

**Consolidated Statement of Changes in Equity
For the half year ended June 30, 2014
(un-audited)**

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January 2014	8,343,246,710	3,849,648,169	1,328,205,352	977,548,248	14,498,648,479	1,592,521,522	16,091,170,001
Changes in accounting policy	-	-	-	-	-	-	-
Buy back share	-	-	-	-	-	-	-
Issue of the share capital	1,126,338,320	-	-	-	1,126,338,320	-	1,126,338,320
Restated balance	9,469,585,030	3,849,648,169	1,328,205,352	977,548,248	15,624,986,799	1,592,521,522	17,217,508,321
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	-	-	-
Net gain and losses not recognized in Income Statement	-	-	-	-	-	-	-
Net profit for the year	-	-	1,179,420,456	-	1,179,420,454	139,744,170	1,319,164,626
Interim Dividend paid	-	-	(1,126,338,320)	-	(1,126,338,320)	-	(1,126,338,320)
Bonus Share - 2013(13.50 %)	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Transferred to retained earning	-	-	(398,089,659)	-	-	-	-
Appropriations during the year	-	398,089,659	983,197,828	-	15,678,068,932	1,732,265,692	17,410,334,624
Balance as at June 30,2014	9,469,585,030	4,247,737,828	983,197,828	977,548,248	15,678,068,932	1,732,265,692	17,410,334,624
Balance as at June 30,2013	8,343,246,710	3,345,709,362	470,825,217	977,548,248	13,137,329,537	1,687,201,039	14,824,530,576


Chief Financial Officer


Managing Director

CREDIT RATING REPORT

Credit Rating Agency of Bangladesh (CRAB) Limited has retained the long term of Al-Arafah Islami Bank Limited to AA₃ (Pronounced Double A Three) and the short term rating at ST-2 based on audited financial statement of 31st December, 2013 and other relevant qualitative & quantitative information.

Rating (2012)	Rating (2013)	Definition
Long Term AA₃	Long Term AA₃ (Very strong capacity & Very High Quality)	Commercial Banks rated AA ₃ in the long term belong to "Very Strong Capacity & Very High Quality" cohort. Banks rated "AA ₃ " have very strong capacity to meet their financial commitments. AA ₃ rated Banks are judged to be of very high quality and are subject to low credit risk.
Short Term ST-2	Short Term ST-2 (strong capacity)	The short term "ST-2" category are considered to have strong capacity for timely repayment of obligations. Commercial Banks rated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds.
Stable	Positive	Outlook
Date of Rating		30 June, 2014
Validity		30 June, 2015

আল-আরাফাহ্ ইসলামী ব্যাংক লিঃ-এর নিম্নলিখিত
সঞ্চয় প্রকল্পগুলো আপনাদের সেবায় নিয়োজিত

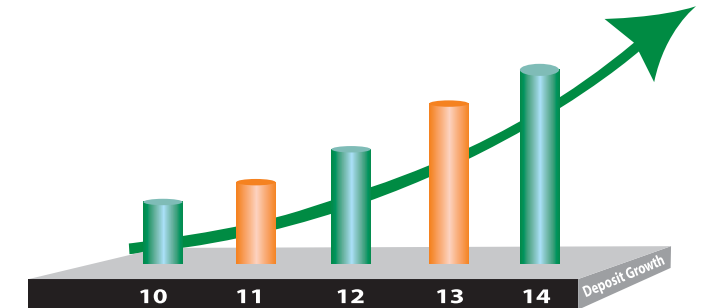
- ❖ মুদারাবা কোটিপতি ডিপোজিট স্কীম
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HALF-YEARLY ACCOUNTS

As at 30th June, 2014
(un-audited)





To
ALL SHAREHOLDERS/STATUTORY AGENCIES
Half-Yearly Accounts
As at 30th June, 2014
(un-audited)

As per Rule 13 of the Securities and Exchange Rules, 1987 and SEC's Notification No. SEC/Section7/SER/03/132 dated October 22, 1997, the Management of the Bank is pleased to enclose un-audited Balance Sheet, Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity of the Bank for the half year ended on June 30, 2014.

