

# 3<sup>rd</sup> Quarter (Q3) Financial Statement 2019 (un-audited)

## Consolidated Balance Sheet (Un-Audited)

As at September 30, 2019

PROPERTY AND ASSETS	30-09-2019 Taka	31-12-18 Taka
<b>Cash in hand</b>		
Cash in hand (including foreign currencies)	2,972,983,049	2,616,496,304
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	24,053,006,806	23,104,623,105
<b>Balance with other Banks and Financial Institutions</b>	<b>27,025,989,855</b>	<b>25,721,119,409</b>
In Bangladesh	5,915,784,934	2,005,164,277
Outside Bangladesh	9,474,853,835	8,303,795,224
<b>Placement with Banks &amp; Other Financial Institutions</b>	<b>15,390,638,769</b>	<b>10,308,959,502</b>
<b>Investment in Share &amp; Securities</b>	<b>13,200,000,000</b>	<b>8,200,000,000</b>
Government	15,211,073,564	12,214,670,316
Others	13,500,000,000	11,000,000,000
<b>Investments</b>	<b>1,711,073,564</b>	<b>1,214,670,316</b>
General Investments etc.	258,604,242,129	244,932,304,989
Bills purchased and discounted	16,327,480,946	16,941,828,811
<b>Fixed assets less Accumulated Depreciation</b>	<b>274,931,723,075</b>	<b>261,874,133,800</b>
<b>Other Assets</b>	<b>4,488,325,745</b>	<b>4,494,609,175</b>
<b>Non-Banking Assets</b>	<b>17,282,975,091</b>	<b>15,600,927,973</b>
<b>Total Assets</b>	<b>367,581,601,138</b>	<b>338,465,295,212</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from Banks &amp; Other Financial Institutions</b>	<b>28,553,298,209</b>	<b>21,759,835,650</b>
Deposits and other Accounts		
Mudaraba Savings Deposits	45,415,966,288	37,678,761,490
Mudaraba Term Deposits	157,597,294,427	152,181,785,427
Other Mudaraba Deposits	52,491,841,602	49,467,884,447
Al-wadeeah Current Accounts and Other Accounts etc.	26,204,764,555	24,454,571,622
Bills Payable	3,317,145,031	2,422,489,486
<b>Other Liabilities</b>	<b>285,027,011,903</b>	<b>266,205,492,472</b>
<b>Deferred tax Liabilities/ (Assets)</b>	<b>24,965,140,734</b>	<b>19,450,871,395</b>
<b>AIBL Mudaraba Subordinated Bond</b>	<b>6,800,000,000</b>	<b>7,400,000,000</b>
<b>Total Liabilities</b>	<b>345,406,354,036</b>	<b>314,982,065,956</b>
<b>Capital/Share holders Equity</b>		
Paid-up Capital	10,649,021,850	10,440,217,500
Statutory Reserve	8,632,812,656	8,388,044,096
Revaluation Reserve	977,642,839	977,583,714
Retained Earnings	142,421,419	1,908,962,937
<b>Total Equity attributable to equity holders of the bank</b>	<b>20,401,898,763</b>	<b>21,714,808,247</b>
Non-Controlling Interest	1,773,348,338	1,768,421,008
<b>Total Equity</b>	<b>22,175,247,102</b>	<b>23,483,229,256</b>
<b>Total Liability and Share holders equity</b>	<b>367,581,601,138</b>	<b>338,465,295,212</b>
<b>OFF BALANCE SHEET ITEMS</b>		
<b>Contingent Liabilities</b>		
Acceptance and endorsement	32,122,607,067	34,615,080,021
Letters of Guarantee	7,398,895,488	7,096,016,003
Letters of Credit	35,004,266,999	27,266,995,989
Bills for Collection	2,405,785,065	4,069,866,667
Other Contingent Liabilities	-	-
<b>Total</b>	<b>76,931,554,620</b>	<b>73,047,958,680</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 other commitments	-	-
<b>Total Off Balance sheet items including Contingent liabilities</b>	<b>76,931,554,620</b>	<b>73,047,958,680</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Consolidated Profit or Loss Accounts (Un-Audited)

