

annual report 2021



Al-Arafah
Islami Bank Limited



সর্বদাই সদিয়ত



Al-Arafah
Islami Bank Limited



আল-আরাফাহ ইসলামী ব্যাংক লিমিটেড
Al-Arafah Islami Bank Limited

সর্বদায়ে সদিয়াহ



Allah has permitted trading and forbidden (Riba) usury.

Surah 2 Al-Bakara-275

PAGE OF CONTENTS

Qur'anic Verses on Interest	04
Hadith on Interest	05
Opinion of other Religions and Great Men on Interest	06
Board of Directors	07
Executive Committee, Audit Committee, Shariah Supervisory Committee	08
Management Team	09
Vision, Mission and Commitments	12
Corporate Information	13
Notice of the 27 th Annual General Meeting	15
5 Year Financial Highlights	17
Economic Impact Report	18
Value Added Statements	19
Chairman's Address	23
Managing Director's Address	27
Directors' Report	39
Compliance on the Corporate Governance Code	66
Report of the Shariah Supervisory Committee	82
Implementation Status of Code of Integrity under National Integrity Strategy	84
Report of the Board Audit Committee	86
Activities of the Board Risk Management Committee in the year 2021	88
CEO and CFO's Declaration to the Board	89
Dividend Distribution Policy 2021	90
Disclosure of Unpaid or Unclaimed Dividend	91
Auditors' Report & Financial Statements for the year 2021	92
Disclosures on Risk Based Capital (Basel-III)	184
Auditors' Report on the Financial Statements of AIBL Capital Market Services Limited 2021	200
Auditors' Report on the Financial Statements of AIBL Capital Management Limited 2021	221
Branches of AIBL	236
Proxy Form	245



QURANIC VERSES ON INTEREST

*I am seeking refuge in Allah from Shaitan, the outcast (the cursed one).
In the Name of Allah, the Most Gracious, the Most Merciful.*

“Those who consume interest cannot stand (on the Day of Resurrection) except as one stands who is being beaten by Shaitan into insanity. That is because they say, ‘Trade is just like interest’ whereas Allah has permitted Trading and has forbidden (Riba) Usury. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to (dealing in interest) those are the companions of the Fire; they will abide eternally therein”. (Surah 2 Al-Bakara : 275)

“O you who believe! Be afraid of Allah and give up what remains (due to you) from (Riba) Usury, if you are (really) believers. If you do not do it, then take a notice of war from Allah and His Messenger (Rasul)”. (Surah 2 Al-Bakara : 278-279)

- “Jabir bin Abdullah (R) said that Rasul (Allah’s Messenger) (S) cursed the acceptor of (Riba) Usury and its payer, and the one who records it, and the witness; and he said They are all equal. (Sahih Muslim)
- Abdullah Ibn Masud (R) has quoted a Hadith of Rasul (Allah’s Messenger) (S) as saying: Whenever adultery and usury become rampant in a community, it is inevitable that wrath of Allah will befall upon them. (Abu Yala)
- Abu Huraira (R) has narrated that Rasul (Allah’s Messenger) (S) said: Allah as his unique right will not allow four categories of people to enter the heaven and also refrain them from taking taste of his bounties 1) Drunkard 2) Usury 3) Devourers of orphan’s wealth and 4) Disobedience of parents. (Mustadarake Hakim)
- Abu Huraira (R) has narrated that Rasul (Allah’s Messenger) (S) said: you should protect yourself from 7(seven) destructive issues ‘what are those?’ -asked his companions. He said those are 1) Join in worship others with Allah 2) Mesmerizing 3) Killing someone unlawfully 4) Usury 5) Devourers of orphan’s wealth 6) Flight from the battle field and 7) To charge against chaste women. (Sahih Al-Bukhari, Sahih Muslim and Sunan Abu Daud)
- Samura Ibn Zundub (R) has narrated that Rasul (Allah’s Messenger) (S) said: I saw in a dream that two persons came to me and took me to a sacred place. Thereafter three of us proceeded to a river full to blood and saw that a man was swimming in the river and another was standing on the bank with huge rocks in front of him. When the swimmer approached the bank, the man standing on it hit the swimmer with the rocks so heavily that he receded to his original place. Whenever the swimmer tried to approach the bank of the river again, the standing person did the same as before. Rasul (Allah’s Messenger) (S) asked ‘who is this man in the river’ One of the angels said ‘He is a usurer’. (Sahih Al-Bukhari)

HADITH ON INTEREST





OPINION

of other Religions and
Great Men on Interest

- Interest has been banned in the two books of Hazrat Musa (A.), which are considered as the scriptures of Jews. The 22nd line of Exodus goes as saying, 'If you lend money to a poor man, don't become money lenders and don't realize interest from him.'
- Similarly in 23rd line of ancient scripture of the Jews entitled "Deuteronomy" states, 'You don't lend money to your brother for interest -i.e interest on money, interest on foodstuff and interest on anything lent.'
- Hebrewism is known as Musaic or Judaism. Musaic laws or commands of Musa are the basis of Hebrewism. Interest was totally prohibited in Musaic law. This rule was exclusively practiced by the Jews. In this ideology, there are clear directions on interest as other aspects of economics. In Hinduism, usury business was restricted within the 'Baithayas'.
- One Jew couldn't take interest by lending money from another. But, taking interest was in practice by lending money to the people of other religions.
- Some writers quoted from the book, 'Talmud' that the Hebrew prophets forbade interest not only from Jews but from all. (Eric Roll, A history of Economic Thought: Page 48)
- Interest was prohibited from the beginning of the Christianity to the advent of the Reform Movement and from the Church under pope in Rome to the division of other Churches, Christ said, 'Lend hopping for nothing again.' (Luke VI 35, Hanley: History of Economic Thought 1964, Page 101)



BOARD OF DIRECTORS

Chairman

Alhaji Salim Rahman

Vice Chairman

Alhaji Abu Naser Md. Yeahea

Member

Alhaji Abdus Samad

Alhaji Mohammad Abdus Salam

Jb. Badiur Rahman

Alhaji Mahbulul Alam

Alhaji Nazmul Ahsan Khaled

Alhaji Abdul Malek Mollah

Hafez Alhaji Md. Enayet Ullah

Alhaji Ahamedul Hoque

Alhaji Niaz Ahmed

Alhaji Mohammed Eamadur Rahman

Alhaji Engr. Kh. Mesbahuddin Ahmed

Alhaji Mohammed Haroon

Alhaji Liakat Ali Chowdhury

Alhaji Md. Anowar Hossain

Alhaji Md. Harun-Ar-Rashid Khan

(Nominee Director of China Builders & Machineries Ltd.)

Alhaji Md. Rafiqul Islam

Alhaji Md. Amir Uddin PPM

Alhaji M. Kamaluddin Chowdhury

Ex-Officio Director

Managing Director & CEO

Jb. Farman R. Chowdhury

Company Secretary

Jb. Md. Mahmudur Rahman



BOARD OF DIRECTORS

Executive Committee (EC)

Chairman

Alhajj Abdus Samad

Vice Chairman

Alhajj Mohammad Abdus Salam

Member

Hafez Alhajj Md. Enayet Ullah
Alhajj Ahamedul Hoque
Alhajj Engr. Kh. Mesbah Uddin Ahmed
Alhajj Liakat Ali Chowdhury
Alhajj Md. Anowar Hossain

Board Audit Committee (BAC)

Chairman

Alhajj Mahbulul Alam

Member

Alhajj Nazmul Ahsan Khaled
Alhajj Mohammed Emadur Rahman
Alhajj Md. Harun-Ar-Rashid Khan
Alhajj M. Kamaluddin Chowdhury

Risk Management Committee (RMC)

Chairman

Jb. Badiur Rahman

Member

Alhajj Abdul Malek Mollah
Alhajj Mohammed Haroon
Alhajj Md. Rafiqul Islam
Alhajj Md. Amir Uddin PPM

Shariah Supervisory Committee

Chairman

Mufti Sayeed Ahmad Muzaddedi

Member

Mufti Muinul Islam
Mufti Shahed Rahmani
Mohammad Abul Hossain Al-Azhari
Mawlana Mohammad Abdul Hai Nadvi
Al-Hajj A.Z.M. Shamsul Alam
Alhajj Salim Rahman

Secretary

Md. Abdur Rahim Khan

Senior Management Team

Managing Director & CEO

Farman R. Chowdhury

Deputy Managing Director

S. M. Jaffar
Shabbir Ahmed
Md. Shafiqur Rahman
Syed Masodul Bari
Md. Mahmudur Rahman
Muhammod Nadim FCA
Abed Ahmed Khan
Md. Abdullah Al-Mamun

Director General & Principal (AIBTRI)

Md. Abdul Awwal Sarker

Senior Executive Vice President

Kazi Mahmood Karim
Md. Mujibul Quader
Aktar Kamal
Md. Monjurul Alam
Mohammad Azam
Engineer Md. Habib Ullah
Md. Asaduzzaman Bhuiyan
S. M. Kowsar
Md. Idris Ali
Md. Obaydul Islam
Mohammed Hossain
S. M. Abu Jafar
Md. Aminul Islam Bhy.
Md. Abdur Rahim Duary
M. M. Saiful Islam
Md. Mazharul Islam

Executive Vice President

M. Tariqul Islam
Manir Ahmad
Md. Manjur Hasan
A. N. M. Mofidul Islam
Md. Soheb Ahmed
A. K. M. Amzad Hossain
Md. Rajibul Islam Bhuiyan
Md. Mostafizur Rahman
Md. Nazim Uddin

Senior Vice President

Md. Sharif Uddin Pramanik
Iqbal Hossain Ahmed
Md. Golam Sarwar
Md. Zakir Hossain Bhuiya
M. A. S. Jalal Azad
Md. Masudur Rahman
Md. Sanaullah
Md. Nizamul Hoque Chy.
Md. Yahya
Md. Showkat Islam
Md. Sharif Chowdhury
Kamal Hossain
Md. Zakir Hossain
Md. Abdur Rob
Muazzem Hossain
Mohammad Ullah
Jalal Ahmed

Md. Majiber Rahaman
Monir Ahammad
Md. Salamat Ullah
Md. Abdul Mobin
Md. Nazmul Huda
Md. Lokmanur Rahman
Md. Abdur Rahim Khan
Md. Ferdous Hassan
Md. Zahurul Hoque
Mirza Mohidul Islam
Mahbub Hasan
Md. Shamsul Huda Babar
Md. Rafiqul Islam
Ashik Ahmed Siddiquey
Imroz Chowdhury
Muhammed Alamgir
Md. Aminul Islam
Md. Jahangir Alam
Md. Abu Musha

Vice President

Md. Abdur Rahim Sarder
Md. Mizanur Rahman
Md. Sultan Mahmud
Md. Abul Kalam
C. G. M. Asaduzzaman
Md. Shah Jalal Sheikh
Masudur Rahman Khalifa
Ishtiaq Ahmed
Md. Hablullah Bahar (Susp.)
Md. Mainul Islam
Md. Asif Chowdhury
Md. Hashim Uddin
Ashraf Hossain
Jashim Ahmed Chy
Md. Azmal Hoque
Md. Abdul Mannan Akhand
S. M. Zabidul Haque
Md. Jahangir Alam
Md. Nahid Hossain
Md. Kabir Ahamed
Touhid Siddique
Jahangir Alam
Jalal Ahmad
Md. Shamsul Kabir
Md. Aminur Rahman
Md. Shafi Mahmood
Md. Ibrar
Md. Ashrafal Haque
M. Shamsuddin Ahmed
Md. Towhidul Islam

MANAGEMENT TEAM



A.F.M. Faisal Kabir
Md. Shahid Hossain
Md. Aatur Rahman
Mohammad Abu Baker Siddique

Senior Assistant Vice President

Md. Zahid Hasan
A. K. M. Fokhrul Islam Majumder
Md. Nurul Karim
Khandaker Nazmul Islam
Md. Amjad Hossain
Sharif Golam Kawsar
Md. Shah Alam
Motahar Uddin Ahmed
Mohd. Salahuddin Mamun
Md. Ashaduzzaman
Md. Kamrul Islam
Nur Mahbub Khan
Md. Moklesur Rahman Khan
Kazi Mohammad Sadik
Md. Anowarul Alim Khan
Md. Jamal Uddin Mahmud
Abdul Malek
Md. Abu Hanif
Md. Reazul Hoque
Mohammad Azizul Hoque
Shahadat Ali
Md. Mustafizur Rahman
Md. Enayet Fakir
A.M.M. Arif Billah Mithu

Md. Golam Quddus Talukder
Md. Mujibur Rahman
Md. Momtazul Hoque
Md. Golam Arfin
Md. Zamshed Hossain Sarker
Md. Mushfiqur Rahman Talukder
Syed Ariful Bari
Md. Shakhawat Ullah
Md. Zahid Hossain
Md. Monir Hossain
Mirza Asma Ferdous
Md. Mijanur Rahman
Nashir Ahmed
Md. Taslim Hossain
Md. Humayun Kabir
Mohammed Nizam Uddin Bhuiyan
Md. Zakir Miah
Md. Alauddin
Md. Wares Uddin Mahmud
K. M. Shahadat Husain
Syed Ariful Islam
Md. Asadur Rahman Khan
Md. Abu Bakar Siddique
Md. Kutub Uddin
Mahbubul Amin
Md. Ashiqur Rahman
Syed Saleh Ahmed
Md. Humayun Kabir Sardar
Md. Zahurul Islam Patwary
Md. Mahbubur Rahman
Md. Ziaul Haque Malik
Md. Syful Islam
Md. Zahirul Haque
A. K. M. Ariful Islam
Md. Saiful Islam
Asifur Rahman
Md. Shahidul Islam
Humayun Kabir
Md. Maniruzzaman
Md. Akber Hussain
Md. Maynal Hossain
Md. Iqbal Hossain
Md. Abdur Rahman Bhy

Mohammed Abul Kashem
Md. Mohiuddin Khan Azad
Md. Bashirul Islam
Khondoker Monirul Hoque
Mozammel Hoque Bhuiyan
Md. Sohrab Hossain

Assistant Vice President

Md. Asaduzzaman Khan
Md. Mahbubul Hoque
Md. Rafiqul Islam
Md. Mizanur Rahman
Md. Kamruzzaman
A.S.M. Gouch Uddin Siddiquee
Md. Kamrul Islam
Md. Delowar Hossain
Md. Abul Hossain
Md. Abdur Rahim Sarder
Md. Yusuf Sharif
Md. Abul Hossain Saju
Mollah Khalilur Rahman
Md. Ismail Hossain
Gazi Abdur Rahman Aminy
Md. Anowarul Quader Chy.
Md Moinul Haque
Md. Eleaus
Md. Rafiqul Islam
Mohammed Ishaque
Md. Shamsul Areafin
Md. Monirul Islam Bhuiyan
Mostaque Ahmed Khandaker
Saiful Islam
A. K. M. Anwarul Haque
Syed Zulfiqur Ali Mahbub
Md. Masud Parves
Md. Ali Farhad
Munshi Sanaur Rahman
Md. Bashir Uddin
Md. Anisul Islam Mahmud
Md. Imran Miah
A. K. M. Tusher
Shakhawat Hossain
Syed Monirul Haque
A. K. Md. Rezwan Mohiuddin
Md. Mustahidul Bashar
Md. Khairul Alom
Md. Mizanur Rahman Bhuiyan
A. K. M. Yunus Ali
Kazi Md Elias
Md. Abdul Mannan
Md. Faruk Ahamed Khan
Md. Raihan Uddin
Md. Rafique Ullah
Md. Zillur Rahim
Md. Enamul Hoque
Mohammad Elyas
Mohd. Mahafujur Rohman
Md. Shariful Alam
Md. Golam Hossain
Kazi Shafiqul Islam
Md. Neyamat Ullah
Md. Koysor Khan
Md. Belal Uddin
Md. Moniruzzaman Khan

**MANAGEMENT
TEAM**



Md. Serajummuner
Saif Mohd. Zulkar Naeen
Md. Anisur Rahman
Md. Nurul Karim
Kh. Kamranur Rahman Shovon
Md. Rabiul Alam
Mollah Masum Billah Azadi
A. K. M. Mijanur Rahman
Himal Pasha
Md. Mijanur Rahman
Md. Moin Uddin
Md. Mizanur Rahman
Md. Murtaza
Md. Rofiqul Islam
Niaz Ahamad Rashed
Asaduzzaman Bhuiyan
Kazi Rokibul Anwar
Yasmin Aziz
Nilufer Yesmin
Mohammad Oli Ullah
Golam Mohiuddin Chy.
Md. Zahangir Alam
Md. Giasuddin Mridha
Md. Abul Kalam Azad
Md. Rabiul Basher
Md. Abu Jafar
Md. Ekramul Hoque
Md. Abdul Basith
Md. Faroque Miah

Md. Abdus Shukur
Mahmudur Rahman Chow.
Mohammad Zakir Hossain
Feroz Ahammed
Md. Sanaul Haque
Md. Shah Alam
Md. Abul Hasan
A. K. M. Tawhid
Imtiaz Ahmed
Md. Anwer Hossain
Md. Anas Abdullah
Md. Mizanur Rahman
A. K. M. Mahbubul Alam
Jalal Uddin
Md. Abul Kalam Azad
A. K. M. Arifur Rahman
Ismail Hossain
Md. Mahfujul Hoque
Md. Nurul Huda
Md. Ashrafal Alam
Md. Imteaz Hossain
Md. Minhajul Islam
Md. Istiaque Hasan
Sk. Asadul Hoque
Md. Javed Omar
Md. Sakhawat Hossain
Md. Amir Hossain
Imtiazul Alam
Md. Jahidur Rahman Khan Nayon
Mohammad Ishaque
Abu Zafar Md. Saleh
Md. Shafiqul Islam
Md. Abu Taher
Muhammad Neyamat Ullah
Md. Hasan Ali
Md. Abdul Motin Patwary
Mohammad Habibullah
Md. Abdur rashed
Syed Moazzem Hossain
Md. Badir Uddin
Md. Hannan Sheikh
Md. Abdus Samad
Md. Selim Reza

Md. Fackrul Alam Bhuiyan
K. M. Morshedur Rahman
Md. Shariful Islam
Sikder Ferdous Qurashi
Salahuddin Ahmed
Syed Tanveer Ahmed
Md. Ashaduzzaman
Md. Shakhawat Hossain Thakur
Md. Kamrul Ahsan
Jalal Uddin Ahmed
Md. Mamunur Rahman
Shariful Islam
Md. Mazharul Alom
Md. Amdadul haque
Gazi Md. Iqbal
Mahbubur Rahman
Golam Kiubria
D. M. Jahangir Rabbani
Sarder Md. Saklain
Ruhul Amin
Md. Suleman
Mdi Arifur Rahman
Rubayet Ullah
Md. Shazedul Islam
Md. Rabiul Islam
Muntasir Mahmud Chowdhury
Md. Pearu
Ashaduzzaman babu
M.M. Rafikul Islam
Abdullah-Al-Fahim

MANAGEMENT TEAM





Vision

- To be a pioneer in Islamic Banking in Bangladesh and contribute significantly to the growth of the national economy.

Mission

- Achieving the satisfaction of Almighty Allah both here and hereafter.
- Proliferation of Shariah Based Banking Practices.
- Rendering quality financial services by leveraging latest technology.
- Fast and efficient customer service.
- Maintaining high standard of business ethics.
- Balanced growth.
- Steady and competitive return on shareholders' equity.
- Innovative banking at a competitive price.
- Attract and retain quality human resources.
- Extending competitive compensation packages to the employees.
- Firm commitment to the growth of national economy.
- Involving more in Micro and SME financing.

