

3rd Quarter (Q3) Financial Statement 2015 (un-audited)

Consolidated Balance Sheet

As at September	30, 2015	
PROPERTY AND ASSETS	30-09-2015	31-12-14
	Taka	Taka
Cash in hand	2 000 252 454	1 201 402 575
Cash in hand (including foreign currencies) Balance With Bangladesh Bank and its Agents Banks	2,089,353,151 17,540,529,809	1,301,483,575 19,372,830,797
(including foreign currencies)	19,629,882,960	20,674,314,372
Balance with other Banks and Financial Institutions	15,025,002,500	20,074,314,372
In Bangladesh	9,154,490,472	2,512,579,627
Outside Bangladesh	3,427,724,416	1,703,815,308
	12,582,214,888	4,216,394,935
Placement with Banks & Other Financial institutions	1,400,000,000	9,750,000,000
Investment in Share & Securities	9,257,928,264	9,120,897,395
Government	7,180,000,000	7,000,000,000
Others	2,077,928,264	2,120,897,395
Investments		
General Investments etc.	142,700,460,718	143,636,454,877
Bills purchased and discounted	14,374,350,670	3,103,911,442
	157,074,811,388	146,740,366,319
Fixed assets less Accumuladated Depreciation	2,923,051,237	2,661,107,398
Other Assets	14,594,691,227	17,275,925,785
Non-Banking Assets Total Assets	217,462,579,964	210,439,006,204
LIABILITIES AND CAPITAL	217,462,579,964	210,439,006,204
Liabilities AND CAPITAL Liabilities		
Placement from Banks & Other Financial institutions	7,058,799,596	8,900,000,000
Deposits and other Accounts	7,030,733,330	8,500,000,000
Mudaraba Savings Deposits	20,244,971,364	17,501,279,699
Mudaraba Term Deposits	93,746,806,583	99,149,208,227
Other Mudaraba Deposits	37,454,103,882	33,500,490,137
Al-Wadia Current Accounts and Others Accounts etc.	16,382,348,940	15,304,022,367
Bills Payable	1,194,443,429	1,396,165,765
	169,022,674,198	166,851,166,195
Other Liabilities	19,972,423,394	16,453,425,523
AIBL Subordinate Bond	3,000,000,000	
Deferred tax Liabilities/ (Assets)	74,890,795	74,890,795
Total Liabilities	199,128,787,983	192,279,482,513
Capital/Share holders Equity		
Paid up Capital	9,469,585,030	9,469,585,030
Statutory Reserve	5,025,752,173	4,643,316,650
Revaluation Reserve	977,586,935	977,548,248
Other reserve FC Revaluation	25,148,824	
Retained Earnings	884,445,889	1,490,190,743
Total Equity attributable to equity holders of the bank	16,382,518,851	16,580,640,671
Non-Controlling Interest Total Equity	1,951,273,129 18,333,791,980	1,578,883,020 18,159,523,691
Total Liability and Share holders equity	217,462,579,964	210,439,006,204
Total stability and onare notation equity	227/102/575/501	220,100,000,201
	30/09/2015	31/12/2014
OFF BALANCE SHEET ITEMS	Taka	Taka
Contingent Liabilities		
Acceptance and endorsement	8,652,154,732	8,494,167,588
Letters of Guarantee	4,241,925,325	3,365,270,354
Letters of Credit	21,787,456,179	15,734,520,242
Bills for Collection	3,222,906,425	2,906,954,594
Other Contingent Liabilities		
Total	37,904,442,661	30,500,912,778
Other Commitments :		
Documentary Credits and other short term trade related transactions		
Forward Assets Purchased and forward Deposit placed		
Undraw note issuance and Revolving underwriting Facilities		
Undraw Formal standing Facilities Credit lines and others		

