

## Consolidated Balance Sheet

As at September 30, 2017

PROPERTY AND ASSETS	30-09-17 Taka	31-12-16 Taka
<b>Cash in hand</b>		
Cash in hand (including foreign currencies)	1,950,731,752	2,033,960,977
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	31,148,355,874	30,853,508,125
	33,099,087,626	32,887,469,102
<b>Balance with other Banks and Financial Institutions in Bangladesh</b>		
Outside Bangladesh	4,045,696,709	3,426,434,934
	9,724,769,188	5,703,406,904
	<b>13,770,465,897</b>	<b>9,129,841,838</b>
<b>Placement with Banks &amp; Other Financial Institutions Investment in Share &amp; Securities</b>		
Government	6,900,000,000	6,900,000,000
Others	5,301,362,522	3,333,450,160
	<b>12,201,362,522</b>	<b>10,233,450,160</b>
<b>Investments</b>		
General Investments etc.	4,500,000,000	6,990,000,000
Bills purchased and discounted	801,362,522	2,168,676,294
	<b>5,301,362,522</b>	<b>9,158,676,294</b>
<b>Fixed assets less Accumulated Depreciation</b>		
Other Assets	207,127,906,269	180,155,243,596
	18,829,879,270	16,364,134,345
	<b>225,957,785,539</b>	<b>196,519,377,941</b>
	<b>3,269,514,210</b>	<b>3,240,185,718</b>
	<b>24,243,825,700</b>	<b>18,631,047,423</b>
<b>Non-Banking Assets</b>		
<b>Total Assets</b>	<b>312,542,041,494</b>	<b>272,900,048,477</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from Banks &amp; Other Financial Institutions</b>	<b>25,347,767,493</b>	<b>25,084,653,806</b>
Deposits and other Accounts		
Mudaraba Savings Deposits	30,143,413,578	26,053,949,961
Mudaraba Term Deposits	132,697,386,533	104,981,785,080
Other Mudaraba Deposits	48,162,172,924	46,027,267,857
Al-wadeeah Current Accounts and Other Accounts etc.	24,031,279,377	20,693,095,761
Bills Payable	1,706,547,511	1,947,821,349
	<b>236,740,799,923</b>	<b>199,703,920,008</b>
<b>Other Liabilities</b>		
Deferred tax Liabilities/ (Assets)	26,003,695,542	23,698,530,129
	<b>87,528,804</b>	<b>75,456,597</b>
<b>Total Liabilities</b>	<b>288,179,791,761</b>	<b>248,562,560,539</b>
<b>AIBL Subordinate Bond</b>		
Capital/Share holders Equity	3,000,000,000	3,000,000,000
Paid-up Capital	9,943,064,280	9,943,064,280
Statutory Reserve	7,131,933,410	6,490,088,540
Revaluation Reserve	980,405,278	978,069,978
Retained Earnings	1,357,119,700	2,199,578,985
<b>Total Equity attributable to equity holders of the bank</b>	<b>19,412,522,668</b>	<b>19,610,801,783</b>
Non-Controlling Interest	1,949,727,062	1,726,686,152
<b>Total Equity</b>	<b>21,362,249,730</b>	<b>21,337,487,935</b>
<b>Total Liability and Share holders equity</b>	<b>312,542,041,494</b>	<b>272,900,048,477</b>
<b>OFF BALANCE SHEET ITEMS</b>		
<b>Contingent Liabilities</b>		
Acceptance and endorsement	9,186,681,951	10,243,938,166
Letters of Guarantee	6,657,959,354	4,981,342,733
Letters of Credit	37,121,486,711	26,110,933,527
Bills for Collection	4,420,946,075	3,652,427,592
Other Contingent Liabilities	-	-
<b>Total</b>	<b>57,387,074,091</b>	<b>44,988,642,018</b>
<b>Other Commitments :</b>		
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 commitments	-	-
<b>Total Off Balance sheet items including Contingent liabilities</b>	<b>57,387,074,091</b>	<b>44,988,642,018</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Consolidated Profit & Loss Accounts