For the period ended September 30, 2019

	01-01-2019 to 30-09-2019 Taka	01-01-2018 to 30-09-2018 Taka	01-07-2019 to 30-09-2019 Taka	01-07-18 to 30-09-18 Taka
Investment Income	21,374,369,140	18,652,152,816	7,252,596,064	6,596,056,654
Profit paid on deposits & Borrowing	(13,984,974,394)	(12,803,120,480)	(5,192,579,179)	(4,368,057,443)
<b>Net Investment Income</b>	<b>7,389,394,746</b>	<b>5,849,032,336</b>	<b>2,060,016,885</b>	<b>2,227,999,211</b>
Income from Investment in Shares/Securities	399,963,457	273,555,878	183,990,503	93,303,003
Commission, Exchange and Brokerage	2,208,042,164	1,988,217,367	725,656,512	691,407,616
Other Operating Income	245,611,787	227,645,581	58,282,842	58,470,233
<b>Total operating income</b>	<b>10,243,012,154</b>	<b>8,338,451,162</b>	<b>3,027,946,742</b>	<b>3,071,180,064</b>
Salaries and allowances & contribution to PF	3,247,057,468	3,055,880,422	1,068,092,145	1,078,882,797
Directors fees & expenses	8,685,348	11,273,438	790,883	4,681,124
Shariah Supervisory Committee's fees & expenses	537,127	560,969	145,027	-
Rent, taxes, insurance and lighting etc.	553,857,780	545,601,221	205,504,939	220,571,021
Postage, telegram, telephone and stamp etc.	63,099,748	70,884,564	23,089,595	23,142,804
Legal charges	9,090,392	12,459,377	2,847,775	3,120,184
Auditors' fee	243,500	207,250	47,500	46,000
Salary & Allowances to the Managing Director	14,628,756	12,754,000	5,300,000	6,300,000
Depreciation and repairs to the bank's properties	447,884,106	349,230,102	166,731,327	140,255,496
Stationery, printing & advertisement etc.	110,701,044	140,226,402	27,290,505	47,054,908
Other expenses	473,517,877	467,699,659	146,553,234	150,336,112
<b>Total operating expenses</b>	<b>4,929,303,145</b>	<b>4,666,777,403</b>	<b>1,671,720,446</b>	<b>1,671,720,446</b>
<b>Profit/(Loss) before Tax &amp; provision</b>	<b>5,313,709,009</b>	<b>3,671,673,758</b>	<b>1,382,493,811</b>	<b>1,399,459,618</b>
Provision against Investments & Contingent Liabilities	3,273,917,809	1,813,271,280	1,147,042,749	688,663,500
Provision for diminution in value of investment	17,488,184	-	3,498,965	-
Other Provision	-	-	-	-
<b>Total provision</b>	<b>3,291,405,993</b>	<b>1,813,271,280</b>	<b>1,150,541,714</b>	<b>688,663,500</b>
<b>Profit/(Loss) before Tax</b>	<b>2,022,303,016</b>	<b>1,858,402,478</b>	<b>231,952,097</b>	<b>710,796,118</b>
Current tax	1,869,274,920	1,070,699,792	565,656,914	310,827,799
Deferred tax	(104,963,249)	13,585,400	(46,968,779)	8,017,337
<b>Provision for Taxation</b>	<b>1,764,311,670</b>	<b>1,084,285,192</b>	<b>518,688,134</b>	<b>318,845,137</b>
<b>Net Profit/(Loss) after tax</b>	<b>257,991,346</b>	<b>774,117,287</b>	<b>(286,736,038)</b>	<b>391,950,981</b>
<b>Net Profit attributable to:</b>				
Equity holders of the bank	253,064,016	769,263,468	(286,851,654)	324,605,760
Non-controlling Interest	4,927,330	4,853,819	115,616	67,345,221
<b>Profit for the year</b>	<b>257,991,346</b>	<b>774,117,287</b>	<b>(286,736,038)</b>	<b>391,950,981</b>
<b>Appropriation</b>				
Statutory Reserve	244,768,560	368,893,020	(110,960,531)	105,472,038
Non-Controlling Interest	4,927,330	4,853,819	115,616	67,345,221
<b>Total</b>	<b>249,695,890</b>	<b>373,746,839</b>	<b>(110,844,915)</b>	<b>172,817,259</b>
<b>Transfer to Retained Earnings</b>	<b>8,295,456</b>	<b>400,370,448</b>	<b>(175,891,122)</b>	<b>219,133,722</b>
<b>Earning per Ordinary Share</b>	<b>0.24</b>	<b>0.72</b>	<b>(0.27)</b>	<b>0.30</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Consolidated Cash Flow Statement (Un-Audited)

