

HALF YEARLY FINANCIAL STATEMENTS 2020 (UN-AUDITED)

Consolidated Balance Sheet (Un-Audited)

As at June 30, 2020

PROPERTY AND ASSETS	30-06-2020 Taka	31-12-2019 Taka
Cash in hand		
Cash in hand (including foreign currencies)	3,026,074,959	3,063,284,576
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)	18,111,496,070	27,705,400,947
21,137,571,029	30,768,685,523	
Balance with other Banks and Financial Institutions in Bangladesh	9,755,101,326	5,473,391,378
Outside Bangladesh	12,949,550,645	6,120,224,007
22,704,651,972	11,593,615,385	
Placement with Banks & Other Financial Institutions	11,018,200,000	12,000,000,000
Investment in Shares & Securities	16,572,660,048	16,170,519,662
Government	15,000,000,000	14,500,000,000
Others	1,572,660,048	1,670,519,662
Investments		
General Investments etc.	286,038,199,808	274,017,030,403
Bills purchased and discounted	14,026,863,252	14,468,993,302
300,065,063,059	288,486,023,705	
Fixed Assets less Accumulated Depreciation	4,260,154,358	4,351,926,988
Other Assets	19,227,724,747	17,630,165,652
Non-Banking Assets	50,875,037	50,875,037
Total Assets	395,036,900,251	381,051,811,953
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks & Other Financial Institutions	37,643,936,321	27,546,375,561
Deposits and Other Accounts		
Mudaraba Savings Deposits	47,575,755,796	45,211,429,367
Mudaraba Term Deposits	157,371,801,080	162,587,885,485
Other Mudaraba Deposits	59,333,806,992	55,156,097,027
Al-wadeeah Current Accounts and Other Accounts etc.	29,481,844,391	30,701,538,200
Bills Payable	3,602,805,059	3,584,858,976
297,366,013,318	297,241,809,055	
Other Liabilities	28,026,374,441	25,157,583,719
Deferred tax Liabilities/(Assets)	152,616,200	157,832,964
AIBL Mudaraba Subordinated Bond	6,800,000,000	6,800,000,000
Total Liabilities	369,988,940,280	356,903,601,299
Capital/Shareholders' Equity		
Paid-up Capital	10,649,021,850	10,649,021,850
Statutory Reserve	9,786,626,962	9,379,989,138
Revaluation Reserve	938,615,799	938,618,920
Retained Earnings	2,024,292,735	1,531,420,060
Total Equity attributable to equity holders of the bank	23,398,557,346	22,499,049,968
Non-Controlling Interest	1,649,402,625	1,649,160,686
Total Equity	25,047,959,971	24,148,210,654
Total Liability and Shareholders' equity	395,036,900,251	381,051,811,953
Net asset value per share (NAV)	21.97	21.13
OFF-BALANCE SHEET ITEMS		
Contingent Liabilities		
Acceptance and endorsement	39,996,515,993	41,925,424,721
Letters of Guarantee	9,265,946,859	8,274,252,532
Letters of Credit	32,168,453,502	27,646,555,499
Bills for Collection	2,684,875,825	2,552,846,825
Other Contingent Liabilities	-	-
Total	84,115,792,180	80,399,079,577
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 commitments	-	-
Total Off-Balance sheet items including Contingent liabilities	84,115,792,180	80,399,079,577

Chief Financial Officer Company Secretary Managing Director Director Chairman

Consolidated Profit or Loss Account (Un-Audited)