Commitments

- Ours is a customer focused modern Islamic Banking with sound and steady growth in both deposit mobilization and making quality Investment to keep our position intact as a leading Islami Bank in Bangladesh.
- To deliver financial services with the touch of our heart to retail, small and medium scale enterprises, as well as corporate clients through our branches across the country.
- To always align our business initiatives with the ever changing industrial and business needs of the clients.
- To deliver product and services that creates value for the customers.
- To conduct our business within well defined risk tolerance level.



Chairman, Directors and Managing Director & CEO of AIBL are seen as they participated in the 26th Annual General Meeting

CORPORATE INFORMATION

Date of Registration	18 June, 1995
1st Branch	Motijheel Branch, Dhaka
Opening Ceremony	27 September, 1995
Authorized Capital	15,000.00 Million
Paid-up Capital	10,649.02 Million
Local Partnership of Capital	100%
Equity	25,900.33 Million
Number of Branches	201
Deposit	353,287.97 Million
Investment	336,890.72 Million
Number of Employees	4,247
Number of Shareholders	19,146



As part of its Corporate Social Responsibility (CSR), the Bank donated 75 thousand Blankets to Hon'ble Prime Minister's Relief Fund

CORPORATE INFORMATION

Auditors

HUSSAIN FARHAD & CO.
Chartered Accountants
House# 15, Road # 12, Block # F
Niketon, Gulshan-1
Dhaka- 1212

Shafiq Basak & CO.
Chartered Accountants
Shatabdi Centre (4th & 6th Floor)
292, Inner Circular Road
Fakirapool, Motijheel
Dhaka- 1000

Company Secretary

Md. Mahmudur Rahman

Registered Office

Al-Arafah Tower, 63, Purana Paltan, Dhaka-1000.

Tel : +88-02-44850005

PABX : 44850005-20

SWIFT : ALARBDDH

E-mail : info@aibl.com.bd

Website : www.aibl.com.bd

NOTICE OF THE 27th ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 27th Annual General Meeting (AGM) of the Shareholders of Al-Arafah Islami Bank Limited will be held on Thursday, August 11, 2022 at 11.30 a.m. virtually by using digital platform through the link <https://aibl.bdvirtualagm.com> (in pursuance with Bangladesh Securities and Exchange Commission's Circular No. SEC/SRMIC/94-231/91 dated 31 March, 2021) to transact the following businesses and to adopt necessary resolutions :

AGENDA

Ordinary:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 along with the Reports of the Directors and the Auditors thereon.
2. To approve Dividend for the year ended December 31, 2021 as recommended by the Board of Directors
3. To appoint External Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To appoint Certification Auditor of the Company as per Corporate Governance Code-2018 for the year 2022 and to fix their remuneration.
5. To re-elect of Directors under rotation.
6. To appoint Mr. Nasir Uddin as Nominee Director of China Builders and Machineries.
7. To appoint Mr. Anwar Hossain as Director of AIBL
8. Miscellaneous

All Hon'ble Shareholders of the company are requested to make it convenient to join the meeting in time through the link <https://aibl.bdvirtualagm.com>

Date: Dhaka
July 06, 2022

By order of the Board



(Md. Mahmudur Rahman)
DMD & Company Secretary
Phone: 44850027

NOTES:

- (1) Shareholders whose names appear in the Register of members as at the close of business on the "Record Date" i.e. June 8, 2022 will be eligible to join the Annual General Meeting (AGM) and entitled to the dividend, as approved.
- (2) A member will be eligible to join and vote at this virtual AGM may appoint a proxy to attend and vote on his/her behalf. Proxy Form duly stamped must be submitted at the Registered Office of the Company not later than 48 hours before the time of holding the meeting;
- (3) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018. Link of the downloadable PDF copy of the Annual Report 2021 along with Notice, Proxy Form and Attendance will also be available in the company's web-site (www.aibl.com.bd) amongst others are to be send to respective Member's email address available in beneficiary owner (BO) account with the Depository Participant (DP).
- (4) Concerned Depository Participants (DP) / Stock Brokers are requested to provide us with a list of their margin loan holders who hold AIBL shares, as on record date with the details of Shareholders' name, BO ID, shareholding position, cash dividend receivable, tax rate etc. within July 31, 2022, along with the name of the contact person to the Share Department of the Company or at share@aibl.com.bd, otherwise dividends will be paid to bank accounts of the members whose name would appear on the 'Record Date'. The DP / Stock Brokers are requested to provide us with their Bank Account name & number, routing number etc. to mentioned email address for receiving the dividends of their margin loan holders.
- (5) The shareholders will join the virtual AGM through the link <https://aibl.bdvirtualagm.com> The shareholders will be able to submit their questions/comments electronically before 30 (thirty) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to put their 16-digit Beneficial Owner (BO) Number or Folio and other credentials as a proof of their identity.
- (6) The Board has appointed Jasmin & Associates, Chartered Secretaries as Independent Scrutinizer as per BSEC Order No-BSEC/CMRRCD/2009-193/30 dated 17th November, 2021 to ensuring voting rights of the Shareholders.
- (7) We would like to request to our Hon'ble Shareholders to update their BO Accounts with mailing address, contact number, Bank details, e-mail address and E-Tin numbers (12 digits) with their respective DPs (Depository Participants) before Record Date
- (8) Shareholders are requested to login to the system prior to starting of the meeting at 11.30 am on 11 August 2022, Thursday. On-line (real time) or e-voting option shall be opened at least 30 (thirty) hours but not exceeding 72 (seventy two) hours prior to start of general meeting and shall remain open up to the closure of general meeting. Any IT related guidance and help with the login process the respected members may contact at +8802 4485005-20, (Ext-212-215) visit www.aibl.com.bd website.
- (9) No gift or benefit in cash or kind shall be paid/offered to the Shareholders in the 27th AGM as per BSEC Circular No. SEC/CMRRCD/2006-193/154 dated 24.10.2013

Al-Arafah Islami Bank Limited's Virtual AGM System Manual

Supported Browser: Latest version of

Google Chrome  Microsoft Edge  Safari  Opera  Mozilla Firefox 

Supported Device: Laptop, Desktop, Tab, Mobile (android/ iPhone)

Virtual AGM with this simple step for Shareholder:

Click the link- <https://aibl.bdvirtualagm.com>

Login Interface Before Activation



27th AGM will be held on 11th August 2022 (Thursday) at 11.30 A.M.

After Activation

Sign In
BO/Folio/Admin/Scrutinizer ID:*

Type your ID



Login process activation on 10th August 2022 (Wednesday) at 10.30 A.M.

Login screen:

- Enter 16 digit BO number or Folio number*
- Click Go button then
- Click Login button

Sign In
BO/Folio/Admin/Scrutinizer ID:*

Type your ID

Sign In
BO/Folio/Admin/Scrutinizer ID:*

1201470000000001

Shareholders can see:

- Live Streaming,
- Total attendance (Number of Shareholders with Total Shares),
- Agenda & Agenda wise voting result,
- Question & Comments.

Annual General Meeting (Virtual Platform)

সম্মেলন সম্প্রচার / Live Streaming

AGM Live broadcast is coming soon ...

আলোচ্যসূচী ০১ / Agenda 01

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 along with the Reports of the Directors and the Auditors thereon.

Vote

I am in favor of passing this proposal.		I am not in favor of passing this proposal.	
Vote	Vote(%)	Vote	Vote(%)
1041385269	98.932	11241727	1.068

প্রশ্ন এবং মন্তব্য / Questions and Comments

Name : Lt. Col. A. K.M. Saffar-Rashid

Welcome to

শেয়ারহোল্ডারদের মোট উপস্থিতি
Total Attendance of Shareholders

উপস্থিত শেয়ারহোল্ডারদের মোট শেয়ার সংখ্যা
Total Shares of Attended Shareholders

Shareholders can do:

- Shareholders can vote (Yes/ No) for any Agenda
Click on Green Button For Favor or
Click on Red Button For Against

আলোচ্যসূচী / Agenda

Agenda-01

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2021 along with the Reports of the Directors and the Auditors thereon.

Vote

I am in favor of passing this proposal.		I am not in favor of passing this proposal.	
Vote	Vote(%)	Vote	Vote(%)
2500	100.000	0	0.000

Shareholders can do:

- Shareholders can submit Questions or Comments.
Type your Question or Comments (English or Bangla) then click Submit Button.

প্রশ্ন এবং মন্তব্য / Questions and Comments

আপনার প্রশ্ন / মন্তব্য লিখুন (Type Your Questions / Comments)

5 YEAR FINANCIAL HIGHLIGHTS

Figure in Million

Particulars	2017	2018	2019	2020	2021	Growth%
Income Statement						
Investment Income	20,491.03	24,956.81	28,811.65	26,331.28	23,446.01	(10.96)
Profit paid on Deposit	11,784.20	16,256.61	18,604.42	16,556.64	13,072.79	(21.04)
Net Investment Income	8,706.83	8,700.20	10,207.23	9,774.64	10,373.22	6.12
Non Investment Income	3,557.36	3,769.39	4,037.57	3,655.46	4,250.17	16.27
Non Investment Expenses	5,308.42	6,160.70	6,384.18	6,742.33	7,129.25	5.74
Net Non Investment Income	(1,751.06)	(2,391.31)	(2,346.61)	(3,086.87)	(2,879.08)	(8.85)
Profit Before Tax & Provision	6,955.77	6,308.89	7,860.62	6,687.77	7,494.14	12.06
Provision For Investment	1,354.89	2,177.98	2,867.66	1,887.90	2,655.58	40.66
Profit Before Tax	5,600.88	4,130.91	4,992.96	4,799.87	4,838.56	0.81
Provision For Tax (including Deferred Tax)	2,431.38	1,674.11	2,565.33	2,228.06	2,712.12	21.73
Profit After Tax	3,169.50	2,456.80	2,427.63	2,571.81	2,126.44	(17.32)
Balance Sheet						
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	-
Paid up Capital	9,943.06	10,440.22	10,649.02	10,649.02	10,649.02	-
Reserve Funds & Other Reserves	8,556.96	9,365.62	10,318.64	11,418.96	11,733.35	2.75
Shareholders' Equity (Capital & Reserve)	22,520.68	23,483.22	24,148.24	25,455.85	25,900.33	1.75
Deposits	244,806.26	266,205.48	297,241.81	326,023.41	353,287.97	8.36
Investment	235,905.23	261,874.13	288,486.02	308,620.66	336,890.72	9.16
Investment in Shares & Securities	10,145.49	12,214.67	16,170.52	21,563.67	30,156.14	39.85
Fixed Assets	3,260.38	4,494.61	4,351.93	5,833.88	5,470.27	(6.23)
Total Assets (Excluding off-balance sheet items)	319,255.29	338,465.30	381,051.81	418,298.65	462,687.05	10.61
Foreign Exchange Business						
Import Business	156,700.00	168,573.80	171,611.70	169,378.90	261,566.10	54.43
Export Business	104,540.00	114,481.90	108,967.10	104,939.40	135,786.90	29.40
Guarantee Business	6,443.41	7,096.02	8,274.25	10,511.21	13,673.41	30.08
Inward Foreign Remittance	20,700.00	36,917.20	37,713.40	43,807.00	52,662.10	20.21
Capital Measures						
Core Capital (Tier-I)	21,459.85	22,379.93	22,817.41	23,930.89	29,301.30	22.44
Supplementary Capital (Tier-II)	5,488.97	10,078.56	9,735.77	15,327.20	14,359.58	(6.31)
Tier-I Capital Ratio	10.40	10.12	10.22	9.59	10.37	0.78
Tier-II Capital Ratio	2.66	4.56	4.36	6.14	5.08	(1.06)
Total Capital	26,948.82	32,458.49	32,553.18	39,258.09	43,660.88	11.21
Total Capital Ratio	13.06	14.68	14.58	15.74	15.46	(0.28)
Investment Quality						
Volume of Non-Performing investment	9,921.51	12,690.72	14,100.41	11,769.58	16,566.84	40.76
% of NPLs to Total Investment	4.10	4.79	4.82	3.80	4.81	26.58
Provision for Unclassified Investment	1,723.04	1,891.00	2,157.28	2,787.10	3,084.10	10.66
Provision for Classified Investment	3,096.15	3,946.09	6,022.02	6,436.96	8,173.23	23.01
Provision for Off Balance sheet Exposures	570.42	689.80	778.50	935.50	1,093.40	16.88
Share Information						
Number of Shares Outstanding	994,306,428	1,044,021,750	1,064,902,185	1,064,902,185	1,064,902,185	-
Earning per Share (Taka)	3.15	2.35	2.28	2.41	1.96	(0.45)
Book Value per Share (Taka)	20.88	20.80	21.13	22.35	22.73	0.38
Market Price per Share (Taka)	24.10	19.90	17.20	22.20	26.60	4.40
Price Earning Ratio (Times)	7.64	8.48	7.56	9.22	13.57	4.35
Price Equity Ratio (Times)	1.15	0.96	0.81	0.99	1.17	0.18
Dividend per Share						
Cash Dividend (%)	15.00	15.00	13.00	15.00	15.00	-
Bonus Share	5.00	2.00	-	-	-	-
Operating Performance Ratio						
Net Profit Margin%	3.87	3.42	3.73	3.45	3.26	(0.19)
Investment /Deposit Ratio	89.95	89.87	88.93	86.92	87.57	0.65
Return on Equity (ROE)%	14.07	10.46	10.05	10.10	8.21	(1.89)
Return on Assets (ROA)%	0.99	0.73	0.64	0.61	0.46	(0.16)
Cost of fund %	7.50	8.70	9.02	7.50	6.00	(1.50)
Cost /Income ratio in operating business (%)	43.28	49.41	44.82	50.20	48.75	(1.45)
Other Information						
Number of Branches	154	168	182	184	201	9.24
Number of Employees	3,446	3,682	3,795	3,866	4,247	9.86
Number of Shareholders	30,386	25,793	24,276	22,142	19,146	(13.53)



ECONOMIC IMPACT REPORT

The effect that an event, policy change or market trend will have on economic factors, for example profit rate, consumer satisfaction and confidence, stock market activity or unemployment. Events such as regulatory changes supply shortage or national disasters can have a significant economic impact due to the way that they affect business activity. By analyzing the economic impact, we can understand how a bank adds value to the society. Economic impacts can be broadly categorized as:

- i) Direct Impact
- ii) Indirect Impact

Direct Impact

Direct impacts are the immediate economic effects resulting from the banks financial transactions. Bank's direct contribution to the economy resulted in the creation of employment opportunities, payment of tax to the government and maximization of shareholders wealth.

Indirect Impact

Indirect impacts are the spill over economic effects that occur through Bank's normal course of operations. Banks generate indirect impact by addressing the deficiency of capital in the economy by mobilizing deposit and channelizing the same to prospective investors.

Through catering financial services, the Bank helped distributing the wealth among all the stakeholders for example shareholders received dividend, depositors and investors got profit, employees received compensation and other benefits, the under privileged reaped benefits out of CSR while the government earned tax revenue.

In 2021, total value added by AIBL was BDT 10,258.24 million as against BDT 10,073.85 million in 2020. Bank's direct contribution to the economy was BDT 2,712.12 million in the form of corporate income tax. The Bank distributed BDT 4,777.33 million for its total 4,247 officials in 2021 as against that of BDT 4,565.75 million for 3,866 in 2020.

At the end of 2021, the Bank mobilized total deposits of BDT 353,287.97 million and aided the economy in meeting its growth target by deploying BDT 410,000.00 million as investment to different sectors of the economy. Apart from these, the Bank performed significant import and export business and other auxiliary businesses as well.

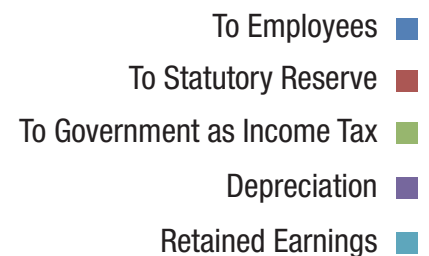
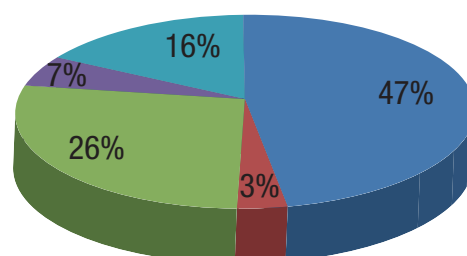
VALUE ADDED STATEMENT

Value added is a measure of wealth created by the Bank through various business activities. The statement of value added shows the total wealth created and how it was distributed among stakeholders, including the Government, employees and shareholders.

(BDT in Million)

Particulars	2021	2020
Income from Banking Service	27,696.18	29,986.74
Cost of Services & Supplies	(14,782.36)	(18,024.99)
Value added by Banking Services	12,913.12	11,961.75
Provision for Investment & Off balance Sheet Items	(2,655.58)	(1,887.90)
Total Value Addition	10,258.24	10,073.85
Value Distributed		
To Employees	4,777.33	4,565.75
To Statutory Reserve	314.39	954.64
To Government as Income Tax	2,712.12	2,228.06
Depreciation	765.81	740.31
Retained Earnings	1,688.59	1,585.09
Total Value Distributed	10,258.24	10,073.85

Distribution of Value of Addition

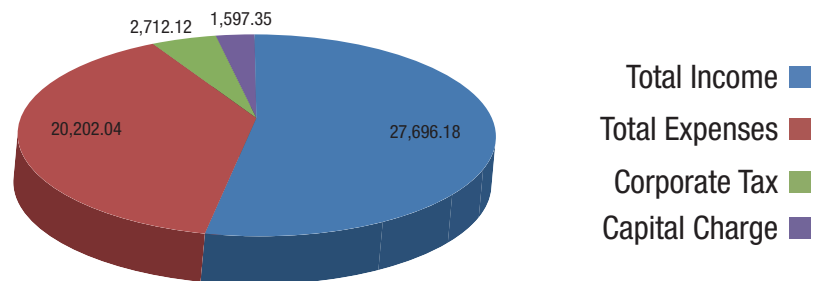


ECONOMIC VALUE-ADDED STATEMENT

Economic Value Added (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of the required minimum return for shareholders at comparable risk. EVA of the Bank stood at BDT 3,184.67 million as on 31 December 2021 as against that of BDT 2,862.36 million in 2020.

(BDT in million)

Particulars	2021	2020
Shareholders' Equity	25,900.33	25,455.85
Total Income	27,696.18	29,986.74
Total Expenses	20,202.04	23,298.97
Corporate Tax	2,712.12	2,228.06
Capital charge	1,597.35	1,597.35
Economic Value Addition	3,184.67	2,862.36



* Capital Charge = Paid up Capital x Percentage of Dividend



Governor of Bangladesh Bank Fazle Kabir, Chief Guest of AIBL Scholarship Program 2019 along with the Board of Directors of AIBL, in a photo-session with 200 meritorious students, who availed the grant

MARKET VALUE ADDED STATEMENT

Market Value Added (MVA) is the difference between the equity market value of the company and the book value of equity invested in that company. Market Value Added Statement indicates how much wealth has been created for the capital providers in a particular period of time. A high market value addition indicates that the company has created substantial wealth for the equity holders.

