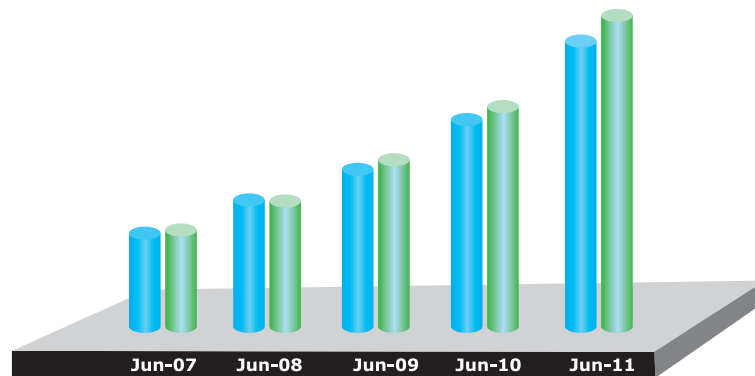


HALF-YEARLY ACCOUNTS

As at 30th June, 2011
(Un-audited)





To
ALL-SHAREHOLDERS/STATUTORY AGENCIES
Half-Yearly Accounts
(Un-audited)
As at 30th June, 2011

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 Mangement 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, 2011.

July 28, 2011


Ekramul Hoque
Managing Director

Consolidated Balance Sheet

As at June 30, 2011

(Un-audited)

	JUNE-2011 Taka	DECEMBER-2010 Taka
PROPERTY AND ASSETS		
Cash in hand		
Cash in hand (Including foreign Currencies)	671,545,384	573,365,966
Balance with Bangladesh Bank and its Agents Banks (Including foreign Currencies)	7,988,892,960	3,672,456,738
	8,660,438,344	4,245,822,704
Balance with other Banks and Financial Institutions		
In Bangladesh	919,632,957	287,134,641
Outside Bangladesh	1,125,137,626	516,947,517
	2,044,770,583	804,082,158
Placement with Banks & other Financial Institutions	9,000,000,000	8,200,000,000
Investment in Share & Securities		
Government	2,400,000,000	2,000,000,000
Others	178,833,340	178,833,340
	2,578,833,340	2,178,833,340
Investment		
General Investment etc.	53,975,760,838	47,153,317,226
Bills Purchased and Discounted	6,526,358,002	6,429,643,497
	60,502,118,840	53,582,960,723
Fixed Assets including Premises	842,499,701	655,388,261
Other Assets	5,074,046,948	4,337,919,002
Non-Banking Assets	-	-
Total Assets	88,702,707,756	74,005,006,188
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks & other Financial Institutions	5,000,000,000	5,680,000,000
Deposit and other Accounts		
Mudaraba Savings Deposits	7,387,961,135	7,227,520,700
Mudaraba Term Deposits	38,985,403,275	26,325,030,985
Other Mudaraba Deposits	12,249,433,827	11,941,816,975
Al-Wadia Current Accounts & Other Accounts etc.	6,583,829,828	6,667,082,751
Bills Payable	499,413,108	812,514,055
	65,706,041,173	52,973,965,466
Other Liabilities	7,227,900,746	5,690,044,819
Deferred Tax Liabilities/(Assets)	13,547,746	13,547,746
Total Liabilities	77,947,489,665	64,357,558,031
Capital/Share holders Equity		
Paid up Capital	5,893,371,994	4,677,279,360
Minority Interest	2,058,919,364	1,948,887,277
Statutory Reserve	1,994,403,192	1,681,818,833
Other Reserve	64,603,248	64,603,248
Retained Earning	743,920,293	1,274,859,439
Total Share holders Equity	10,755,218,091	9,647,448,157
Total Liability and Share holders Equity	88,702,707,756	74,005,006,188
OFF BALANCE SHEET ITEMS		
Contingent Liabilities :		
Acceptance and Endorsement	8,440,710,111	5,016,360,356
Letters of Guarantee	3,418,584,223	3,081,523,783
Letters of Credit	9,162,241,389	14,254,079,129
Bills for Collection	1,434,700,734	1,084,910,587
Other Contingent Liabilities	-	-
Total	22,456,236,457	23,436,873,855
Other Commitments :		
Documentary Credits and other short term trade related transactions	-	-
Forward Assets Purchased and Forward Deposit placed	-	-
Upward note issuance and Revolving underwriting Facilities	-	-
Unwrad Formal standing Facilities, Credit lines and other commitments	-	-
Total off Balance Sheet items including Contingent Liabilities	22,456,236,457	23,436,873,855

Chief Financial Officer

Managing Director

Consolidated Profit and Loss Account
For the half year ended June 30, 2011
(Un-audited)