Md. Habibur Rahman
Managing Director

July 24, 2014

Consolidated Balance Sheet
As at June 30, 2014
(un-audited)

PROPERTY AND ASSETS	30-06-14 Taka	31-12-13 Taka
Cash in hand		
Cash in hand (including foreign currencies)	1,511,568,750	1,532,281,100
Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)	15,782,243,188	16,046,314,177
	17,293,811,938	17,578,595,277
Balance with other Banks and Financial Institutions		
In Bangladesh	2,228,942,931	3,136,879,135
Outside Bangladesh	2,342,860,746	1,561,507,535
	4,571,803,677	4,698,386,670
Placement with Banks & Other Financial institutions	5,900,000,000	5,400,000,000
Investment in Share & Securities	9,004,806,607	7,138,935,368
Government	7,480,000,000	5,480,000,000
Others	1,524,806,607	1,658,935,368
Investments		
General Investments etc.	139,174,154,039	117,501,184,858
Bills purchased and discounted	3,187,578,370	8,214,210,561
	142,361,732,409	125,715,395,419
Fixed assets including Premises	2,512,784,004	2,517,217,793
Other Assets	13,251,279,530	10,113,096,083
Non-Banking Assets	-	-
Total Assets	194,896,218,165	173,161,626,610
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks & Other Financial institutions	3,900,000,000	3,400,000,000
Deposits and other Accounts		
Mudaraba Savings Deposits	15,672,895,370	12,267,376,580
Mudaraba Term Deposits	97,150,546,595	90,041,393,769
Other Mudaraba Deposits	28,464,696,037	24,152,503,796
Al-Wadia Current Accounts and Others Accounts etc.	15,138,496,810	13,566,062,046
Bills Payable	1,321,579,296	953,220,429
	157,748,214,108	140,980,556,620
Other Liabilities	15,772,991,194	12,625,221,752
Deferred tax Liabilities/ (Assets)	64,678,238	64,678,238
Total Liabilities	177,485,883,541	157,070,456,610
Capital/Share holders Equity		
Paid up Capital	9,469,585,030	8,343,246,710
Statutory Reserve	4,247,737,828	3,849,648,169
Revaluation Reserve	977,548,248	977,548,248
Retained Earnings	983,197,826	1,328,205,351
	15,678,068,932	14,498,648,478
Total equity attributable to equity holders of the bank	15,678,068,932	14,498,648,478
Non-Controlling Interest	1,732,265,692	1,592,521,522
Total equity	17,410,334,624	16,091,170,000
Total Liability and Share holders equity	194,896,218,165	173,161,626,610
OFF BALANCE SHEET ITEMS		
Contingent Liabilities		
Acceptance and endorsement	11,964,601,643	11,479,081,930
Letters of Guarantee	3,603,633,929	4,006,609,306
Letters of Credit	12,202,052,983	10,953,924,250
Bills for Collection	1,069,840,345	897,260,263
Other Contingent Liabilities	-	-
Total	28,840,128,900	27,336,875,749
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	28,840,128,900	27,336,875,749

Chief Financial Officer

Managing Director

Consolidated Profit & Loss Accounts
For the half year ended June 30, 2014
(un-audited)

	01-01-14 to 30-06-14 Taka	01-01-13 to 30-06-13 Taka	01-04-14 to 30-06-14 Taka	01-04-13 to 30-06-13 Taka
Investment Income	9,819,548,708	8,782,504,596	5,168,694,138	4,334,926,288
Profit paid on deposits & Borrowing	(6,581,036,783)	(6,045,235,944)	(3,340,324,207)	(3,018,016,040)
Net Investment Income	3,238,511,925	2,737,268,652	1,828,369,931	1,316,910,248
Income from Investment in Shares /Securities	143,988,570	91,855,655	89,939,457	62,734,163
Commission, Exchange and Brokerage	908,693,472	535,978,491	427,535,268	284,508,329
Other Operating Income	168,109,361	130,186,404	143,827,994	94,532,172
	1,220,791,403	758,020,550	661,302,719	441,774,664
Total operating income	4,459,303,328	3,495,289,202	2,489,672,650	1,758,684,912
Salaries and allowances & contribution to P.F	944,230,826	884,392,689	508,580,642	562,887,009
Directors' fees & expenses	6,349,497	5,999,222	3,915,758	3,701,483
Shariah Supervisory Committee's fees & expenses	139,427	107,121	-	54,809
Rent, taxes, insurance, lighting etc.	164,224,812	134,967,732	114,565,712	52,034,705
Postage, telegram, telephone and stamp etc.	38,127,337	27,082,628	17,878,883	15,595,536
Legal charges	1,195,361	2,023,884	213,470	1,502,400
Auditors' fee	117,707	74,750	4,457	17,250
Salary & Allowances to the Managing Director	6,070,000	5,530,000	3,320,000	2,590,000
Depreciation and repairs to the bank's properties	114,217,046	101,760,505	62,278,620	58,881,312
Stationery, printing, advertisement etc.	44,826,199	34,699,968	23,265,589	18,706,813
Other expenses	174,349,735	147,409,131	107,692,558	88,128,977
Total operating expenses	1,493,847,947	1,344,047,630	841,715,689	804,100,294
Profit/(Loss) before Tax & provision	2,965,455,381	2,151,241,572	1,647,956,961	954,584,618
Provision against Investments & Contingent Liabilities	445,600,000	506,766,735	247,099,350	(300,772,265)
Provision for diminution in value of investment	(18,117,381)	-	(29,131,660)	(86,400,000)
Other Provision	-	-	-	-
Total provision	427,482,619	506,766,735	217,967,690	(387,172,265)
Profit/(Loss) before Tax	2,537,972,762	1,644,474,837	1,429,989,271	1,341,756,883
Current tax	1,218,808,136	855,633,277	667,704,011	347,560,211
Deferred tax	-	-	-	-
Provision for Taxation	1,218,808,136	855,633,277	667,704,011	347,560,211
Net Profit/(Loss) after tax	1,319,164,626	788,841,560	762,285,260	994,196,672
Net Profit attributable to :				
Equity holders of the bank	1,179,420,456	688,343,322	691,102,861	939,550,258
Non-controlling Interest	139,744,170	100,498,238	71,182,399	54,646,414
Profit for the year	1,319,164,626	788,841,560	762,285,260	994,196,672
Appropriation				
Statutory Reserve	398,089,659	243,632,396	230,027,470	243,632,396
Non-Controlling Interest	139,744,170	100,498,238	71,182,399	54,646,414
	537,833,829	344,130,634	301,209,869	298,278,810
Transfer to Retained Earnings	781,330,797	444,710,926	461,075,391	695,917,862
Earning per Ordinary Share	1.25	0.73	0.73	0.99