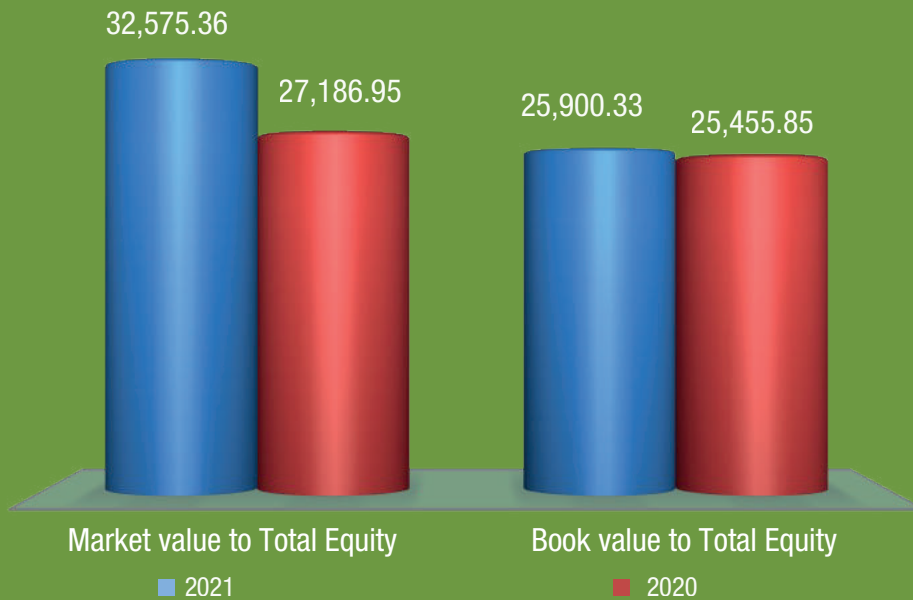
Market Value Particulars	(BDT in million)	
	2021	2020
Market Value of Total Equity	32,575.36	27,186.95
Book Value of Total Equity	25,900.33	25,455.85
Market Value Addition	6,675.03	1,731.10



Another significant milestone was achieved when AIBL opened its 200th branch at Jamalkhan, Chattogram on Monday, 20 December 2021. Chairman, Board of Directors along with other Members of the Board was present at the ceremony

MARKET VALUE ADDITION

(BDT in million)



Total number of share outstanding: 1,064,902,185 (1,064,902,185)*

Market value per share: BDT 26.60 (22.20)*

* Previous Year's figures in brackets.



CHAIRMAN'S ADDRESS

Bismillahir Rahmanir Rahim

All praises be to the Allah (SWT), Lord of the Universe and Peace and Blessings of Allah (SWT) be upon the Prophet Mohammad (SM) and his descendants and companions.

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

AIBL closed the year 2021 relatively strongly, with a clear focus on our customers, shareholders and the future. Through important and ongoing investments in technology and with the introduction of new capabilities, we further strengthened the Bank's ability to serve customers' changing needs. We continued to support process of economic recovery and promote a more sustainable and inclusive future. As such we have been nominated as one of top 10 sustainable banks of the country. We have been able to successfully deliver a consistent dividend to shareholders and further strengthen our financial and capital positions.

During 2021 the global economy demonstrated a strong recovery from the COVID-19 shocks, but the recovery process was very unequal among countries. It reflected sharp rebounds in some major and emerging economies owing to substantial fiscal support and substantial to reasonable access to vaccines. Economic recoveries diverged across countries and sectors, mainly because of the variation in nature of the pandemic-induced disruptions and extent of policy support. While advanced economies were rebounded, many of the world's poorest countries were left behind. Additionally, a more contagious strains of coronavirus which had recently spread in different countries, particularly the emerging economies and developing economies, had further hindered the recovery process. However, all in all, the global outlook remains subjected to high uncertainty. Future developments will depend on the path of the pandemic, policy actions, the evolution of financial conditions and commodity prices, and the capacity of the economies to adjust with the health-related impediments. These drivers and their interaction with country-specific characteristics will determine the pace of the recovery in the days to come. We are certain that the crisis will be over soon. But the scars are likely to prevail for many years. We are experiencing changes in customer behavior, technology expectation as well as the working culture. Therefore, with the need of time we need to be ever ready to adopt changes, newer technologies and restructure our old system and practices for our own sustainability.

Like last year, in 2022 also we are keeping a vigilant eye on the international arena, particularly the Russia-Ukraine war. We are also keeping a close eye on our major allies like India, China and the USA. China being the factory of the world is the biggest supplier and the major development and strategic partner of Bangladesh. USA on the other hand is our largest export market while India is biggest trading partner in the region. Amiable relationship with all these countries will not only ensure a smooth trading route for us but also will establish a balance of power in the region.

Bangladesh on the other hand has demonstrated strong economic fundamentals with a consistent GDP growth rate of above 6% over the last few years. Over the decade, this growth in GDP was supported by expanding domestic market and a significant growth in per capita income. In addition to the domestic demand, low-cost labor with growing skills provided Bangladesh with a potentially competitive advantages to attract labor-intensive industries and serve as a hub to cater the export demands. But this consistent trend was unfortunately heavily marred by the outbreak of covid 19. Bangladesh's growth was substantially slowed down 3.51% in 2019-20. But showing much resilience Bangladesh's economy is gradually turning around in the context of tackling various shocks inflicted by the corona virus.

The banking sector as a whole is still heavily burdened with the legacy defaulted loans and investments. Pandemic has further worsened the impact. To keep the situation under control various liberal policy measures including disbursement of stimulus fund were introduced. These steps, no doubt, have arrested the further increase of NPLs but the real threat of toxic assets still remains. Given all the odds I would still say AIBL has performed reasonably well during the year 2021.

Overall Performance

By the grace of Almighty Allah (SWT) Al-Arafah Islami Bank has overcome the challenges of 2021 and made satisfactory profit and growth in most of the areas of business. The Bank took a strategy of quality growth of its assets by adhering to compliance in all spheres of operation particularly in respect of Shariah and regulatory laws and guidelines. As a continued policy, the Bank remained focused in all the key areas covering capital adequacy, good asset quality, sound management, good earnings and strong liquidity.

The Bank's operating profit stood at Tk. 7,494.14 million during the year. The return on equity recorded at 8.21% while earnings per share (EPS) stood at Tk. 1.96.

Total assets of the Bank rose to Tk. 462,687.05 million during the year showing a growth of 10.61% over the previous year.

Deposit of the Bank stood at Tk. 353,287.97 million registering an increase by Tk. 27,264.56 million during 2021 with a growth rate of 8.36%.

Our Bank has always maintained investment-Deposit Ratio (IDR) at required level throughout the year. As a result, the bank has not only

been able to maintain its risk-free liquidity and but also been able to maximize its earnings from the deployed fund.

All along we have tried our best to make quality investments. In the process due attention was also given to portfolio diversification which helped us in mitigating various inherent and potential risks associated with the investments. Despite many other industries bottlenecks our investment portfolio has registered a healthy growth of 9.16% during the year.

Overdue investments stood at Tk. 3993.40 million as on 31st December 2021 as against Tk. 5,959.36 million as of December, 31 last year. Total overdue decreased by Tk. 1,965.96 million during the year 2021 bringing the same to 1.16% of our total investment as against 1.92% in the previous year. Corporate Branch Managers, Zonal Heads and other Branch Managers are advised to take all precautionary measures so that the overdue investments are not inflated and income leakage remains under control.

Rescheduled investments decreased by Tk. 985.60 million from Tk. 21,959.90 million to Tk. 20,974.30 million (Term investments by Tk. 11,875.90 million plus Continuous and Demand investments by Tk. 9,098.40 million) which was 6.09% of total Investment. Recovery against rescheduled investment during the year 2020 was Tk. 1,051.20 million.

Classified investments increased by Tk. 6,818.41 million in 2021 from Tk. 11,769.58 million to Tk. 18,587.99 million representing 4.81% of total investment as against 3.80% in the previous year. During the year 2021, recovery & regularization against classified investment stood at Tk. 991.75 million while recovery against written off investments stood at Tk. 71.84 million recording a total recovery of Tk. 2,114.79 million which includes a recovery Tk. 1,051.20 million from the rescheduled investments.

SME & Retail Banking

Our Bank is now focusing on investment to SME and Retail sector in line with the policies and guidelines of Bangladesh Bank. During the year we have achieved above 100.89% of our set target in this area by providing investment to major three categories of enterprises viz. Industry, Trade and Services.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank Limited (AIBL) obtained the Off-shore Banking Unit ("the Unit") License from Bangladesh Bank on 17 February, 2014 and commenced its operation from 22 May, 2014. Located at AIBL Motijheel Branch, 161, Motijheel Commercial Area Dhaka 1000, OBU is working as an independent unit. The principal activities of OBU include Mudaraba Investment under UPAS (Usance Payment at Sight) against Usance/Deferred L/Cs opened by an AD branch with the condition that payment will be made at sight by OBU of AIBL against acceptance of LC opening AD branches and Musharaka Documentary Bills in Foreign Currency (MOB F.C) against Accepted Local Export Bills

to the eligible Deemed Exporters of our AD and Non-AD branches. Besides, OBU may also accept FC deposits from eligible customers. As per Bangladesh Bank guidelines the Books of Accounts of OBU is being maintained in foreign currencies of which the base currency is USD.

Risk Mitigation

Risk-taking is an inherent element of the banking business and indeed profit is the reward for successful risk taking i.e. mitigating the risk to a tolerable limit. Considering the above, Bangladesh Bank has issued necessary guidelines to all the scheduled banks and in line with that guideline we have taken necessary steps and measures including establishment of a separate division with skilled manpower.

Subsidiary Companies

As part of diversification of our business, we have established the following subsidiary companies, in addition to our normal banking business:

AIBL Capital Market Services Limited

AIBL Capital Market Services Limited was incorporated as subsidiary company of Al-Arafah Islami Bank Limited with an authorized capital of Tk. 10 billion and paid-up capital of Tk. 4 billion of which AIBL's holding is 60.50%. The main objectives of the company are to carry out the business of Stock Broker and Dealer in the Capital Market. During the year 2021 the company earned Operating Profit of Tk. 140.74 million (before provision for investment and taxation) with Earnings per Share (EPS) of Tk.0.245.

AIBL Capital Management Limited

AIBL Capital Management Limited, a subsidiary company of Al-Arafah Islami Bank Limited, was incorporated with an authorized capital of Tk. 2 billion and paid-up capital of Tk. 500 million. The main objectives of the company are to carry out the business of Merchant Banking in all its aspects including Issue Management (IPO, Right Share Issue, and Bond Issue etc.), Portfolio Management, Underwriting, Corporate Advisory Services, Pre-IPO Placement, Investment Analysis and Research etc. During the year 2021 the company earned Operating Profit of Tk. 7.51 million (before provision for investment and taxation) with Earnings per Share (EPS) of Tk.0.099.

AIBL Asset Management Co. Ltd

AIBL Asset Management Co. Ltd. is another subsidiary company of AIBL with an Authorized Capital of Tk. 500 million and Paid up Capital of Tk. 100 million. Its main objective is to carry out the business of Asset Management, Portfolio Management, Capital Market Operation and other financial services. AIBL is holding 90% share in the company. The company is expected to start its operation soon.

Conclusion

As we close another year of change and progress, the Board of Directors thank our Managing Director and CEO for his steady hand at the helm, and the Senior Executive Team for their steady leadership throughout 2021. Most importantly, we want to recognize the determination and

hard work of our AIBL colleagues, who deliver legendary experiences every day with dedication and care. We extend our appreciation to our shareholders for their ongoing support and thank our customers for the opportunity to serve them. We also acknowledge the supportive roles of our regulators – Bangladesh Bank, the Board of Directors and the Shariah Supervisory Committee. We will continue to work every day to maintain your support and trust. May Allah SWT bestow all HIS boundless blessings upon all of us.

Ma-assalam

Sincerely,



Alhajj Salim Rahman

Chairman

Date: 11 August 2022



MANAGING DIRECTOR'S ADDRESS

Bismillahir Rahmanir Rahim.

To begin with, I must express my deepest gratitude to Allah (SWT) for keeping us secured and alive during this pandemic. With all HIS Blessings AIBL has been successfully able to sail through the COVID infected year of 2021 and at the same time greatly thankful to HIM for enabling us to do so. We also pray for all the souls who could not survive the onslaught of COVID 19 and left us for good.

Dear Respected Shareholders

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu

As we close 2021, the second year of major disruption in business inflicted by Covid-19, AIBL remains strong and well-positioned for the future. I sincerely thank Allah SWT for empowering us to face the adversities with due focus and courage. We relentlessly worked with excellence to advance our strategies and support the millions of families and businesses who have placed their trusts in us. Given the disruptive conditions I think the performance of AIBL is commendable. My colleagues have not only delivered for all stakeholders amongst all odds during this prolonged period of uncertainty but also been successfully able to identify new opportunities to drive sustainable and inclusive growth and contributed significantly to the economic recovery.

As far as Bangladesh is concerned, I would say that the year of 2021 was a mixed blessing for our economy. It was in this year, the 50th anniversary of our independence, we received the good news from the UN about the approval of our graduation from LDC to Developing Country (DC). But this landmark achievement of elevation to developing country status will not come without its challenges as Bangladesh is likely to lose some of her advantages and concessions, she had previously been enjoying on the world stage.

Not only that, Bangladesh faced a staggering blow caused by Covid 19 which dragged our GDP growth to its lowest level in three decades. In 2021, the surge of the delta variant saw an even more severe second wave of infections and deaths in the country. Despite being hit by multiple waves of the COVID-19 pandemic, quick and decisive actions like lockdowns by the authorities, supported by the external environment, the transmission chain was broken which led to a much

quicker rebound to normalcy than Bangladesh's regional peers. The decision was a tough one, hitting manufacturing, exports and imports, and all other sectors and sub-sectors of the economy. But the measures seem to have paid off. Not only have cases and deaths dwindled over time, but the economy also seems to have rebounded, with positive indicators from the import-export sector, consumption, investment and infrastructure. This is clearly supported by the bodies like IMF, ADB and World Bank as they have projected us to grow by almost 7% both in 20-21 and 21-22 fiscal year.

During the pandemic, we extended number of additional investments, payment deferrals and helped deliver government's stimulus programs. The pandemic has also reinforced the need to accelerate efforts to create a more inclusive world and workforce. As a result, we have launched a new strategic department called ARDP which aims at enabling the unbanked, underbanked, remote and indigenous communities to access finance. We have focused on strengthening Anti Money Laundering Monitoring activities. We are in the process of introducing online learning platform for our employees. With the demand of time, we are continuously adopting to newer and newer technology as well to add value for our customers.

Now let me give a picture in details how our bank has performed during the year 2021.

Overall Banking Scenario

Banks' Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 11,88,706 million representing 9.21% point to point growth from Tk. 14,093,430 million as on 31 December 2021 to Tk.1,29,04,724 million as on 31 December 2020.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at TK. 3,931,110 million during the year 2021 as against Tk. 3,269,222.40 million in the previous year 2020 and it increased by Tk. 6,61,887.60 million registering a growth of 20.24% in 2021. The share of Islamic Banks' deposits as of 31 December 2021 stood at 27.89% as compared to at 25.33% on 31 December 2020.

Banks' Advances /Investment: Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,226,537 million representing 10.71% point to point growth from Tk. 11,449,073 million as on 31 December 2020 to Tk. 12,675,610 million as on 31 December 2021.

Islamic Banks' Investments: All Islamic Banks' Investments stood at TK 3,534,480 million during the year 2021 as against Tk. 2,940,936.38 million in the previous year 2020 and the Investment increased by Tk 5,93,543.62 million registering a growth of 20.18% in 2021. The share of Islamic Banks' Investments as of 31 December 2021 stood at 27.88% as compared to 25.69% on 31 December 2020.

Operating Profit: Despite a tough start of the year 2021 Banks in Bangladesh managed to earn a reasonable amount of operating profit for the year. But The growth of profit was slim owing to low credit/investment demand, cautious lending/investment policy, lowering lending/ investment profit rates and the sluggish business environment.

In terms of operating profit earned, Islami Bank Bangladesh Limited (IBBL) is the highest and thus topping the list of Banks. Al-Arafah Islami Bank Limited (AIBL) ended up being on 10th position in 2021. However in an apple to apple comparison (i.e. Islami to islami) AIBL is only second to IBBL, the oldest and biggest Islami Bank in Bangladesh.

Deposits and Borrowings

The total deposit and Borrowings of the bank reached Tk. 380,885.25 million recording 92.90% achievement of the Target of Tk. 410,000.00 million as on 31stDecember 2021 as against Tk. 348,814.37 million at 31st December 2020. The Deposits and Borrowings increased by Tk. 32,070.88 million registering a growth of 9.19% in 2020 as against national growth of 9.21%. Our deposit target for the year 2022 has been fixed at Tk. 435,000.00 million expecting growth of 14.21%.

Major Business Ratios

Major comparative business ratios i.e.Yield on Investment, Cost of Deposit & Borrowings, Spread, Cost of Admin, Cost of Fund, Non-Funded Income and Net Spread for the year 2021 & 2020 are appended below:

Particulars	2021	2020
Yield on Investment	6.50%	7.75%
Cost of Deposit & Borrowings	4.02%	5.47%
Spread	2.48%	2.28%
Cost of Administration	1.98%	2.03%
Cost of Fund	6.00%	7.50%
Non- Funded Income	1.29%	1.39%
Net Spread	1.79%	1.64%

Deposit Mix

Cost of Fund of the Bank, inter alia, depends on efficient management of Deposit Mix. Deposit Mix of the Bank is shown below:

Deposit Mix	Achievement 2021	Achievement 2020
Cost Free Deposit	11.49%	11.87%
Low cost Deposit	30.05%	28.58%
High Cost	58.46%	59.55%
Total	100.00%	100.00%

Plan and Strategies for Deposit Mobilization:

Our plan and strategies for mobilizing deposits are given below, which shall be followed meticulously by all concerned.

Deposit shall be mobilized giving due importance to deposit mix. For the year 2022 the mix of no cost, low cost and high cost deposit has been set at 14%, 31% and 55% respectively.

- To increase the cost free and low-cost deposit, AIBL capitalizes on:
 - Better customer service.
 - Good business relationship with all the local industrialist, businessmen, professionals etc.
 - Focusing on small private/personal deposits for a solid deposit base.
 - Focusing on School Banking.
 - Opening of big Corporate Client Accounts having high volume transactions along with salary accounts.
 - Induction of Clients having large Foreign Exchange Portfolio so that cost free deposit i.e. margin account, FC held etc. may be maintained.
 - Opening of more FC Accounts to keep more current account balance.
 - Expediting the booking of more Current, Savings and SND Accounts.
 - Encouraging the opening of collection accounts of different service oriented institutions like DPDC, DESCO, PDB, NGOs, Schools, Colleges, Universities, Titas Gas, Bakhrabad Gas, Mosques, Madrasahs etc.

Investments

Total Investments of the bank stood at Tk. 344,431.81 million recording 93.34% achievement of the Target of Tk. 369,000.00 million as on 31st December 2021 as against Tk. 309,762.11 million on the same day of 2020. The investments increased by Tk. 34,669.70 million recording a 11.19% growth in 2021 as against national growth of 10.71%. The target for investment for the year 2022 has been fixed at Tk. 398,000.00 million with anticipated growth of 19.12%.

All the Branches, as they have done in the past, will give their best efforts to make quality investment complying with the Shariah principles and ensure constant follow up and supervision for maintaining the quality and ensuring timely recovery.

All concerned are advised to adopt the following policies and strategies for quality investments-

- To motivate the valued clients with potential and satisfactory business reputation to route their business through us
- To boost up SME and Micro investment
- To encourage Women Entrepreneurs.
- To ensure diversification of investment portfolio by size, sector, economic purpose and geographical area for minimizing risks of concentration as well as to ensure equitable deployment of fund
- To make investment covered by adequate securities as stated in the norms of existing business discretionary powers
- To change the nature, trend of investment depending on the economic activities
- To sanction investment ensuring proper appraisal as well as actual need of the client

Operating Profit

The bank earned operating profit of Tk.7,345.89 million during the year 2021. The operating profit of the Bank during the year 2020 was Tk 6,661.09 million and thus the Bank attained growth of 10.28% in respect of operating profit. During this challenging year, it was unexpected to earn such a volume of profit. However, with the blessings of Almighty Allah (SWT), it was possible due to the prudent and timely decisions of the Policy Makers and quick implementation of such decisions by the Management along with efficient and effective fund management. Considering all the factors, Operating Profit target for the year 2022 has been fixed at Tk 8,300.00 million which equals a growth of approximately 19.62% from that of the previous year.