	JAN-JUNE 2011 Taka	JAN-JUNE 2010 Taka	APR-JUN 2011 Taka	APR-JUN 2010 Taka
Investment Income	3,989,858,375	2,276,717,159	2,182,687,187	1,199,185,138
Profit paid on Deposit and Borrowing	(2,291,435,885)	(1,389,173,513)	(1,253,734,083)	(726,499,956)
Net Investment Income	1,698,422,490	887,543,646	928,953,104	472,685,182
Income from Investment in Share & Securities	37,934,247	200,000	37,934,247	200,000
Commission, Exchange and Brokerage	761,266,286	871,663,775	388,718,904	519,829,425
Other operating Income	120,043,229	124,073,468	89,826,746	90,751,342
	919,243,762	995,937,243	516,479,897	610,780,767
Total operating Income	2,617,666,252	1,883,480,889	1,445,433,001	1,083,465,949
Salaries and Allowances & Contribution to P.F	395,896,900	352,374,193	222,646,774	223,607,970
Directors Fees and Expenses	3,817,941	2,977,457	2,788,719	1,533,882
Shariah Supervisory Committee's Fees & Expenses	126,497	48,874	71,479	-
Rents, Taxes, Insurance, Lighting etc.	78,600,611	61,941,221	52,216,037	43,529,862
Postage, Telegram, Telephone & Stamps etc	25,728,426	21,149,798	16,576,111	11,996,301
Law charges	2,131,745	1,947,873	1,439,969	1,145,918
Auditors' Fees	-	500,000	-	500,000
Salary & Allowances to the Managing Director	5,530,000	2,400,000	3,265,000	1,200,000
Depreciation & Repairs to the Banks Properties	40,288,646	32,049,144	36,905,805	28,140,528
Stationery, Printing, Advertisement etc.	23,376,166	16,352,029	10,866,097	8,832,889
Other Expenses	127,670,325	112,538,147	90,318,019	56,758,650
Total operating expenses	703,167,257	604,278,736	437,094,010	377,246,000
Profit/(loss) before Tax & provision	1,914,498,995	1,279,202,154	1,008,338,991	706,219,950
Provision against Investment & Contingent Liabilities	12,302,059	78,605,913	(30,984,941)	76,292,913
Provision for diminution in value of Investment	32,300,000	-	32,300,000	-
Other Provision	-	-	-	-
Total provision	44,602,059	78,605,913	1,315,059	76,292,913
Profit/ (Loss) before Tax	1,869,896,936	1,200,596,241	1,007,023,932	629,927,037
Current Tax	762,127,002	405,909,390	381,535,970	219,270,314
Deferred Tax	-	-	-	-
Provision for Taxation	762,127,002	405,909,390	381,535,970	219,270,314
Net Profit /(Loss) after Tax	1,107,769,934	794,686,851	625,487,962	410,656,722
Retained Earning Brought forward	58,766,806	2,913,033	1,575,371,404	812,495,401
	1,166,536,740	797,599,884	2,200,859,366	1,223,152,123
Appropriations :				
Statutory Reserve	312,584,359	240,119,248	158,117,638	125,985,407
Minority Interest	110,032,088	-	82,728,801	-
	422,616,447	240,119,248	240,846,439	125,985,407
Retained Earnings	743,920,293	557,480,636	1,960,012,927	1,097,166,715
Earning per Ordinary share (EPS)	1.69	1.35	0.92	0.70


Chief Financial Officer


Managing Director

Consolidated Cash Flow Statement

For the half year ended June 30, 2011

(Un-audited)

	JUNE-2011 Taka	June-2010 Taka
A.Cash flows from operating activities		
Investment income receipt in cash	3,986,495,250	2,276,717,159
Profit paid on deposits and borrowings	(2,291,435,885)	(1,389,173,513)
Dividend recieved	37,934,247	200,000
Fees & Commission received in cash	761,266,286	871,663,775
Recoveries from written off investments	3,363,125	21,394,087
Cash payments to employees	(401,426,900)	(354,774,193)
Cash payments to suppliers	(23,376,166)	(7,378,121)
Received from other operating activities (item - wise)	120,043,229	124,073,468
Paid for other operating activities (item - wise)	(246,319,641)	(217,040,443)
Advance income tax paid	(379,703,042)	(350,000,000)
Operating profit before changes in operating assets and liabilities	1,566,840,503	975,682,219
Changes in Operating assets & liabilities		
Increase/(Decrease) of trading securities	-	-
Increase/(Decrease) of placement to other Banks	(800,000,000)	(800,000,000)
Increase/(Decrease) of Investment and advances to customers (Other than Banks)	(6,919,158,117)	(7,854,935,337)
Increase/(Decrease) of other assets (item-wise)	(187,111,440)	(1,462,127,854)
Increase/(Decrease) of placement from other banks and financial institution	(680,000,000)	2,310,000,000
Increase/(Decrease) of Deposits from customers (other than Banks)	12,732,075,706	8,276,806,189
Increase/(Decrease) of other liabilities account of customers	-	-
Increase/(Decrease) of Trading liabilities (item- wise)	561,813,402	499,460,782
Cash receipt from operating activities	4,707,619,551	969,203,780
A. Net Cash from operating activities	6,274,460,054	1,944,885,999
Cash flows from investing activities:		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	(100,000,000)
Purchase of property, plant and equipment	(219,155,989)	(66,937,565)
Sales proceeds of Fixed assets	-	-
Purchase-sale of subsidiary	-	-
B. Net cash flows from investing activities	(219,155,989)	(166,937,565)
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)	6,055,304,065	1,777,948,434
E.Effects of exchange rate changes on cash and cash-equivalents	-	-
F.Net increase in cash and cash equivalent D+E	6,055,304,065	1,777,948,434
G.Cash & Cash Equivalents at the beginning of the year	7,049,904,862	6,131,967,262
H.Cash & Cash Equivalents at the end of the period	13,105,208,927	7,909,915,696