For the Period ended June 30, 2020

	01-01-2020 to 30-06-2020 Taka	01-01-2019 to 30-06-2019 Taka	01-04-2020 to 30-06-2020 Taka	01-04-2019 to 30-06-2019 Taka
Investment Income	14,029,774,615	14,121,773,076	6,536,358,573	7,219,812,181
Profit paid on Deposits & Borrowing	(8,958,432,374)	(8,792,395,215)	(4,082,520,199)	(4,464,018,585)
Net Investment Income	5,071,342,241	5,329,377,861	2,453,838,374	2,755,793,596
Income from Investment in Shares/Securities	317,286,280	215,972,954	306,783,299	180,523,443
Commission, Exchange and Brokerage	1,278,394,669	1,482,385,652	540,054,001	671,799,597
Other Operating Income	150,439,097	187,328,945	102,787,242	86,727,251
1,746,120,046	1,885,687,551	949,624,542	939,050,291	
Total operating income	6,817,462,288	7,215,065,412	3,403,462,916	3,694,843,887
Salaries and allowances & contribution to P.F	2,571,088,426	2,178,965,323	1,454,702,399	1,149,873,827
Directors' fees & expenses	3,836,494	7,894,465	665,616	2,717,188
Shariah Supervisory Committee's fees & expenses	117,906	392,100	(742,108)	219,973
Rent, taxes, insurance and lighting etc.	366,055,439	348,352,841	183,967,763	184,625,613
Postage, telegram, telephone and stamp etc.	39,715,614	40,010,153	15,157,329	7,359,081
Legal charges	7,587,273	6,242,617	2,054,820	2,581,912
Auditors' fee	69,000	186,000	69,000	151,500
Salary & Allowances to the Managing Director	10,144,000	10,278,756	4,880,000	3,528,756
Depreciation and repairs to the bank's properties	312,938,803	281,152,779	145,683,093	127,580,121
Stationery, printing & advertisement etc.	113,050,108	83,410,538	32,761,212	19,243,761
Other expenses	352,747,647	326,964,642	186,048,548	179,137,151
Total operating expenses	3,777,350,710	3,283,850,215	2,025,247,672	1,677,018,883
Profit/(Loss) before Tax & provision	3,040,111,578	3,931,215,198	1,378,215,243	2,017,825,003
Provision against Investments & Contingent Liabilities	985,734,475	2,126,875,060	511,996,475	1,236,013,590
Other Provision	19,202,191	13,989,218	100,627	(1,342,158)
Total provision	1,004,936,665	2,140,864,278	512,097,102	1,234,671,432
Profit/(Loss) before Tax	2,035,174,913	1,790,350,919	866,118,142	783,153,572
Current tax	1,140,639,240	1,303,618,006	559,769,319	755,149,214
Deferred tax	(5,216,765)	(57,994,470)	(55,203,166)	(46,322,657)
Provision for Taxation	1,135,422,475	1,245,623,536	504,566,153	708,826,558
Net Profit/(Loss) after tax	899,752,438	544,727,383	361,551,989	74,327,014
Equity holders of the bank	99,510,499	539,915,669	361,540,369	73,897,400
Non-controlling Interest	241,939	4,811,714	11,620	429,614
Profit for the year	899,752,438	544,727,383	361,551,989	74,327,014
Appropriation				
Statutory Reserve	406,637,824	355,729,091	173,216,861	156,568,004
Non-Controlling Interest	241,939	4,811,714	11,620	429,614
Transfer to Retained Earnings	406,879,763	360,540,805	173,228,481	156,997,618
Earnings per Ordinary Share	492,872,675	184,186,578	188,323,508	(82,670,804)
	0.84	0.51	0.34	0.07

Chief Financial Officer Company Secretary Managing Director Director Chairman

Consolidated Cash Flow Statement (Un-Audited)