Consolidated Profit & Loss Accounts

For the period ended September 30,2015

	01-01-15 to 30-09-15 Taka	01-01-14 to 30-09-14 Taka	01-07-15 to 30-09-15 Taka	01-07-14 to 30-09-14 Taka
Investment Income	14,296,267,992	14,757,751,405	5,054,539,636	4,938,202,697
Profit paid on deposits & Borrowing	(8,887,660,949)	(9,596,631,761)	(3,425,676,625)	(3,015,594,978)
Net Investment Income	5,408,607,043	5,161,119,644	1,628,863,011	1,922,607,719
Income from Investment in Shares /Securities	135,231,247	199,131,647	53,097,626	55,143,077
Commission, Exchange and Brokerage	1,578,865,785	1,452,150,441	542,817,725	543,456,969
Other Operating Income	127,042,247	185,663,378	19,927,867	17,554,017
	1,841,139,279	1,836,945,466	615,843,218	616,154,063
Total operating income	7,249,746,322	6,998,065,110	2,244,706,229	2,538,761,782
Salaries and allowances & contribution to P.F	1,783,919,770	1,604,863,711	770,046,504	660,632,885
Directors fees & expenses	11,111,916	8,475,190	4,548,023	2,125,693
Shariah Supervisory Committee's fees & expenses	186,955	160,412	56,020	20,985
Rent, taxes, insurance and lighting etc.	335,660,953	238,884,873	144,438,250	74,660,061
Postage, telegram, telephone and stamp etc.	64,091,366	53,880,290	29,619,116	15,752,953
Legal charges	3,943,796	2,604,182	2,371,305	1,408,821
Auditors' fee	2,083,000	134,967	1,889,500	17,260
Salary & Allowances to the Managing Director	9,850,000	9,320,000	4,350,000	3,250,000
Depreciation and repairs to the bank's properties	189,679,930	176,631,054	60,749,351	62,414,008
Stationery, printing & advertisement etc.	70,391,649	64,165,469	18,247,327	19,339,270
Other expenses	266,547,802	261,706,606	72,488,406	87,356,871
Total operating expenses	2,737,467,137	2,420,826,754	1,108,803,801	926,978,807
Profit/(Loss) before Tax & provision	4,512,279,185	4,577,238,356	1,135,902,428	1,611,782,975
Provision against Investments & Contingent Liabilities	1,510,000,000	1,770,800,000	317,151,000	1,325,200,000
Provision for diminution in value of investment	75,246,597	(99,247,713)	6,114,241	(81,130,332)
Other Provision	-	-	-	-
Total provision	1,585,246,597	1,671,552,287	323,265,241	1,244,069,668
Profit/(Loss) before Tax	2,927,032,588	2,905,686,069	812,637,187	367,713,307
Current tax Deferred tax	1,596,893,426 -	1,722,144,834	354,095,412	503,336,698
Provision for Taxation	1,596,893,426	1,722,144,834	354,095,412	503,336,698
Net Profit/(Loss) after tax Net Profit attributable to:	1,330,139,162	1,183,541,235	458,541,775	(135,623,391)
Equity holders of the bank	1,087,734,243	952,562,036	381,260,078	(226,858,420)
Non-controlling Interest	242,404,919	230,979,199	77,281,698	91,235,029
Profit for the year Appropriation	1,330,139,162	1,183,541,235	458,541,776	(135,623,391)
Statutory Reserve	382,435,523	406,289,236	97,037,086	8,199,577
Non-Controlling Interest	242,404,919	230,979,199	77,281,698	91,235,029
	624,840,442	637,268,435	174,318,784	99,434,606
Transfer to Retained Earnings	705,298,720	546,272,800	284,222,992	(235,057,997)
Earning per Ordinary Share	1.15	1.01	0.40	(0.24)

