies of the country at any given time. Imposition of restrictive policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the Bank. Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

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**ABBL's Management Perception:**

The management of the Issuer is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and in a timely manner to safeguard its interests.


**N. ASSET QUALITY RISK**

Asset Quality for the Bank mainly refers to loan quality. If loan default, it has adverse impact on Bank's profitability and balance sheet.

**ABBL's Management Perception:**

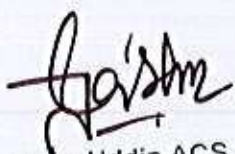
The Bank faces big challenges in managing balance sheet through core banking business due to major changes in regulation of loan classification and provisioning policy. The policy changes as well as deteriorated economic condition may cause non-performing loan and trend of non-performing issues force to make a loan huge loss provision. To reduce non-performing loan, enormous actions has been taken through aggressive recovery drives combined with improved risk management practices.

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**1.4 TRUSTEE**

MTB Capital Limited (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited is a full-fledged Merchant Bank licensed by the Securities and Exchange Commission (SEC) on December 06, 2010. MTBCL was incorporated on October 08, 2009 as a private limited company with the Registrar of Joint Stock Companies and Firms (RJSC) Bangladesh Dhaka under Companies Act, 1994 with the objective to carry out the business as Issue Manager, Underwriter and Portfolio Manager. As a fully owned Subsidiary of Mutual Trust Bank Ltd, MTB Capital Limited has already started its operation on April 18, 2011.

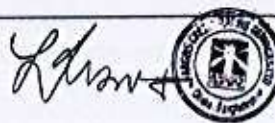
The company strongly believes to extend its co-operation and value added services to our respected clients. We also believe that MTB Capital Limited will play a vital role in the capital market for its development and future growth.

**1.4.1 Rights and Obligation of the Trustee**

**Duties and Powers of the Trustee:** The Trustee has the following duties and powers in connection with the Trust:


- to hold the benefit of the covenants made by the Issuer and the conditions on trust for the Bondholders;
- to open such accounts necessary for discharging the functions of Trustee;
- to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- to undertake all such actions for the recoveries of any overdue in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- upon instruction by the Bondholders upon occurrence of an Event of Default in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;

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- to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of the Trust Deed;
- The Trustee shall have power to initiate negotiations with the respective parties for inclusion of any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders, and necessary amendments can then be made by way of mutual agreement; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with the Trust Deed.

**Covenant to repay:** The Trustee is entitled to have the Issuer unconditionally pay or procure to be paid to or to the order of the Trustee in Taka in freely transferable funds for value the relevant due date for payment of the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall until all such payments are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Trust Deed, or any of them outstanding from time to time as set out in the Trust Deed.

**Reliance on information:** The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer or other experts and shall not be responsible for any liability occasioned by so acting.

**Certificate of directors or Authorised Signatories:** The Trustee may call for a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised as to any fact or matter *prima facie* within the knowledge of the Issuer as sufficient evidence thereof. The Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by its failing so to do;

**Resolution or direction of Bondholders:** If there was some defect in the constitution of the meeting or if the resolution or direction made by the meeting of the bondholders is not valid or binding for some defect, the Trustee will not be held responsible provided it has acted in good faith.

**Bondholders as a class:** In connection with the exercise by it of any of its trusts, powers, authorities and discretions, the Trustee shall have regard to the general interests of the Bondholders as a class.

**No obligation to monitor or investigate:** The Trustee is under no obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein. In the absence of actual knowledge of a breach of obligation the Trustee may assume that each such person is properly performing and complying with its obligations. Similarly the Trustee is under no obligation to investigate Bonds or other agreement or documents to that effect.

**Bonds held by the Issuer:** In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;

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**Tarique Afzal**  
 President & Managing Director  
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 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
*[Signature]*  
**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**Events of Default:** The Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary.

**Right to deduct or withhold for taxes:** Deduction or withholding of tax will be as per prevailing law of the land.

**Error of judgment:** Trustee has no liability for error of judgment made in good faith.

**No responsibility for loss:** The Trustee shall not be responsible for any loss incurred by bondholders subject to any applicable laws or regulations except for its Trustee's own gross negligence, wilful default or fraud.

**Force Majeure:** The Trustee shall not be liable for Force Majeure.

**Immunities:** The Trustee's immunities and protections from liability and its right to indemnification extend to its officers, directors and employees and its successors upon resignation and replacement. The Issuer will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

**Trustee's determination:** The Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions is capable of remedy and/or materially prejudicial to the interests of the Bondholders. If the Trustee certifies that any such default is not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders subject to conditions as specified in the Trust Deed.

**Application of proceeds:** the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.

**Delegation:** The Trustee may, with the prior consent in writing of the Issuer, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholder. The Trustee is required to exercise reasonable care in the selection of any such Appointee.

**Agents:** Subject to the provisions of the Trust Act 1882, the Trustee may, with the prior consent in writing of the Issuer, employ agents to conduct its duties in accordance with Trust Deed on its behalf.

**Confidential information:** The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed.

**Professional charges:** Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be

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Managing Director

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Chief Executive Officer  
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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

**Expenditure by the Trustee:** The Trustee is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties if it has grounds for believing the repayment (if approved by the issuer) of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it.

**Restriction on financial transactions with the Issuer:** The Trustee and its directors and officers shall be precluded from making any contracts or entering into any transactions ("Other Business") with the Issuer which would place its fiduciary duties towards the Bondholders in conflict with its rights and obligations in such Other Business.

**Trustee liable for gross negligence:** Trustee shall be liable for gross negligence in the performance of its duties under the Trust Deed.

**Exercise of Discretion:** Unless provided to the contrary in the Trust Deed, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66 2/3 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution and the Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result thereof.

**Trustee's Obligation for Requesting Compliance Certificates:** The Trustee shall have no responsibility for requesting Compliance Certificates unless the Issuer has failed to deliver such certificates in accordance with (Terms of Appointment) or the Trustee is requested to do so by any Bondholder.

**Modification and Waiver:** The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Amendment Provisions of Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, any terms of the Trust Deed which is not materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Trustee to the Bondholders as soon as practicable thereafter.

**Interests of Bondholders:** The Trustee shall have regard to the interests of the Bondholders as a class and not individuals in the exercise of its duties under this Deed.

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Ashraf Ahmed  
Managing Director

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Chief Executive Officer  
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Head Office, Dhaka



Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**2 RIGHTS AND OBLIGATION OF THE ELIGIBLE INVESTORS**

**Rights**

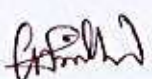
- i. Each of the Bondholders has the right to demand information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in the Trust Deed or in the Conditions, from the Issuer.
- ii. Each of the Bondholders has the right to receive payment of coupon of the Bond on the respective coupon payment date in accordance with the procedure as set out in the Condition VII (Redemption) of the Schedule I (Terms and Conditions of the Bonds)
- iii. Each of the Bondholders has the right to receive any other payment including default interest, if applicable, whenever such payment becomes due and payable by the Issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (Terms and Conditions of the Bonds)
- iv. Following claim under the Security Documents, each of the Bondholders shall have the right to receive payment in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (Terms and Conditions of the Bonds).
- v. Each of Bondholders has the right to attend Meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (Meeting of Bondholders).

**Obligations**

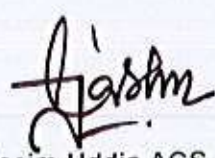
- i. To pay the subscription/purchase price of the Bonds to the Issuer.
- ii. To comply with the terms and conditions of the Subscription Agreement and the Deed of Trust in exercise of their rights against the Issuer.

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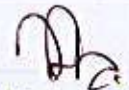
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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**3 ISSUER'S PROFILE**

**3.1 INTRODUCTION**

**History:** AB Bank Limited was incorporated on 31st December, 1981. Arab Bangladesh Bank as formerly known started its effective operation from 12th April, 1982 with the mission to be the best performing bank of the country.

With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, AB has formulated a golden heritage and an enviable legacy that may not be limited by many. Achieving plenty of milestones and incorporating numerous changes over the last 37 years, AB has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel this new era of technological triumph, AB has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e-products.

AB has extensively widened its services over the last three decades in both home and abroad. The bank opened its very first branch at Karwan Bazar on 12th April 1982 and now has a successful footprint of 105 branches including one overseas branch in Mumbai, India and 280 plus ATMs spread across the country.

**Financial Base:** At the end of FY20, ABL's Total Assets stood at BDT 388,569.90MN, Equity at BDT 25,689.15 MN, Paid-up Capital at BDT 7,960.37MN, Investments at BDT 64,092.71 MN, Loans and Advances at BDT 282,900.91 MN, Total Operating Income at BDT 12,514.35MN and Net Profit after Tax at BDT 394.33MN.

ABBL has been pioneer in developing the banking sector of the country with its innovative and creative approach. It has been first of many firsts including:

- First private commercial Bank to start Banking Operation (1982)
- First ATM at Gulshan Club (1996)
- First Teller System in Branches (1982)
- First in syndication finance to BIMAN (2009)
- First financing in ship building: Western Marine (2009)
- First in using SWIFT (1999)
- First Multi Bank Owned Switching network: CBL (2008)
- First in opening Merchant Banking Wing (2002)
- First to have a Financial House abroad at Hong Kong (1995)
- First to open overseas Branch at Mumbai (1996)
- First subsidiary for Merchant Banking: AB Investment Limited (2009)
- First to have a representative office in Myanmar (2010)
- First to invest in Sri Lanka - Amana Bank Ltd. (2011)
- First Solar Power ATM at Uttara (2011)

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, ABL has formulated a golden heritage and an enviable legacy that may not be imitated by many. Achieving plenty of milestones and incorporating numerous changes over the last 39 years, AB has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel this new era of technological triumph, ABL has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e-products. Through its wide slew of diversified product and services, now ABL has affirmed its position to the top rated banks of the country. ABL offers a wide range of depository and loan products to cater virtually for every customer segment. From Student Banking to Priority Banking, ABL approximately has all banking products in its repertoire. The product gallery is rich in content and innovative products and services are introduced in the field of Small and Medium Enterprise (SME) credit, Women's Entrepreneur, Consumer Loans, Debit and Credit Cards (Local & International), ATMs, Internet and SMS Banking, Remittance Services, Treasury Products and Services, Structured Finance for Corporate, strengthening and expanding its Islamic Banking activities, Investment Banking, specialized products and services for NRBs, Priority Banking, and Customer Care. AB has High quality products and services and dedicated Relationship Managers who are committed to financial health management, preserve lifestyle, and maintain priorities of the customers wherever life takes them.

Throughout the journey of excellence, ABL has been a genuine care giver in the health, education and sports sectors. As Bangladesh's benchmark bank it has always been at the forefront to assist during critical moments like donating to help the victims of Rana Plaza, standing beside the families affected by BDR Tragedy, distributing warm cloths among the victims of Ramu, contributing to the patients of the devastating Nimtoli fire at old Dhaka etc. Trust and integrity have been the key value components when meeting the expectations of every stakeholder. As such, ABL has molded an exceptionally talented team of employees helping them reach their optimum potential. Precisely understanding the needs of customers, the bank has provided new and imaginative schemes that has altogether redefined convenience in financial services and revolutionized the nature of banking in Bangladesh.

**Subsidiaries of AB Bank Limited:**

**AB Securities Limited:**

AB Securities Limited (ASL), a wholly owned subsidiary of AB Bank Limited, provides stock broking services to its clients. ASL originally incorporated in December 2009 as a private limited company, commenced operations in August 2010, following the transfer of the brokerage business of Arab Bangladesh Bank Foundation (ABBF) to ASL in August 2010, in accordance with the instructions of Bangladesh Bank. ASL is a corporate TREC Holder of both Dhaka Stock Exchange Limited (TREC # 201) and Chittagong Stock Exchange Limited (TREC # 101). Its services include stock broking services for trading in stock markets through branches and the

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Chief Executive Officer  
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Head Office, Dhaka.

For and on behalf of  
**Riverstone Capital Limited**

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



internet, and investments in IPOs, Mutual Funds and Bonds. Currently, ABSL is one of the largest broking houses in Bangladesh which serves its clients through three branches located in Dhaka, Chittagong and Sylhet. ABSL has a client base of around 3000, comprising of local individuals and institutional clients, as well as Non-Resident Bangladeshis (NRBs) and foreign investors. ABSL also acts as Agent Broker of AB Investment Limited and First Security Islami Capital & Investment Limited.

ABSL provides best in class products and services which have now become industry standards for stock broking companies. For foreign nationals and Non-Resident Bangladeshis, ABSL provides one stop stock broking service including support in opening Foreign Currency (FC) Account & Non-Resident Investor's Taka Account (NITA) with AB Bank, BO account opening with COBL and trading at DSE and CSE.

**AB Investment Limited:**

AB Investment Limited (ABIL), a company limited by shares has incorporated in Dhaka on December 24, 2009 to deal with Merchant Banking business and started its commercial operation on March 10, 2010. ABIL is also a subsidiary company of AB Bank Limited, provides all types of Merchant Banking services permitted under existing law of the country.

AB Bank Limited is the pioneer in banking industry, started its Merchant Banking operation on 2003. Since its inception, AB Bank Merchant Banking wing provided various services which include Issue Management, Portfolio Management & Underwriting and gained an excellent reputation in the market. Subsequently in 2010, under a regulation, AB Bank Limited has formed a subsidiary company namely AB Investment Limited (ABIL) and shifted its existing Merchant Banking operations to the ABIL.

AB Investment Limited having its Head Office at WW Tower (7th Floor), 68 Motijheel C/A, Dhaka-1000, is fully equipped to cater all needs of its wide customer bases which includes individual, local conglomerate, NRB's and foreign investors. ABIL has expanded its branch network to Agrabad, Chittagong and Chowhatta, Sylhet.

ABIL will reach shortly at the doorsteps of the clients in few more cities across the country as well as has planned to extend its services in overseas to accommodate the need of the NRBs.

**CashLink Bangladesh Limited (CBL)**

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

- To carry on the business of providing integrated electronic financial payment;
  - To do transaction processing solutions in Bangladesh, including coordination and development of independent branded Automated Teller Machines (ATM);
  - To facilitate Electronic Fund Transfer through Points of Sale (EFT POS) and provide Pre-paid Card, Debit Card and Credit Card processing services etc.
  - To facilitate e-commerce facility to the Banks.
- CBL's vision is to become the largest shared ATM & POS network in Bangladesh. Currently CBL is providing Electronic Fund Transfer services

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Page 55 of 56 | P a g e

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Ashraf Ahmed  
Managing Director

*[Signature]*  
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Chief Executive Officer  
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Head Office, Dhaka.



Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**3.2 DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR EQUITY SECURITIES**

AB Bank Limited previously issued following Sub-ordinate Bonds:

- AB Bank Subordinated Bond-I
- AB Bank Subordinated Bond-II
- AB Bank Subordinated Bond-III
- AB Bank Subordinated Bond-IV

**AB Bank Subordinated Bond-I**

AB Bank Limited issued 250 fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (Ten million Bangladeshi Taka) each totaling BDT 2,500,000,000 (Two and half billion Bangladeshi Taka) through private placement on August 26, 2014. The tenor of the bond was 7 (seven) years. Bangladesh Securities and Exchange Commission vide its letter #BSEC/CI/DS-12/2014/471 dated July 1, 2014 and Bangladesh Bank vide its letter #BRPD(BIC)661/14B(P)/2014-4724 dated July 21, 2014 had given consent to AB Bank Limited to raise the bank's Tier-2 Capital through issuance of the bond. The bank collected BDT 2,500,000,000 from 8 institutional investors on August 26, 2014. The below table shows the investors of the bond along with their respective investment amounts.