Our plan and strategies for increasing operating profit are-

- to ensure quality investment
- to arrest non-performing investment
- to increase ancillary business
- to increase cash recovery from nonperforming investment
- to increase cash recovery from written off and rescheduled investment.
- to comply 100% Shariah principles so that no-income shall be considered doubtful.
- to control expenditure
- focusing on off balance sheet income.

International Banking Wing (IBW)

We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 26 AD Branches through which we have handled total foreign exchange business of Tk. 450,015.10 million during the year 2021 as against the Target of Tk. 419,000.00 million. Our Foreign Exchange business has increased by Tk.131,889.80 million

recording a growth of 4.15%. Target of International Trade for the year 2022 has been fixed at Tk. 530,000.00 million with 15.09% growth.

Import Business

Total import business of the bank for the year 2021 stood at Tk. 261,566.10 million as against Tk 169,378.90 million in the previous year. We recorded a 54.43% growth in import business in 2021 over 2020. Target for Import business for the year 2022 has been fixed at Tk. 300,000 million with an expected growth of 14.69%.

Export Business

Total Export business of the bank for the year 2021 stood at Tk. 135,786.90 million as against Tk. 104,939.40 million in year 2020 and thus recorded a growth of 29.40% over previous year. Our target for Export business for the year 2022 has been fixed at Tk 170,000 million with an expected growth of 25.20%.

Remittance

Total remittance of the bank stood at Tk.52,662.10 million during the year 2021 as against Tk. 43,807.00 million, in the previous year. Our remittance business recorded 20.21% growth in 2021 over 2020. Target for Remittance business for the year 2022 has been fixed at Tk. 60,000 million and thus expecting a growth of 12.23%.

Treasury Operations:

Worldwide mobility restrictions due to delta and omicron variants of covid-19 is damaging economies across the world, including financial markets and institutions in all possible dimensions. For banks in particular, globally imposed restrictions generates multifaceted crises like potential increase in default rates, liquidity and profit rate imbalance, low credit/deposit growth, policy restrictions from regulators. In line with the financial dynamics across the world, ABL Treasury has played a pivotal role in overall fund management of the bank. Treasury team monitored inflows and outflows of all balance sheet contracts and profitably managed liquidity and unusual situations within the laid down policies and regulations of Bangladesh Bank. Treasury always focus to cater the needs of different treasury solutions in changing environments. For inherent principles, the bank has many limitations and cannot deal with conventional Treasury products like Govt. Treasury Bond, Treasury bill, Call Money, SWAP & Forward Contracts. In spite of all the limitations, Treasury team was committed to offer competitive price, excellent services and time befitting advices to the clients to best fit the changing environment. ABL Treasury has separate designated desks to provide optimum Treasury solutions.

Desks are as follows:

- Foreign Exchange Desk
- Money Market Desk
- Asset Liability Management Desk and
- Corporate Service Desk

Foreign Exchange Desk

Foreign Exchange Desk thoroughly monitored exchange rate movements, volatility & liquidity scenario of USD and other active currencies throughout the years. Treasury set exchange rates for merchant transactions, successfully managed Net Open Position (NOP), ensured optimum liquidity, quoted market-based exchange rates to the exchange houses and managed FC liquidity for our Offshore Banking Unit (OBU). The Foreign Exchange desk has maintained close liaison with a set of local and foreign counterparts for ensuring of

FC liquidity around the calendar. AIBL Treasury successfully managed FC dealing of cross currencies through its trading platforms of world renowned banks. The Desk has also provided FC dealing solutions to the counterparty banks in our local market. Whole of the year they have performed 2,856 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 1,672.70 million from cross currency deals, exchange gains & FC funding. In 2021, Treasury Back Office (TBO) team has handled 112,724 nos FX transactions with turnover of USD 5.24 bio. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. TBO had relentlessly driven it's all out effort for timely reconciliation of all of the nostro transactions aligned with Bangladesh Bank regulations.

Money Market Desk

Ensuring optimum liquidity of local currency to meet asset book requirement as well as earning optimum profitability from the mismatches between maturity buckets of deposits of the bank within regulatory requirements are prime responsibility of the Money Market Desk. AIBL Treasury Money Market Desk also maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of the bank efficiently. Our team has successfully managed liquidity as well as deployed surplus funds to the Islamic banks, Islamic windows & Islamic branches of conventional banks and leasing companies operated under shariah principles. In 2021, Government introduced Bangladesh Government Investment Sukuk (BGIS) first time & AIBL also participated in its first auction of BGIS for SLR maintenance.

Asset Liability Management (ALM) Desk

Managing the risks that arises from maturity mismatches of Asset Liability of the bank is the prime responsibility of ALM Desk. Bank faces several risks like Liquidity Risk, Profit Rate Risk, Credit Risk and Operational Risk etc. ALM Desk mainly manages Liquidity Risk and Profit Rate Risk of the bank through day-to-day monitoring of market information & future outlooks. It prepares ALCO paper & conducts ALCO meetings each month where all issues related with ALM are discussed and instructions are given.

2021 was a challenging year from Asset Liability point of view as Bangladesh Bank issued directives for deposit rate protection against inflation. Due to volatile movements of profit/interest rates of Asset and Liabilities in the market, it was a real challenge to maintain a reasonable spread. The ALM Desk was proactive to revise the profit rates of deposits aligning with market rates as well as ensuring liquidity. ALM Desk successfully recommended asset-liability slotting for maintaining a steady and reasonable spread for 2021. ALM Desk has properly maintained BASEL III ratios like Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) leverage ratio, commitment and wholesale borrowing position within set limit of Bangladesh Bank.

Corporate Service Desk

We are providing customized treasury solutions to our corporate client's matching with market practices from the Corporate Service Desk. Mainly our foreign trades clients seek market oriented timely solutions and appropriate advices for their FX portfolios. The main objective of the desk is to ensure maximum utilization of funds of corporate clients ensuring profitability of the bank as well as strengthening their trust on us.

Besides all of its regular activities, Treasury has updated following guidelines which had been duly approved by our Board of Directors:

- Foreign Exchange Risk Management Guidelines
- Guidelines on Asset Liability Management
- Wholesale Borrowing and Lending Guidelines
- Management Action Trigger
- Contingency Funding Plan
- Profit Rate Risk Management Guidelines
- Fund Transfer Pricing Policy
- Market risk and counterparty limits.

Treasury Outlook of 2022

In 2021 BDT moved against USD from Tk.84.80 to Tk.86.00 resulting appreciation of almost 1.42% which was still overvalued compare to peer currencies. Most of the south Asian countries devalued their currencies significantly which has posed serious threat to our export destinations and country has faced negative growth of exports last year. Due to sporadic of, US-China trade war, Iran Crisis & BREXIT issues, to retain export earnings, BDT may be under pressure for devalue. Government has provided 2% incentive for inward remittances which has contributed in 1.49% growth during the calendar.

Moratorium in investment repayment, injecting money by B. Bank from buying dollar from banks dampen money market round the year. But due to post Covid scenario, increases in private sector credit growth & bullish import growth may change overall liquidity position of the market and may lead to deepen the liquidity crisis. To cope up with the changing scenario banks have to introduce tech-based banking, spread Agent and Sub-Branch outlets countrywide and rush to retail depositors/investment clients.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank Limited (AIBL) obtained the Off-shore Banking Unit ("the Unit") License from Bangladesh Bank on 17 February, 2014 and commenced its operation from 22 May, 2014. Located at AIBL Motijheel Branch, 161, Motijheel Commercial Area Dhaka-1000, OBU is working as an independent unit. The principal activities of OBU include Mudaraba Investment under UPAS (Usance Payment At Sight), HPSMFC (Hire Purchase Sirkatul Melk in Foreign Currency) against Usance L/C opened at AD branch with the condition that payment will be made at sight by OBU of AIBL against acceptance of LC opening AD branches and Musharaka Documentary Bills in Foreign Currency (MDBFC) against Accepted Local Export Bills to the eligible Deemed Exporters of our AD and Non-AD branches. Besides, OBU may also accept F.C deposits from eligible customers. As per Bangladesh Bank guidelines the Books of Accounts of OBU is being maintained in foreign currencies of which the base currency is USD. Comparative position of Off-shore Banking Unit;

PROPERTY AND ASSETS	Dec.20 (Million USD)	Dec.21 (Million USD)	Growth
Total Assets	153.82	248.88	61.80%
UPAS	145.06	231.79	59.79%
MDBFC	8.76	14.71	67.92%
HPSM Machinery	0.00	2.38	100.00%
Placement from Parent Bank	80.63	94.47	17.16%
Borrowing from Overseas Banks	73.19	154.41	110.97%
Net Operating Income	0.78	1.03	32%

Foreign Remittance Division:

Foreign Remittance Division is one of the most potential business segments of the bank which contributes overall growth of the Bank, increases the inflow of foreign currency, assists to build up low cost deposit and strengthens customer base of the Bank as well as upholds Bank's image in home & abroad and also makes significant impact towards the sustainable development of the Bank. Foreign Remittance Division is procuring remittance from all the remittance hubs across the globe consisting more than 100 countries through 23 (twenty three) Remittance Arrangements with different exchange houses in abroad and local banks.

1. Remittance Achievement:

Total remittance of the bank stood at Tk. 5,266.21 crore during the year 2021 as against Tk. 4,380.70 crore, Tk. 3,771.34 crore, Tk. 3,691.72 crore and Tk. 2,070.28 crore in the previous year 2020, 2019, 2018 and 2017 respectively. Our remittance increased by Tk. 885.51 crore i.e. 20.21% in 2021 as compared to increases of Tk. 609.36 crore i.e. 16.16% in 2020, Tk. 79.62 crore i.e. 2.16% in 2019, Tk. 1,621.44 crore i.e. 78.32% in 2018 and Tk. 896.74 crore i.e. 76.41% in 2017 respectively. Target for Remittance business for the year 2022 has been fixed at Tk. 6,350.00 crore expecting growth 20.58%.

Performance of Foreign Inward Remittance -From 2017 to 2021:

Year	Remittance		No. of Tr.	Target (In Crore)	Achievement (In %)	Commission Received (In Lac)	Growth (In %)
	BDT (In Crore)	USD (In Million)					
2017	2,070.28	251.89	421,704	1,500	138%	131.10	76.41
2018	3,691.72	441.22	684,045	3,000	123%	176.01	78.32
2019	3,771.34	446.45	698,640	5,000	75%	217.88	2.16
2020	4,380.70	516.19	693,537	4,250	103%	211.21	16.16
2021	5,266.21	618.68	827,851	5,400	97.52%	260.72	20.21

The Branches & Agent Banking Outlets of AIBL have procured foreign remittance BDT 3,653.79 crore in 2021 which is more than 24.22% of the previous year 2020 and procurement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 1,612.42 crore in 2021 which is more than 12.03% of the previous year 2020.

2. Remittance Drawing Arrangement:

We have executed 04 (four) new remittance drawing arrangements with different exchange houses in Qatar, UK & Spain in 2021 and another 10 (ten) more exchange houses from different hubs of the world are under process. In order to boost-up remittance business the division is deploying all-out effort to establish new drawing arrangement with exchange houses in UAE, Oman, Bahrain, Kuwait, Qatar, Malaysia & across the globe.

3. Foreign Remittance Operation at Agent Banking Outlets:

Our all-Agent banking outlets have been disbursing foreign remittance under the support of Foreign Remittance Division. Remittance achieved through Agent Banking Outlets during 2021 was BDT 1,426.87 crore which was 27.09% of total remittance.

4. Marketing & Promotional Activities:

With a view to increase transaction of Moneygram, Al-Arafah Islami Bank executed promotional campaigns in Eid-ul-Azha 2021, under joint promotional campaign with Moneygram. Each Moneygram

customer got an umbrella during these campaigns. In order to increase remittance volume, the division has a plan to launch more promotional campaigns in 2022.

Overseas Banking Division:

Overseas Banking Division of International Banking Wing is working continuously to enhance the business arena of the Bank at home and abroad by establishing Correspondent Banking Relationships with different renowned foreign and domestic Banks subject to compliance with AML-CFT regulations of Bangladesh Bank and other competent authorities. Performance of 2021 in this respect is as under:

New relationship management application (RMA):

Established new 08 RMA (Relationship Management Application) with global banks in 2021 in following regions:

New Nostro Accounts: In 2021, we have opened new 01 (One) Nostro Accounts in the following currency as below:

Name of the bank	Currency	City	Country
Commerz Bank	GBP	London	UK

New Credit line in 2021:

Sl no.	Name of the bank
1	First Abu Dhabi Bank, UAE
2	Commercial Bank of Dubai, UAE
3	Exim Finance, Hong Kong
4	Ajman Bank, UAE

Vessel Tracking Service in AIBL: Since 2019, we have been implementing web-based vessel tracking services from Lloyd's List Intelligence (LLI), United Kingdom to prevent our import & export business from involving money laundering and terrorist financing risk as well as to comply with the requirement of Maritime Sanctions screening.

Basic Tracker: Basic Tracker enables us to track all our swift payment messages from end-to-end in real time (some banks in between the transaction may be hidden/undisclosed), confirms if the beneficiary has been paid or not etc.

Asset Quality

Overdue investments stood at Tk. 3993.40 million as on 31st December 2021 as against Tk. 5,959.36 million as of December, 31 last year. Total overdue decreased by Tk. 1,965.96 million during the year 2021 bringing the same to 1.16% of our total investment as against 1.92% in the previous year. Corporate Branch Managers, Zonal Heads and other Branch Managers are advised to take all precautionary measures so that the overdue investments are not inflated and income leakage remains under control.

Rescheduled investments decreased by Tk. 985.60 million from Tk. 21,959.90 million to Tk. 20,974.30 million (Term investments by Tk. 11,875.90 million plus Continuous and Demand investments by Tk. 9,098.40 million) which was 6.09% of total Investment. Recovery against rescheduled investment during the year 2020 was Tk. 1,051.20 million.

Classified investments increased by Tk. 6,818.41 million in 2021 from Tk. 11,769.58 million to Tk. 18,587.99 million representing

4.81% of total investment as against 3.80% in the previous year. During the year 2021, recovery & regularization against classified investment stood at Tk. 991.75 million while recovery against written off investments stood at Tk. 71.84 million recording a total recovery of Tk. 2,114.79 million which includes a recovery Tk. 1,051.20 million from the rescheduled investments. Plan and Strategies to Improve the Asset Quality-

- to ensure constant supervision and follow-up for timely recovery of investment and prevent it from becoming overdue afresh.
- to fix individual target from very beginning of the year for recovery of non-performing investment.
- to give special attention on top classified investment clients for early settlement/ adjustment/regularization.
- to keep constant, follow up & monitoring to ensure timely recovery of installment against rescheduled investment.
- to address chronic NPI clients by taking effective steps and applying prudence.
- to initiate necessary steps to settle the court cases quickly and even the cases can be settled outside the court through persuasion and mutual understanding.
- to be more vigilant to keep NPI at the lowest possible level.
- to deploy level best efforts for recovery of Written off investment including legal action.
- to keep a close eye on the SMA bucket so that SMAs, do not graduate to classified accounts.

Ancillary Business

The ancillary business contributes a lot in the overall profitability of the Bank. We have earned Tk 3,299.11 million from Commission Income during the year 2021 as against Tk. 2,627.55 million during 2020. The target for our ancillary business during the year 2022 has been fixed at Tk. 3,800.00 million with an anticipated growth of 15.18%.

As our objective is to cover our entire Salaries and Allowances out of ancillary income, we have no other alternative but to maximize our ancillary business.

Capital Adequacy Ratio (CAR)

As per Bangladesh Bank requirement, Bank has to maintain a Capital of 12.50% of its Risk Weighted Assets or Tk. 4,000.00 million whichever is higher. Accordingly, we have maintained our capital with full compliance. As on 31.12.2021 our Eligible Capital (Solo Basis) stood at Tk. 41,358.68 million as against Tk. 37,486.33 million in December 2020, Tk. 30,802.44 million in December 2019, Tk. 30,564.17 million in December 2018 and Tk. 25,104.77 million in December 2017, recording a growth of 10.33 % in 2021, 21.70 % in 2020, 0.78 % in 2019, 21.75% in 2018, and 5.91% in 2017.

Risk Weighted Assets (RWA) of Tk. 282,442.94 million (Consolidated Basis) and Tk. 270,110.22 million (Solo Basis) recording a Capital Adequacy Ratio (CAR) of 15.46% (Consolidated Basis) and 15.31% (Solo Basis) in December 2021 as against 15.07 % in 2020, 13.88% in 2019, 14.38% in 2018, 12.28% in 2017, 14.41% in 2016 and 15.30% in 2015.

In the year 2021 AIBL issued Mudaraba perpetual Bond for Tk. 5,000.00 million that meet the qualifying criteria for Tier- 1 Capital as per Basel III Guidelines.

In the year 2015 AIBL issued Mudaraba Subordinated Bond for Tk. 3,000.00 million, in the year 2018 for Tk. 5,000.00 million and in the year 2020 for Tk. 5,000.00 million that meet the qualifying criteria for Tier- 2 Capital as per annex 4 of Basel III Guidelines. Outstanding balance of AIBL Mudaraba Subordinated Bond was Tk.9,600 million as at 31-12-2021.

Money Laundering and Terrorist Financing Prevention

We all know that the initial focus of anti-money laundering regime was the intersection of organized crimes and drugs. But in course of time the focus was widened to include proceeds from many criminal activities. Today, everywhere in the world, AML has many goals. With the increased globalization of financial system money laundering has evolved into an activity affecting the societies, financial system and the economy as a whole. Thus, it has become a global phenomenon. It is a danger not just to the global economy but also to national security. All the countries in the world have come to a common platform with a common goal to create an infrastructure which would make the criminals think twice before involving into money laundering activities. Bangladesh accordingly enacted to different laws for combatting money laundering and terrorist financing. Banks are being constantly alerted by the regulators about the evils of ML. As the criminals use the banks as the main vehicle of their criminal activities, responsibilities of bankers have widened over time by manifold as well. Money laundering techniques are always evolving, and as a result, AIBL authority has taken strong steps to fight the evil.

Combating Money Laundering activities have been an integral part of the duties of every banker these days. We are constantly updating ourselves with the rules and regulations of AML/CFT. Nevertheless, it becomes hard to keep up with the culprits. They have always been finding out newer ways to bypass the rules and thus the vigilant eyes of the bankers and other Law Enforcing Agencies. Of late, the COVID-19 pandemic has changed the way of our lives exhaustively. Keeping in line with the new normal, criminals have also adopted newer ways of laundering money. Criminals are exploiting vulnerabilities opened up by the COVID-19 pandemic, increasing the risks of Cyberattacks, money laundering, and terrorist financing activities. This pandemic has forced us to leverage technology to our best. At the same time also exposed us to newer AML/CFT risks. Our Management has been principally watchful concerning our IT network, non-public data, third party risk, and Cyber security incident response plans and to focus additional efforts on staff training and awareness.