For the period ended September 30, 2017

	01-01-17 To 30-09-17 Taka	01-01-16 To 30-09-16 Taka	01-07-17 To 30-09-17 Taka	01-07-16 To 30-09-16 Taka
Investment Income	15,216,862,294	13,845,863,026	5,097,212,798	4,087,385,463
Profit paid on deposits & Borrowing	(8,466,411,356)	(7,396,167,703)	(2,894,302,100)	(2,008,517,193)
<b>Net Investment Income</b>	<b>6,750,450,938</b>	<b>6,449,695,323</b>	<b>2,202,910,698</b>	<b>2,078,868,270</b>
Income from Investment in Shares / Securities	284,390,745	110,039,503	77,327,433	17,142,469
Commission, Exchange and Brokerage	2,171,044,332	1,608,751,626	763,422,308	499,659,038
Other Operating Income	210,879,540	164,779,789	70,723,908	36,376,693
<b>Total operating income</b>	<b>9,416,765,555</b>	<b>8,333,266,241</b>	<b>3,114,384,449</b>	<b>2,632,046,470</b>
Salaries and allowances & contribution to P.F.	2,798,540,959	2,033,114,764	1,245,708,451	905,957,246
Directors' fees & expenses	11,723,148	12,150,507	3,312,710	2,543,419
Shariah Supervisory Committee's fees & expenses	439,773	227,908	122,396	119,431
Rent, taxes, insurance and lighting etc.	465,886,612	416,958,138	188,315,424	177,219,844
Postage, telegram, telephone and stamp etc.	68,220,464	62,428,515	19,087,835	18,205,009
Legal charges	6,303,477	9,788,252	2,516,985	1,969,486
Auditors' fee	262,500	170,500	46,000	57,500
Salary & Allowances to the Managing Director	12,914,000	10,330,000	3,630,000	3,630,000
Depreciation and repairs to the bank's properties	259,674,536	222,316,379	87,699,265	76,080,254
Stationery, printing & advertisement etc.	102,955,944	74,107,368	27,295,303	17,938,713
Other expenses	412,437,242	335,850,762	101,447,691	102,136,366
<b>Total operating expenses</b>	<b>4,139,358,655</b>	<b>3,177,443,093</b>	<b>1,679,182,059</b>	<b>1,305,857,268</b>
<b>Profit/(Loss) before Tax &amp; provision</b>	<b>5,277,406,900</b>	<b>5,155,823,148</b>	<b>1,435,202,390</b>	<b>1,326,189,202</b>
Provision against Investments & Contingent Liabilities	1,462,568,523	1,485,137,163	323,724,100	115,137,163
Provision for diminution in value of investment	(173,799,456)	(88,684,237)	(117,550,228)	(42,613,912)
Other Provision	-	-	-	-
<b>Total provision</b>	<b>1,288,769,067</b>	<b>1,396,452,925</b>	<b>206,173,872</b>	<b>72,523,251</b>
<b>Profit/(Loss) before Tax</b>	<b>3,988,637,833</b>	<b>3,759,370,223</b>	<b>1,229,028,518</b>	<b>1,253,665,951</b>
Current tax	1,985,526,276	1,777,859,185	570,145,241	568,878,956
Deferred tax	12,072,207	31,665,053	8,230,823	31,665,053
<b>Provision for Taxation</b>	<b>1,997,598,482</b>	<b>1,809,524,238</b>	<b>578,376,064</b>	<b>600,544,020</b>
<b>Net Profit/(Loss) after tax</b>	<b>1,991,039,351</b>	<b>1,949,845,985</b>	<b>650,652,353</b>	<b>653,121,932</b>
<b>Net Profit attributable to:</b>				
Equity holders of the bank	1,787,998,441	1,705,125,037	597,355,697	574,953,447
Non-controlling Interest	203,040,910	244,720,948	53,296,656	78,168,485
<b>Profit for the year</b>	<b>1,991,039,351</b>	<b>1,949,845,985</b>	<b>650,652,353</b>	<b>653,121,932</b>
<b>Appropriation</b>				
Statutory Reserve	641,844,870	545,566,533	209,963,687	185,002,894
Non-Controlling Interest	203,040,910	244,720,948	53,296,656	78,168,485
	<b>844,885,780</b>	<b>790,287,481</b>	<b>263,260,343</b>	<b>263,171,379</b>
<b>Transfer to Retained Earnings</b>	<b>1,146,153,571</b>	<b>1,159,558,504</b>	<b>387,392,010</b>	<b>389,950,553</b>
<b>Earning per Ordinary Share</b>	<b>1.80</b>	<b>1.71</b>	<b>0.60</b>	<b>0.57</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Consolidated Cash Flow Statement