Amount in MN Tk.

| Sl #  | Investors                          | Subscription Amount | Redemption | Outstanding (As of March 31, 2021) |
|-------|------------------------------------|---------------------|------------|------------------------------------|
| 1     | BRAC                               | 1000.00             | 800.00     | 200.00                             |
| 2     | Sonali Bank Limited                | 500.00              | 400.00     | 100.00                             |
| 3     | Agrani Bank Limited                | 500.00              | 400.00     | 100.00                             |
| 4     | Midland Bank Limited               | 200.00              | 160.00     | 40.00                              |
| 5     | BRAC Bank Limited                  | 100.00              | 80.00      | 20.00                              |
| 6     | NRB Commercial Bank Limited        | 100.00              | 80.00      | 20.00                              |
| 7     | Mutual Trust Bank Limited          | 80.00               | 64.00      | 16.00                              |
| 8     | Grameen Capital Management Limited | 20.00               | 16.00      | 04.00                              |
| Total |                                    | 2500.00             | 2000.00    | 500.00                             |

**AB Bank Subordinated Bond-II**

The Bank further issued 400 fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (Ten million Bangladeshi Taka) each totaling BDT 4,000,000,000 (Four billion Bangladeshi Taka) through private placement on September 29, 2015. The tenor of the bond was 7 (seven) years. Bangladesh Securities and Exchange Commission vide its letter #BSEC/CI/DS-12/2015/413 dated August 24, 2015 and Bangladesh Bank vide its letter #BRPD(BIS)661/14B(P)/2015-11982 dated September 27, 2015 had given consent to AB Bank Limited to raise the bank's Tier-2 Capital through issuance of the bond. The bank collected BDT 4,000,000,000 from 8 institutional

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Tarique Afzal  
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for and on behalf of  
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Ashraf Ahmed  
Managing Director

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Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



Investors on September 29, 2015. The below table shows the investors of the bond along with their respective investment amounts.

Amount in MN Tk.

| Sl#          | Investors                      | Subscription Amount | Redemption     | Outstanding (As of March 31, 2021) |
|--------------|--------------------------------|---------------------|----------------|------------------------------------|
| 1            | Sonali Bank Limited            | 1000.00             | 600.00         | 400.00                             |
| 2            | Rupali Bank Limited            | 1000.00             | 600.00         | 400.00                             |
| 3            | Agrani Bank Limited            | 500.00              | 300.00         | 200.00                             |
| 4            | Janata Bank Limited            | 500.00              | 300.00         | 200.00                             |
| 5            | BRAC Bank Limited              | 300.00              | 180.00         | 120.00                             |
| 6            | NRB Commercial Bank Limited    | 300.00              | 180.00         | 120.00                             |
| 7            | Uttara Bank Limited            | 300.00              | 180.00         | 120.00                             |
| 8            | National Life Ins. Co. Limited | 100.00              | 60.00          | 40.00                              |
| <b>Total</b> |                                | <b>4000.00</b>      | <b>2400.00</b> | <b>1600.00</b>                     |

**AB Bank Subordinated Bond-III**

The Bank further issued 400 fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (Ten million Bangladeshi Taka) each totaling BDT 4,000,000,000 (Four billion Bangladeshi Taka) through private placement on May 29, 2018. The tenor of the bond was 7 (seven) years. Bangladesh Securities and Exchange Commission vide its letter #BSEC/CI/DS-12/2017/657 dated November 28, 2017 and Bangladesh Bank vide its letter #BRPD(BFIS)661/148(P)/2017-8280 dated December 13, 2017 had given consent to AB Bank Limited to raise the bank's Tier-2 Capital through issuance of the bond. The bank collected BDT 4,000,000,000 from 2 institutional investors on September 29, 2015. The below table shows the investors of the bond along with their respective investment amounts.

Amount in MN Tk.

| Sl#          | Investors           | Subscription Amount | Redemption | Outstanding (As of March 31, 2021) |
|--------------|---------------------|---------------------|------------|------------------------------------|
| 1            | Jamuna Bank Limited | 2300                | -          | 2300.00                            |
| 2            | NCC Bank Limited    | 1700                | -          | 1700.00                            |
| <b>Total</b> |                     | <b>4000</b>         | <b>-</b>   | <b>4000.00</b>                     |

**AB Bank Subordinated Bond-IV**

AB Bank Limited has raised BDT 325 crore 7 years Subordinated Bond on December 30, 2020 under Private Placement of Debt Securities Rules, 2012, as Tier-II capital which is Non-Convertible, unsecured in nature and the Coupon

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Mohiuddin Ahmed  
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Tariq Afzal  
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*Ashraf Ahmed*  
Ashraf Ahmed  
Managing Director

*Khairul*  
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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



range is 7.00%-10.50% where the interest would be paid semi-annually and the repayment will be started from the end of 54<sup>th</sup> months as per Bangladesh Bank approval BRPD(BFIS)661/14B/PI/2019-2612 dated April 01, 2019 and Bangladesh Securities and Exchange Commission's (SSEC) consent letter BSEC/CI/DS-12/2017/168 dated March 05, 2019. Till March 31, 2021 no interest payment has been done. However, name of investors in AB Bank Subordinated Bonds-IV is given below:

Amount in MN Tk.

| Sir   | Investors           | Subscription Amount | Redemption | Outstanding (As of March 31, 2021) |
|-------|---------------------|---------------------|------------|------------------------------------|
| 1     | Janata Bank Limited | 1000.00             |            | 1000.00                            |
| 2     | Agrani Bank Limited | 750.00              |            | 750.00                             |
| 3     | Sonali Bank Limited | 1500.00             |            | 1500.00                            |
| Total |                     | 3250.00             | -          | 3250.00                            |

SHAREHOLDERS PATTERN

| Particulars         | No. of shares | Percentage |
|---------------------|---------------|------------|
| Sponsors and public | 753,784,637   | 99.43%     |
| Government          | 4,345,678     | 0.57%      |
| Total               | 758,130,315   | 100%       |

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Financial Officer  
Bank Limited  
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Ashraf Ahmed  
Managing Director

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Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka

Prepared and on behalf of  
Riverstone Capital Limited



Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**3.3 NATURE OF OWNERSHIP**

ABBL's Board of Directors consists of highly reputable businessmen and professionals. The current Board of Directors comprises:

The detailed backgrounds of directors are given in the following:

**Muhammad A. (Rumee) Ali- Chairman**

Mr. Muhammad A. (Rumee) Ali is an iconic banker with extensive and wide ranging experience as CEO, Board Member, and Chairman of several institutions. He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his Masters in Economics from Dhaka University. In 1997, he was the first Bangladeshi to be appointed as the CEO of the bank's Bangladesh operations. After acquisition of this bank by Standard Chartered Group in 2000, he was selected to be the first CEO of the combined operations of these two banks as Standard Chartered Bank. In November 2002 he joined Bangladesh Bank as Deputy Governor and was responsible for driving the regulatory reforms in the country's banking sector, especially in the Risk Management and Corporate Governance areas. He, very successfully, worked as a central banker for four years. He has repeatedly proven himself to be an eminently capable leader in a number of high-profile executive appointments.

Mr. Rumee Ali served as Managing Director, Enterprises & Investments at BRAC. During this period, he was Chairman of BRAC Bank Ltd. and founder Chairman of bKash Limited, the first mobile financial system in Bangladesh. He has also served as a member of the Board of BRAC and BRAC International. In the past he served on the boards of Alliance for Bangladesh workers Safety (USA), Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/World Bank Washington, PKSF Bangladesh. He was made a Fellow of the Institute of Bankers, Bangladesh in 2001. In addition, he has participated in many international forums as key note speaker and panelist. Mr. Rumee Ali is also currently the CEO of Bangladesh International Arbitration Centre.

**Feroz Ahmed - Director**

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

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**Ashraf Ahmed**  
Managing Director

**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
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**Shajir Ahmed – Director**

Mr. Shajir Ahmed completed his Bilingual Diploma degree on International Baccalaureate (IB) from United World College of South East Asia, Singapore. Following which, he graduated in Business Management from Kings College London under University of London in 2008. In 2009, he started his first job as a Central Accounts Officer in Habib Bank AG Zurich, Dubai. Upon Mr. Ahmed's return to Bangladesh in 2010, he joined his family business as the Director of Elite Paint & Chemical Industries Limited, a pioneer manufacturer of different graded paints in Bangladesh. At present, Mr. Ahmed is the Managing Director of Super Silca Bangladesh Limited and the Director of Super Tel Limited, Super Sea Fish (Pvt.) Limited, Elite Super Plastic Ind. (Pvt.) Limited, Super Shares & Securities Limited, Elite Food Industries Limited, Broast Foods Ind. (Pvt.) Limited and Aurora Decor Limited. Mr. Ahmed also holds the position of Deputy Managing Director of Super Refinery (Pvt.) Limited, the first Natural Gas Condensate Refinery in the private sector since June 01, 2006 till date.

**Khairul Alam Choudhury – Director**

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

**Md. Maqsoodul Haq Khan – Director**

Maqsoodul H. Khan is a Supply Chain and Compliance professional. Currently he is working as General Manager, Supply Chain & Commercial Division of Millennium Automotive Group. Prior to holding this position, he had served Bureau Veritas, a renowned French multinational conglomerate for about a decade. He has a successful professional career in Operations, Compliance and Legal Affairs. He also worked as the Head of International Trade Division (ITD) of a multinational organization (BVQI) which is the global leader in Quality Assurance, Health, Safety and Environmental Solutions. Maqsoodul holds an International Diploma in Supply Chain Management from ITC-UNCTAD/WTO, Geneva. Prior to obtaining Bachelor of Laws (LLB) and Masters in Business Administration (MBA), he completed the Certified Supply Chain Professional (CSCP) course from American Production and Inventory Control Society (APICS).

**Shafiqul Alam - Independent Director**

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

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Managing Director

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AB Bank Perpetual Bond



**Tarique Afzal - President & Managing Director**  
Mr. Tarique Afzal joined AB Bank in 2018 as Deputy Managing Director - Head of Corporate, Legal & Regulatory Affairs. Subsequently he has been appointed as the President & Managing Director with effect from July 08, 2019. Prior to joining AB Bank he was the Chief Executive Officer of Sonali Polaris Financial Technology Limited a joint venture of Sonali Bank and Polaris, India. Mr. Tarique Afzal, to his credit, has impressive overseas work experiences and worked in London during the late 1980s and in Credit Union in Canada, later served in ANZ Grindlays Bank and Standard Chartered Bank in Bangladesh. He also worked in Bank Alfalah, BRAC Bank and served as the CEO for Dun & Bradstreet Rating Agency in Bangladesh. His core competencies are creating new business streams, operational efficiency, performance improvements and regulatory relationships.

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**3.4 OPERATIONAL STRUCTURE**

**Registered Office:** The registered office of AB Bank Limited is situated at BOC Bhaban, 30-31 Dikusha C/A, Dhaka 1000, Bangladesh.

**Branch Network:** According to FY20 Annual report the Bank is operating with 105 branches with a total 2,202 manpower.

**3.5 PRODUCTS AND SERVICES**

ABBL offers all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders & businessmen, house building loan, car loan as well as wide range of life style and need based loans for retail customers, Islamic Banking etc. The bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, mobile banking, SMS banking, internet banking, any time banking through ATM.

A brief sketch of some of popular products & services are given below:

**CORPORATE & STRUCTURED FINANCE**

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

**SMALL & MEDIUM ENTERPRISE (SME)**

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

**TREASURY AND FOREIGN EXCHANGE PRODUCTS**

- Money Market
- Overnight (call)
- Repo

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AB Bank Perpetual Bond



- SWAP
- Term
- Reverse Repo
- Fixed Income Market
- Treasury Bill
- Custodian Service
- Treasury Bond
- FX Market
- Spot
- Corporate
- Forward

RETAIL PRODUCTS

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

DEPOSIT ACCOUNTS

- Savings Account
- Max Saver
- Smart Saver
- Student Account
- Shampurna
- Payroll Management
- Current Account
- Progoti
- Special Notice Deposit (SND)
- Fixed Term Deposit
- Foreign Currency Account
- NFCB
- RFCB
- Family Savings Plan (FSP)
- Double Deposit Scheme (DDS)
- Monthly Savings Deposit Scheme (MSDS)
- Monthly Income Deposit Scheme (MIDS)
- Millionaire Savings Account (MSA)
- Deposit Double Installment Scheme (DDIS)

SERVICE PRODUCTS

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

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**ISLAMI BANKING**

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

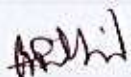
**Investment Products**

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

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**Ashraf Ahmed**  
Managing Director



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AB Bank Perpetual Bond



4 FINANCIAL RISK ANALYSIS

4.1

4.1 PROFITABILITY ANALYSIS

The overall operating income has shown a fluctuating trend apart from that Average Yield on Investment, Operating profit before provision and net income increased recently. Along with ACRLS possess positive outlook on future net income growth due to bank's access to low cost funding and positive growth in credit portfolio.

| Indicator                           | FY18     | FY19        | FY20        | Observations   | Out look |
|-------------------------------------|----------|-------------|-------------|--|----------|
| Total Operating Income              | 9,153.39 | 13,054.02 ↑ | 12,514.35 ↓ | The operating income of ABBL demonstrates an overall fluctuating trend during last three years and decreased recently.   | Negative |
| Average Yield on Investments        | 9.36%    | 5.47% ↓     | 12.26% ↑    | The yield on investment demonstrates an increasing trend in recent year.   | Positive |
| Cost of Fund                        | 6.69%    | 6.69% ↓     | 6.50% ↓     | The cost of fund remained unchanged for FY18 and FY19 and slightly decreased in FY20.  | Neutral  |
| Cost to Income Ratio                | 62.43%   | 50.43% ↓    | 46.84% ↓    | The cost to income ratio of ABBL demonstrates a decreasing trend over the past three years which is positive in our view.  | Positive |
| Operating Profit (before Provision) | 3,493.36 | 6,471.10 ↑  | 6,652.21 ↑  | The Operating Profit Before Provision of ABBL demonstrates an increasing trend over the past three years, with a strong forward growth prospect which is a positive rating factor.   | Positive |
| Net Income                          | 43.19    | 123.25 ↑    | 394.33 ↑    | Due to maintaining high provision against loans and advances declared by BS ABBL's Net income remained very low compared to its peer group. Though Net Income of ABBL demonstrated an increasing trend over the past three years, with a strong forward growth prospect which is a positive rating factor. | Positive |

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Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



4.2

4.2 BALANCE SHEET ANALYSIS

The balance sheet of ABBL has overall strengthened with the positive growth rate in loans & advances, investment and the supportive growth of the deposits which is enabling to maintain excess liquidity. On the contrary, Capital adequacy remained below the regulatory requirement in FY20.

| Indicator                         | FY18    | FY19   |   | FY20   |   | Observations  | Outlook  |
|-----------------------------------|---------|--------|---|--------|---|---|----------|
| Growth Rate of Loans and Advances | 4.86%   | 6.10%  | ↑ | 7.00%  | ↑ | The growth of loans and advances demonstrated an overall increasing trend.  | Positive |
| Growth of Deposits                | -10.18% | 19.59% | ↑ | 1.94%  | ↑ | The deposit growth demonstrates an increasing trend since FY20 but the growth rate slowed down recently.                              | Neutral  |
| Growth of Investments             | -4.38%  | 40.73% | ↑ | 2.49%  | ↑ | The growth rate of investment demonstrated an increasing trend since past two years.  | Positive |
| NPL/ Total Loan                   | 12.00%  | 17.74% | ↓ | 16.31% | ↓ | The NPL to Total Loan demonstrated a decreasing trend but remained significantly high compared to its peer over the past three years. | Negative |
| CAR                               | 10.48%  | 10.59% | ↑ | 11.31% | ↑ | The capital adequacy ratio showed an increasing trend but remained below the BB standard of 12.50% in FY20.                           | Negative |

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Ashraf Ahmed  
Managing Director

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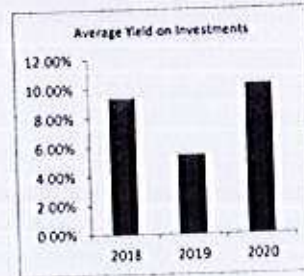
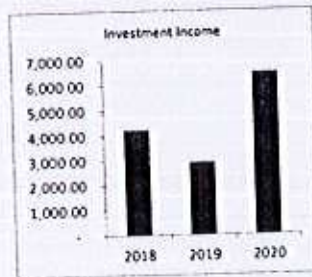
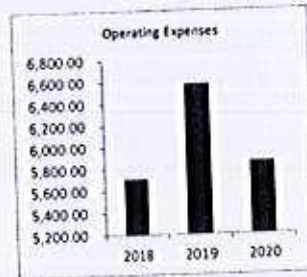
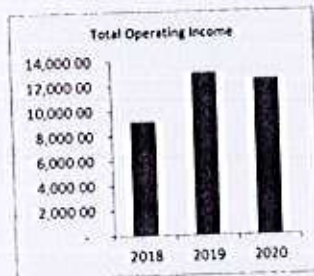
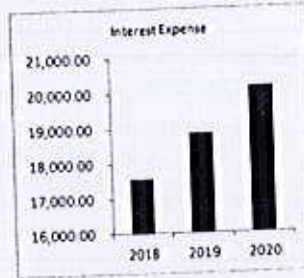
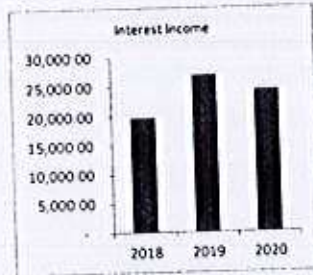