Consolidated Cash Flow Statement

For the period ended September 30,2015

	30-09-2015	30-09-2014
	Taka	Taka
ash flows from operating activities		
vestment income receipt in Cash	14,355,898,556	14,932,892,478
ofit paid on deposits and borrowing	(8,887,660,949)	(9,596,631,761)
vidend received	24,403,950	21,097,669
ees & Commission received in cash	1,578,865,785	1,452,150,441
ecoveries from written off investments	1,958,869	2,892,905
ash payments to employees	(1,793,769,770)	(1,614,183,711)
ash payments to suppliers	(70,391,649)	(64,165,469)
eceived from other operating activities (item-wise)	127,042,247	185,663,378
aid for other operating activities (item-wise)	(700,589,633)	(598,693,766)
dvance income tax paid	(1,351,233,786)	(1.332.812.500)
perating profit before changes in operating assets and liabilities	3,284,523,620	3,388,209,664
nanging in Operating assets & liabilities		
crease/Decrease of trading securities	42,969,131	(138,381,135)
crease/Decrease of placement to other banks	8,350,000,000	(3,550,000,000)
crease/Decrease of Investment and advances to customers (other than Banks)	(10,334,445,069)	(22,834,168,965)
crease/Decrease of other assets (item-wise)	4,106,855,032	(4,513,507,395)
crease/Decrease of placement from other banks and financial institution	(1,841,200,404)	3,750,000,000
crease/Decrease of Deposits from customers (other than Banks)	2,171,508,003	24,934,864,584
crease/Decrease of Other liabilities account of customers	-	
crease/Decrease of Trading liabilities (item-wise)	308,863,795	3,844,768,473
ash receipt from operating activities	2,804,550,488	1,493,575,562
Net Cash from operating activities	6,089,074,108	4,881,785,226
ash flows from investing activities:		
oceeds from sale of securities		
syments for purchases of securities		
urchase of property, plant and equipment	(261,943,839)	(2,130,778)
lles proceeds of Fixed assets		
rchase-sale of subsidiary		
Net cash flows from investing activities	(261,943,839)	(2,130,778)
ash flows from financing activities		
crease in Exchange Equalization Account		
bordinate Debt	3,000,000,000	
crease in Share Capital		
vidend paid	(1,325,741,727)	
Net cash flows from financing activities	1,674,258,273	
Net increase in cash and cash equivalent (A+B+C)	7,501,388,542	4,879,654,448
Effects of exchange rate changes on cash and cash-equivalents		
Net increase in cash and cash equivalent D+E	7,501,388,542	4,879,654,448
Cash & Cash Equivalents at the beginning of the year	31,890,709,307	27,756,981,946
Cash & Cash Equivalents at the end of the year	39,392,097,848	32,636,636,394

Consolidated Statement of Changes in Equity For the period ended September 30,2015

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance at 1st January 2015	9,469,585,030	4,643,316,650	1,490,190,743	977,548,248	16,580,640,671	1,578,883,020	18,159,523,690
Changes in accounting policy	-	-	-	-	-	-	-
Buy back share						-	-
Issue of the share capital	-	-	-	-	-		-
Restated balance	9,469,585,030	4,643,316,650	1,490,190,743	977,548,248	16,580,640,671	1,578,883,020	18,159,523,690
Surplus/deficit on account of revaluation of properties	-			-			-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-		-
Currency translation differences recognized in the income	-	-	-	25,148,824	25,148,824		25,148,824
Share premium			-	-	-	27,590,219	27,590,219
Net profit for the year	-	-	1,087,734,243	-	1,087,734,243	242,404,919	1,330,139,162
Cash Dividend paid	-	-	(1,325,741,727)	-	(1,325,741,727)	-	(1,325,741,727)
Bonus Share - 2014(14.00 %)	-	- /	-	-	-	-	_
Gain on acquisition of subsidiary			14,698,155	/	14,698,155	102,357,802	117,055,957
Issue of share capital	-	- /	-	38,687	38,687	37,169	75,856
Transferred to retained earning	-	-	-	-	-		- 1
Appropriations during the year	-	382,435,523	(382,435,523)	-	-	-	
Balance as at September 30,2015	9,469,585,030	5,025,752,173	884,445,890	1,002,735,759	16,382,518,852	1,951,273,129	18,333,791,980
Balance as at September 30,2014	9,469,585,030	4,362,097,405	1,172,779,829	977,548,248	15,982,010,512	1,823,500,721	17,805,511,233

Notes to the Financial Statements For the period ended September 30, 2015

 The Bank and its activities
 Al-Arafah Islami Bank Limited was established in 1995 under the Companies Act, 1994 as Banking Company with Limited Liability by shares. It is an interest free Shariah Bank a Bangladesh rendering all types of commercial banking services under the regulation a Bank Companies Act, 1991. The Bank conducts its business on the principles of Musharaka Companies Act, 1991. The Bank conducts its business on the principles of Musharaka Companies and Lie Republic Rep Bank Companies Act. 1991. The Bank conducts its business on the principles of Musharaka, Bai-Murabaha, Bai-Murabaha, Bai-Murabaha, Bai-Murabaha, Bai-Murabaha, Bai-Murabaha, Bai-Murabaha, Bank Maturally, its modes and operations are substantially different from those of other conventional commercial banks. There is a Shariah Supervisory Committee in the bank who maintains constant vigilance to ensure that the activities of the bank are being conducted on the percepts of Islam. The Shariah Supervisory Committee consists of prominent Ulema, reputed Bankers, renowned Lawyers and eminent Economists. The Bank went for public issue of share in the year 1998 and its share are listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). Presently the bank has 100 Branches and 3 (three) Subsidiary Companies.