Prominent activities we have done in the year 2021:

- The Board has agreed to introduce an automated AML monitoring system and approved installation of monitoring software this year.
- Introduced TBML guidelines and ensuring compliance thereof.
- Nominated Zonal and Divisional anti-money laundering compliance officer so that every department, divisions, zones remain active in preventing money laundering.
- Circulated the new methods of records keeping (22 comprehensive data files) for sound AML/CFT compliance.
- Circulated the common lapses in regard to AML/CFT Risk Management for awareness on branch level compliance.
- Conducted 04 Central Compliance Committee meetings and adopted multi-level resolutions for strengthening compliance campaign of the Bank
- 58 STR/SAR submitted to BFIU and 358 STR settled by branches
- Conducted AML/CFT related in-house and out-reach virtual training programs for the employees of the Bank and Agent Outlets

- Delivered information on AML/CFT regarding correspondent Banking and vice versa
- Submitted total 435465 CTR successfully in 2021 (report submitted Monthly) through the GoAML web portal
- Corresponded about 164217 letters in number with BFIU and Branches
- 191 Branches were inspected by the Audit and Inspection Division on AML/CFT compliance
- Total 20 branches on AML/CFT compliance conducted virtual evaluations under the pandemic (COVID-19) situation through MLTFP Division

Additionally, we have been and will remain vigilant and aware of AML & CFT compliance issues and perform the following functions, among others, in a more meticulous way:

- Obtain correct and complete information in all Account Opening Forms, KYC, Transaction Profile (TP), etc. both for regular and walking customers
- Due Diligence and Enhanced Due Diligence (EDD) for all customers, as the case may be.
- Follow the rules for Customer Acceptance Policy of the Bank.
- Review abnormal, meaningless and suspicious transactions/activities and timely report the same as STR/SAR to the competent authority.
- Regularly and accurately review the Online Cash Transactions.
- Ensure auto screening of both UN, Local and other Sanction Lists
- Do an acceptable price verification before opening LCs and monitor ship tracking closely.
- Monitor inward and outward foreign remittances.
- Obtain proper documents in support of the declared 'Source of Fund'.
- Ensure proper preventive measures and safeguards against Trade Based Money Laundering.
- Strictly follow BFIU instruction in case of dealing with Politically Exposed Persons (PEPs), Influential Persons (IPs), High Officials, and Topmost of International Organizations.
- Officials to be more cautious in maintaining secrecy regarding correspondence with BFIU.
- To identify, assess and mitigate the risk of Money Laundering & Terrorist Financing, follow the Risk Register attached to ML & TF Risk Management Guidelines of the Bank.
- Conduct Quarterly Meetings (at least) at Branch level as per instructions of BFIU's Master Circular No. 26 dated 16/06/2020.
- To transform the Central Compliance Committee (CCC) to a more effective and robust one.
- Human Resources Division (HRD) have been advised to ensure Employee Screening Mechanism as per BFIU's instruction.
- Agent Banking Division to be watchful on AML & CFT compliance regarding Agent Banking and Agent outlets.
- Overall compliance of AML & CFT issues of the Bank though will be supervised by Money Laundering and Terrorist Financing Prevention Division but it is a duty of every employee of the Bank.
- Knowledge of AML & CFT compliance issues are essential for all employees. As such AIBL, Training & Research Institute (AIBTRI) ensure knowledge enhancement through In-house and Outreach

training, BAMLCO training, TBML, and Lead Bank Training, workshops, seminars (both physical & virtually), etc. for capacity building.

- Ensure awareness regarding adverse media news on AML/CFT
- Credit Card department have been alerted to remain extra cautious regarding usage foreign currency over the allowable yearly limit
- Do a proper KYC and due diligence while onboarding merchants for doing E-Commerce business
- Remain extra vigilant regarding cyber threats

Shariah Compliance

Our Bank is based on Islamic Shariah and therefore strict adherence to Shariah principles is the core strategy of our banking business. So, we have no other alternative but to comply with Shariah rules in all our activities under the guidance of our competent Shariah Supervisory Committee. Besides, we must understand the Maqasid al-Shariah and disseminate the same to our portfolio management.

Our Shariah Supervisory Committee contributes a lot to run all the business activities of the Bank in accordance with Islamic Shariah. During the year 2021, Shariah Secretariat of the Bank under the direct supervision of the Shariah Supervisory Committee undertook different programs for Shariah compliance in the Bank.

Al-hamdulillah, during the year 2021, a total of 201 branches (which includes 17 new branches as well) were inspected under the Shariah Supervisory Secretariat by the Shariah Secretary & Muraquibs. As per their report, investment Income of Tk. 9.42 million of 201 Branches and Head Office ID. has been segregated as Doubtful Income.

Financial Inclusion

Financial inclusion is a delivery of financial/banking services at an affordable cost to the vast sections of disadvantaged and low-income segments/group of society. Financial inclusion means that households and businesses have access and can effectively use appropriate financial services. Such services must be provided with responsibility and sustainability, in a well-regulated environment.

Actually, financial inclusion means not only opening account but also deliver to financial services to each person with an affordable cost where the clients can deposit or withdraw their money with comfortable process like cash, check, debit/credit card, mobile banking, agent banking & internet banking etc.

According to the Bangladesh Bank guidelines, Al-Arafah Islami Bank Ltd. has already started various schemes and initiatives to include the un-banked marginal people as the process of financial inclusion. The important initiatives are as follows:

Agent Banking

Agent Banking services is one of the important dimensions of banking services in Bangladesh which is provided through engaged agents under valid agency agreement. Agent is the owner of one or more than one outlet(s) who conducts banking transactions on behalf of the bank. This type of banking is comparatively a tremendous idea that can help the formal banking sector reach out to the marginalized people of the society through agents. It is playing a pragmatic role in paving the way for financial inclusion, which is a tool for inclusive economic growth and financial development of a country.

We have launched 571 Agent Banking outlets through 397 Agents as on December 2021 with a view to bringing the un-banked population under banking services. As on December 2021, total accounts of Agent Banking are 5,02,855. We have already covered 227 Upazillas under 55 Districts. With some restrictions and limitations, most of the

banking services are available in agent banking operation.

In Agent Banking, most of the beneficiaries are living in rural areas and were totally un-banked at the earlier. But now, their total deposit is Tk. 31,016.72 Million and the figure is increasing rapidly. Clients are opening accounts, depositing and withdrawing their expected money, getting foreign remittance from their relatives, paying their utility bills and getting other banking services spontaneously. This is one of the appropriate examples of financial inclusion in Bangladesh.

Agent Banking Performance At a Glance (As on 31-12-2021)

Taka in Million

Particular	Year 2020	Year 2021	Growth
Total Number of Agent	264	397	50.38%
Total Number of Outlet	400	571	42.75%
Number of Rural Outlet	353	502	42.21%
Number of Urban Outlet	47	69	46.81%
% of Rural Outlets Among Total Outlets	88%	88%	-
Number of Covered Upazilla	185	227	22.70%
Number of Covered District	48	55	14.58%
% of Area Coverage Among 64 Districts	75%	86%	-
Number of Accounts	3,25,582	5,02,855	54.45%
Number of Male Customer	1,82,090	2,62,697	44.27%
Number of Female Customer	1,35,894	2,31,533	70.38%
Number of Others Account	7,150	8,625	20.63%
% of Female Customer	41.74%	46.04%	-
Deposit of Agent Banking	23,524.42	31,016.72	31.85%
Cost Free Deposit	854.73	1,156.61	35.32%
Low Cost Deposit	7,865.11	11,477.92	45.93%
High Cost Deposit	14,804.63	18,382.21	24.17%
% of Cost Free & Low-Cost Deposit	37.07%	40.73%	-
Number of Foreign Remittance	1,64,392	2,35,580	43.30%
Amount of Foreign Remittance	8,494.70	14,268.73	67.97%
Number of Utility Bills Collection	39,50,120	60,30,907	52.68%
Amount of Utility Bills Collection	2,387.80	4,079.04	70.83%
Amount of Investment in Outlet Area Through Branch	99.14	1657.62	1572 %

Al-Arafah Rural Development program (ARDP)

Bangladesh has made remarkable progress in reducing poverty, supported by sustained economic growth. To keep up this progress a stronger and larger rural economy is crucial for employment generation and poverty alleviation. Financial services play a critical role in reducing poverty. Permanent access to financial services can help poor people to take control of their lives. Believing this fact and also containing the idea that rural people are bankable, we initiated our Islamic Microfinance Program on the year 2001 as Grameen Small Investment Scheme (GSIS). This program is reformed and revamped as 'Al-Arafah Rural Development Program (ARDP)' in late 2020 with a view of ensuring the financial inclusion of rural people and to unlock the considerable economic potential of rural areas. Functioning on the basis of Group and Samity, this program helps on socio-economic development of farmers, labours, fishermen, micro-businessmen and small entrepreneurs. Another important objective of this program is to give priority to create and patronize economically self-dependent rural women entrepreneurs.

Rural microfinance comes with its own set of challenges. Unlike cities,

rural populations are dispersed over large areas with poor infrastructure which increases transaction, information other costs significantly higher to offer financial products. Hence, we have tailored our banking solutions through various types of Deposit & Investment products to meet specific needs of rural people which are describe below.

Deposit Schemes:

Under the Al-Arafah Rural development Program (ARDP), members will operate a Mudaraba Savings Deposit (MSD) account for their personal and business transaction and monthly deposit-based saving scheme (ITD) for becoming financially self-sufficient and to build his own capital. Members could avail investment against their savings anytime. Our tailored deposit products are as under:

- Al Wadiah Current Deposit Account (CD) (ARDP)
- Mudarabah Savings Deposit Account (MSD) (ARDP)
- Mudarabah Membership Savings Account (MSD) (ARDP)
- Mudarabah Monthly Profit Paid Term Deposit 3 Years (ARDP)
- Mudarabah Monthly Deposite Scheme (5,10 Years) (ITD) (ARDP)
- Mudarabah Term Deposite (3,6,12 months) (MTDR) (ARDP)

Investment Schemes:

The investment schemes are without collateral/security and can be obtained easily. Repayment system is weekly/monthly installment basis. These are supervised investment schemes and skilled ARDP employees working in different branches ensure continuous processing and supervision of the same. Some of the popular Investment Schemes are:

- Bai-Muazzal (ARDP)
- Group or Samity based Unsecured Investment Scheme. Installment payable in weekly/ monthly ranging from Tk.10,000/- to Tk. 100,000/. Investment Tenure: 1 year.
- In the case of bank deposit lien, 100% or equal amount of money is disbursed.

Cottage, Micro, Small and Medium Enterprises Investment (CMSME)

Cottage, Micro, Small and Medium Enterprises (CMSME), works as the platform for job creation, income generation, and development of forward and backward industrial linkages and fulfillment of local social needs. MSMEs occupied a unique position in the economy of Bangladesh. Here, the MSMEs account for about 45% of manufacturing value addition. They account for about 80% of industrial employment, about 90% of total industrial units and about 25% of total labour force.

In the light of the definition given by Bangladesh Bank, Al-Arafah Islami bank Ltd. has put utmost priority over CMSME financing in three categories of enterprises viz. Industry, Trade & Services.

CMSME Investment at a glance

Figure in Million

Description	2021	2020
Total CMSME Portfolio	110641.00	100196.89
% of CMSME Portfolio to Total Portfolio	32.12%	34.41%
Target of CMSME Investment	70000.00	60000.00
Total CMSME Disbursement	65984.19	61005.39
% of Achievement	94.26%	101.67%

Investment on Women Entrepreneurs

About 50% of the populations of Bangladesh are women. Women participation in the mainstream of economic activities especially in

the productive sectors is crucial for attaining sustainable economic growth, poverty reduction and women's empowerment. But women participation in economic sector is inadequate and the number of women entrepreneurs is very low compared to that of their male counterparts.

Al-Arafah Islami Bank Ltd. is working with women entrepreneurs to make them capable of earning by connecting with country's economic activities. We give priority to women entrepreneurs to invest on various productive sectors. By the side of collateral secured investment, collateral security free investment is also considered in the question of women development.

Description	BDT in Million
Total SME Portfolio in Women Entrepreneurs	4571.60
Amount of Disbursement to Women Entrepreneurs	3371.28

Agricultural Investment

Agricultural Investment is dealt by Agricultural Department functioning under the control of SME Investment Division. To face the increasing food shortage of the country, bank is paying massive attention to invest on agricultural sectors. The main items of agricultural sectors are-crops, fisheries, warehouse, poverty alleviation, irrigation, livestock development etc. At the end of December 2021, total agricultural investment portfolio is Tk. 5729.00 Million for the fiscal year 2020-2021. With collateral and without collateral both are practiced in agricultural investment.

The Achievement of 2020-2021 is as follows:

(Figure In Million)

Sector wise Agricultural Disbursement	Current Fiscal Year	Frequency During 2020
a) Crops	511.20	449.40
b) Fisheries	1096.4	1099.50
c) Crop Storage	562.80	681.90
b) Livestock Development	2296.40	2252.00
e) Poverty Alleviation	92.70	41.50
f) Irrigation Tools	188.20	278.40
g) Agricultural Tools	224.10	281.70
h) Others	645.60	644.60
Grand Total	5617.40	5729.00

To promote agricultural sectors properly, our collateral free agricultural schemes are: Rural Agricultural Investment Scheme (RAIS) & Khamarbari Investment Scheme. Those schemes are running in all rural Branches. Skilled and experienced staffs are recruited in the concerned branches to ensure proper development of marginal farmers.

Rural Agricultural Investment Scheme (RAIS)

On the basis of socio-economic development of marginal and lessee farmers, this agricultural based programme named 'Rural Agricultural Investment Scheme (RAIS)' is running in this Bank. Development of country's internal food production as well as socio-economic sectors of farmers is the main focus here. We have already listed 1975 farmers under this scheme and total investment is Tk. 82.50 million of which outstanding is Tk. 39.30 million.

Al-Arafah Khamerbari Investment Scheme

To make a priority to invest in the crop sector of Bangladesh, we have launched the product named: "Al-Arafah Khamerbari Investment Scheme (Khamerbari)". With this product, we work for farmer's community surrounding the Branch. Our field officials motivate farmers to grow the potential crops based on their previous farming experience. This scheme is an innovative action to develop the crop sector of Bangladesh. We have disbursed 1.87 million investments among 150 farmers under this scheme so far.

Growing spices at a lowest profit rate (4%)

As per instruction of Bangladesh Bank, and to increase the production of different types of spices like Pulse, Oil-seed, Spice and Maize, we started investment at a lowest rate of profit (only 4%) to the marginal farmers. We have disbursed 30.90 million investments among 557 farmers under this sector so far.

Mudaraba Animal Husbandry Scheme

In the concept of Islamic Finance, Mudaraba is a special kind of partnership business, where one partner gives money to another and at the end of business cycle, the profit will be distributed between both the parties as per previously signed agreement. The investment comes from the first partner who is called "Saheb-ul-maal", while the management and work is an exclusive responsibility of the other, who is called "Mudarib". All the losses will be contributed by the fund provider.

In this scheme, Bank shall purchase cows, goats etc. on behalf of client under the limit of sanction amount. Clients shall responsible for daily maintenance of that animal as per terms and conditions. After a certain time, that animal will be sold in current market rate and then the profit shall be distributed as on previous agreement.

In this scheme, we have already disbursed Tk. 27.97 million for fattening of 484 Cows and 12 Buffalos among 187 farmers so far. This was a great achievement we think. This is a special scheme in the banking sector of Bangladesh.

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2021. In response to the overwhelming expansion in Bank's business, we extended our publicity to fulfill the market demand. We brought new dimension in our branding and publicity for establishing a positive image of the Bank. We acquired encouraging national attention towards AIBL throughout the year with our all-around activities. More than 54 news items of the Bank were broadcasted in 640 news coverage through 20 different TV Channels during the year 2021. We continued news branding on 7 major satellites TV channels such as Channel-i, Bangla Vision, ATN Bangla, ATN News, Desh TV, DBC TV and ETV.

Promotion in the television media got a major hike during the Ramadan in this year. In 11 major TV channels which included NTV, Bangla Vision, Bangla TV, Independent TV Jamuna TV, Channel-9, Boishakhi TV, SA TV, News 24, Gazi TV, Ekattor TV and many more. The Bank sponsored 13 different programs to encourage true Islamic values. The initiative was praised by the stakeholders and positively put an effect on business.

Positive branding was one of the vital supports that led the Bank to hold a firm position in the market. The Bank proved its engagements with people by sponsoring several occasions. Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, Fair of Chittagong Metropolitan Chamber of Commerce & Industry and

many more people-related gatherings were sponsored by the Bank. These activities tightened the relationship with clients and uplifted Bank's faithful image.

Our presence in the print media also was bold as we had 1350 Press Release items published in more than 60 different leading Newspapers and Media throughout the year. Besides, more than 700 advertisements took place in 115 different publications during that year.

This year the Bank went into Electronic Media vastly. Besides, promotion in social media and put utmost focus on Digital Media via Online Portals, Facebook, YouTube etc. With a new rebranded outfit, AIBL started serving more smartly and dedicatedly at every point of service throughout the country. Unexpectedly, this year the Promotional planning was struck by the negative effect of global pandemic caused by COVID-19. But the Bank had to modify its plan according to the situation.

Moreover, during the adverse circumstances, Bank made its' promotion through client service more effective and efficient in 2021. We must remember that, a satisfied client is the best advertiser of the Bank. So, all our promotional steps will be focused to make our customers feel that they are banking with their own bank with all the modern facilities, when they are with Al-Arafah Islami Bank Limited.

Branding Summary of AIBL in 2021

SL NO.	Branding Details	Frequency During 2021
1	TV News Items	54 events 640 coverage
2	TV Channel Coverage	21 channels
3	TV Branding (throughout the year)	7 channels
4	TV Branding during Ramadan	13 programs 11 channels
5	PR Published	1350 times
6	Print media covered	60 media
7	Promotional Advertising	700 advertisements
8	Publications used	115 publications

Information Technology

The technology is of great use in banking sector, it has changed the banking industry from paper and branch based banks to digitized and network services. Meaning it has played a very big role in reducing fraud in banks which protects its clients. Banks are investing heavily in digital banking technology, in which customers use mobile, web or digital platforms to use banking services. Artificial intelligence solutions, such as chatbots, often assist customers in simple tasks such as making payments. As such bank can enhance business processes, make managerial decision, and workgroup collaborations which strengthen their competitive positions in rapidly changing and emerging economies.

Every bank is providing their financial services, DATA analysis & classifications, making the ultimate decision with a truly automation system accomplished by the ICT division. AIBL started its Automation journey from 2006 and lived their Online Operation in the 2008 that has been going on successfully since inception.

Beside Core Banking System (CBS) we are also using the below tech based services to automate, secure and faster our internal activity as well as to offer the better services to our valued customers:

i.RTGS; ii.BEFTN; iii. BACH, iv. ISS Report, v. BPA, vi. CIB, vii.goAML-CTR, viii. RIT Reporting, ix. i-Banking, x. Sylvia (HRMS), xi. Agent Banking, xii. Utility Bill Collection, xiii. Sanction Screening, xiv. FATCA Compliance, xv. SWIFT, xvi. Asset Management, xvii. Centralized Anti Virus Management, xviii. Mail Server, xix.OBU, xx.Treasury, xxi. ATM

Service, xxii. Mobile ATM Service, xxiii. Debit Card, xxiv. Credit Card, xxv. SMS Alert etc.

Recently AIBL has launched Islamic Wallet which a Shariah based Mobile Financial Services of Al-Arafah Islami Bank Limited which has gone through the most rigorous security, compliance standards and all regulatory requirements.

Islamic Wallet promises to provide the most innovative services that can be provided in Mobile Financial Services industry of Bangladesh. It is fast, secure and affordable way to send & receive money from anywhere at any time. In addition to 'send and receive money', it provides a total eco-system where people can derive the best use of money. This wallet will be considered as new and innovative payment system to cater all kinds of banking needs for ensuring the maximum convenience of customers specially those who do not have access to banking services.