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5 CHATS AND GRAPHS

5.1 INCOME STATEMENT CHARTS



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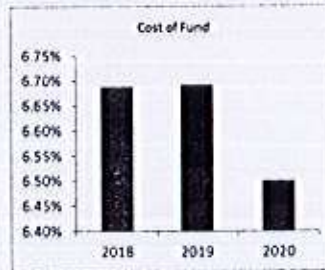
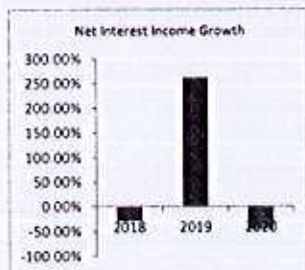
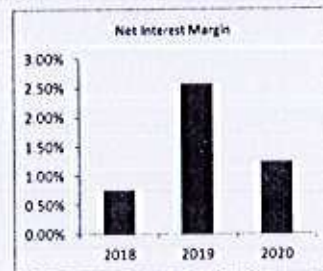
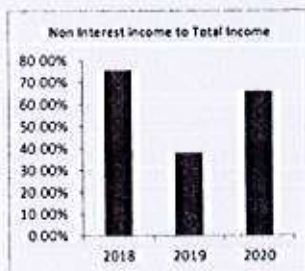
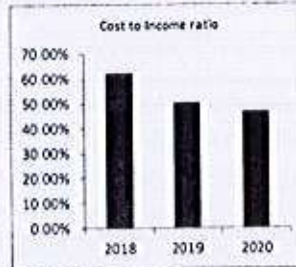
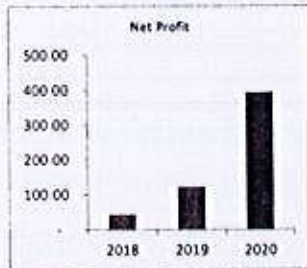
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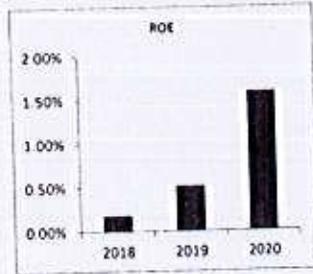
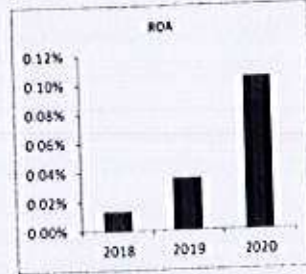
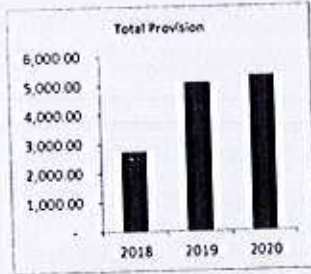
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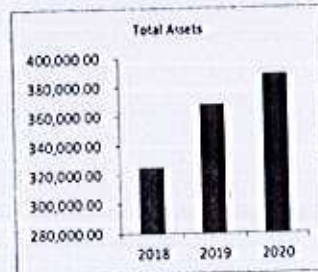
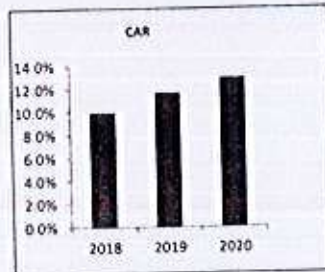
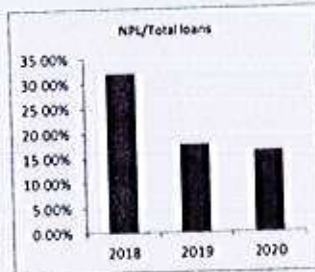
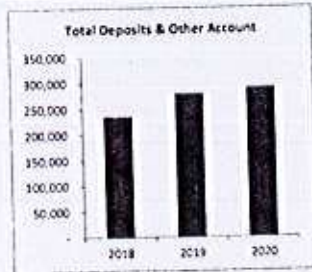
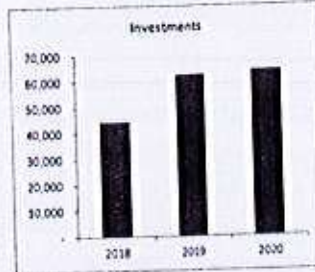
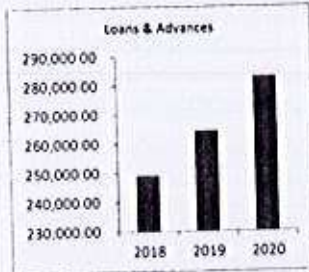
For and on behalf of  
Riverstone Capital Limited

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



5.2 BALANCE SHEET CHARTS



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*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

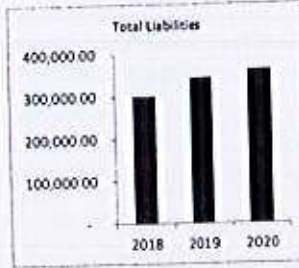
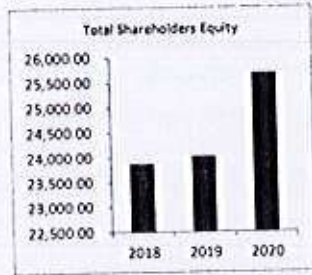
*[Signature]*  
Tarique Afza  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
Ashraf Ahmed  
Managing Director

Per and on behalf of  
Riverstone Capital Limited

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



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*Signature*



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*Signature*

**K.M. Mohiuddin Ahmed**  
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*Signature*

**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

*Signature*

**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited

*Signature*  
**Ashraf Ahmed**  
Managing Director

*Signature*

**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



APPENDIX A: SUMMARY OF FINANCIALS

| Balance Sheet Metrics (BDT MN)                      | 2018              | 2019              | 2020              |
|---|-------------------|-------------------|-------------------|
| Cash  | 16,433.16         | 19,872.58         | 20,930.80         |
| Bank Balance  | 3,378.42          | 5,314.84          | 4,857.24          |
| Money at Call & Short Notice                        | 589.82            | 3,927.49          | 1,535.08          |
| Investments   | 44,351.75         | 62,416.40         | 64,092.71         |
| Loans & Advances                                    | 249,185.31        | 264,385.00        | 282,900.91        |
| Fixed Assets  | 4,110.47          | 5,426.77          | 5,032.49          |
| Other Assets  | 7,104.90          | 6,732.88          | 9,220.68          |
| <b>Total Assets</b>                                 | <b>325,153.82</b> | <b>368,075.96</b> | <b>368,569.90</b> |
| Borrowings  | 18,272.45         | 14,820.18         | 19,107.87         |
| Subordinate bonds                                   | 8,700.00          | 7,400.00          | 9,350.00          |
| Deposits & Other Accounts                           | 235,383.29        | 279,394.74        | 290,547.16        |
| Other Liabilities                                   | 38,902.32         | 42,420.98         | 43,875.73         |
| <b>Total Liabilities</b>                            | <b>301,258.06</b> | <b>344,035.91</b> | <b>362,880.75</b> |
| Paid Up Capital                                     | 7,581.30          | 7,581.30          | 7,960.37          |
| Statutory Reserve                                   | 6,623.36          | 6,872.05          | 7,144.20          |
| Retained Earnings                                   | 6,967.59          | 6,834.97          | 6,705.78          |
| Other Reserve                                       | 2,713.09          | 2,740.04          | 3,866.85          |
| <b>Total Shareholders' Equity</b>                   | <b>23,885.35</b>  | <b>24,028.36</b>  | <b>25,677.21</b>  |
| <b>Total Shareholders' Equity &amp; Liabilities</b> | <b>25,143.41</b>  | <b>368,064.27</b> | <b>388,557.97</b> |

| Income Statement Metrics (BDT MN)        | 2018            | 2019             | 2020             |
|--|-----------------|------------------|------------------|
| Interest Income                          | 19,810.85       | 26,954.15        | 24,426.91        |
| Interest Expense                         | 17,580.41       | 18,868.48        | 20,171.60        |
| Net Interest Income                      | 2,230.45        | 8,085.67         | 4,255.31         |
| Investment Income                        | 4,247.05        | 2,922.02         | 6,491.86         |
| Commissions, Exchange & Brokerage        | 2,478.09        | 1,897.84         | 1,440.09         |
| Other Operating Income                   | 197.81          | 148.49           | 327.09           |
| <b>Total Operating Income</b>            | <b>9,153.39</b> | <b>13,054.02</b> | <b>12,514.35</b> |
| Operating Expenses                       | 5,714.03        | 6,582.93         | 5,852.14         |
| Operating Profit/(Loss) Before Provision | 3,439.36        | 6,471.10         | 6,652.21         |
| Total Provision                          | 2,736.30        | 5,108.54         | 5,319.90         |
| Net Profit/(Loss) Before Tax             | 703.06          | 1,362.56         | 1,332.31         |
| Provision for Taxation                   | 659.87          | 1,239.31         | 937.98           |
| <b>Net Profit/(Loss) After Tax</b>       | <b>43.19</b>    | <b>123.25</b>    | <b>394.33</b>    |

Source: ABBL's Audited Financials of FY18-FY20.

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*[Signature]*

*[Signature]*  
**K.M. Mohiuddin Ahmed**  
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*[Signature]*  
**Mid. Jasim Uddin ACS**  
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*[Signature]*  
**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



APPENDIX B: SUMMARY OF ANALYTICS

| Indicators                                  | 2018    | 2019    | 2020    |
|---|---------|---------|---------|
| Average Yield on Loans, Leases and Advances | 8.14%   | 10.50%  | 8.93%   |
| Yield on Interest Earning Asset             | 6.77%   | 8.57%   | 7.14%   |
| Average Yield on Investments                | 9.36%   | 5.47%   | 10.26%  |
| Cost of Fund                                | 6.69%   | 6.69%   | 6.50%   |
| Net Interest Margin                         | 0.76%   | 2.57%   | 1.24%   |
| Cost to Income ratio                        | 62.43%  | 50.43%  | 46.84%  |
| Non Interest Income to Total Income         | 75.63%  | 38.06%  | 66.00%  |
| Net Interest Income Growth                  | -29.37% | 262.51% | -47.37% |
| Growth Rate of Loans and Advances           | -10.18% | 19.59%  | 1.94%   |
| Growth Rate of Investments                  | 4.86%   | 5.10%   | 7.00%   |
| ROA   | -4.38%  | 40.73%  | 2.69%   |
| ROE   | 0.01%   | 0.04%   | 0.10%   |
| Loan/Earning Asset                          | 0.18%   | 0.51%   | 1.59%   |
| Earning Asset/Total Asset                   | 83.92%  | 79.61%  | 80.40%  |
| Deposit/ Liabilities                        | 91.32%  | 90.23%  | 90.55%  |
| NPL/Earning Asset                           | 69.56%  | 72.85%  | 70.41%  |
| NPL/Total loans                             | 26.85%  | 14.12%  | 13.12%  |
| Capital Adequacy Ratio                      | 32.00%  | 17.74%  | 16.31%  |
| CRAR  | 10.48%  | 10.59%  | 11.33%  |

Source: ABBL's, Audited Financials of FY18-FY20

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*Arshad*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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*Jasim*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Corporate Office, Dhaka

*Tarique Afzal*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

*Ashraf Ahmed*  
For and on behalf of  
Riverstone Capital Limited  
Ashraf Ahmed  
Managing Director

*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



APPENDIX C: LONG TERM RATING DETAILS

|  |   |
|--|---|
| <b>AAA</b><br>Triple A<br>(Highest Safety)             | Investment grade. Highest credit quality with lowest expectation of credit risk. When assigned this rating indicates the obligor has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.   |
| <b>AA+, AA, AA-</b><br>Double A<br>(High Safety)       | Investment grade. Very high credit quality and minimal expectation of credit risk. When assigned this rating indicates the obligor has very strong capacity to meet its financial obligations and is unlikely to be impacted adversely by foreseeable events.   |
| <b>A+, A, A-</b><br>Single A<br>(Adequate Safety)      | Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.   |
| <b>BB+, BB, BB-</b><br>Triple B<br>(Moderate Safety)   | Investment grade. Good credit quality and moderate expectation of credit risk. When assigned this rating indicates the obligor has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.  |
| <b>BB+, BB, BB-</b><br>Double B<br>(Inadequate Safety) | Speculative grade. Substantial credit risk. When assigned this rating indicates the obligor has business or other alternatives to meet current financial obligations but is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.   |
| <b>B+, B, B-</b><br>Single B<br>(Risky)                | Highly Speculative grade. High credit risk. When assigned this rating indicates the obligor has business or other alternatives to currently meet its financial obligations but the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve and remain favorable.   |
| <b>CC+, CC, CC-</b><br>Double C<br>(Vulnerable)        | Highly Vulnerable grade. Very High credit risk. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve. This rating may indicate that an insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support. |
| <b>C+, C, C-</b><br>Single C<br>(Near to Default)      | Default imminent. This category for an institution is considered to be either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.   |
| <b>D</b><br>Single D<br>(Default)                      | In Default. This category for an institution is of the lowest credit quality. The rating indicates the obligor has already failed to meet its financial obligations and may have entered bankruptcy proceedings.  |

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*[Signature]*  
**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
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Corporate Office, Dhaka.

*[Signature]*  
**Md. Jasim Uddin AOS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Signature]*  
**Ashraf Ahmed**  
Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited



Credit Rating Report (Instrument)  
AB Bank Perpetual Bond



**APPENDIX D: SHORT TERM RATING DETAILS**

| ACRSL CORPORATE / ENTITY RATINGS (SHORT TERM) |   |
|---|---|
| <b>ST-1 Highest Grade</b>                     | Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations. |
| <b>ST-2 High Grade</b>                        | High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.   |
| <b>ST-3 Good Grade</b>                        | Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.               |
| <b>ST-4 Satisfactory Grade</b>                | Satisfactory liquidity and other protection factors qualify issues as to investment grade. Risk factors are larger and subject to more variation.   |
| <b>ST-5 Non-Investment Grade</b>              | Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.                                       |
| <b>ST-6 Default</b>                           | Issuer failed to meet scheduled principal and/or interest payments.   |

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*[Signature]*

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*[Signature]*  
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**Md. Jasim Uddin ACS**  
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AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited

*[Signature]*  
**Ashraf Ahmed**  
Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

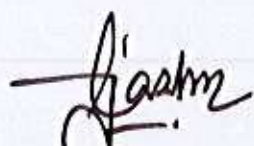
22.2 Credit Rating Report of the Issuer

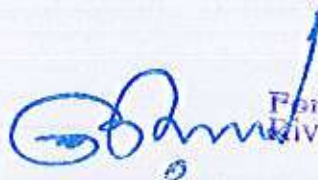
ARGUS CREDIT RATING SERVICES LTD.  
(ACRSL)

Credit Rating Report

**AB Bank Limited**

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
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Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
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Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

Per and on behalf of  
Riverstone Capital Limited  
  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
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Credit Rating Report of AB Bank Limited



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The rating does not address the risk of loss due to risks other than credit risk, unless such risk is categorically and specifically mentioned. A rating report providing a rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer or a corporate entity and its agents in connection with the offer or sale of the securities or otherwise.

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K.M. Mohiuddin Ahmed Chief Financial Officer AB Bank Limited Corporate Office, Dhaka.

Md. Jasim Uddin ACS Company Secretary (In-Charge) AB Bank Limited Corporate Office, Dhaka

Tarique Afzal President & Managing Director AB Bank Limited Corporate Office, Dhaka.

Ashraf Ahmed Managing Director

Khairul Bashar A. T. Mohammed Chief Executive Officer MTB Capital Ltd. Head Office, Dhaka.

**Credit Rating Report of  
AB Bank Limited**



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Authorized Signature:

Name:

Designation:

Date:

**CONTACT INFORMATION**

For Additional Information Please Contact:



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Chief Financial Officer  
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**Md. Jasim Uddin ACS**  
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**Tarique Afzal**  
President & Managing Director  
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Corporate Office, Dhaka.