The principle activities of the Bank are to provide a comprehensive range of financial services including commercial banking, consumer banking, trade finance and other related custody and clearing services to the customers following the provisions of Bank Companies Act, 1991, Bangladesh Bank's directives and the principles of Islamic Shariah.

2. Subsidiaries of the Bank

Al-Arafah Islami Bank Ltd has three subsidiary companies. The financial statements of these subsidiary companies are included in the consolidated financial statements according to

BAS-27.
2.1 AIBL Capital Market Services Limited
Al-Arafah Islami Bank Ltd. owned 60.50% shares of AIBL Capital Market Services Ltd. a subsidiary company of Al-Arafah Islami Bank Limited. AIBL Capital Market Services Ltd. incorporated in Bangladesh on 20 September 2010 as a Public Limited Company. The principal activities of subsidiary company is to provide quality services to the prospective institutional and individual investors in the capital market The main activities and functions of the company include

- Share trading in Dhaka Stock Market and Chittagong Stock Market.
- Provide Margin facilities to the client.
 Full service depository participant of Central Depository of Bangladesh Ltd.

III. Full service depository participant of Central Depository of Bangladesh Ltd.

2.2 AIBL Capital Management Limited

Al-Arafah Islami Bank Ltd. owned 98% shares of AIBL Capital Management Limited a subsidiary company of Al-Arafah Islami Bank Limited AIBL Capital Management Limited has been incorporated under the companies act (Act XVIII) of 1994 as a Private limited Company by share on 25th October 2011. The company was entitled to commence the business also from 25th October 2011 with a view to run and manage the operations of Merchant Banking Services with an authorized Capital of BDT 2 billion and paid up capital of BDT 500 million. It aims to be one of the leading Merchant Banks of the country by rendering quality Merchant Banking Services with a high level of professional expertise and inteatify.

2.3 Millennium Information Solution Limited
Al-Arafah Islami Bank Ltd. owned 51% shares of Millennium Information Solution Limited a subsidiary company of Al-Arafah Islami Bank Limited Millennium Information Solution Limited, a private limited Company was incorporated in Bangladesh under the companies act 1994

on February 11, 2001. The main objective of company is to carry on activities relating to developing software products and providing maintenance and support services both the domestic and international clients. Over the years, MILS has established itself as the leading software developer, implementation and service provisioning company in Bangladesh which adheres to the rules of Islamic Shariah.

3. Basis of preparation and significant accounting policies
3.1 Preparation of financial statements
The consolidated financial statements of the group and the financial statements of the
bank have been prepared on a going concern basis under the historical cost convention
and on Generally Accepted Accounting Principles consistently with those of previous years.
Although the operation of the Bank are in strict compliance with the rules of Islamic Shariot,
the financial statements have been prepared in accordance with the Bank Companies Act
1991, in particular Banking Regulation and Policy Department (BRPD) circular no.15 (09
November 2009) other Bangladesh Bank circulars, the Companies Act 1994, the Securities
and Exchange Rules 1987, Dhaka and Chittlagong Stock Exchanges Listing Regulations,
other laws and rules applicable in Bangladesh and International Accounting Standard (IAS),
and International Financial Reporting Standard (IFRS) as adopted by the Institute of
Chartered Accountants of Bangladesh (ICAB) into Bangladesh Accounting Standard (BAS),
and Bangladesh Financial Reporting Standard (BFRS) where relevant to the Bank to the
extent that these do not contradict with the applicable statutory provisions and standards
issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

3.2 Basis of Consolidation

A separate set of records for consolidating the Statements of Affairs and Income & Expenditure Statements of the branches are maintained at the Head Office of the Bank in Dhaka from which the financial statement are dawn up. Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operational policies of an entity, so as to obtain economic benefits from its activities. The consolidated financial statements incorporate the financial statements of Al-Arafah Islami Bank Limited and the financial statements of subsidiary companies are incorporated on a line by line basis and the investments held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there are no evidence of impairment.