Services offered by Islamic Wallet

- Cash In, Cash Out, Person to Person (P2P)
- Fund Transfer from Card and Bank Account.
- Person-to-Business payments (P2B) such as utility bill payment, airtime top-up, insurance premiums, loan installments, merchant payments etc.
- Business-to-Person payments (B2P) such as payroll, commission disbursement, etc.
- Government-to-Person (G2P) payments such as subsidies, freedom fighter allowances, social welfare payments, endowments, etc.
- Person-to-Government (P2G) payments such as government duties, taxes, fees, etc.
- Ticketing Service
- Tuition Fees Payment

There are some Technology based initiatives taken by the bank management to improve the customers' services with a view to becoming the best bank in Bangladesh:

1. To become one of the best three Technologically advanced banks in the country within next 3 years
2. To ensure 100% Regulatory Compliance by taking highest possible ICT security measures.
3. To partner with various government & non-government entities so that the unbanked community of the society are brought under formal banking channel through MFS.
4. Full-fledged Internet Banking along with E-Commerce and Payment Gate way will be starting very soon.
5. Introduce Sub Branch Services as per Bangladesh Bank guideline.

Card Division

Card Division of Al-Arafah Islami Bank Limited has diversified range of products and services since the beginning to fulfill the customers' needs by strictly maintaining the Shariah Principals. More than 3.00 lac AIBL card holders including Debit Cards, Credit Cards, Instant Cards, Pre-Paid Cards and Hajj Cards are using AIBL own 200 ATMs as well as any banks' ATMs through NPSB network & MasterCard enable ATMs. The bank issues technologically advanced EMV Chip Cards to provide vast and secured services to our valued customers throughout the time 24/7. We are providing effective and efficient card services among the customers with nominal service charges and maintenance fees which a positive marketing tool. We have travel card which does not require to maintain any bank account and it could be used for overseas travelling time with foreign currency. We have Instant Card for account holders which is being issued from branch premises instantly at the time of account opening. We are planning to introduce International Debit Card within shortest possible time to facilitate dual currency in Debit Cards as per Bangladesh Bank policy.

Bank is offering discount facilities for both Debit & Credit Card holders & Equal Monthly Installment (EMI) facilities for Credit Card holders for the last few years to grab the market trends. We have a long list of EMI and discount partners including all renowned furniture manufacturers, branded electronic chain shops, lifestyle retailers, leading hospitals, popular restaurants, hotels & resorts, e-commerce shops, mobile & computer shops, tours & travels outlets, local airlines, auto care shops, motorcycle shops, super shops, etc.

We are working on to launch contactless card with more security within this year. For Platinum Credit Card holders, we have complementary airport lounge facilities at Hazrat Shahjalal International Airport, Dhaka and MasterCard designated airports all over the world. We are ensuring smooth online transactions for our card holders of AIBL through various security measures such as by using "MasterCard SecureCode". Bank is conducting promotional activities for cards through social and print media and has designed a lucrative webpage in its main website.

Card Division is working round the clock to provide efficient and outstanding services to our valued customers by using advancement technologies.

Sustainable Finance Unit

SFU of Al-Arafah Islami Bank Ltd. (AIBL) looks after the activities of Green banking, Sustainable Finance and Corporate Social Responsibility. Here the main driving forces are environment, society and governance. It aims at sustainable development, maintaining higher growth of the economy, decreasing the inequality of a society and mitigating the environmental degradation. From this perspective, different following activities are done through this Unit:

Green Banking

a. In-house Activities:

Under implementation of Green Office Guide, we organized

- (i) All our meeting among branches, higher authority, Board of Directors and even Annual General meeting through online platform.
- (ii) Many of our workshop and training session under the program of awareness and capacity building were also successfully done through online platform.

b. Greening the Banking operation:

- (iii) At present we newly introduced banking services through mobile app and Islamic Wallet Mobile Financial Services facilitating accounting opening from home, easy money transfer, payment of bill, mobile top-up, merchant payment and inclusion of rural area under banking service.
- (iv) Recently we also introduced Internet Banking facilitating all transactions and for availing other banking services to our valued clients through internet staying at home.
- (v) Under Business Process Automation (BPA), we now circulate all our letters, instructions, Investment proposal and Sanction through shared digital platform, email and IP message.

c. ESRM (Environment and Social Risk Management):

Considering all the social and environmental aspects as per ESRM Guidelines we have done Environment and Social Risk Rating (ESRR) at the time of processing all the investment proposals properly. Scheduled monitoring and inspections have also been done time to time.

d. Green and Sustainable Finance:

Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general.

Already we are financing in 68 green products on priority basis. To facilitate refinance in green products/projects/initiatives, we have signed agreement on the following issues with Bangladesh Bank:

i) Islamic Refinance scheme for Green Products:

Under this scheme any client can avail refinance for any of 52 green products/projects/initiatives at single digit profit rate.

ii) Green Transformation Fund (GTF):

It includes 200 million US Dollar and 200 million Euro from which manufacturer-exporters can get refinance in foreign exchange against import of capital machineries and accessories relevant to environment-friendly/green attributes specified by BB and industrial raw materials.

Ever since the inception of Green Banking, AIBL has financed in diversified Green areas like LED Bulb/Tube Assembly Plant, ETP Construction, Recycling Waste and Green Brick Manufacturing etc. In the last quarter of 2021 total Green Finance disbursement was BDT 2004.76 million.

On the other hand, we have also achieved tremendous progress in sustainable finance. The most significant issue is that AIBL has been recognized as one of the top ten most sustainable banks in Bangladesh by Bangladesh Bank in 2021. In the last quarter of this year our sustainable finance is BDT 6163.71 million. To take this more ahead, recently we signed agreement with Bangladesh Bank titled as follows:

iii) Refinance Fund for Technology Development / Upgradation of Export Oriented Industries:

Export-oriented industries can avail refinance under this fund at the lowest profit rate for upgradation of capital machinery to enhance their production efficiency.

Corporate Social responsibility (CSR) by Al-Arafah Islami Bank Ltd. (AIBL)

As part of CSR, AIBL always responds to any emergency of the country/society/institution/individual on priority. In 2021 AIBL has done Some mentionable CSR activities such as:

- a.) Donation of BDT. 5.00 crore to Prime Minister's Relief Fund due to COVID-19 Pandemic.
- b.) Besides, AIBL by its own management has distributed foods and health safety items of BDT 2.55 crore to people of different areas of the country affected by the COVID-19 Pandemic.
- c.) AIBL has donated Tk. 10.00 Lac to prize giving ceremony of National Hifzul Quran Recitation Competition in 2021 which will act as motivation to Hifz students for further improvement of quality and standard of holy Quran recitation to an international level.

Our main priority sectors of CSR are education, health, food security, shelter, prevention of environmental disaster and special attention for the advancement of research/literature/culture. In 2021 our total expenditure in CSR is BDT 149.60 million which is shown sector wise in the table below:

(Amount in Million BDT)

Sl No.	Particulars	2020	2021
1	Health	16.81	87.10
2	Education	10.07	6.50
3	Disaster Management	8.51	0.00
4	Cultural Activities	6.68	0.00
5	Environmental Protection	15.26	56.00
6	Others	226.81	0.00
	Total	284.14	149.60

Education Scholarship Program:

Being aligned with government initiatives to achieve Sustainable Development Goal (SDG), AIBL has also taken step to promote quality education which is the 4th most prioritized goal of SDG. In 2018, we successfully begun the program titled "Al-Arafah Islami Bank Education Scholarship-2018" for underprivileged meritorious students who completed HSC. In 2021 this program scenario is as follows:

Number of Students	Present institute of study	Total Scholarship (BDT in Million)
199	Students are covered from different educational institutions such as Public Universities, Medical Colleges, Engineering Universities, Agricultural Universities, Science and Technology Universities, Open University, National University, Private University etc.	7.17

Human Resources

Well educated and skilled manpower is the best capital of an organization particularly in banking institution. We put utmost importance on recruitment and development of human resources. In recruiting process, we put emphasis on attracting talented youngsters. A total of 437 employees in different categories/ranks joined our fleet during the year 2021 raising our total employees to 4,247 which includes 334 Executives as on 31.12.2021.

We have nominated 65 employees in different outside training courses viz. BIBM, BBTA, BAB etc. in 2021 and they have completed the courses successfully.

We motivate and facilitate our deserving employees to complete international standard professional degrees like CDCS, CSDG and ACAMS. Presently, we have 65 CDCS, 3 CSDG and 10 CAMS officials of which 1 officials completed CDCS and 3 officials CAMS during the year 2021.

Activities of AIBTRI

Training is an accepted and effective mechanism for human resources development. Training involves the development of skills that are usually necessary to perform comprehensive banking activities. It brings positive changes in Knowledge, Skills, Attitude (KSA) and building confidence of the human capital, so that they can be efficient in performing their duties and responsibilities. Al-Arafah Islami Bank Training & Research Institute (AIBTRI) relentlessly working to respond to the need for capacity building of all the officials for achieving the goal of the bank.

At present banking activities are being operated by complying with the management of 6 core risks, Green/Sustainable finances and Environment Risk Management, Basel-III and Islami banking guidelines etc. So, building of capacity, vis-à-vis efficiency and acquiring absolute knowledge of all the officials of the bank on the aforesaid Core Risks and Islami Banking guidelines is very important now-a-days. So, a Training Policy Guidelines 2018 was approved by the Board of Directors of the bank. The purpose of the Training Policy Guidelines is to create awareness and to equip the employees with proper knowledge on all the existing and new issues/products/banking laws/ rules/ regulation/Islamic banking and core risk management guidelines of Bangladesh Bank and other regulators.

Training position in 2021: AIBTRI conducted a total number of 113 Training Courses/Workshops/EDPs and Outreach Training Programs where 9,449 participants attended during the period from January to December, 2021. AIBTRI conducted a total of 12 (Twelve) courses and 86 (Eighty-Six) workshops which includes 11 (Eleven) outreach training programs (OTP) and 3 (Three) EDPs during the year 2021.

Credit Rating

Credit Rating Information and Services Limited (CRISL) has adjudged the following rating for Al-Arafah Islami Bank Limited:

Long Term	AA (pronounced Double A Two)
Short Term	ST-2
Based on	Audited Financial Statement 2020
Date of Rating	18 July 2021
Validity	17 July 2022
Outlook	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2021	AA	ST-2	Stable
30 June 2020	AA	ST-2	Stable
30 June 2019	AA	ST-2	Stable
30 June 2018	AA	ST-2	Stable
30 June 2017	AA	ST-2	Stable

Interpretation:

AA+, AA, AA- (Double A) (High Safety): Securities rated in this category are adjudged to be of high credit quality and offer higher safety. The level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

ST-2 (High Grade): High certainty of timely payment. Liquidity factors are strong and supported good fundamental protection factors. Risk factors are very small.

Concluding Remarks

In 2022, our proven business model, which has so far delivered consistent earnings for us, our long-term strategies and prudent investments we are making will allow us to introduce new products and services, offer sound and timely advice to our customers and continue to drive the process of growth. We will also invest in our communities, promote inclusion and work with all of our stakeholders to address society's biggest challenges. My confidence in the future comes from my confidence in my colleagues. It is not just what they have delivered this year that matters, but how they delivered – with care, dedication and compassion for each other and those we serve. I would like to thank you, our shareholders, our customers, my Board of Directors, Bangladesh Bank and last but not the least my AIBL colleagues for their tremendous efforts, continued support and trust in AIBL.



(Farman R. Chowdhury)
Managing Director & CEO
Date: 11 August 2022



Board of Directors' Report

Bismillahir Rahmanir Rahim

All praise is to be the Almighty Allah, Lord of the Universe and blessings of Allah be upon the Prophet Mohammad (SM) and his descendants & companions

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu.

The Board of Directors of the Bank takes the privilege to welcome you all to the 27th Annual General Meeting and has the pleasure of placing before you the Annual Report and the financial statements comprising the Balance Sheet, Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity of the Bank along with the report of the Auditors and Shariah Supervisory Committee for the year ended 31 December 2021.

Economy Analysis

World Economy Outlook

After rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate markedly to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support, and lingering supply bottlenecks. The near-term outlook for global growth is somewhat weaker, and for global inflation notably higher, than previously envisioned, owing to pandemic resurgence, higher food and energy prices, and more pernicious supply disruptions. Global growth is projected to soften further to 3.2 percent in 2023, as pent-up demand wanes and supportive macroeconomic policies continue to be unwound. Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies (EMDEs)— particularly in small states and fragile and conflict -afflicted countries—they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks, a de-anchoring of inflation expectations, financial stress, climate-related disasters, and a weakening of long-term growth drivers. As EMDEs have limited policy space to provide additional support if needed, these downside risks heighten the possibility of a hard landing. This underscores the importance of strengthening global cooperation to foster rapid and equitable vaccine distribution, calibrate health and economic policies, enhance debt sustainability in the poorest countries, and tackle the mounting costs of climate

change. EMDE policy makers also face the challenges of heightened inflationary pressures, spillovers from prospective advanced-economy monetary tightening, and constrained fiscal space. Despite budgetary consolidation, debt levels—which are already at record highs in many EMDEs—are likely to rise further owing to sustained revenue weakness. Over the longer term, EMDEs will need to buttress growth by pursuing decisive policy actions, including reforms that mitigate vulnerabilities to commodity shocks, reduce income and gender inequality, and enhance preparedness for health- and climate-related crises.

Regional Prospects: Growth in most EMDE regions in 2022-23 is projected to revert to the average rates during the decade prior to the pandemic, with the exception of East Asia and xx Pacific. This pace of growth will not be enough to recoup output setbacks during the pandemic, however. By 2023, annual output is expected to remain below the pre-pandemic trend in all EMDE regions, in contrast to advanced economies, where the gap is projected to close. The pace of recovery will be uneven across and within regions, with downside risks dominating the outlook. On a per capita basis, the recovery may leave behind those in economies that experienced the deepest contractions in 2020, such as tourism-reliant island economies. Half or more of economies in East Asia and Pacific, Latin America and the Caribbean, and the Middle East and North Africa, and two-fifths of economies in Sub-Saharan Africa, will still be below their 2019 per capita GDP levels by 2023. This edition of Global Economic Prospects also includes analytical pieces on the features and implications of global commodity price cycles, the impact of the COVID-19 pandemic on global income inequality, and the experience with past coordinated debt restructurings.

Commodity Price Cycles: Drivers and Policies. Commodity prices soared in 2021 following the broad-based decline in early 2020, with prices of several commodities reaching all-time highs. In part, this reflected the strong rebound of demand from the 2020 global recession. Energy and metal prices generally move in line with global economic activity, and this tendency has strengthened in recent decades. Looking ahead, global macroeconomic developments and commodity supply factors will likely continue to cause recurring commodity price swings. For many commodities, these may be amplified by the transition away from fossil fuels. To dampen the associated macroeconomic fluctuations, the almost two thirds of EMDEs that are commodity exporters need to strengthen their policy frameworks and reduce their reliance on commodity-related revenues by diversifying exports and, more importantly, national asset portfolios.

Impact of COVID-19 on Global Income Inequality: The COVID-19 pandemic has raised global income inequality, partly reversing the decline that was achieved over the previous two decades. Weak recoveries in EMDEs are expected to return between-country inequality to the levels of the early 2010s. Preliminary evidence suggests that the pandemic has also caused within-country income inequality to rise somewhat in EMDEs because of particularly severe job and income losses among lower-income population groups. Over the medium and long term, rising inflation, especially food price inflation, as well as pandemic-related disruptions to education may further raise within-country inequality. Within country inequality remains particularly high in EMDE regions that account for about two-thirds of the global extreme poor. To steer the global recovery onto a more equitable development path, a comprehensive package of policies is needed. A rapid global rollout of vaccination and redoubled productivity-enhancing reforms can help lower between-country

inequality. Support targeted at vulnerable populations and measures to broaden access to education, health care, digital services and infrastructure, as well as an emphasis on supportive fiscal measures, can help lower within-country inequality. Assistance from the global community is essential to expedite a return to a green, resilient, and inclusive recovery.

Resolving High Debt after the Pandemic: Lessons from Past Episodes of Debt Relief. In the pandemic-induced global recession of 2020, global debt levels surged. The rise in debt has led to several countries initiating debt restructurings, while many others are in or at high risk of debt distress and may also eventually need debt relief. Historically, several umbrella frameworks coordinated debt relief to multiple debtor countries from multiple creditors on common principles. They offered substantial—but protracted—debt stock reductions that were typically preceded by a series of less ambitious debt relief efforts. The G20 Common Framework provides a structure to initiate debt restructuring for low income IDA eligible countries, but largely avoids the issue of outright debt reductions. Future umbrella frameworks for debt restructuring will face greater challenges than those in the past due to a more fragmented creditor base.

Bangladesh Economic Outlook

Bangladesh economy has been consistently performing well with above 6 percent of GDP growth since FY 2010-11 to up until COVID-19 outbreak. The growth rate was elevated to 8.15 percent in FY 2018- 19. Unfortunately, country's economic growth was slowed due to the negative impact of COVID-19 pandemic. According to the provisional estimates of BBS, growth rate achieved in FY 2019-20 is 3.51 percent. In FY 2020-21, the estimated GDP growth target is 5.47 percent. According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US\$ 2,097 and US\$ 2,227 in FY 2020-21. The domestic savings stood 24.17 percent of GDP, and national savings stood at 30.39 percent of GDP for the same period. The gross investment stood at 29.92 percent of GDP in FY 2019-20 where public investment and private investment accounted for 8.67 percent and 21.25 percent of GDP, respectively. In FY 2019-20, the inflation rate was 5.65 percent. Of this, the food inflation was 5.56 percent and nonfood inflation stood at 5.85 percent. The inflation rate for FY 2020-21 was 5.4 percent. But the actual inflation rate reached at 5.56 percent which was slightly higher than the estimate. The food inflation was 5.73 percent and nonfood inflation reached at 5.29 percent. Yet the Government's continuous efforts to keep up the food supply chain uninterrupted during COVID-19 pandemic worked well and helped to keep the inflation under control.

Banking sector analysis

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 3 State owned specialized banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:

Scheduled Banks:

The banks which get license to operate under Bank Company Act, 1991 (Amended up to 2013) are termed as Scheduled Banks.

Non-Scheduled Banks:

The banks which are established for special and definite objective and operate under the acts that are enacted for meeting up those objectives, are termed as Non-Scheduled Banks. These banks cannot perform all functions of scheduled banks.

There are 61 scheduled banks in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

State Owned Commercial Banks (SOCBs):

There are 6 SOCBs which are fully or majorly owned by the Government of Bangladesh. There are now 5 non-scheduled banks in Bangladesh which are:

- Ansar VDP Unnayan Bank,
- Karmashangosthan Bank,
- ProbashiKollyan Bank,
- Jubilee Bank,
- Palli Sanchay Bank

A. Private Commercial Banks (PCBS):

There are 43 private commercial banks which are majorly owned by the private entities. PCBs can be categorized into two groups:

B. Conventional PCBS:

33 conventional PCBs are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.

C. Islami Shariah Based PCBS:

Al-Arafah Islami Bank Limited

Exim Bank Limited

First Security Bank Limited

Islami Bank Bangladesh Limited

ICB Islami Bank Limited

Shahjalal Islami Bank Limited

Social Islami Bank Limited

Union Bank Limited

Standard Bank Limited

Global Islami Bank Limited

Overall Banking Scenario

Banks' Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 11,88,706 million representing 9.21% point to point growth from Tk. 14,093,430 million as on 31 December 2021 to Tk.1,29,04,724 million as on 31 December 2020.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at TK. 3,931,110 million during the year 2021 as against Tk. 3,269,222.40 million in the previous year 2020 and it increased by Tk. 6,61,887.60 million registering a growth of 20.24% in 2021. The share of Islamic Banks' deposits as of 31 December 2021 stood at 27.89% as compared to at 25.33% on 31 December 2020.

Banks' Advances /Investment: Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,226,537 million representing 10.71% point to point growth from Tk. 11,449,073 million as on 31 December 2020 to Tk. 12,675,610 million as on 31 December 2021.