Chief Financial Officer

Managing Director

Consolidated Statement of Changes in Equity
For the half year ended June 30, 2011
(Un-audited)

Particular	Paid up Capital	Statutory Reserve	Minority Interest	Retained Earnings	General / Other Reserves	Asset Revaluation Reserve	Total Taka
Balance at 31st December 2010	4,677,279,360	1,681,818,833	1,948,887,277	1,274,859,439	-	64,603,248	9,647,448,157
Changes in accounting policy	-	-	-	-	-	-	-
Issue of the share capital	1,216,092,634	-	-	-	-	-	1,216,092,634
Restated balance	5,893,371,994	1,681,818,833	1,948,887,277	1,274,859,439	-	64,603,248	10,863,540,791
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-
Net profit for the year	-	-	-	685,153,487	-	-	685,153,487
Cash Dividend	-	-	-	-	-	-	-
Bonus Share - 2010(26.00 %)	-	-	-	(1,216,092,634)	-	-	(1,216,092,634)
Issue of the share capital	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-
Appropriations during the year	-	312,584,359	110,032,088	-	-	-	422,616,447
Balance as at June 30, 2011	5,893,371,994	1,994,403,192	2,058,919,365	743,920,292	-	64,603,248	10,755,218,091
Balance as at June 30, 2010	2,338,639,680	1,396,634,556	-	557,480,636	2,057,198	64,603,248	4,359,415,318

Chief Financial Officer

Managing Director

CREDIT RATING REPORT

Credit Rating Agency of Bangladesh (CRAB) Limited has upgraded the long Term rating of Al-Arafah Islami Bank Limited to A₁ and retained the Short Term rating at ST-2 based on audited financials up to 31st December, 2010

Rating (2009)	Rating (2010)	Definition
Long Term A₂	Long Term A₁	The Bank rated 'A ₁ ' in the long term belong to "strong capacity & high quality" cohort. Banks rated 'A ₁ ' have strong capacity to meet their financial commitments. 'A ₁ ' rated banks are judged to be of high quality and are subject to low credit risk.
Short Term ST-2	Short Term ST-2	The Bank rated in the short term 'ST-2' category is considered to have strong capacity for timely repayment of obligations. Banks rated in this category are characterised with commendable position in terms of liquidity, internal fund generation, and access to alternative sources of funds.
Date of Rating		28 June, 2011

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

- * মুদারাবা কোটিপতি ডিপোজিট স্কীম
- * মুদারাবা মিলিয়নিয়ার ডিপোজিট স্কীম
- * মুদারাবা লাখপতি ডিপোজিট স্কীম
- * মুদারাবা বিশেষ সঞ্চয় (পেনশন) স্কীম
- * মুদারাবা দ্বিগুণ বৃদ্ধি আমানত প্রকল্প
- * মাসিক জমা ভিত্তিক মেয়াদী সঞ্চয় হিসাব
- * মাসিক মুনাফা প্রদান ভিত্তিক মেয়াদী জমা হিসাব
- * মাসিক জমা ভিত্তিক বিবাহ সঞ্চয় ও বিনিয়োগ প্রকল্প
- * আল- আরাফাহ্ মাসিক কিস্তি ভিত্তিক হজ্জ একাউন্ট
- * আল- আরাফাহ্ এককালীন হজ্জ জমা হিসাব
- * আল- আরাফাহ্ সেভিংস বন্ড
- * পেনশনভোগী জমা প্রকল্প
- * ক্যাশ ওয়াক্ফ ডিপোজিট স্কীম
- * মুদারাবা মেয়াদী জমা হিসাব
- * মুদারাবা তিনগুণ বৃদ্ধি আমানত প্রকল্প
- * মুদারাবা প্রবাসী কল্যাণ ডিপোজিট পেনশন স্কীম
- * মুদারাবা স্কুল স্টুডেন্ট সঞ্চয়ী হিসাব
- * মুদারাবা কৃষক/মুক্তিযোদ্ধা সঞ্চয়ী হিসাব



Head Office : 36, Dilkusha (6th - 9th Floor) C/A, Dhaka-1000