For and on behalf of  
**Riverstone Capital Limited**  
*[Handwritten Signature]*  
**Ashraf Ahmed**  
Managing Director

*[Handwritten Signature]*  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

**Credit Rating Report of  
AB Bank Limited**



Ref No : ACRSL14051/20  
 Entity Name : AB Bank Limited  
 Assigned Ticker : ABBL  
 Head Office : "The Skymark", 18 Gulshan Avenue, Gulshan-1,  
 Dhaka-1212

Rating Type : Entity / Corporate  
 Rating Validity : 08 Dec 2021  
 Analyst (s) : ACRSL Analyst Team  
 Committee (s) : ACRSL Rating Committees

**Rating Summary**

| CREDIT RATING   | CURRENT     | PREVIOUS    |
|-----------------|-------------|-------------|
| Long-Term       | AA-         | A+          |
| Short-Term      | ST-2        | ST-2        |
| Publishing Date | 09 Dec 2020 | 19 Dec 2019 |

**Rating Description:**

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

**Rating Validity:** This validity assumes no additional loan over that disclosed in Q3FY20 (ended 30 September) audited/management certified balance sheet and that management has disclosed all material & adverse to financials since Q3FY20.

*[Signature]*  
 Khairul Bashar A. T. Mohammed  
 Chief Executive Officer  
 MTB Capital Ltd.

*[Signature]*  
**K.M. Mohiuddin Ahmed**  
 Chief Financial Officer  
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**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
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**Tarique Afzal**  
 President & Managing Director  
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 Corporate Office, Dhaka

For and on behalf of  
 Riverstone Capital Limited  
*[Signature]*  
**Ashraf Ahmed**  
 Managing Director

*[Signature]*  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

Credit Rating Report of  
AB Bank Limited



**RATING RATIONALE**

- Argus Credit Rating conducted the credit Rating of AB Bank Limited for the Year 2019. The report being prepared considering all the relevant quantitative and qualitative aspects covering the Commercial Bank Entity Credit Rating methodology. Evaluation of quantitative factors is done, not only of the absolute numbers and ratios, but their volatility and trends as well. The attempt is to determine core, recurring measures of performance. ACRSL also compares AB bank's performance on each of the above discussed parameters with its peers. Detailed inter-bank analysis is done to determine the relative strengths and weaknesses of the bank in its present operating environment and any impact on it, in future
- All relevant quantitative and qualitative factors are considered together, as relative weakness in one area of AB bank's performance may be more than adequately compensated for by strengths elsewhere. However, the weights assigned to the factors are different for short term ratings and long term ratings. The intention of long term ratings is to look over a business cycle and not adjust ratings frequently for what appear to be short term performance aberrations. The quality of the management and the competitiveness of the bank are of greater importance in long term rating decisions
- The rating process is ultimately a search for the fundamentals and the probabilities for change in the fundamentals. The assessment of management quality, AB bank's operating environment and its role in the nation's financial system are used to interpret current data and to forecast how well the bank is positioned in the future.
- After detailed analysis with information from AB Bank's latest Annual report, financial statements and information from other primary and secondary data sources this report described only the summary of findings with applicable charts and graphs and relevant Bank Information. The final rating decision is made by the Rating Committee after a thorough analysis of the bank's position over the term of the instrument with regard to business fundamentals. Based on that Argus found that AB Bank Limited falls under highest credit quality with lowest expectation of credit risk. When assigned this rating indicates the obligor has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.

*Edson*

*AR.M.*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

*Jasim*  
Md. Jasim Uddin ACS  
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Corporate Office, Dhaka

*Tarique Atzal*  
Tarique Atzal  
President & Managing Director  
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Corporate Office, Dhaka

*Shrar Ahmed*  
Shrar Ahmed  
Managing Director

For and on behalf of  
Riverstone Capital Limited

*Khairul Bashar A. T. Mohammed*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report of  
AB Bank Limited



**KEY RATING DRIVERS**

We are assigning a long-term rating of "AA-" and a short term rating of "ST-2" to AB Bank Limited (here after "ABBL" or "the Bank").

- Capital To Risk weighted Assets Ratio:** AB Bank Limited (ABBL) is adequately capitalized in maintaining Capital To Risk weighted Assets Ratio (CRAR) above regulatory requirement. The CRAR of ABBL is higher than the regulatory requirement of 10.00% under the BASEL III framework. ABBL's Capital To Risk weighted Assets Ratio stood at 10.59% in FY19, in line with its risk weighted asset of BDT 334,211.41 MN.



- Operating Income:** ABBL has registered moderate performance in operating income. The main reason behind the moderate performance in operating income is decreasing trend of investment income, Commission, Exchange and Brokerage Income and Other operating income, as well as higher interest expenses from borrowings. In FY19 the operating income of ABBL stood at BDT 13,054.02 MN which is 42.61% higher than previous year.



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President & Managing Director  
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Riverstone Capital  
**Ashraf Ahmed**  
Managing Director

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**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report of AB Bank Limited



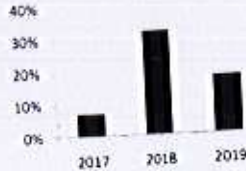
• **Total loans & advances:** ABBL has maintained healthy growth in loan disbursement. Interest income from disbursed loan is one of the main income source for a commercial bank and bank always try to construct a good credit portfolio. During last three years ABBL's loan portfolio was in an increasing trend. In FY17 ABBL's loan portfolio was BDT 237,634.49 MN then reached at BDT 249,185.31 MN in FY18, increased by 4.86%. In FY19 it further increased by 6.10% to BDT 264,385.00 MN. In the last three years ABBL's loan portfolio increased by at a Compound annual growth rate (CAGR) of 5.48%.

Loans & Advances (MN)



• **Non Performing Loan (NPL):** The Non Performing Loan (NPL) to Total loan ratio of ABBL demonstrated a fluctuating trend during last three years. In FY17 ABBL's NPL to Total Loan ratio was 6.91% which increased to 32.00% in FY18 and further decreased to 17.74% in FY19. In amount, Total Non Performing Loan of ABBL was BDT 16,408.79 MN in FY17 then increased to BDT 79,727.85 MN in FY18 and further decreased to BDT 46,890.49 MN in FY19.

NPL/Total loans (%)



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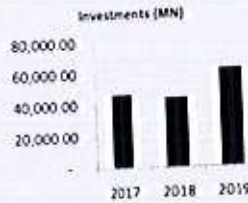
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- Deposit:** ABBL has moderate performance in deposit growth. During last three years ABBL's total deposits demonstrated a fluctuating trend. ABBL's total deposit decreased from BDT 235,562.08 MN in FY17 to BDT 235,383.29 MN in FY18. Subsequently, in FY19 ABBL's total deposits stood at BDT 279,394.74 MN. ABBL's deposit base has increased by at a CAGR of 8.91% over the last 3 years.



- Investment:** During the last three years ABBL's total investment was in a fluctuating trend as the Bank's investment in Government securities in fluctuating trend. In FY17 ABBL's total investment was BDT 46,382.14 MN which decreased to BDT 44,351.75 MN in FY18, declined by 4.38%. Subsequently in FY19 ABBL's investment increased by 40.43% to BDT 62,416.40 MN.



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Credit Rating Report of  
AB Bank Limited



**CORPORATE PROFILE**

**COMPANY DESCRIPTION**

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

With an ambition to secure its place as the leading service provider, creating lasting value for its clientele, shareholder, and employees and particularly for the community it operates in, AB has formulated a golden heritage and an envious legacy that may not be imitated by many. Achieving plenty of milestones and incorporating numerous changes over the last 37 years, AB has always been authentic to its desire of being the technology driven innovative bank of Bangladesh. To excel this new era of technological triumph, AB has successfully introduced internet banking, SMS banking, cutting edge ICT, state-of-art network solution, 24/7 ATM service and many other e products.

AB has extensively widened its services over the last three decades in both home and abroad. The bank opened its very first branch at Karwan Bazar on 12th April 1982 and now has a successful footprint of 105 branches including one overseas branch in Mumbai, India and 280 plus ATMs spread across the country.

**Subsidiary Companies**

The Bank has four operational subsidiary Company.

1. AB Investment Limited (ABIL)
2. AB Securities Limited (ABSL)
3. Cashlink Bangladesh Limited (CBL)
4. AB International Finance Limited (ABIFL), Hong Kong

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Credit Rating Report of  
AB Bank Limited



SHAREHOLDERS PATTERN

| Particulars         | No. of shares | Percentage |
|---------------------|---------------|------------|
| Sponsors and public | 753,784,637   | 99.43%     |
| Government          | 4,345,678     | 0.57%      |
| Total               | 758,130,315   | 100%       |

COMPOSITION OF THE BOARD AND COMMITTEES

List of Directors

1. Mr. Muhammad A. (Rumee) Ali, Chairman
2. Mr. Feroz Ahmed, Director
3. Mr. Shajir Ahmed, Director
4. Mr. Khairul Alam Choudhury, Director
5. Mr. Kaiser A. Chowdhury, Independent Director
6. Mr. Shafiqul Alam, Independent Director
7. Mr. Tarique Afzal, President & Managing Director

Audit Committee:

1. Mr. Kaiser A. Chowdhury, Chairman
2. Mr. Shafiqul Alam, Member
3. Mr. Shajir Ahmed, Member

Risk Management Committee:

1. Mr. Shafiqul Alam, Chairman
2. Mr. Kaiser A. Chowdhury, Member
3. Mr. Feroz Ahmed, Member

Executive Committee:

1. Mr. Feroz Ahmed, Chairman
2. Mr. Khairul Alam Choudhury, Member

SHARIAH SUPERVISORY COMMITTEE

1. Mr. M. Azizul Huq, Chairman
2. Tarique Afzal, President & Managing Director, ABBL Vice Chairman
3. Mr. Kaiser A. Chowdhury, Independent Director, Member
4. Mr. Feroz Ahmed, Director, AB Bank Ltd, Member
5. Mr. Najmul Ehsan, AB Bank Ltd, Member
6. Mr. Iftakhar Enam Awal, SEVP, AB Bank Ltd, Member
7. Mr. Muhammad Musa, Member Secretary

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Credit Rating Report of  
AB Bank Limited



The detailed backgrounds of directors are given in the following:

**Muhammad A. (Rumee) Ali**

Chairman

Mr. Muhammad A. (Rumee) Ali is an iconic banker with extensive and wide-ranging experience as CEO, Board Member, and Chairman of several institutions. He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his Masters in Economics from Dhaka University. In 1997, he was the first Bangladeshi to be appointed as the CEO of the Bank's Bangladesh operations. After acquisition of this bank by Standard Chartered Group in 2000, he was selected to be the first CEO of the combined operations of these two banks as Standard Chartered Bank. In November, 2002 he joined Bangladesh Bank as Deputy Governor and was responsible for driving the regulatory reforms in the country's banking sector, specially in the Risk Management and Corporate Governance areas.

He, very successfully, worked as a central banker for four years. He has repeatedly proven himself to be an eminently capable leader in a number of high profile executive appointments. Mr. Ali served as Managing Director, Enterprises & Investments at BRAC. During this period he was Chairman of BRAC Bank Ltd. and founder Chairman of bKash Limited the first mobile financial system in Bangladesh. He has also served as a member of the Board of BRAC and BRAC International. In the past he served on the boards of Alliance for Bangladesh Workers Safety (USA), Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/World Bank Washington, PKSF, Bangladesh. He was made a Fellow of the Institute of Bankers, Bangladesh in 2001. In addition, he has participated in many international forums as key-note speaker and panelist. Mr. Ali, is also currently the CEO of Bangladesh International Arbitration Centre (BIAC).

**Feroz Ahmed**

Director

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

**Shajir Ahmed**

Director

Mr. Shajir Ahmed completed his Bilingual Diploma degree on International Baccalaureate (IB) from United World College of South East Asia, Singapore. Following which, he graduated in Business Management from Kings College London under University of London in 2008. In 2009, he started his first job as a Central Accounts Officer in Habib Bank AG Zurich, Dubai. Upon Mr. Ahmed's return to Bangladesh in 2010, he joined his family business as the Director of Elite Paint & Chemical Industries Limited, a pioneer manufacturer of different graded paints in Bangladesh. At present, Mr. Ahmed is the Managing Director

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Credit Rating Report of  
AB Bank Limited



of Super Silca Bangladesh Limited and the Director of Super Tel Limited, Super Sea Fish (Pvt.) Limited, Elite Super Plastic Ind. (Pvt.) Limited, Super Shares & Securities Limited., Elite Food Industries Limited, Broast Foods Ind. (Pvt.) Limited and Aurora Decor Limited.

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

**Khairul Alam Choudhury**  
Director

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

**Kaiser A. Chowdhury**  
Independent Director

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

**Tarique Afzal**  
President & Managing Director

Mr. Tarique Afzal joined AB Bank on 14th October, 2018 as Deputy Managing Director – Head of Corporate, Legal & Regulatory Affairs. Subsequently, on July 8, 2019 Honorable Board of ABBL has appointed him as the President and Managing Director. Prior to joining AB Bank he was the Chief Executive Officer of Sonali Polaris Financial Technology Limited a joint venture of Sonali Bank and Polaris, India. Mr. Tarique Afzal, to his credit, has impressive overseas work experiences and worked in London during the late 1980s and in Credit Union in Canada, later served in ANZ Grindlays Bank and Standard Chartered Bank in Bangladesh. He also worked in Bank Alfalah, BRAC Bank and served as the CEO for Dun & Bradstreet Rating Agency in Bangladesh. His core competencies are creating new business streams, operational efficiency, performance improvements and regulatory relationships.

**Shafiqul Alam**  
Independent Director

Mr. Shafiqul Alam joined AB Bank as Independent Director with effect from September 7, 2020. Mr. Alam, a seasoned banker having 40 years of banking experience served in different Senior Management Positions in local and multinational banks. He obtained his M.Sc degree from the University of Dhaka.

Mr. Alam started his career with ANZ Grindlays Bank (Bangladesh) in 1980, and served Prime Bank, First Security Islami Bank, United Commercial Bank and during 2013-2019 he was Managing Director & CEO of Jamuna Bank.

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sharif Ahmed  
Managing Director

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Chief Executive Officer  
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Head Office, Dhaka.

Credit Rating Report of  
AB Bank Limited



**OPERATIONAL STRUCTURE**

**Registered Office:** The registered office of AB Bank Limited is situated at BCIC Bhaban, 30-31 Dilkusha C/A, Dhaka 1000, Bangladesh.

**Branch Network:** According to FY19 Annual report the Bank is operating with 105 branches.

**Employees:** According to FY18 Annual report the number of employees of is around 2,310.

**PRODUCTS AND SERVICES**

ABBL offers all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders & businessmen, house building loan, car loan as well as wide range of life style and need based loans for retail customers, Islamic Banking etc. The bank has been able to develop state-of-the-art IT platform and online banking systems facilitating any branch banking, mobile banking, SMS banking, internet banking, any time banking through ATM.

A brief sketch of some of popular products & services are given below:

**CORPORATE & STRUCTURED FINANCE**

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

**SMALL & MEDIUM ENTERPRISE (SME)**

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

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AB Bank Limited



**TREASURY AND FOREIGN EXCHANGE PRODUCTS**

- Money Market
  - Overnight (call)
  - Repo
  - SWAP
  - Term
  - Reverse Repo
- Fixed Income Market
  - Treasury Bill
  - Custodian Service
  - Treasury Bond
- FX Market
  - Spot
  - Corporate
  - Forward

**RETAIL PRODUCTS**

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

**DEPOSIT ACCOUNTS**

- Savings Account
- MaxSaver
- SmartSaver
- Student Account
- Shampurna
- Payroll Management
- Current Account
- Progate
- Special Notice Deposit (SND)
- Fixed Term Deposit
- Foreign Currency Account
- NFCO
- RFCO
- Family Savings Plan (FSP)
- Double Deposit Scheme (DOS)
- Monthly Savings Deposit Scheme (MSDS)
- Monthly Income Deposit Scheme (MIDS)
- Millionaire Savings Account (MSA)
- Deposit Double Installment Scheme (DDIS)

**SERVICE PRODUCTS**

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

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**ISLAMI BANKING**

**Deposit Products**


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

**Investment Products**

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

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**FINANCIAL RISK ANALYSIS**

**MACROECONOMIC PERFORMANCE**

**World Economic Outlook**

**Global Financial Stability Overview: Markets in the Time of COVID-19**

The corona virus (COVID-19) pandemic poses unprecedented health, economic and financial stability challenges. Following the COVID-19 outbreak, the prices of risk assets collapsed and market volatility spiked, while expectations of widespread defaults led to a surge in borrowing costs. Several factors amplified asset price moves: previously overstretched asset valuations, pressures to unwind leveraged trades, dealers' balance-sheet constraints, and deterioration in market liquidity. Emerging market economies experienced the sharpest reversal of portfolio flows on record. As a result, financial conditions tightened at an unprecedented speed. Decisive monetary, financial, and fiscal policy actions—aimed at containing the fallout from the pandemic—managed to stabilize investor sentiment in late March–early April, with markets paring back some of their losses.