Islamic Banks' Investments: All Islamic Banks' Investments stood at TK 3,534,480 million during the year 2021 as against Tk. 2,940,936.38 million in the previous year 2020 and the Investment increased by Tk 5,93,543.62 million registering a growth of 20.18% in 2021. The share of Islamic Banks' Investments as of 31 December 2021 stood at 27.88% as compared to 25.69% on 31 December 2020.

Operating Profit: Despite a tough start of the year 2021 Banks in Bangladesh managed to earn a reasonable amount of operating profit for the year. But The growth of profit was slim owing to low credit/investment demand, cautious lending/investment policy, lowering lending/ investment profit rates and the sluggish business environment.

In terms of operating profit earned, Islami Bank Bangladesh Limited (IBBL) is the highest and thus topping the list of Banks. Al-Arafah Islami Bank Limited (AIBL) ended up being on 10th position in 2021. However, in an apple to apple comparison (i.e. Islami to islami) AIBL is only second to IBBL, the oldest and biggest Islami Bank in Bangladesh.

Islami Banking Practices

Islami Banking System is becoming more and more attractive day by day to peoples irrespective of nations, religious, colors and species. More than 300 Banks & financial institutions are serving Islami banking throughout the world. At present in our country 10 full-fledged Islamic Banks are working successfully. And other traditional banks have Islami Banking Wings conducting Shariah based banking activities. Recent Development of Bangladesh Government Islamic Investment Bond (BGIB) is the milestone for shariah based banking practices in Bangladesh.

Al-Arafah Islami Bank Limited

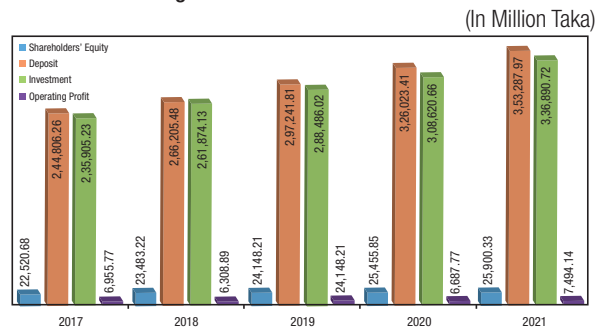
With the objective of achieving success in life here & here after following the way directed by the Holy Quran and the path shown by Rasul (SM) Al-Arafah Islami Bank Ltd was established(registered) as a public limited company on 18 June 1995. The inaugural ceremony took place on 27 September 1995. The authorized capital of the Bank is Tk. 15,000.00 million and the paid-up capital is Tk. 10,649.02 million as on 31.12.2021.

Renowned Islamic Scholars and pious businessmen of the country are the sponsors of the Bank. 100% of paid up capital is being owned by local shareholders.

The equity of the bank has stood at Tk. 25,900.33 million as on 31 December 2021, the manpower was 4,247 and the number of shareholders was 19,146. It has achieved a continuous profit and declared a good dividend over the years. High quality customer service through the integration of modern technology and new products is the tool of the bank to achieve success. The bank has a diverse array of carefully tailored products and services to satisfy customer needs. The Bank is committed to contribute significantly to the national economy. It has made a positive contribution towards the socio-economic development of the country with 201 branches of which 26 is AD throughout the country.

We are pledge-bound to convert the Bank into an Islami Bank on global standard which will be dynamic in actions, progressive in ideas, honest in dealings, correct in judgment, futuristic in attitude, fair in approach, polite in behavior and devoted to high quality service to customers. Our aims are for boosting modern management, advanced technology, good profitability and steady growth transparency. We are also firmly committed to disclosure and compliance to shariah and regulatory authorities. Today the bank is an agile organization which promotes innovation, encourages improvement, values sense of urgency and develops people who accept challenges and turns them into opportunities.

Performance at a glance



Special Features of Al-Arafah Islami Bank Ltd.

- All activities of the bank are conducted according to Islamic Shariah where profit is the legal alternative to interest.
- The bank's investment policy follows different modes approved by Islamic shariah based on the Qur'an & Sunnah.
- The bank is committed towards establishing welfare-oriented banking system, economic upliftment of the low-income group of people, create employment opportunities.
- According to the need and demand of the society and the country as a whole the bank invests money to different 'Halal' business. The bank participates in different activities aiming at creating jobs, implementing development projects of the government and creating infrastructure.
- The bank is committed to establish an economic system resulting in social justice and equitable distribution of wealth. It is committed to bring about changes in the underdeveloped rural areas for ensuring balanced socioeconomic development of the country through microcredit program and financing of SME's as well.
- According to Mudaraba system, the depositors are the partners of the investment income of the bank. About 70% of the investment income is distributed among the Mudaraba depositors.
- To render improved services to the clients imbued with Islamic spirit of brotherhood, peace and fraternity and by developing an institutional cohesion.

The bank is contributing to economic and philanthropic activities. AIBL English Medium Madrasah, AIBL library and Al-Arafah Islami Bank Foundation Kidney Dialysis centre patronized by the Bank are such examples.

Activities of Shariah Supervisory committee for the year 2021

Al-hamdulillah, Shariah Supervisory committee consists of 7 members specialized in Fiqhul Muamalat (Islamic Commercial Law) according to guidelines given by the Bangladesh Bank to ensure whether all banking operations are transacted in accordance with Islamic Shariah i.e. Qur'an, Sunnah, Ijma and Iztihad.

Shariah Supervisory committee has by the grace of Al-mighty Allah managed to contribute a lot to run all the business activities of the Bank according to Shariah guidelines. During the year 2021 with some unavoidable circumstances our Honorable Members of the Shariah Supervisory Committee sat in 3(Three) General Meetings and 1(one) Emergency Meeting to discuss the matters of the Bank to give opinions & directives and given solutions thereof from the view point of Shariah Principles.

Muraqib of the Supervisory committee have visited all branches of the Bank during the year to observe the Shariah compliance, give necessary instructions on the spot and submitted report to the Council. They have also submitted corrective measures to rectify the laws in implementing Shariah guidelines into the banking operations. They identified Tk 9.42 million as doubtful income of the branches of the Bank. Besides, after analyzing balance sheet, the Supervisory committee identified Tk. 275.81 million as compensation realized in different branches and Tk. 0.01 million, Tk. 1.00 million as interest income received from NOSTRO A/Cs of foreign correspondent bank and Bangladesh Bank FC Clearing Account respectively. As a result, it is advised to finalize the Balance Sheet of 2021 keeping doubtful in-come apart from basic income and spend after tax the same on the basis of Shariah prescribed modes.

At Last, as per Shariah Inspection Report of 2021, the Doubtful Income of the Bank has been reduced comparatively and we hope that this reducing figure will be continued and necessary steps would be taken time to time, Insha-Allah.

A library has been established in the Shariah Council Secretariat of Al-Arafah Islami Bank having about 500 books on Qur'an, Hadith, Fiqh, Islamic Economics and Islami Banking. Honorable members of the Council give Shariah guidelines to run the Bank's operations taking necessary consultations and data from those books after exhaustive research and study. May Allah give us tawfiq to do all activities at His pleasure, Ameen.

AIBL Capital Market Services Ltd.

AIBL Capital Market Services Limited is a subsidiary company of Al-Arafah Islami Bank Limited. The Company is incorporated under the company's Act, 1994 as a public limited company by shares with an authorized Capital of BDT 10 billion (10,000 million) and paid up capital of BDT 4 billion (4,000.00 million) to provide stock brokerage services. The paid-up capital of the company is subscribed by Al-Arafah Islami Bank Limited and other individuals at the ratio of 60.50:39.50. During the year 2021 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 140.74 million with Earning per Share (EPS) Tk. Tk.0.245.

AIBL Capital Management Limited

AIBL Capital Management Limited (AIBLCML), a Subsidiary of Al-Arafah Islami Bank Limited, was incorporated under the companies Act, 1994 on October 25, 2011 with a view to run and manage the operations of Merchant Banking Services with an authorized Capital of BDT 2 billion (2,000 million) and paid up capital of BDT 500 million (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. During the year 2020 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 7.51 Million with Earning per Share (EPS) Tk. 0.099.

AIBL Assets Management Limited

AIBL Assets Management Limited (AIBLAML), a Subsidiary of Al-Arafah Islami Bank Limited, was incorporated under the companies Act, 1994 on January 01, 2014 with a view to run and manage the operations of Assets Management services with an authorized Capital of BDT 500 billion (500 million) and paid up capital of BDT 100 million (100 million). It aims to be one of the leading Assets Management Services of the country by rendering quality Management Services with a high level of professional expertise and integrity.

Off-shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit ("the Unit") License on 17 February'14 vide letter # BRPD (P- 3)744(121)/2014-934 from Bangladesh Bank. The Bank commenced operation of this unit from 22 May 2014. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at AIBL Motijheel Branch, 161, Motijheel Commercial Area, Dhaka 1000.

The principal activities of OBU are to provide Mudaraba Investment against payment of import bills under UPAS (Usance Payment at Sight) and Musharaka Documentary Bills in foreign currency (MDB F.C) to its customers. Total finance under UPAS in 2021 was USD 231.79 million and under MDB FC was USD 14.71 million. Our Plan and Strategies for Foreign Exchange Business-

- to diversify our import and Export portfolio for minimizing potential risks
- to ensure routing of all import and export business of our clients through us
- to induct best import and export clients from the market
- to boost cash import business
- to give special attention for remittance service at branch level
- to maintain a progressive growth, we have to enhance our capacity by acquiring professional and technical knowledge & skill.

Position in the Stock Market

Bank's share sustained a steady strong position since its induction at Dhaka Stock Exchange & Chittagong Stock Exchange in 1998. In Dhaka Stock Exchange the face value of taka 10 of our share was traded at taka 30.10 highest in 2021. The market trend of our bank's share in Dhaka Stock Exchange from January 2021 to December 2021 is stated in the list:

Position in the Stock Market in the list:

Month	Opening	High	Low	Closing
January	22.60	23.40	21.50	22.60
February	22.60	23.00	20.40	21.00
March	21.00	22.70	20.20	21.90
April	21.90	22.20	21.00	21.30
May	21.30	26.00	21.20	24.10
June	24.10	24.80	23.40	23.00
July	23.00	23.40	21.50	22.80
August	22.80	30.10	22.60	26.30
September	26.30	27.10	25.70	26.10
October	26.10	28.10	25.90	26.70
November	26.70	29.20	25.90	26.40
December	26.40	27.40	26.20	26.60

Progress Analysis

At the end of 2021, the number of depositors stood at 2,541,170 and the accumulated deposit was Tk. 353,287.97 million. The total number of investors stood at 170,904 and total investment extended to them was Tk 336,890 million. During the year 2021 the total income was Tk. 27,696.18 million and total expenditure was Tk.20,202.04 million. At the end of the year the profit before tax and provision stood Tk. 7,494.14 million.

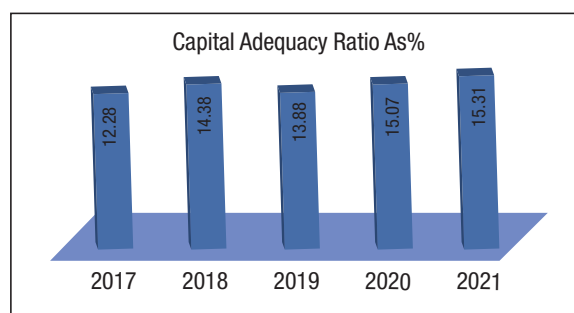
Capital Adequacy & Reserve Fund

According to BRPD Circular the Bank will have to maintain Tk.4,000.00 million Capitals from 1st July 2011. In compliance with the new

provision, the bank has raised its Capital from Tk. 43660.88 million to Tk. 39,258.09 million (Consolidated Basis) and Tk.41,358.68 million to Tk. 37,486.33 million (Solo Basis). Outstanding balance of AIBL Mudaraba Subordinated Bond Tk. 9,600 million as at 31st December 2021.

In the year 2021 AIBL issued Mudaraba perpetual Bond for Tk. 5,000.00 million that meet the qualifying criteria for Tier- 1 Capital as per Basel III Guidelines.

In the year 2015 AIBL issue Mudaraba Subordinated Bond Tk. 3,000.00 million, in the year 2018 for Tk. 5,000.00 million and in the year 2020 for Tk. 5,000.00 million that meet the qualifying criteria for Tier 2 Capital as per annex 4 of Basel III Guidelines. The paid up capital of the bank was at Tk.10,649.02 million at 31st December 2021. The total reserve fund has stood at Tk.11,733.36 million in the current year against Tk. 11,418.96 million at 31st December 2020. In this account, the bank experienced a growth of 2.75%. The Bangladesh Bank has fixed the ratio of minimum capital adequacy (MCR) against Risk-Weighted Assets at 12.50% or Tk. 4,000 million whichever is higher.



The Consolidated and Solo Basis capital adequacy ratio of the Bank as on 31.12.2021 are appended below:

Consolidated Basis

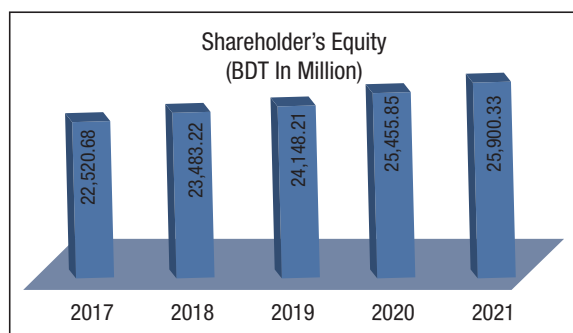
(Tk. in million)

a) Core Capital (Tier-I)	2021	2020
Paid up Capital	10,649.02	10,649.02
Statutory Reserve	10,649.02	10,334.63
Retained Earnings	1823.37	1,732.14
AIBL Perpetual Bond	5000.00	-
Non Controlling Interest	1694.59	1,655.73
Total	29,816.00	24,371.52
Less Good will and other Intangible assets	514.70	440.63
Total Core Capital	29,301.30	23,930.89
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	4,759.58	4,127.20
Assets Revaluation Reserve	542.17	542.17
AIBL Sub Ordinate Bond	9600	11,200
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.17)	(542.17)
Total Supplementary Capital	14,359.58	15,327.20
Total Capital (a+b)	43,660.88	39,258.09
c) Capital Adequacy Ratio	15.46%	15.74%

Solo Basis

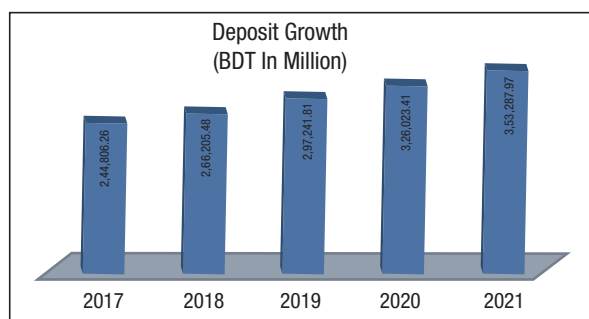
(Tk. in million)

a) Core Capital (Tier-I)	2021	2020
Paid up Capital	10,649.02	10,649.02
Statutory Reserve	10,649.02	10,334.63
Retained Earnings	1823.37	1,616.11
AIBL Perpetual Bond	5000.00	-
Total	27,941.17	22,599.76
Less Good will and other Intangible assets	514.70	440.63
Total Core Capital	27,426.47	22,159.13
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	4759.58	4,127.20
Assets Revaluation Reserve	542.17	542.17
AIBL Sub Ordinate Bond	9600.00	11,200.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.17)	(542.17)
Less: Excess Amount over Maximum Limit of T-2	427.37	-
Total Supplementary Capital	13,932.21	15,327.20
Total Capital (a+b)	41,358.68	37,486.33
c) Capital Adequacy Ratio	15.31	15.07%



Deposits

The total deposit of the bank was Tk. 353,287.97 million at 31st December 2021 as against Tk. 326,023.41 million at 31st December 2020 a growth of 8.36 % of which Tk 1,933.63 million was bank deposit and Tk. 351,354.34 million was general deposit. The present strategy is to increase the deposit base through maintaining competitive profit rates and having low cost of funds to ensure a better spread with an average return on investment.



The mix deposit of the bank on December 31, 2021 was as follows:

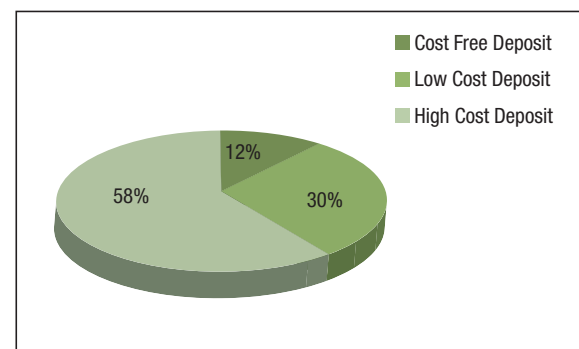
Deposit Mix

Products	Taka in Million
a) Al Wadia Current Account	43,639.19
b) Mudaraba Savings Deposit	62,011.04
c) Other Mudaraba Deposit	175,485.12
d) Mudaraba Term Deposit	68,093.14
e) Bills Payable	4,059.48
Total	353,287.97

Deposit Mix (%)

Products	Taka in Million	% of Total
a) Cost Free deposit	40,592.79	11.49%
b) Low Cost Deposit	106,163.03	30.05%
c) High Cost Deposit	206,532.15	58.46%
Total	353,287.97	100.00%

Deposit Mix as %



Various deposit product of the Bank in 2021:

Sl.No	Types of Deposit
1.	Mudaraba Term Deposit
	a. 36 Months
	b. 24 Months
	c. 12 Months
	d. 06 Months
	e. 03 Months
	f. 01 Month
2.	Mudaraba Savings Deposit
3.	Short Notice Deposit (SND)
4.	Monthly Hajj Deposit
5.	Monthly Installment Term Deposit (ITD)
6.	Monthly Profit Based Term Deposit (PTD)
7.	Monthly Savings Investment (SID)
8.	One Time Hajj Deposit
9.	Al-Arafah Savings Bond (3 Years)
10	Al-Arafah Savings Bond (5 Years)

11.	Al-Arafah Savings Bond (8 Years)
12.	Marriage Saving Investment Scheme (MSIS)
13.	Pensioners deposit scheme
14.	Special Saving (Pension) Scheme
15.	Cash WAQF
16.	Lakhopati Deposit Scheme
17.	Kotipati Deposit Scheme
18.	Millionaire Deposit Scheme
19.	Double Benefit Scheme
20.	Triple Benefit Deposit Scheme
21.	ProbashiKallyan Deposit Pension Scheme
22.	Mudaraba Savings Deposit-Student,
23.	Farmers, Freedom fighters.

AIBL Mudaraba Subordinated Bond:

AIBL Mudaraba Perpetual Bond' of Tk. 5,000.00 million:

AIBL Mudaraba Perpetual Bond' of Tk. 5,000.00 million issued in 2021. To raise Additional Tier-1 Capital through issuance of AIBL Mudaraba Perpetual Bond in order to strengthen its capital base in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III).

AIBL 1st Mudaraba Subordinated Bond' of Tk. 3,000.00 million:

AIBL Mudaraba Subordinated Bond' of Tk. 3,000.00 million issued in 2015. The total profit/ return on the bond (for bond holders) will be calculated by Benchmark Mudaraba Term Deposit Profit rate of the issuer plus a predetermined additional profit rate. The Benchmark Mudaraba profit rate will be issuer's prevailing highest Mudaraba term deposit profit rate in 6-12 months tenor; to be applied semiannually. The highest prevailing published Mudaraba Term Deposit profit rate in 6-12 months tenor of the issuer will be applicable in semi annual profit rate fixation. Investors are getting an additional profit rate of 2.50% per annum to be paid semi annually along with the benchmark profit by the issuer. The Mudaraba Bond will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of the bond value respectively. In the mean time 80% of the Bond amount was redeemed at the end of 31st December 2021. The issue has been proposed to be transferable but will not be listed with any bourses. The Standard Chartered Bank is the lead arranger of this issue and Green Delta Insurance Company Limited is the trustee.