For the period ended September 30, 2017

	30-09-17 Taka	30-09-16 Taka
<b>Cash flows from operating activities</b>		
Investment income receipt in Cash	11,216,421,442	13,873,071,021
Profit paid on deposits and borrowing	(5,897,472,861)	(7,784,128,544)
Dividend received	18,705,470	48,058,661
Fees & Commission received in cash	1,407,622,024	1,608,751,626
Recoveries from written off investments	23,139,577	119,890,392
Cash payments to employees	(1,562,116,508)	(2,043,444,764)
Cash payments to suppliers	(75,660,641)	(74,107,368)
Received from other operating activities (item-wise)	140,155,632	164,779,789
Paid for other operating activities (item-wise)	(684,099,325)	(867,064,708)
Advance income tax paid	(1,531,800,847)	(1,602,303,773)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>3,054,893,963</b>	<b>3,443,502,332</b>
<b>Change in Operating assets &amp; liabilities</b>		
Increase/(Decrease) of trading securities	104,773,525	35,305,048
Increase/(Decrease) of placement to other banks	1,833,450,160	(1,150,000,000)
Increase/(Decrease) of investment and advances to customers (other than Banks)	(28,329,319,217)	(21,463,381,879)
Increase/(Decrease) of other assets (item-wise)	(2,581,280,473)	971,787,354
Increase/(Decrease) of placement from other banks and financial institution	5,544,178,374	3,895,611,623
Increase/(Decrease) of Deposits from customers (other than Banks)	22,334,898,519	22,257,986,244
Increase/(Decrease) of Other liabilities account of customers	-	-
Increase/(Decrease) of Trading liabilities (item-wise)	669,496,571	(1,920,754,272)
<b>Cash receipt from operating activities</b>	<b>(513,802,541)</b>	<b>2,626,554,118</b>
<b>A. Net Cash from operating activities:</b>	<b>2,541,091,422</b>	<b>6,070,056,450</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(180,314,202)	(358,352,206)
Sales proceeds of Fixed assets	-	-
Purchase-sale of subsidiary	-	-
<b>B. Net cash flows from investing activities</b>	<b>(180,314,202)</b>	<b>(358,352,206)</b>
<b>Cash flows from financing activities</b>		
Increase in Exchange Equalization Account	1,937,451	11,618,520
Issue of AIBL Subordinate Bond	-	(946,958,504)
Dividend paid	-	-
<b>C. Net cash flows from financing activities</b>	<b>1,937,451</b>	<b>(935,339,984)</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>	<b>2,362,714,671</b>	<b>4,776,364,260</b>
<b>E. Effects of exchange rate changes on cash and cash-equivalents</b>	-	-
<b>F. Net increase in cash and cash equivalent D+E</b>	<b>2,362,714,671</b>	<b>4,776,364,260</b>
<b>G. Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>49,006,838,852</b>	<b>39,301,635,835</b>
<b>H. Cash &amp; Cash Equivalents at the end of the year</b>	<b>51,369,553,523</b>	<b>44,078,000,095</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Consolidated Statement of Changes in Equity (Un-Audited) For the period ended September 30, 2017

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2017	9,943,064,280	6,490,088,540	2,199,578,985	978,069,978	19,610,801,783	1,726,686,152	21,337,487,935
Changes in accounting policy	-	-	-	-	-	-	-
offload share	-	-	-	-	-	20,000,000	-
Restated Adjustment	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>9,943,064,280</b>	<b>6,490,088,540</b>	<b>2,199,578,985</b>	<b>978,069,978</b>	<b>19,610,801,783</b>	<b>1,746,686,152</b>	<b>21,337,487,935</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	2,335,300	2,335,300	-	2,335,300
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	1,787,998,441	-	1,787,998,441	203,040,910	1,991,039,351
Bonus Share	-	-	-	-	-	-	-
Cash Dividend	-	-	(1,988,612,856)	-	(1,988,612,856)	-	(1,988,612,856)
Issue of share capital of subsidiary	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-
Appropriations during the year	-	641,844,870	(641,844,870)	-	-	-	-
<b>Balance as at September 30, 2017</b>	<b>9,943,064,280</b>	<b>7,131,933,410</b>	<b>1,357,119,700</b>	<b>980,405,278</b>	<b>19,412,522,668</b>	<b>1,949,727,062</b>	<b>21,362,249,730</b>
<b>Balance as at September 30, 2016</b>	<b>9,943,064,280</b>	<b>5,986,295,236</b>	<b>1,353,564,733</b>	<b>1,003,208,460</b>	<b>18,286,132,708</b>	<b>1,962,904,030</b>	<b>20,249,036,738</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Notes to the Financial Statements For the period ended September 30, 2017

**1. The Bank and its activities**  
Al-Arafah Islami Bank Limited was established in 1995 under the Companies Act, 1994 as a Banking Company with Limited Liability by shares. It is an interest free Shariah Bank of Bangladesh rendering all types of commercial banking services under the regulation of Bank Companies Act, 1991 (as amended 2013). The Bank conducts its business on the principles of Musharaka, Bai-Murabahah, Bai-Muazzal and Hire Purchase transactions approved by Bangladesh Bank. Naturally, 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 precepts of Islam. The Shariah Supervisory Committee consists of prominent Ulama, reputed Bankers. 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 149 Branches and 3 (three) Subsidiary Companies.

The principal 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 (as amended), 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 BFRS-10.

**2.1 AIBL Capital Market Services Limited**  
Al-Arafah Islami Bank Ltd. owned 98% 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:  
i. Share trading in Dhaka Stock Market and Ch