A further tightening of financial conditions may expose more "cracks" in global financial markets and test the resilience of financial institutions. Asset managers may face further outflows and may be forced to sell assets into falling markets. Distress may rise among leveraged firms and households. Emerging and frontier markets may face challenging external funding conditions, rising rollover risks, and increased incidence of debt restructurings. Although banks have more capital and liquidity than in the past, have been subject to stress tests, and are supported by central bank liquidity provision, their resilience may be tested in some countries in the face of large market and credit losses. Wide-ranging fiscal, monetary, and financial policies, as well as strong international cooperation, remain essential to safeguard economic and financial stability and to prevent the emergence of adverse macro-financial feedback loops.

**Risky Credit Markets: Interconnecting the Dots**

Risky corporate credit markets have expanded rapidly since the global financial crisis. The role of nonbank financial institutions has increased, and the system has become more complex and opaque. This chapter maps out the financial ecosystem of these markets and identifies potential vulnerabilities, which include weaker credit quality of borrowers, looser underwriting standards, liquidity risks at investment funds, and increased interconnectedness. On the positive side, the use of financial leverage by investors and direct exposures of banks—which were crucial amplifiers during the global financial crisis—have declined. Run risks have lessened in some segments because of a prevalence of long-term locked-in capital in the private debt and collateralized loan obligation (CLO) markets. In an illustrative severe adverse scenario, losses on risky credit exposures at banks are estimated to be manageable, in aggregate, although losses at a few large banks could be substantial. However, losses at nonbank financial institutions could be high. Given the now-limited role played by banks, this could impair credit provision in these markets and make a recession more severe. The corona virus (COVID-19) crisis, which has resulted in price declines in risky credit markets of about two-thirds of the severity of the global financial crisis through late March. Policymakers should now act decisively to contain the economic fallout of COVID-19 and support the flow of credit to firms. Once the crisis is over, they should assess the sources of market

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dislocations and tackle the vulnerabilities that have been unmasked by this episode.

**Emerging and Frontier Markets: Managing Volatile Portfolio Flows**

The dramatic reversal of emerging market portfolio flows following the global spread of corona virus (COVID-19) highlights the challenges of managing volatile portfolio flows and risks they may pose to financial stability. A prolonged period of low interest rates had encouraged both borrowers and lenders to take on more risk. Surges of portfolio inflows into riskier asset markets contributed to the buildup of debt and, in some cases, resulted in stretched valuations. This chapter quantifies the sensitivities of different types of portfolio flows and the associated cost of funding to global and domestic factors during "normal" times as well as during periods of weak or strong flows. Analysis suggests that both bond and equity flows are much more sensitive to global financial conditions during periods of extreme flows than in normal times, while domestic fundamentals may matter incrementally more for equities and local currency bond flows. Furthermore, greater foreign investor participation in local currency bond markets that lack adequate depth can greatly increase the volatility of bond yields. Dealing with immediate capital outflow pressures calls for using reserves to reduce excessive volatility, deploying capital flow management measures, and preparing for long-term external funding disruptions.

**Banking Sector:**

Profitability has been a persistent challenge for banks in several advanced economies since the global financial crisis. While monetary policy accommodation has helped sustain economic growth during this period and has provided some support for bank profits, very low interest rates have compressed banks' net interest margins (the difference between interest earned on assets and interest paid on liabilities). Looking beyond the immediate challenges faced by banks as a result of the corona virus (COVID-19) outbreak, a persistent period of low interest rates is likely to put further pressure on bank profitability over the medium term. A simulation exercise conducted for a group of nine advanced economies indicates that a large fraction of their banking sectors, by assets, may fail to generate profits above their cost of equity in 2025. Once immediate challenges recede, banks could take steps to mitigate pressures on profits, including by increasing fee income or cutting costs, but it may be challenging to fully mitigate profitability pressures. Over the medium term, banks may seek to recoup lost profits by taking excessive risks. If so, vulnerabilities could build in the banking system, sowing the seeds of future problems. Authorities can implement a number of policies to help mitigate vulnerabilities arising from excessive risk taking and ensure an adequate flow of credit to the economy, including the removal of structural impediments to bank consolidation, the incorporation of a low-interest-rate-environment scenario on banks' risk assessments and supervision, and the use of macro prudential policies to tame banks' incentives for excessive risk taking.

Banks globally have more and better-quality capital, hold more liquid assets, and borrow less from short-term markets than they did before the global financial crisis. This means that, on aggregate, the banking sector is better prepared to confront losses and liquidity stresses. The resilience of banks, however, may be tested in some countries in the face of the sharp slowdown in

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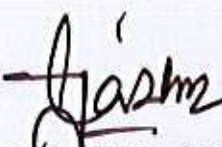
economic activity resulting from the COVID-19 pandemic and the associated, necessary containment measures, especially if the downturn turns out to be more severe and lengthier than currently anticipated. Profitability is a concern because it affects bank resilience. While a very high level of profitability could indicate excessive risk taking, low profits mean that it takes longer for banks to build capital against unexpected losses. Slower capital accumulation also constrains banks' provision of credit to support the economy and their ability to absorb shocks, such as mark-to-market losses on their investments or credit losses on loans extended to households and firms. Consistently weak profitability—where the ex post return on equity is below the ex ante cost of equity capital (the return that shareholders require)—also makes it more difficult for banks to raise new capital from the market. This last factor provides a useful benchmark for profitability. Banks with a return on equity below the cost of equity can be said to have an insufficient level of profitability. In this chapter, the cost of equity is measured as the ratio of a bank's return on equity to the price-to-book ratio (this formulation is based on the Gordon growth model. While this market-implied cost of equity varies over time, the median for each region has ranged from 8 percent to 14 percent since 2013.

A decline in interest rates can affect bank profitability through four main channels:

- **Changes in net interest margins:** The replacement of maturing loans by new ones issued at lower interest rates, along with a repricing of bank deposits and other funding instruments, affects banks' net interest margins. Between 2013—the year immediately after the euro area debt crisis—and 2015, interest rates on deposits fell at a faster rate, on average, than rates on loans, helping cushion the impact on net interest margins. After 2015, however, deposit rates flattened out while interest rates on loans continued to fall. This dynamic led to a fall in net interest margins in many countries.
- **Declines in loan loss provisions:** Low interest rates can stimulate economic activity. Continued accommodative monetary policy including asset purchase programs, forward guidance and negative policy rates—has been crucial in supporting the global economic recovery over the past decade and is playing a key role in responding to the COVID-19-related challenges currently faced by the global economy. A more dynamic economy benefits households and firms by increasing their incomes and profits while, at the same time, lower rates reduce their interest burdens. These two factors tend to reduce borrowers' probability of default, enabling banks to lower their provisions against expected loan losses.
- **Higher credit growth:** Low interest rates and higher economic activity stimulate credit growth, resulting in higher revenues for a given level of net interest margins. However, this would not mechanically result in higher return on assets, unless the expansion takes place through a shift to customer loans from lower yielding securities and interbank assets. Higher credit growth, never the less, could lead to an increase in return on equity if the expansion in assets is accompanied by an increase in leverage.
- **Higher noninterest income:** A more dynamic economy could also result in higher noninterest income (for example, through fees) if



  
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some activities, such as mergers and acquisitions, become more prevalent. Another source of banks' noninterest income—gains on their securities portfolios—could also increase when rates decline, as the latter would lead to a rise in asset prices

Climate Change: Physical Risk and Equity Prices

Disasters as a result of climate change are projected to be more frequent and more severe, which could threaten financial stability. The impact of climate change physical risk on global equity valuations to assess this threat. The chapter shows that the impact of large disasters on equity markets, bank stocks, and non-life insurance stocks has generally been modest over the past 50 years. High levels of insurance penetration and sovereign financial strength can help preserve financial stability in the face of climatic disasters. The chapter does not find those aggregate equity valuations—as of 2019—reflect the predicted changes in physical risk under various climate change scenarios, which suggests that investors do not pay sufficient attention to climate change risks. Better disclosure of exposures to climatic disasters and stress testing for financial firms can help preserve financial stability and should complement policy measures to mitigate and adapt to climate change.

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**Bangladesh Economy**

Bangladesh's economic freedom score is 56.4, making its economy the 122nd freest in the 2020 Index. Its overall score has increased by 0.8 point, led by a higher score for property rights. Bangladesh is ranked 29th among 42 countries in the Asia-Pacific region, and its overall score is well below the regional and world averages. The country has benefited from the outsourcing of production to places where it can be done in a more cost-effective way. The ready-made garments (RMG) industry is labour intensive and labour is available in Bangladesh in abundance at a cheap price. The abundance of labour has also made Bangladesh a major labour exporting country, bringing valuable foreign exchange. It also helps in the balance of payment situation. The political stability in Bangladesh in the last decade and propitious circumstances brought on by globalization has resulted in very fast economic growth in the country. Bangladesh's GDP growth in last few years has averaged around 8 percent. This was happening at a time when economic growth in rest of the world was slowing down. However, this fast economic growth has been disrupted by the outbreak of the COVID-19 pandemic.

It now appears that Bangladesh is facing a major economic crisis in the making caused by the Covid-19 pandemic. After a brief reopening of the economy, the country now has reverted to 'hard' lockdowns in various places to deal with the Covid-19 pandemic amid demands from certain sections of the population to do so.

But lockdowns are not sustainable for the time that will be required to develop a vaccine. Also, lockdowns are not feasible for a country like Bangladesh if people cannot be provided with the basic necessities of life. More importantly, it would bring the economy to an almost grinding halt which will cause a significant blow to the economy having crippling effects on the lives of people, especially working people and business enterprises across the country. In fact, the economy is now almost coming to a grinding halt with debilitating effects on all sectors of the economy thus threatening millions of livelihood in Bangladesh.

While the government is striving to contain the virus, emphasis should be directed more to augment immunity. Given the resource availability and a weak and inadequate healthcare system to deal with the pandemic, Bangladesh may default into building up some kind of 'herd immunity', so more people become immune to the virus, thus reducing transmission. This can be done by managing rather than defeating the virus enabling the country to begin to open up.

In fact, epidemics of the size of Covid-19 have huge economic impacts in terms of managing the health crisis and containing the virus while trying to keep the economy functioning. According to the Bangladesh Bureau of Statistics (BBS), 20.5 per cent of the population live below the poverty line that is about 34 million people and 85.1 per cent of work forces are employed in the informal sector that is about more than 50 million people. Most of these workers in the informal sector are also unemployed. Now the pandemic has further worsened their employment prospects. It is now estimated that the pandemic has rendered 80 per cent workers unemployed in the informal sector. Only 6 million people are employed in the formal sector, largely in manufacturing. Over the last decade, the economy has been growing at around 7 per cent per annum, yet 20 per cent of the population earn less than US\$5.00 a day, 9.2 per cent of employed in the country earn less than US\$1.90 a day and only 15 per

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cent of Bangladeshi workers earn over US\$6.00 a day. This is the pre-pandemic employment and wages situation in the country. Now the situation has worsened significantly. Nearly 10 million Bangladeshis are working in foreign countries, mostly in the Gulf countries. Now the depressed oil prices affecting the Gulf States and lockdowns imposed in Europe since April are already causing serious economic slowdown in these countries having a negative impact on expatriate Bangladeshi workers abroad.

On May, 9, the World Health Organization (WHO) declared that the pandemic situation globally was 'worsening'. Amid this worsening global pandemic situation, the World Bank (WB) in its updated Global Economic Prospects Report projected that the global economy would contract 5.2 per cent this year (2020) and suggested a further downward revision was possible. That will cause the deepest recession since a 13.8 per cent global economic contraction in 1945-46 at the end of the World War II.

Economic slowdown in Europe and North America is of particular concern for Bangladesh as these are the principal markets for Bangladesh's principal export product -- readymade garments (RMG). These two regions are also expected to continue to slowdown at least for next six months or more and that has implications for 4 million workers in the RMG industry in Bangladesh. Also, RMG generates close to \$30 billion in exports accounting for 83 per cent of total exports and 14 per cent of GDP. Now the industry is in deep crisis as exports plummet due to the cancellation of purchase orders from Europe and North America. According to the Financial Express of May 9, merchandise exports dropped by 61.57 per cent equivalent to \$1.46 billion in May this year compared to the same month last year (2019).

Remittances from Bangladeshi workers accounted for \$15.5 billion to the national economy in 2018. Now host countries in Europe and the Middle-East are themselves facing economic slowdown causing large-scale layoffs of migrant worker. Most of them are now returning home to Bangladesh and on return heading towards their country homes exacerbating the health crisis. Bangladesh has a greater reliance on trade relative to the other countries in the region, making the country more exposed to changes in the global economic environment due the current pandemic. The impact on the Bangladesh economy due to fall in export earnings from RMG and other exports and also fall in remittances is likely to be very significant. Importantly, foreign exchange earnings of the country are expected to drop by about 25 per cent which in monetary terms is estimated at more than \$4 billion.

In early March, the Asian Development Bank (ADB) estimated that the Bangladesh economy would contract by 1.1 per cent wiping \$3.02 billion off its GDP. The World Bank (WB) and the International Monetary Fund (IMF) predicted a decline of just over 2 per cent during the current fiscal year. Their prediction appears to be fairly realistic given the rising numbers Covid-19 infections and fatalities the country is currently experiencing and the reimposition of lockdowns. The Economic Intelligence Unit (EIU) estimate is even direr, predicting a decline of 4 per cent of Bangladesh GDP next year.

Bangladesh is now categorized as a least developed country (LDC). But the last three decades have been marked by the country achieving significant economic growth and poverty reduction. In recent time the rate of growth has been hovering around 7-8 per cent per annum which has propelled Bangladesh to be eligible to become a developing country by next year (2021). Now the

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economic downturn caused by the Covid-19 pandemic is likely to put that aspiration on hold.

Faced with the looming economic crisis, on March 25, Prime Minister Sheikh Hasina announced a bailout/stimulus package of Tk 50 billion (\$600 million) to support export oriented industries. The Prime Minister on April, 5, further announced another stimulus package of Tk 67.7 billion. Taken together these stimulus packages account for about 3 per cent of GDP. The IMF also provides a loan of \$732 million. But even well designed stimulus packages can be rendered ineffective, if Bangladesh cannot overcome and go past the all pervasive systemic barriers in utilising the stimulus packages.

So far, there have been no runs on basic essentials of life in Bangladesh as happened in many other countries. Bangladesh also has greater social resilience than richer countries. People in Bangladesh, in general, rely less on the state and have far more experience in dealing with natural disasters. Also, strong social bonds provide help to people to weather through difficult times. Bangladesh is also food self-sufficient largely helped by high tariff barriers. The country also has a long established government supported food distribution system geared for the poor. As such makes the country more resilient to disruptions in global food supply chains.

Although health crisis may last for a while, the economic crisis that the pandemic has caused will outlive it and last for several years, may even last for a decade or more. A report published by the International Labour Organisation (ILO) last month (May, 2020) concluded that the economic effect of the pandemic was delivering a 'triple shock' to young people by destroying their jobs, disrupting their education and training and creating obstacles to seek or move between jobs.

In fact, the pandemic is creating a 'lockdown generation' of young people. That made Director General of the ILO, Guy Ryder to comment 'If we do not take significant and immediate action to improve the situation, the legacy of the virus could be with us for decades'. The prognosis is rather quite dire. There is now a growing fear that Bangladesh may risk a massive reversal of economic gains made over the last three decades, more alarmingly an entire generation may be lost, if not in lives, but in opportunities and dignity.