Chief Financial Officer

Managing Director

Consolidated Cash Flow Statement
For the half year ended June 30, 2014
(un-audited)

	30-06-2014 Taka	30-06-2013 Taka
Cash flows from operating activities		
Investment income receipt in Cash	9,945,091,872	8,862,235,624
Profit paid on deposits and borrowing	(6,581,036,783)	(6,045,235,944)
Dividend received	15,783,926	11,634,202
Fees & Commission received in cash	908,693,472	535,978,491
Recoveries from written off investments	2,661,480	490,425
Cash payments to employees	(950,300,826)	(889,922,689)
Cash payments to suppliers	(44,826,199)	(34,699,968)
Received from other operating activities (item-wise)	168,108,361	130,186,404
Paid for other operating activities (item-wise)	(402,121,746)	(419,424,973)
Advance income tax paid	(1,102,430,788)	(867,920,783)
Operating profit before changes in operating assets and liabilities	1,959,623,769	1,283,320,789
Changing in Operating assets & liabilities		
Increase/Decrease of trading securities	134,128,761	(120,905,235)
Increase/Decrease of placement to other banks	(500,000,000)	4,850,000,000
Increase/Decrease of Investment and advances to customers (other than Banks)	(16,646,336,990)	(4,466,049,399)
Increase/Decrease of other assets (item-wise)	(2,035,752,659)	35,373,874
Increase/Decrease of placement from other banks and financial institution	500,000,000	(130,000,000)
Increase/Decrease of Deposits from customers (other than Banks)	16,767,657,488	7,609,018,654
Increase/Decrease of Other liabilities account of customers	-	-
Increase/Decrease of Trading liabilities (item-wise)	1,404,879,509	(136,097,382)
Cash receipt from operating activities	(375,423,891)	7,641,340,512
A. Net Cash from operating activities	1,584,199,875	8,924,661,301
Cash flows from investing activities:		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	4,433,794	(99,405,979)
Sales proceeds of Fixed assets	-	-
Purchase-sale of subsidiary	-	-
B. Net cash flows from investing activities	4,433,794	(99,405,979)
Cash flows from financing activities		
Increase in Exchange Equalization Account	-	-
Increase in Share Capital	-	-
Dividend paid	-	-
C. Net cash flows from financing activities	-	-
D. Net increase in cash and cash equivalent (A+B+C)	1,588,633,669	8,825,255,322
E.Effects of exchange rate changes on cash and cash-equivalents	-	-
F.Net increase in cash and cash equivalent D+E	1,588,633,669	8,825,255,322
G.Cash & Cash Equivalents at the beginning of the year	27,756,981,946	19,197,700,572
H.Cash & Cash Equivalents at the end of the year	29,345,615,615	28,022,955,894

Chief Financial Officer

Managing Director