Cash flow statement:

Cash flow statement is prepared principally in accordance with BAS-7 "Statement of flow" and the cash flow from the operating activities have been presented under method as prescribed by the Securities and Exchange Rules 1987 and considering provision of paragraph is (b) of BAS-7 which provides that enterprise are encouragreport cash flow from operating activities using the direct method.

3.4 Investment:

Investments are normally written off, when there is no realistic prospect of recovery of these amounts in accordance with BRPD Circular No.2 (13 January 2003). A separate Investment Administration and Recovery Department (IARD) have been set up at the Head Office, which monitors investment written off and legal action through the Money Court. These write-offs do not undermine or affect the amount Claimed against the borrower by the

write-orts ao not undermine or affect the amount Claimed against the borrower by the bank.

The Investment Administration and Recovery Department (IARD) maintain a separate ledger for all individual cases written off by each branch. The IARD follow-up on the recovery efforts of these written off investment and reports to management on a periodic basis. Written off investment are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

b) Investment in shares and securities:

All investment in shares are revalued at the year end. Unquoted shares are valued based on book value of the most recent audited financial statement. Provisions are made for any loss arising from diminution in value of investments:

c) Investment in subsidiaries:

The bank has made investment in subsidiary companies named one AIBL Capital Market Service Ltd Tk. 24.200 crore holding 60.50% shares and the rest of 39.50% shares hold by others, second one named AIBL Capital Management Ltd. Tk. 49.00 crore holding 78.00% shares and the rest of 2.00% shares hold by others.

a) Depreciation is charged on monthly basis on straight-line method on all fixed assets at

Machine Equipment & Appliances Books & Library Online Hardware

b)On addition of fixed assets depreciation is to be charged from the month of acquisition. Whole month depreciation is to be charged if such assets are acquired in the first half of the month and no depreciation is to be charged if such assets are acquired in the second half of the month.

3.5 Amortization of Intangible Assets
The depreciable amount of an item of Intangible Assets has been allocated on a systematic basis over the best estimated of its useful life. The amortization should commence when the assets is available for use.

a) Amortization is charged on monthly basis on straight-line method on all Intangible assets at the following rates per annum:

Name of Intangible Assets	Rate of Depreciation	Useful life	
Online Software	20.00%	5 Years	

b) On addition of Intagible assets Amortization is charged from the month of acquisition. Whole month Amortization is charged if such assets are acquired in the first half of the month and no Amortization is charged if such assets are acquired in the second half of the

month.
c)On the month of disposal of Intangible assets, no Amortization is charged. The cost and accumulated Amortization of disposed assets are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the income statement.

5. Consolidated Earnings Per Share (EPS)
Earnings per share have been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)".

Particulars	01-01-15 to 30-09-15	01-01-14 to 30-09-14	01-01-14 to 30-09-14	01-01-14 to 30-09-14
	Taka	Taka	Taka	Taka
Net profit after tax (Numerator	1,330,139,162	1,183,541,235	458,541,775	(135,623,391)
Less: Non-Controlling Interest	242,404,919	230,979,199	77,281,697	91,235,029
Net profit after tax Less : Non-Controlling Interest	1,087,734,243	952,562,036	381,260,078	(226,858,420)
Weighted average number of ordinary shares outstanding	946,958,503	946,958,503	946,958,503	946,958,503
Consolidated earnings per share (CEPS)	1.15	1.01	0.40	(0.24)
Consolidated Net Operating Cash Flows Per Share(CNOCFPS)	6.43	5.16	(2.81)	3.48
Consolidated Net Assets Value(CNAV)	19.36	18.80	0.51	0.42

3.General Statements have been prepared in accordance with the formats prescribed under the Banking Companies Act, 1991 and in compliance with the rules of Islamic Law (Shariah) related to the banking business activities.

3. Wherever necessary previous years' figures have been rearranged to conform to the current years' presentation.