Economic downturns (recessions) are fundamentally cyclical, not structural, yet the boundary between the two can be blurred. Quite often a cyclical downturn can rebound with a structural overhang causing households' willingness and ability to spend or borrow being structurally impaired as was the case with the US economy as it recovered from the GFC. This was equally true of businesses to invest.

Also, recessions are caused by demand deficiencies, but this time it has been caused by the pandemic leading to a supply shock negatively impacting both household and business expenditures. The current economic crisis is still in its early stage, but the fear is that it will be as severe as the 'Great Depression' of 1929-33, affecting the global economy. Bangladesh is now faced with battling both the pandemic and its economic fallout. In such a situation economic risks are not only limited to short term, but also extend to major future productivity losses both through labour and capital. The economic crisis is likely to trigger a series of corporate and household debt defaults turning into a financial crisis as well.

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Bangladesh has already initiated fiscal responses to mitigate the emerging crisis but the stimulus packages do not look robust enough to meet the current needs. Bangladesh now has a relatively low debt/GDP ratio but that may reverse as output falls sharply and deficit grows. That may make the government hesitant to undertake any robust stimulus initiatives. However, the national budget of 2020-21 has allocated TK386.88 billion stimulus package (FE, June, 12). While business leaders welcomed the budget, but they remain unconvinced about its implementation of the package (FE, May 12). However, surprisingly there was no reason/s advanced for their scepticism.

Bangladesh is now facing a critical period in its economic history and there is not much space for exercising fiscal prudence at this critical point in time. Fiscal policy will have to play a far more decisive and significant role in view of the fact that the scope for using monetary policy to stimulate the economy has become ineffective despite falling real interest rates. As the economic recovery process can turn out to be a long drawn-out process, the government must continue with the fiscal stimulus until recovery is assured.

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**BANKING SECTOR SCENARIO OF BANGLADESH**

Banking sector is the wheel of an economy. The health of the banking sector depends not only on policy of the bank itself but also the growth of all other sectors of the country. Again when the health of the banking sector deteriorates then growth of all other sector also affected. So, Banking is closely interrelated with rest of the wings of the economy. Due to the pandemic of Covid-19 and lockdown of the country, the different risks of the Banking sector are being surged which very alarming for the economy.

The major Risk the Bank will face is Credit Risk. The Non-performing Loan (NPL) of the Bank may rise in a new level due to this pandemic. Already most of the businesses have suspended their business operation due to lockdown. Export oriented industries are losing their confirmed orders as the foreign counter part's businesses also stopped. In this situation, the credit worthiness of the existing borrower will be deteriorated which block the possibility of repayment of loan. In March, Bangladesh Bank has already issued a circular not to change the classification status of the borrower up to June-2020 as country is affected by corona virus.

This is truly a good decision indeed. But, result of it, most of the borrower has already stopped regular repayment as they are really badly affected by Corona. Bangladesh government has declared different stimulus for survival of different industries, SMEs of the country which is total Tk 50,000 crore and entire fund will be arranged from the Banking sector of the country. If any borrower who has already loan liability, avail further loan under these stimulus package then the borrower has to repay both the existing loan as well as new loan under stimulus which will be quite hard for most of the borrower in an adverse business environment.

So, debt burden of the borrower will increase. As already the Non-performing loan (NPL) of the banking sector is a concern, if the borrower further fails to repay the fresh loan then the situation will be worse. To avoid the situation Bank will try to choose only the good rated clients whose track record and financial capacity are already good but this mentality will not serve the purpose of stimulus package as the entire real affected businessman may not get the opportunity.

Another risk which may increase is Liquidity Risk. The Banking sector of our country has been suffering from crisis of liquidity in last one and half year. ADR/IDR (Advance deposit ratio/ Investment deposit ratio) of most of the Bank were in high over the prescribed rate of central Bank. Bangladesh Bank had given time limit for the Banks to bring down the ADR within the prescribed limits but most of them failed to comply. Still some Banks could not bring down the ADR under the prescribe rate. Due to the effect of COVID-19 and result of economic downturn the fund flow will be reduced.

Bank is going to face further liquidity crisis. On the other hand, as the Government declared stimulus will be arranged from Banks' own fund so Bank need additional fund to implement this. Bangladesh Bank has already increase

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The cap of ADR/ IDR 2% more to increase the lendable fund and to increase the liquidity of the Bank, Bangladesh Bank has already reduced the CRR (Cash reserve requirement) from 5% to 3.5% in daily basis and 5.5% to 4% in bi-weekly basis and Repo rate lowered from 6% to 5.25% and declared that Bangladesh Bank will purchase T-Bill from Banks.

But, due to the economic depression resulting from COVID-19, the income of the different organization has already reduced, remittance flow is already in down trend, buying power as well as income of individual will also suppose to be reduced which ultimately hit in the regular fund inflow of the Bank seriously. To cover up the financial crisis, depositors will withdraw the deposits which are very expected in such economic stagnant situation. Moreover, increase of NPL also negatively affects the fund inflow of the Bank.

Both the credit risk and liquidity risk directly affect the profitability, sustainable growth and finally the survival of the Bank. Significant real income of the Bank may reduce due to increase of NPL resulting from failure to regular recovery from loans. NPL not only reduce the income but also increase the cost of fund. Bank has to maintain additional provisions cut from income or reserve fund to offset the NPLs.

Minimum Capital requirement (MCR) of the Bank under BASEL III will increase due to increase of Risk Weighted Asset. Liquidity crisis will reduce the investment opportunity of the Bank and so Bank face negative income growth. Liquidity crisis also wipe out the trust of the depositors. All this will reflect in the downtrend market value of the stock of the Bank which welcome another risk of the Bank is reputation Risk. CAMELS Rating and Credit Rating of the Bank will be deteriorate which ultimately weaken the position of the Bank.

Growth and sustainability of a Bank not only depends on the policy of the Bank itself but also the overall growth of the different wings of the economy. As most of the incomes generating sectors of Bangladesh are in vulnerable position and under threat to lose of businesses, banks have the possibility to face a critical situation ever. Government, Bankers, policy makers as well as businessman have to work simultaneously to overcome the possible risk of the Bank.

Government has already set different fiscal and monetary policy instantly to come out from the economic depression. Increase supply of money in the market is also in the thinking of the government to cover the economic downtrend, if necessary. Bank has to set proper portfolio management program in consistence with the government. Thrust sector as well as emergency sector must get priority in case of investment. Bank may increase investment on SME, Agriculture, Export oriented industries and local industries and discourage or may reduce investment on import of luxury or unnecessary/ less important goods for certain time period and also reduce investment in less priority sectors.

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MANAGEMENT ANALYSIS

|                           |  |          |
|---------------------------|--|----------|
| Quality of Top Management | Senior management of ABBL comprises of industry experts and highly qualified personnel with over a decade of experience in the financial sector. Similarly, professionalism on part of management contributes to brand recognition and operational controls. Moreover, the company's senior management has sound, educational, business, social, and financial backgrounds and networks of contact that spans across diverse industries of Bangladesh. In effect, management proficiency contributes to brand and operating efficiency of ABBL, which is a positive rating factor. | Positive |
| Management Adaptability   | Senior management brings change at ABBL by building group momentum and actively mobilizing others to initiate change. At ABBL, management has embedded a culture for change. Such a proactive management change style of leadership contributes to a positive rating outlook.  | Positive |
| Management Structure      | ABBL's upper management has instituted strict control mechanisms and a robust infrastructural set up focused on inhibiting negative implications of conflict of interests, as well as fraud, and focused on the smooth flow of operations and the company's long-term operational efficiency. For example, ABBL has structured organogram and state of the art credit management and accounting software. In effect, adherence to control mechanisms has contributed to strong internal controls and is a positive rating factor.  | Positive |
| HR Policy                 | ABBL has a structured and robust HR Policy covering various employment policies, including selection and recruiting policies, compensation, leave policies, perk and fringe benefits, among other factors for employees at all levels of the organization. Moreover, the company's HR policy also clearly delineates the job description and job responsibilities for each of its employees. This contributes to a positive rating factor.   | Positive |
| Internal Controls         | ABBL's upper management has instituted strict control mechanisms and a robust infrastructural set up focused on continuous risk assessment and compliance with laws and regulations. ABBL's internal controls inhibit the negative implications of conflict of interests, as well as fraud at all levels of the organization. Similarly, the internal controls have been implemented to allow for a smooth flow of operations. Furthermore, accounting controls ensure the quality of accounting and financial information, particularly the conditions                            | Positive |

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|                  | of under which the information is recorded, stored, and available. In effect, adherence to control mechanisms has contributed to strong internal controls and is a positive rating factor.  |          |
| Work Environment | ABBL's work environment fosters team work and collaboration. A rewarding work environment has also contributed to higher job satisfaction, motivational, and productivity. Overall, this has contributed to a positive rating factor. | Positive |

CORPORATE GOVERNANCE

| Board Practice  | Presence/Absence |
|---|------------------|
| Existence of Board Charter  | Present          |
| Existence of Committees for audit and remuneration                            | Present          |
| Separate CEO/MD and Chairperson   | Present          |
| Procedures to review/address external audit findings                          | Present          |
| Code of Ethics/Conduct  | Presence/Absence |
| Commitment to legal and regulatory compliance                                 | Present          |
| Policies to prohibit facilitation payments and bribes                         | Present          |
| Guidelines on giving and receiving gifts                                      | Present          |
| Training and/or communication on code of ethics                               | Present          |
| Business Value and Risk Management  | Presence/Absence |
| Demonstrated commitment to work towards long term sustainability              | Present          |
| Demonstrated commitment to address social, ethical and environment challenges | Present          |
| Procedures to identify potential risks and opportunities                      | Present          |
| Risk Management and Internal Control Systems                                  | Present          |
| Presence of Research and Development Team                                     | Present          |

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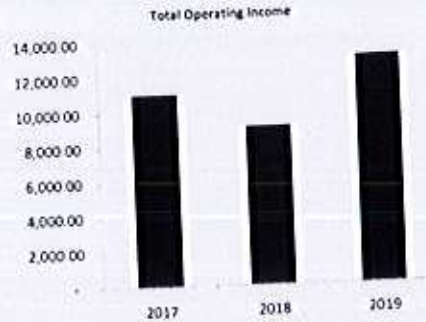
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3 PROFITABILITY ANALYSIS

| OPERATING INCOME (BDT in MN) |           |          |           |
|------------------------------|-----------|----------|-----------|
| Operating Income (BDT in MN) | 11,056.76 | 9,153.39 | 13,054.02 |



**Historical Trend:** ABBL has registered moderate performance in operating income. The main reason behind the moderate performance in operating income is decreasing trend of investment income, Commission, Exchange and Brokerage Income, Other operating income as well as higher interest expenses from borrowings. The operating income of ABBL demonstrates a fluctuating trend during last three years. It decreased from BDT 11,056.76 MN in FY17 to BDT 9,153.39 MN in FY18 and further increased to BDT 13,054.02 MN in FY19 due to healthy growth of net interest income. During last three years ABBL's total operating profit increased by at a CAGR (compounded annual growth rate) of 8.65%.

**Going Forward:** In the next year, ACRSL possess positive bias on the operating income trajectory of ABBL, driven by stable loans and advance growth, stable investment growth, non funded income growth such as commission, fees and service charges.

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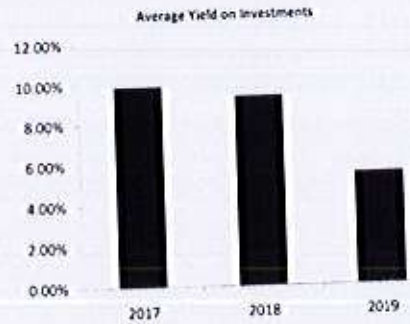
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YIELD ON INVESTMENT

|                             |       |       |       |
|-----------------------------|-------|-------|-------|
| Average Yield on Investment | 9.90% | 9.36% | 5.46% |
|-----------------------------|-------|-------|-------|



**Historical Trend:** ABL's yield on investment has demonstrated a decreasing trend over the period of FY17 to FY19 due to decreasing investment income during the same period. From FY17 to FY19 ABL's total investment was BDT 46,382.14 MN, BDT 44,351.75 MN and BDT 62,416.40 MN respectively whereas investment income was BDT 4,726.14 MN BDT 4,247.05 MN and BDT 2,922.02 MN correspondingly. The yield on investment remained at 9.90% in FY17, which decreased to 9.36% in FY18 and in the subsequent period of FY19, ABL's yield on investment further decreased to 5.46%.

**Going Forward:** ACRSL has neutral bias on the investment income trajectory, hence the yield on investment of ABL is set to remain stable in the next one year if the stock indices remain stable. However, we remained concerned over the exposure of ABL to the capital market, as the volatility of the stock market has remained high historically.

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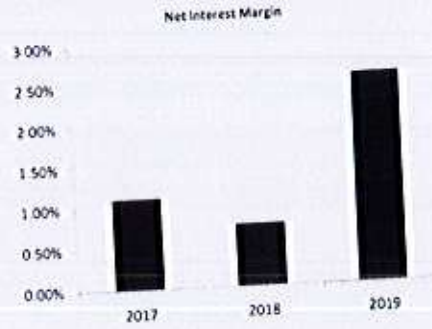
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**NET INTEREST MARGIN (NIM)**

|                           |       |       |       |
|---------------------------|-------|-------|-------|
| Net Interest Margin (NIM) | 1.11% | 0.76% | 2.57% |
|---------------------------|-------|-------|-------|



**Historical Trend:** The net interest margin (NIM) of ABBL has demonstrates a fluctuating trend over the last three years. The NIM ratio decreased from 1.11% in FY17 to 0.76% in FY18 and in the subsequent period of FY19, ABBL's NIM further increased to 2.57% due to healthy growth of interest income.

**Going Forward:** Over the next year the net interest margin of ABBL is likely to remain stressed driven by decreasing interest earning from loan and advances and increasing trend in nonperforming loan but if the bank will able to reduce its NPL in near future then its NIM will remain in comfortable level.

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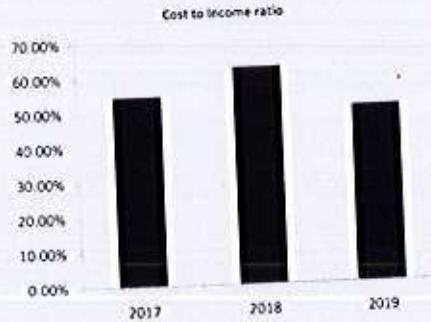
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**COST TO INCOME**

|                |        |        |        |
|----------------|--------|--------|--------|
| Cost to Income | 54.45% | 62.43% | 50.43% |
|----------------|--------|--------|--------|



**Historical Trend:** The cost to income ratio of ABL demonstrates a fluctuating trend over the period of FY17 to FY19. The cost to income of ABL has decreased by 4.03 percentage points between the period of FY17 to FY19. ACRSL analysis reveals that ABL's operating income fluctuating during last three years which has big impact on cost to income ratio.

**Going Forward:** Over the next years the cost to income ratio is expected to decrease as the Bank has taken initiative to increase its total operating income by reducing NPL.

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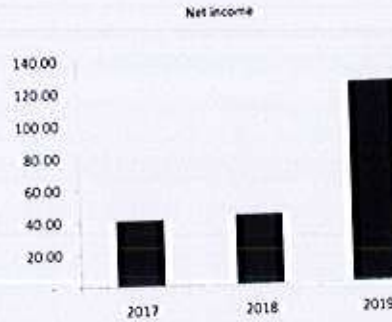
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| NET INCOME (BDT IN MN) |       |       |        |
|------------------------|-------|-------|--------|
| Net Income (BDT in MN) | 40.83 | 43.39 | 123.25 |



**Historical Trend:** Between FY17 to FY19, ABBL's net income demonstrates an increasing trajectory. The net income of ABBL increased at a CAGR of 73.73% from BDT 40.83 MN in FY17 to BDT 123.25 MN in FY19. ACRSL analysis reveals that the main driver behind ABBL's increasing net income over the last three years was increasing net interest income.

**Going Forward:** Over the next year, ACRSL has neutral bias on the net income of ABBL, driven by stable loans and advance growth, robust investment income growth, non-funded income growth such as commission, fees and service charges.