For the Period ended June 30, 2020

	30-06-2020 Taka	30-06-2019 Taka
Cash flows from operating activities		
Investment income receipts	14,626,287,426	14,266,401,544
Profit paid on deposits and borrowings	(8,745,017,589)	(9,004,801,726)
Dividend received	8,761,766	13,518,681
Fees & Commission receipts	1,278,394,669	1,482,385,652
Recoveries from written off investments	11,953,527	87,562,470
Cash payments to employees	(2,581,232,426)	(2,189,244,079)
Cash payments to suppliers	(113,050,108)	(83,410,538)
Receipts from other operating activities (item-wise)	150,439,097	187,328,945
Payment for other operating activities (item-wise)	(811,617,324)	(760,335,370)
Advance income tax paid	(1,666,596,324)	(1,266,077,964)
Operating profit before changes in operating assets and liabilities	2,158,322,715	2,733,327,615
Change in operating assets & liabilities		
Increase/(Decrease) of trading securities	97,859,614	(489,526,149)
Increase/(Decrease) of placement to other banks	981,800,000	(4,150,000,000)
Increase/(Decrease) of Investment and advances to customers (other than Banks)	(11,004,047,916)	(9,686,280,552)
Increase/(Decrease) of other assets (item-wise)	(210,904,594)	(1,097,704,306)
Increase/(Decrease) of placement from other banks and financial institution	10,097,560,760	3,334,615,121
Increase/(Decrease) of Deposits from customers (other than Banks)	(89,210,522)	20,891,059,463
Increase/(Decrease) of Other liabilities account of customers	-	-
Increase/(Decrease) of Trading liabilities (item-wise)	316,061,391	174,044,466
Cash receipt from operating activities	189,118,734	8,976,208,042
A. Net Cash Flows from operating activities	2,347,441,449	11,709,535,657
Cash flows from investing activities:		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(367,516,236)	101,483,706
Sales proceeds of Fixed assets	-	-
Sale/(Purchase) of subsidiary	-	-
B. Net cash flows from investing activities	(367,516,236)	101,483,706
Cash flows from financing activities		
Increase in Exchange Equalization Account	(3,121)	55,767
Issue of AIBL Subordinate Bond	-	-
Dividend paid	-	(1,566,032,625)
C. Net cash flows from financing activities	(3,121)	(1,565,976,858)
D. Net increase in cash and cash equivalent (A+B+C)	1,979,922,092	10,245,042,505
E. Effects of exchange rate changes on cash and cash equivalents	-	-
F. Net increase in cash and cash equivalent D+E	1,979,922,092	10,245,042,505
G. Cash & Cash Equivalents at the beginning of the year	56,862,300,908	47,030,078,911
H. Cash & Cash Equivalents at the end of the year	58,842,223,000	57,275,121,415
Net Operating Cash Flow per Share (NOCFPS)	2.20	11.00

Chief Financial Officer Company Secretary Managing Director Director Chairman

Consolidated Statement of Changes in Equity (Un-Audited) For the Period ended June 30, 2020

Particulars	Paid-up Capital	Statutory Reserve	Retained Earnings	Assets Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1 st January, 2020	10,649,021,850	9,379,989,138	1,531,420,060	938,618,920	22,499,049,969	1,649,160,686	24,148,210,655
Changes in accounting policy	-	-	-	-	-	-	-
Offload share	-	-	-	-	-	-	-
Restated Adjustment	-	-	-	-	-	-	-
Restated balance	10,649,021,850	9,379,989,138	1,531,420,060	938,618,920	22,499,049,969	1,649,160,686	24,148,210,655
Deferred tax Adjustment	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	(3,121)	(3,121)	-	(3,121)
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	899,510,499	-	899,510,499	-	899,752,438
Cash Dividend	-	-	-	-	-	-	-
Bonus Share	-	-	-	-	-	-	-
Issue of share capital of subsidiary	-	-	-	-	-	-	-
Gain on pre-acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-
Appropriations during the year	-	406,637,824	(406,637,824)	-	-	-	-
Balance as at June 30, 2020	10,649,021,850	9,786,626,962	2,024,292,735	938,615,799	23,398,557,346	1,649,402,625	25,047,959,971
Balance as at June 30, 2019	10,649,021,850	8,743,773,187	318,312,540	977,639,481	20,688,747,058	1,773,232,722	22,461,979,781

Chief Financial Officer Company Secretary Managing Director Director Chairman

Notes to the Financial Statements For the Period ended June 30, 2020

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-Murabaha, 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 168 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:

- 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.

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 integrity

3. Basis of preparation and significant accounting policies

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 Shariah, 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 Chittagong 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 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 statements