For the period ended September 30, 2019

	30-09-2019 Taka	30-09-2018 Taka
<b>Cash flows from operating activities</b>		
Investment income receipt in Cash	21,694,300,495	18,572,012,390
Profit paid on deposits and borrowing	(13,431,220,971)	(11,933,498,956)
Dividend received	15,405,189	16,456,984
Fees & Commission received in cash	2,208,042,164	1,988,217,367
Recoveries from written off investments	94,363,578	124,258,720
Cash payments to employees	(3,261,686,224)	(3,068,634,422)
Cash payments to suppliers	(110,701,044)	(140,226,402)
Received from other operating activities (item-wise)	245,611,787	227,645,581
Paid for other operating activities (item-wise)	(1,173,987,320)	(1,183,825,565)
Advance income tax paid	(1,594,929,058)	(511,150,667)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>4,685,198,597</b>	<b>4,091,255,031</b>
<b>Changing in Operating assets &amp; liabilities</b>		
Increase/(Decrease) of trading securities	(496,403,248)	1,262,396,732
Increase/(Decrease) of placement to other banks	(5,000,000,000)	(1,600,000,000)
Increase/(Decrease) of Investment and advances to customers (other than Banks)	(14,125,920,685)	(17,859,241,004)
Increase/(Decrease) of other assets (item-wise)	(96,854,723)	(2,167,253,396)
Increase/(Decrease) of placement from other banks and financial institution	6,793,462,559	(6,811,519,334)
Increase/(Decrease) of Deposits from customers (other than Banks)	18,267,766,008	20,972,229,653
Increase/(Decrease) of Other liabilities account of customers	-	-
Increase/(Decrease) of Trading liabilities (item-wise)	1,392,790,943	2,160,415,509
<b>Cash receipt from operating activities</b>	<b>6,734,840,854</b>	<b>(4,042,971,839)</b>
<b>A. Net Cash from operating activities</b>	<b>11,420,039,451</b>	<b>48,283,192</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(367,516,236)	(1,254,508,906)
Sales proceeds of Fixed assets	-	-
Transfer-sale of subsidiary	-	-
<b>B. Net cash flows from investing activities</b>	<b>(367,516,236)</b>	<b>(1,254,508,906)</b>
<b>Cash flows from financing activities</b>		
Increase in Exchange Equalization Account	59,125	50,868
Issue of AIBL Subordinated Bond	(600,000,000)	-
Dividend paid	(1,566,032,625)	(1,491,459,642)
<b>C. Net cash flows from financing activities</b>	<b>(2,165,973,500)</b>	<b>(1,491,408,774)</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>	<b>8,886,549,715</b>	<b>(2,697,634,488)</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>8,886,549,715</b>	<b>(2,697,634,488)</b>
<b>G. Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>47,030,078,911</b>	<b>59,164,636,804</b>
<b>H. Cash &amp; Cash Equivalents period ended</b>	<b>55,916,628,625</b>	<b>56,467,002,316</b>

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## Consolidated Statement of Changes in Equity (Un-Audited) For the period ended September 30, 2019

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2019	10,440,217,500	8,388,044,096	1,908,962,937	977,583,714	21,714,808,249	1,768,421,008	23,483,229,256
Changes in accounting policy	-	-	-	-	-	-	-
offload share	-	-	-	-	-	-	-
Restated Adjustment	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>10,440,217,500</b>	<b>8,388,044,096</b>	<b>1,908,962,937</b>	<b>977,583,714</b>	<b>21,714,808,249</b>	<b>1,768,421,008</b>	<b>23,483,229,256</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	59,125	59,125	-	59,125
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	253,064,016	-	253,064,016	4,927,330	257,991,346
Cash Dividend	-	-	(1,566,032,625)	-	(1,566,032,625)	-	(1,566,032,625)
Bonus Share	208,804,350	-	(208,804,350)	-	-	-	-
Issue of share capital of subsidiary	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-
Appropriations during the year	-	244,768,560	(244,768,560)	-	-	-	-
<b>Balance as at September 30, 2019</b>	<b>10,649,021,850</b>	<b>8,632,812,656</b>	<b>142,421,419</b>	<b>977,642,839</b>	<b>20,401,898,763</b>	<b>1,773,348,338</b>	<b>22,175,247,102</b>
<b>Balance as at September 30, 2018</b>	<b>10,440,217,500</b>	<b>7,945,474,134</b>	<b>670,913,393</b>	<b>980,427,093</b>	<b>20,037,032,119</b>	<b>1,766,351,174</b>	<b>21,803,383,294</b>

Chief Financial Officer    Company Secretary    Managing Director    Director    Chairman

## Notes to the Financial Statements For the period ended September 30, 2019

**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-Murabah, 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 Banks. 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 174 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 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;  
I. Share trading in Dhaka Stock Market and Chittagong Stock Market.  
II. Provide Margin facilities to the client.  
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 on 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 integrity.