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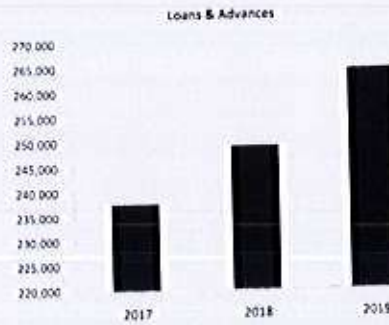
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4. Balance Sheet Analysis

(BDT in MN)

| LOANS AND ADVANCES             |            |            |            |
|--------------------------------|------------|------------|------------|
| Loans and Advances (BDT in MN) | 237,634.49 | 249,185.31 | 264,385.00 |



**Historical Trend:** ABBL has maintained healthy growth in loan disbursement. Interest income from disbursed loan is one of the main income source for a commercial bank and bank always try to construct a good credit portfolio. During last three years ABBL's loan portfolio was in an increasing trend. In FY17 ABBL's loan portfolio was BDT 237,634.49 MN then reached at BDT 249,185.31 MN in FY18, increased by 4.86%. In FY19 it further increased by 6.10% to BDT 264,385.00 MN. In the last three years ABBL's loan portfolio increased by at a Compound annual growth rate (CAGR) of 5.48%.

**Going Forward:** Over the next year the loans and advances is expected to have stable growth trajectory as ABBL has adequate liquidity, good deposit growth, availability of low cost fund to provide loan to different sector.

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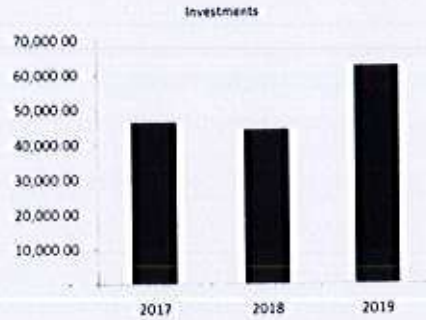
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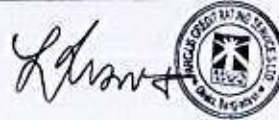


| INVESTMENT             |           | (BDT IN MN) |           |
|------------------------|-----------|-------------|-----------|
| Investment (BDT in MN) | 46,382.14 | 44,351.75   | 62,416.40 |



**Historical Trend:** During the last three years ABBL's total investment was in a fluctuating trend. In FY17 ABBL's total investment was BDT 46,382.14 MN which decreased to BDT 44,351.75 MN in FY18, declined by 4.38%. Subsequently in FY19 ABBL's investment increased by 40.73% to BDT 62,416.40 MN.

**Going Forward:** Over the next year, ACRSL has positive bias on ABBL's investment growth due to availability of sufficient liquid cash.



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Managing Director

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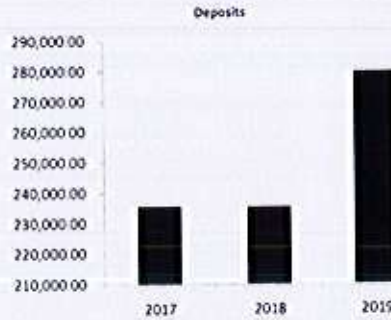
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| DEPOSIT | (BDT IN MN) |            |            |
|---------|-------------|------------|------------|
| Deposit | 235,562.08  | 235,383.29 | 279,394.74 |



**Historical Trend:** ABL has moderate performance in deposit growth. During last three years ABL's total deposits demonstrated a fluctuating trend. ABL's total deposit decreased from BDT 235,562.08 MN in FY17 to BDT 235,383.29 MN in FY18. Subsequently, in FY19 ABL's total deposits increased to BDT 279,394.74MN. ABL's deposit base has increased by at a CAGR of 8.91% over the last 3 years.

**Going Forward:** Over next year the deposit growth is expected to sustain the higher growth trajectory as ABL has strong marketing drive to sweep individual and institutional depositors by offering attractive deposit products along with launched different deposit campaigns.



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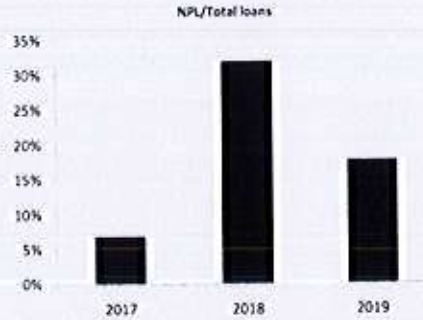
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**NPL to Total Loan**

|                   |       |        |        |
|-------------------|-------|--------|--------|
| NPL to Total Loan | 6.91% | 32.00% | 17.74% |
|-------------------|-------|--------|--------|



**Historical Trend:** The Non Performing Loan (NPL) to Total loan ratio of ABBL demonstrates a fluctuating trend during last three years. In FY17 ABBL's NPL to Total Loan ratio was 6.91% in FY17 which increased to 32.00% in FY18 and further decreased to 17.74% in FY19. In amount, Total Non Performing Loan of ABBL was BDT 16,408.79 MN in FY17 then increased to BDT 79,727.85MN in FY18 and further decreased to BDT 46,890.49 MN in FY19.

**Going Forward:** Over the next year, ACRSL has neutral bias on the NPL to Total Loan ratio of ABBL, driven by political stability and introducing intensive recovery measure.

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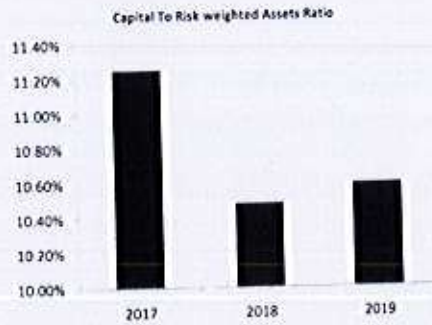
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Capital To Risk weighted Assets Ratio (CRAR)

|                                       |        |        |        |
|---------------------------------------|--------|--------|--------|
| Capital To Risk weighted Assets Ratio | 11.75% | 10.48% | 10.59% |
|---------------------------------------|--------|--------|--------|



**Historical Trend:** Capital adequacy is the measure of the financial strength and sustainability of a bank. Capital to Risk Weighted Assets Ratio (CRAR) determines the capacity of the Bank in terms of meeting the time liabilities and other risks such as credit risks, market risks, operational risks, etc. AB Bank Limited (ABBL) is adequately capitalized in maintaining Capital To Risk weighted Assets Ratio (CRAR) above regulatory requirement. The CRAR of ABBL is higher than the regulatory requirement of 10.00% under the BASEL III framework. ABBL's Capital To Risk weighted Assets Ratio stood at 10.59% in FY19, in line with its risk weighted asset of BDT 334,211.41 MN.

**Going Forward:** ACRSL has positive bias on the Capital Adequacy Ratio of ABBL. ABBL's capital base is expected to remain strong against risk weighted asset, driven by increasing paid up capital.

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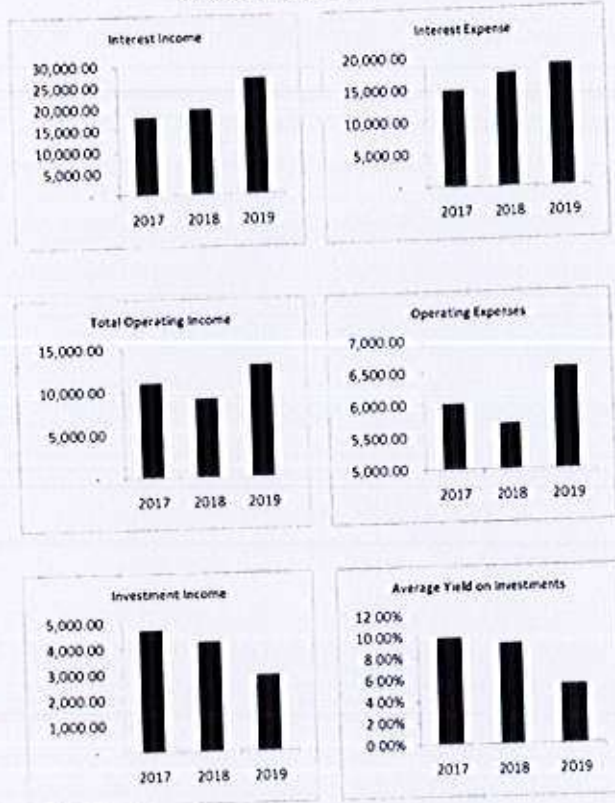
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5 CHATS AND GRAPHS

INCOME STATEMENT CHARTS (BDT IN MN)



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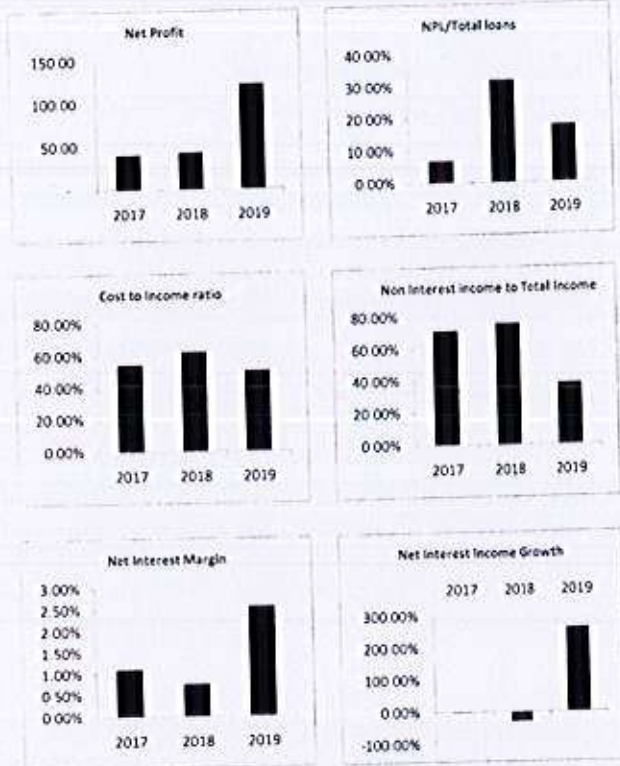
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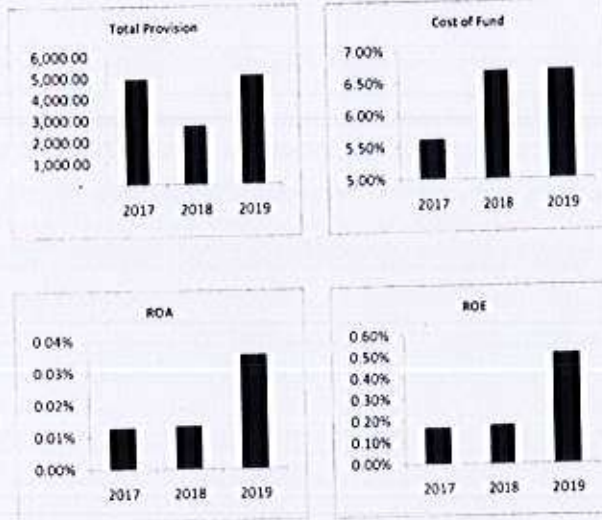
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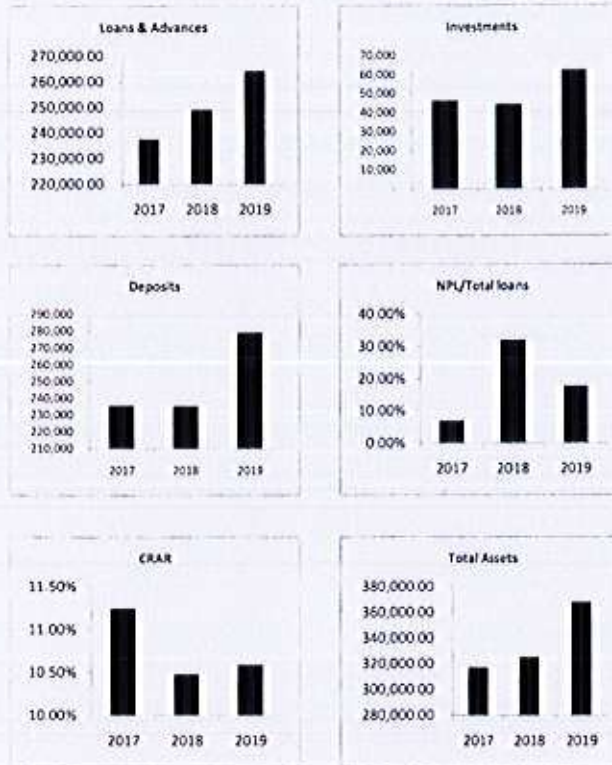
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Balance Sheet Charts

(BDT in MN)



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APPENDIX A: SUMMARY OF FINANCIALS

| Balance Sheet Metrics (BDT MN)                      | 2017              | 2018              | 2019              |
|---|-------------------|-------------------|-------------------|
| Cash  | 17,780.90         | 16,433.16         | 19,872.58         |
| Bank Balance  | 4,241.34          | 3,378.42          | 5,314.84          |
| Money at Call & Short Notice                        | 496.38            | 589.82            | 3,927.49          |
| Investments   | 46,382.14         | 44,351.75         | 67,416.40         |
| Loans & Advances                                    | 237,634.49        | 249,185.31        | 264,385.00        |
| Fixed Assets  | 4,699.25          | 4,110.47          | 5,476.77          |
| Other Assets  | 5,863.91          | 7,104.90          | 6,732.88          |
| <b>Total Assets</b>                                 | <b>317,098.41</b> | <b>325,153.82</b> | <b>368,075.96</b> |
| Borrowings  | 21,872.49         | 18,272.45         | 14,820.18         |
| Subordinate bonds                                   | 6,000.00          | 8,700.00          | 7,400.00          |
| Deposits  | 235,562.08        | 235,383.29        | 279,394.74        |
| Other Liabilities                                   | 29,660.12         | 38,902.32         | 47,420.98         |
| <b>Total Liabilities</b>                            | <b>293,094.68</b> | <b>301,258.06</b> | <b>344,035.91</b> |
| Paid Up Capital                                     | 7,581.30          | 7,581.30          | 7,581.30          |
| Statutory Reserve                                   | 6,549.24          | 6,623.36          | 6,872.05          |
| Retained Earnings                                   | 7,051.77          | 6,967.59          | 6,834.97          |
| Other Equities                                      | 2,821.41          | 2,723.51          | 2,751.72          |
| Total Shareholders' Equity                          | 24,003.73         | 23,895.76         | 24,040.05         |
| <b>Total Shareholders' Equity &amp; Liabilities</b> | <b>317,098.41</b> | <b>325,153.82</b> | <b>368,075.96</b> |

| Income Statement Metrics (BDT MN)               | 2017             | 2018            | 2019             |
|---|------------------|-----------------|------------------|
| Interest Income                                 | 18,095.39        | 19,810.85       | 26,954.15        |
| Interest Expense                                | 14,937.38        | 17,580.41       | 18,868.48        |
| <b>Net Interest Income</b>                      | <b>3,158.01</b>  | <b>2,230.45</b> | <b>8,085.67</b>  |
| Investment Income                               | 4,726.14         | 4,247.05        | 2,922.02         |
| Commissions, Exchange & Brokerage               | 2,994.21         | 2,478.09        | 1,897.84         |
| Other Operating Income                          | 178.40           | 197.81          | 148.49           |
| <b>Total Operating Income</b>                   | <b>11,056.76</b> | <b>9,153.39</b> | <b>13,054.02</b> |
| Operating Expenses                              | 6,020.91         | 5,714.03        | 6,582.93         |
| <b>Operating Profit/(Loss) Before Provision</b> | <b>5,035.85</b>  | <b>3,439.36</b> | <b>6,471.10</b>  |
| Total Provision                                 | 4,962.36         | 2,736.30        | 5,108.54         |
| <b>Net Profit/(Loss) Before Tax</b>             | <b>73.49</b>     | <b>703.06</b>   | <b>1,362.56</b>  |
| Provision for Taxation                          | 32.66            | 659.87          | 1,239.31         |
| <b>Net Profit/(Loss) After Tax</b>              | <b>40.83</b>     | <b>43.19</b>    | <b>123.25</b>    |

Source: ABBL's Audited Financials of FY17-FY19.



For and on behalf of 318 / Page  
Riverstone Capital Limited

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*(Signature)*

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*(Signature)*  
Ashraf Ahmed  
Managing Director

*(Signature)*

Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office Dhaka

Md. Jasim Uddin ACS,  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

Tarique Afzal  
resident & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

Credit Rating Report of  
AB Bank Limited



APPENDIX B: SUMMARY OF ANALYTICS

| Indicators                                  | 2017   | 2018    | 2019    |
|---|--------|---------|---------|
| Average Yield on Loans, Leases and Advances | 7.80%  | 8.14%   | 10.50%  |
| Yield on Interest Earning Asset             | 6.37%  | 6.77%   | 8.57%   |
| Average Yield on Investments                | 9.90%  | 9.36%   | 5.47%   |
| Average Cost of Fund                        | 5.63%  | 6.69%   | 6.69%   |
| Net Interest Margin                         | 1.11%  | 0.76%   | 2.57%   |
| Cost to Income ratio                        | 54.45% | 62.43%  | 50.43%  |
| Non Interest Income to Total Income         | 71.44% | 75.63%  | 38.06%  |
| Net Interest Income Growth                  | -4.62% | -29.37% | 262.51% |
| Growth rate of Deposit                      | -3.00% | 0.89%   | 18.70%  |
| Growth Rate of Loans and Advances           | 4.89%  | 4.86%   | 6.10%   |
| Growth Rate of Investments                  | -5.50% | -4.38%  | 40.73%  |
| ROA   | 0.01%  | 0.01%   | 0.04%   |
| ROE   | 0.17%  | 0.18%   | 0.51%   |
| Loan/Earning Asset                          | 82.44% | 83.92%  | 79.61%  |
| Earning Asset/Total Asset                   | 90.90% | 91.31%  | 90.23%  |
| Deposit/ Liabilities                        | 79.60% | 78.13%  | 81.21%  |
| NPL/Earning Asset                           | 5.69%  | 26.85%  | 14.12%  |
| NPL/Total loans                             | 6.91%  | 32.00%  | 17.74%  |
| Capital To Risk weighted Assets Ratio       | 11.25% | 10.48%  | 10.59%  |

Source: ABB's, Audited financials

*[Signature]*  


For and on behalf of  
Riverstone Capital Limited

*[Signature]*  
Ashraf Ahmed  
Managing Director

*[Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

*[Signature]*  
Tarique Afzal  
President & Managing Director  
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Corporate Office, Dhaka.

*[Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Signature]*  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

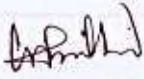
Credit Rating Report of  
AB Bank Limited

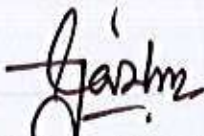


APPENDIX C: LONG TERM RATING DETAILS

| Rating  | Definition  |
|---|---|
| <b>AAA</b><br>Triple A<br>(Highest Safety)              | Investment grade. Highest credit quality with lowest expectation of credit risk. When assigned this rating indicates the obligor has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.   |
| <b>AA+, AA, AA-</b><br>Double A<br>(High Safety)        | Investment grade. Very high credit quality and minimal expectation of credit risk. When assigned this rating indicates the obligor has very strong capacity to meet its financial obligations and is unlikely to be impacted adversely by foreseeable events.   |
| <b>A+, A, A-</b><br>Single A<br>(Adequate Safety)       | Investment grade. High credit quality and low expectation of credit risk. When assigned this rating indicates the obligor has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions compared to obligors with higher credit ratings.   |
| <b>BBB+, BBB, BBB-</b><br>Triple B<br>(Moderate Safety) | Investment grade. Good credit quality and moderate expectation of credit risk. When assigned this rating indicates the obligor has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.  |
| <b>BB+, BB, BB-</b><br>Double B<br>(Inadequate Safety)  | Speculative grade. Substantial credit risk. When assigned this rating indicates the obligor has business or other alternatives to meet current financial obligations but is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.   |
| <b>B+, B, B-</b><br>Single B<br>(Risky)                 | Highly Speculative grade. High credit risk. When assigned this rating indicates the obligor has business or other alternatives to currently meet its financial obligations but the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve and remain favorable.   |
| <b>CC+, CC, CC-</b><br>Double C<br>(Vulnerable)         | Highly Vulnerable grade. Very High credit risk. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve. This rating may indicate that an insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support. |
| <b>C+, C, C-</b><br>Single C<br>(Near to Default)       | Default imminent. This category for an institution is considered to be either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.   |
| <b>D</b><br>Single D<br>(Default)                       | In Default. This category for an institution is of the lowest credit quality. The rating indicates the obligor has already failed to meet its financial obligations and may have entered bankruptcy proceedings.  |



  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

  
Ashraf Ahmed  
Managing Director

For and on behalf of  
Rivestone Capital Limited

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Credit Rating Report of  
AB Bank Limited



APPENDIX D: SHORT TERM RATING DETAILS

| ACRSL CORPORATE / ENTITY RATINGS (SHORT TERM) |   |
|---|---|
| ST-1  | <b>Highest Grade</b><br>Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations. |
| ST-2  | <b>High Grade</b><br>High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.  |
| ST-3  | <b>Good Grade</b><br>Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.                  |
| ST-4  | <b>Satisfactory Grade</b><br>Satisfactory liquidity and other protection factors qualify issues as to investment grade. Risk factors are larger and subject to more variation.  |
| ST-5  | <b>Non-Investment Grade</b><br>Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.                                |
| ST-6  | <b>Default</b><br>Issuer failed to meet scheduled principal and/or interest payments.   |

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For and on behalf of 321 | Page  
Riverstone Capital Limited

*[Handwritten Signature]*  
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Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

*[Handwritten Signature]*  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

*[Handwritten Signature]*  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

*[Handwritten Signature]*  
Ashraf Ahmed  
Managing Director

*[Handwritten Signature]*  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

### 23 Particulars of Underwriters and Amount Underwritten

According to Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021, the public issue of any securities shall be at least 20% underwritten on a firm commitment basis by the underwriter.

BMSL Investments Limited will underwrite 20% of Bond Public Offer of BDT 600,000,000 (BDT Sixty Crore Only) of AB Bank Perpetual Bond.

Table 28: Details of Amount Underwritten

| Sl no | Name of the Underwriter  | Amount Underwritten (In BDT) | % of Total Public Issue |
|-------|--------------------------|------------------------------|-------------------------|
| 1     | BMSL Investments Limited | 120,000,000                  | 20%                     |

#### Contact Details of BMSL Investments Limited:

**Contact Person:** Md. Riyad Matin


**Designation:** Managing Director

**Office address:** Shareef Mansion (4th floor), 56-57, Motijheel C/A, Dhaka-1000.

**Phone:** 9577651, 9570624, 9565183

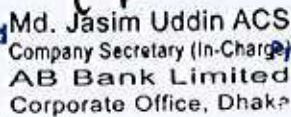
**Email:** ssi@dhaka.net

For and on behalf of  
Riverstone Capital Limited

  
Ashraf Ahmed  
Managing Director

  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

  
K.M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

  
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka.

  
Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.



## 24 Public Issue Application Procedure

This section is applicable for public issue of BDT 60 Crore of Perpetual Bond only.

The Public Issue subscription money collected from investors will be remitted in following bank account with AB Bank Limited, Principal Branch:

| Name of Account                      | Account Number  | Type of A/C | Currency |
|--------------------------------------|-----------------|-------------|----------|
| AB Bank Limited-Perpetual Bond Issue | 4005-775047-000 | Current     | BDT      |

### Undertaking to Issue

Bonds shall be issued in dematerialized form and shall be delivered in the BO Account of the Bondholders

### 24.1 Application for Subscription

This section is applicable for public issue of BDT 60 Crore of Perpetual Bond only.

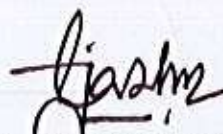
#### 24.1.1 Step – 1 (Applicant)

- a. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of Information Memorandum.
- b. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.
  - I. Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).
  - II. The General Public, and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

#### 24.1.2 Step-2 (Intermediary)

- c. The registered Stock broker/Merchant Banker in the ESS shall
  - c. Post the amount separately in the customer account equivalent to the application money;
  - d. Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account;

  
**K.M. Mohluddin Ahmed**  
 Chief Financial Officer  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Md. Jasim Uddin ACS**  
 Company Secretary (In-Charge)  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
**Tarique Afzal**  
 President & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.

  
 For and on behalf of  
 Riverstone Capital Limited  
**Ashraf Ahmed**  
 Managing Director

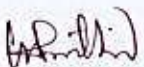
  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
 MTB Capital Ltd.  
 Head Office, Dhaka.

- d. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s).
- e. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to **6 (six) months** from listing of the securities with the exchange.
- f. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria.
- g. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name and Joint Account information along with the verification report.
- h. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications **within 5 (five) working days**.
- i. On the next working day, the Exchanges shall provide the Commission, Issuer and Issue Manager with the soft copy of subscription result.

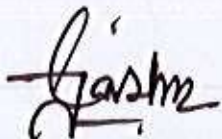
24.1.3 Step-3 (Issuer)

- j. The Issuer and issue manager shall post the final status of subscription on their websites within 6 (six) hours and on the websites of the Commission and Exchanges within 12 (twelve) hours of receiving information by the Commission and the Exchanges.
- k. Within 3 (three) working days of receipt of the subscription result, the Issuer and Exchanges shall:
  - V. Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
  - VI. Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
  - VII. Issuer shall issue allotment letters in the names of allottees in electronic format; and
  - VIII. Issuer shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

For and on behalf of  
Riverstone Capital Ltd 3244 page



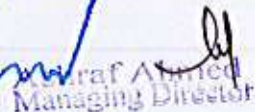
M. Mohiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka

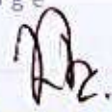


Md. Jasim Uddin ACS,  
Company Secretary (In-Charge)  
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Tarique Afzal  
resident & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

  
Managing Director



Khairul Bashir A. T. Moharimmed  
Chief Executive Officer  
MTB Capital Ltd.  
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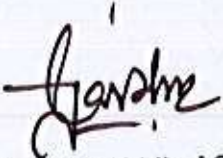
24.1.4 Step-4 (Intermediary)

- I. On the next working day, Exchanges shall:
  - I. remit the amount of allotted applicants to the Issuer's respective Escrow Account opened for subscription purpose;
  - II. send the penalty amount who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list; and
  - III. distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.
- m. On the next working day of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.


24.1.5 Miscellaneous

- n. The Issuer, Issue Manager(s), Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
- o. The Issuer shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public, and Non-Resident Bangladeshi (NRB) applicants.
- p. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application.
- q. The Exchanges shall provide the Issuer with a statement of the remittance.
- r. The Issuer shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
- s. The concerned Exchange is authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

  
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 AB Bank Limited  
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**Tarique Afzal**  
 Resident & Managing Director  
 AB Bank Limited  
 Corporate Office, Dhaka.


For and on behalf of  
 Riverstone Capital Limited  
 325 | Page  
  
**Ashraf Ahmed**  
 Managing Director

  
**Khairul Bashar A. T. Mohammed**  
 Chief Executive Officer  
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 Head Office, Dhaka.

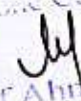
## 25 Rights Option/Issue Application Procedure

As the security is perpetual in nature and it does not have any rights option feature, no application procedure for rights option is therefore defined.

  
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Chief Financial Officer  
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**Md. Jasim Uddin ACS**  
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Corporate Office, Dhaka

  
**Tarique Afzal**  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka.

For and on behalf of  
Riverstone Capital Limited  
  
**Syed Rafiqul Islam**  
Managing Director

  
**Khairul Bashar A. T. Mohammed**  
Chief Executive Officer  
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Head Office, Dhaka.

## 26 Private Offer Application Procedure

Following section is applicable for private placement portion of BDT 540,000,000 of Perpetual Bond.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in the Subscription Agreement containing in details the rights and obligations of the investors.

### Undertaking to Issue

Bonds shall be issued in dematerialized form and shall be delivered in the BO Account of the Bondholders.

### 26.1 Allotment

#### 26.1.1 The Bonds

Subject to the BSEC Approval and the completion of the condition precedent as set forth in the Subscription Agreement and receipt of issue price, the Issuer shall issue the Bonds on the Issue Date in the name of the Bondholders in such number the respective Bondholder is entitled. Bonds shall be subject to the terms and conditions of the Bond Documents. On the Issue Date the Register shall be completed by the Issuer by registering the name of the Bondholders in the Register. On or promptly following the date of issuance, the Issuer shall procure the delivery Bonds in the Account to the registered Bondholders.

Each Bondholder shall be entitled to receive a notification of Bonds in respect of its entire holding of Bonds issued by the Issuer to such Bondholder.

#### 26.1.2 Status

The Bonds shall be a Transferable, Unsecured, Non-Cumulative, Contingent-Convertible coupon bearing Perpetual Bond. All payments made to any such Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Bonds. Nothing herein shall impair the obligation of the Issuer, which is absolute and unconditional, to pay any Redemption Amount and any Default Interest on the Bonds according to the Conditions.

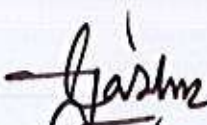
The Bondholders shall not be entitled to any of the rights and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their authorization.

For and on behalf of  
Riverstone Capital Limited  
327 | Page

Ashraf Ahmed  
Managing Director

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Farique Afzal  
President & Managing Director  
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Corporate Office, Dhaka.

Each Bondholder unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Bond.

**26.1.3 Form and Denomination**

The Bonds are issued in registered and dematerialized form in the denomination of BDT 1,000 each. Each Bond will be numbered serially with an identifying number, which will be recorded in the records of CDBL (the "Register") a copy of which will be maintained by the Issuer.

**26.1.4 Register**

The Issuer will cause a duplicate of the records of CDBL to be kept at its registered office on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds. On the Issue Date, each Bondholder shall be entitled to receive his/her bonds in dematerialized form in their BO account.

**26.2 Transfer**

Subject to regulations concerning Closed Periods detailed in the Trust Deed, a Bond may be transferred subject to the detailed regulation concerning transfer of Bonds stipulated by the CDBL from time to time. A copy of the current regulations will be mailed (free of charge) by the Issuer to any Bondholder upon request. No transfer of a Bond will be valid unless and until entered in the records of CDBL.

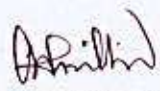
Formalities Free of Charge

Registration of a transfer of Bonds will be affected without charge by or on behalf of the Issuer, but upon payment (or the giving of such indemnity as the Issuer or the CDBL may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

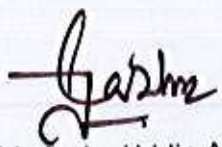
Closed Periods

No Bondholders may require transfers to be registered:

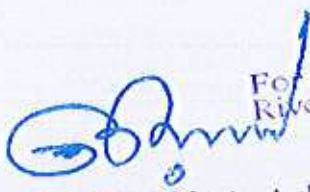
- a) in the case of a payment as a result of an Event of Default, during the period from the later of (i) 15 (fifteen) Business Days prior to the due date of such payment and (ii) the date on which the Trustee provides a notice pursuant to Clause 11.5 (Events of Default) of the of the "Deed of Trust" to and including the due date for such payment or interest; or
- b) on the due date for any payment in respect of such Bond.



**K.M. Mohiuddin Ahmed**  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka.

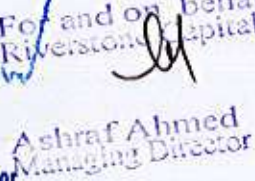


**Md. Jasim Uddin ACS**  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka

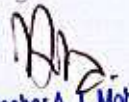


**Tarique Afzal**  
resident & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited



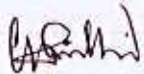
**Ashraf Ahmed**  
Managing Director



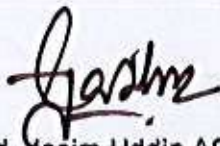
**Khairul Beshar A. T. Mohammed**  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.

Regulations concerning transfers and registration

All transfers of Bonds and entries in the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may only be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed by the Registrar to any Bondholder who requests in writing a copy of such regulations.



K.M. Mchiuddin Ahmed  
Chief Financial Officer  
AB Bank Limited  
Corporate Office, Dhaka




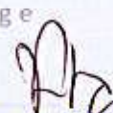
Md. Jasim Uddin ACS  
Company Secretary (In-Charge)  
AB Bank Limited  
Corporate Office, Dhaka



Tarique Afzal  
President & Managing Director  
AB Bank Limited  
Corporate Office, Dhaka

For and on behalf of  
Riverstone Capital Limited

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Ashraf Ahmed  
Managing Director  
Khairul Bashar A. T. Mohammed  
Chief Executive Officer  
MTB Capital Ltd.  
Head Office, Dhaka.