AIBL 2nd Mudaraba Subordinated Bond' of Tk. 5,000.00 million:

AIBL 2nd Mudaraba Subordinated Bond' of Tk. 5,000.00 million issued in 2018. The total profit/ return on the bond will be calculated 1.25 times of highest 6 (six) month term Mudaraba Term Deposit profit rate for the preceding 180 days. After each financial year-end, the Issuer will give adjustment to the Bondholders if there is any additional profit reported in the respective financial year for Mudaraba Term Deposit Profit Rate for 6 months tenor. The Benchmark Mudaraba profit rate will be issuer's prevailing highest Mudaraba term deposit profit rate in 6-12 months tenor; to be applied semiannually. The highest prevailing published Mudaraba Term Deposit profit rate in 6-12 months tenor of the issuer will be applicable in semi annual profit rate fixation. The Mudaraba Bond will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of the bond value respectively. In the mean time 20% of the Bond amount was redeemed at the end of 31st December 2021. The issue has been proposed to be transferable but will not be listed with any bourses. The Prime Bank Investment Limited is the lead arranger of this issue and Green Delta Insurance Company Limited is the trustee.

AIBL 3rd Mudaraba Subordinated Bond' of Tk. 5,000.00 million:

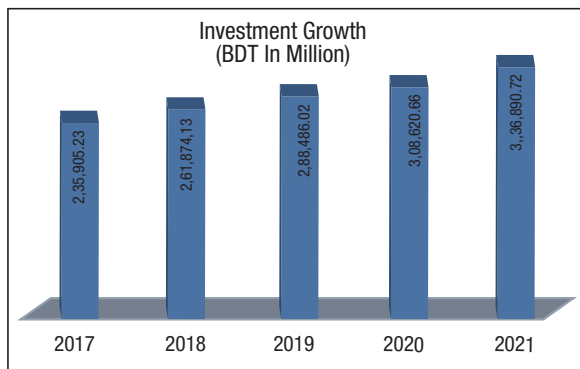
AIBL 3rd Mudaraba Subordinated Bond' of Tk. 5,000.00 million issued in 2020. The total profit/ return on the bond will be calculated as the average Rates of 6 months of Full-fledged Shariah based banks collected from latest available "Announced Profit Rate Chart of those Banks (Deposit Rate)" published by Bangladesh Bank in its website at the beginning of any Profit Payment Period with an additional profit rate of 2.00% per annum. After each financial year-end, the Issuer will give adjustment to the Bondholders if there is any additional profit reported in the respective financial year for Mudaraba Term Deposit Profit Rate for 6 months tenor. Payment of profit will be Semi-annually not later than 60 days from expiry of 6 (six) months and 12 (twelve) months of each year from the issuance of Bond. The Mudaraba Bond will be redeemed at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% of the bond value respectively. The issue has been proposed to be transferable but will not be listed with any bourses. The Prime Bank Investment Limited is the lead arranger of this issue and Green Delta Insurance Company Limited is the trustee.

The details of Implementation Schedule of Mudaraba Subordinated Bond are stated as under:

Instrument Name	Particulars	Amount in Million BDT
AIBL 1 st Mudaraba Subordinated Bond	Term Deposit with other Banks (from Bond money received).	1,500/-
	Disbursement to the Investment Clients of AIBL against Bond money received	1,500/-
AIBL 2 nd Mudaraba Subordinated Bond	Term Deposit with other Banks (from Bond money received).	2,500/-
	Disbursement to the Investment Clients of AIBL against Bond money received	2,500/-
AIBL 3 rd Mudaraba Subordinated Bond	Term Deposit with other Banks (from Bond money received).	2,500/-
	Disbursement to the Investment Clients of AIBL against Bond money received	2,500/-

Investment

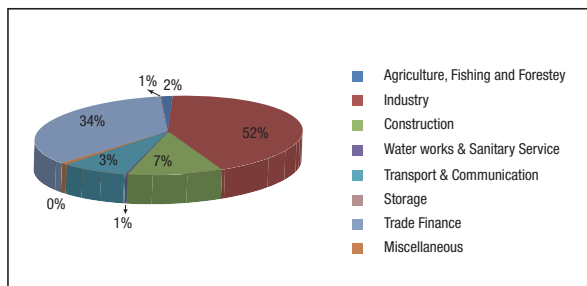
The investment of the bank has stood at Tk. 336,890.72 million as on 31st December 2021 as against Tk. 308,620.66 (Net off PR) million in the previous year showing an increased by 9.16%. The investment portfolio of the bank is well diversified and covers a broad spectrum of businesses and industries including readymade garments, textile, edible oil, ship scraping, steel & engineering, chemicals, pharmaceuticals, cement, telecommunication, construction, health care, real estate, education, transport and investment under consumer schemes. We have geared up efforts to improve the recovery rate of disbursed investment and also taken adequate measures for converting the classified investment into performing assets. As a result, classified investment of the bank could be kept at a low level far below the national average. It is 4.81% in our bank as on 31 December 2021.



The bank gives top-most priority to the creation of quality assets and does appropriate risk grading while approving commercial, trade and project investment to different clients.

Sector wise Investment 2021

Sectors	Taka in million
Agriculture, Fishing and Forestry	5,663.50
Industry	178,629.90
Construction	24,653.90
Water works & Sanitary Service	2,807.70
Transport & communication	11,341.30
Storage	1,753.80
Trade Finance	116,420.52
Miscellaneous	3,960.30
Total (Including Profit Receivable)	345,710.92
Less Unearned Profit on Investment	8,340.20
Total	336,890.72



Income

Investment income: The investment income was Tk. 23,446.01 million during the year 2021 which was growth of -10.96% over the previous year. Investment income is 84.65 % of the total income of Tk. 27,695.18 million.

Income from other than investment: The bank has earned Tk. 4250.17 commission income, exchange income, locker rent etc. in the current year which is 15.35% of the total income. It indicates 16.27% growth over the year 2020.

Expenditure

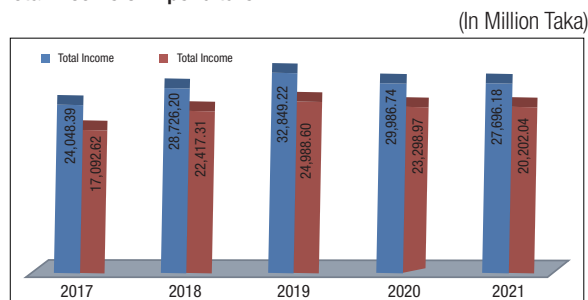
Profit paid to depositors:

The Bank has paid the depositors Tk. 13,072.79 million which is 55.66% of the investment income and 64.71% of the total expenditure for the year 2021. It was -21.04% growth over the year 2020.

Administrative and Other Expenses:

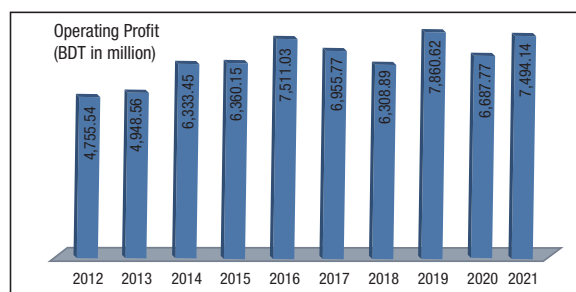
The administrative and other expenses were Tk. 7,129.25 million during the year showing 5.74% growth over the year 2020. It is 35.29% of the total expenditure.

Total Income & Expenditure



Operating Profit

The bank earned operating profit of Tk. 7,494.14 million during the year 2021. The operating profit of the Bank during the year 2020 was Tk.6,687.77 million and thus the Bank attained growth of 12.06% in respect of operating profit. The provision for income tax for the year amounted to Tk. 2,712.12 million and divisible profit available for appropriation amounted to Tk. 1,688.59 million.



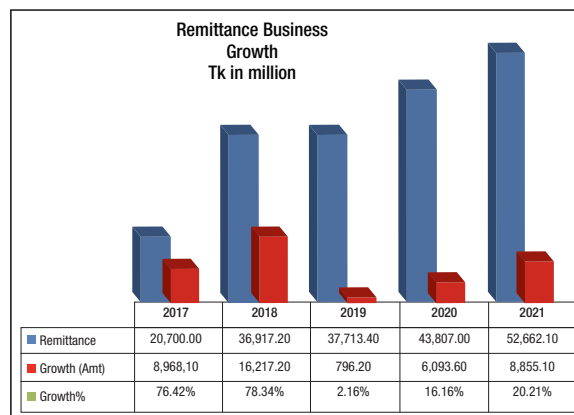
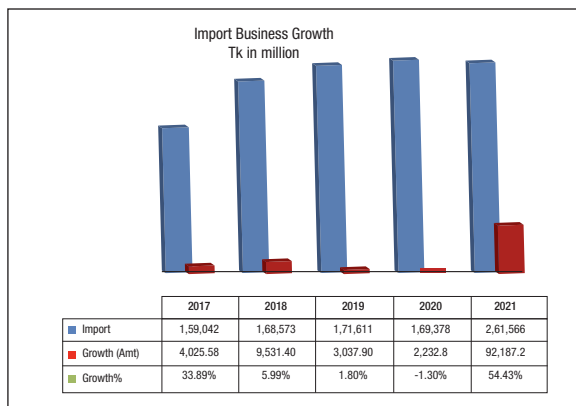
International Banking Wing (IBW)

International Trade

We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 26 AD Branches through which we have handled total foreign exchange business of Tk. 450,015.10 million during the year 2021 as against the Target of Tk. 419,000.00 million. Our Foreign Exchange business has increased by Tk.131,889.80 million recording a growth of 4.15%. Target of International Trade for the year 2022 has been fixed at Tk. 530,000.00 million with 15.09% growth.

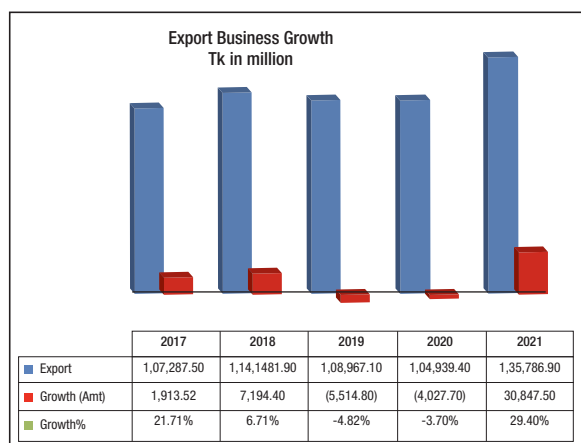
Import Business

Total import business of the bank stood at Tk. 261,566.10 million during the year 2021 as against Tk. 169,378.90 million, Tk. 171,611.70 million and Tk. 168,573.80 million in the previous year 2020, 2019 and 2018 respectively. Our import business increased by Tk. 92,187.20 million i.e. 54.43% growth in 2021 as compared to decrease of Tk. 2,232.80 million i.e. -1.30% growth in 2020 and increase of Tk 3,037.90 million i.e. 1.80% in 2019 respectively. Target for Import business for the year 2022 has been fixed at Tk. 300,000 million with an expected growth of 14.69%.



Export Business

Total Export business of the bank stood at Tk. 135,786.90 million during the year 2021 as against Tk. 104,939.40 million, Tk. 108,967.10 million, Tk. 114,481.90 million in the previous year 2020, 2019 and 2018 respectively. Our export business increased by Tk. 92,187.20 million i.e. 29.40% growth in 2021 as compared to decreases of Tk. 4,027.70 million i.e. -3.70% growth in 2020, decreases Tk. 5,514.80 million i.e. -4.82% growth in 2019. Our target for Export business for the year 2022 has been fixed at Tk 170,000 million with an expected growth of 25.20%.



Remittance

Total remittance of the bank stood at Tk. 52,662.10 million during the year 2021 as against Tk. 43,807.00 million, Tk. 37,713.40 million and Tk. 36,917.20 million in the previous year 2020, 2019 and 2018 respectively. Our remittance increased by Tk. 8,855.10 million i.e. 20.21% in 2021 as compared to increases of Tk. 6093.60 million i.e. 16.16% in 2020, Tk. 796.20 million i.e. 2.16% % in 2019 respectively. Target for Remittance business for the year 2021 has been fixed at Tk. 60,000 million and thus expecting a growth of 12.23%.

Treasury Operations:

Worldwide mobility restrictions due to delta and omicron variants of covid-19 is damaging economies across the world, including financial markets and institutions in all possible dimensions. For banks in particular, globally imposed restrictions generates multifaceted crises like potential increase in default rates, liquidity and profit rate imbalance, low credit/deposit growth, policy restrictions from regulators. In line with the financial dynamics across the world, AIBL Treasury has played a pivotal role in overall fund management of the bank. Treasury team monitored inflows and outflows of all balance sheet contracts and profitably managed liquidity and unusual situations within the laid down policies and regulations of Bangladesh Bank. Treasury always focus to cater the needs of different treasury solutions in changing environments. For inherent principles, the bank has many limitations and cannot deal with conventional Treasury products like Govt. Treasury Bond, Treasury bill, Call Money, SWAP & Forward Contracts. In spite of all the limitations, Treasury team was committed to offer competitive price, excellent services and time befitting advices to the clients to best fit the changing environment. AIBL Treasury has separate designated desks to provide optimum Treasury solutions.

Desks are as follows:

- Foreign Exchange Desk
- Money Market Desk
- Asset Liability Management Desk and
- Corporate Service Desk

Foreign Exchange Desk

Foreign Exchange Desk thoroughly monitored exchange rate movements, volatility & liquidity scenario of USD and other active currencies throughout the years. Treasury set exchange rates for merchant transactions, successfully managed Net Open Position (NOP), ensured optimum liquidity, quoted market-based exchange rates to the exchange houses and managed FC liquidity for our Offshore Banking Unit (OBU). The Foreign Exchange desk has maintained close liaison with a set of local and foreign counterparts for ensuring of FC liquidity around the calendar. AIBL Treasury successfully managed FC dealing of cross currencies through its trading platforms of world renowned banks. The Desk has also provided FC dealing solutions to the counterparty banks in our local market. Whole of the year they have performed 2,856 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 1,672.70 million from cross currency deals, exchange gains & FC funding. In 2021, Treasury Back Office (TBO) team has handled 112,724 nos FX transactions

with turnover of USD 5.24 bio. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. TBO had relentlessly driven it's all out effort for timely reconciliation of all of the nostro transactions aligned with Bangladesh Bank regulations.

Money Market Desk

Ensuring optimum liquidity of local currency to meet asset book requirement as well as earning optimum profitability from the mismatches between maturity buckets of deposits of the bank within regulatory requirements are prime responsibility of the Money Market Desk. AIBL Treasury Money Market Desk also maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of the bank efficiently. Our team has successfully managed liquidity as well as deployed surplus funds to the Islamic banks, Islamic windows & Islamic branches of conventional banks and leasing companies operated under shariah principles. In 2021, Government introduced Bangladesh Government Investment Sukuk (BGIS) first time & AIBL also participated in its first auction of BGIS for SLR maintenance.

Asset Liability Management (ALM) Desk

Managing the risks that arises from maturity mismatches of Asset Liability of the bank is the prime responsibility of ALM Desk. Bank faces several risks like Liquidity Risk, Profit Rate Risk, Credit Risk and Operational Risk etc. ALM Desk mainly manages Liquidity Risk and Profit Rate Risk of the bank through day-to-day monitoring of market information & future outlooks. It prepares ALCO paper & conducts ALCO meetings each month where all issues related with ALM are discussed and instructions are given.

2021 was a challenging year from Asset Liability point of view as Bangladesh Bank issued directives for deposit rate protection against inflation. Due to volatile movements of profit/interest rates of Asset and Liabilities in the market, it was a real challenge to maintain a reasonable spread. The ALM Desk was proactive to revise the profit rates of deposits aligning with market rates as well as ensuring liquidity. ALM Desk successfully recommended asset-liability slotting for maintaining a steady and reasonable spread for 2021. ALM Desk has properly maintained BASEL III ratios like Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) leverage ratio, commitment and wholesale borrowing position within set limit of Bangladesh Bank.

Corporate Service Desk

We are providing customized treasury solutions to our corporate client's matching with market practices from the Corporate Service Desk. Mainly our foreign trades clients seek market oriented timely solutions and appropriate advices for their FX portfolios. The main objective of the desk is to ensure maximum utilization of funds of corporate clients ensuring profitability of the bank as well as strengthening their trust on us.

Besides all of its regular activities, Treasury has updated following guidelines which had been duly approved by our Board of Directors:

- Foreign Exchange Risk Management Guidelines
- Guidelines on Asset Liability Management
- Wholesale Borrowing and Lending Guidelines
- Management Action Trigger
- Contingency Funding Plan
- Profit Rate Risk Management Guidelines
- Fund Transfer Pricing Policy
- Market risk and counterparty limits.

Treasury Outlook of 2022

In 2021 BDT moved against USD from Tk.84.80 to Tk.86.00 resulting appreciation of almost 1.42% which was still overvalued compare to peer currencies. Most of the south Asian countries devalued their currencies significantly which has posed serious threat to our export destinations and country has faced negative growth of exports last year. Due to sporadic of, US-China trade war, Iran Crisis & BREXIT issues, to retain export earnings, BDT may be under pressure for devalue. Government has provided 2% incentive for inward remittances which has contributed in 1.49% growth during the calendar.

Moratorium in investment repayment, injecting money by B. Bank from buying dollar from banks dampen money market round the year. But due to post Covid scenario, increases in private sector credit growth & bullish import growth may change overall liquidity position of the market and may lead to deepen the liquidity crisis. To cope up with the changing scenario banks have to introduce tech-based banking, spread Agent and Sub-Branch outlets countrywide and rush to retail depositors/investment clients.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank Limited (AIBL) obtained the Off-shore Banking Unit ("the Unit") License from Bangladesh Bank on 17 February, 2014 and commenced its operation from 22 May, 2014. Located at AIBL Motijheel Branch, 161, Motijheel Commercial Area Dhaka-1000, OBU is working as an independent unit. The principal activities of OBU include Mudaraba Investment under UPAS (Usance Payment At Sight), HPSMFC (Hire Purchase Sirkatul Melk in Foreign Currency) against Usance L/C opened at AD branch with the condition that payment will be made at sight by OBU of AIBL against acceptance of LC opening AD branches and Musharaka Documentary Bills in Foreign Currency (MDBFC) against Accepted Local Export Bills to the eligible Deemed Exporters of our AD and Non-AD branches. Besides, OBU may also accept F.C deposits from eligible customers. As per Bangladesh Bank guidelines the Books of Accounts of OBU is being maintained in foreign currencies of which the base currency is USD. Comparative position of Off-shore Banking Unit;

PROPERTY AND ASSETS	Dec.20 (Million USD)	Dec.21 (Million USD)	Growth
Total Assets	153.82	248.88	61.80%
UPAS	145.06	231.79	59.79%
MDBFC	8.76	14.71	67.92%
HPSM Machinery	0.00	2.38	100.00%
Placement from Parent Bank	80.63	94.47	17.16%
Borrowing from Overseas Banks	73.19	154.41	110.97%
Net Operating Income	0.78	1.03	32%

Foreign Remittance Division:

Foreign Remittance Division is one of the most potential business segments of the bank which contributes overall growth of the Bank, increases the inflow of foreign currency, assists to build up low cost deposit and strengthens customer base of the Bank as well as upholds Bank's image in home & abroad and also makes significant impact towards the sustainable development of the Bank. Foreign

Remittance Division is procuring remittance from all the remittance hubs across the globe consisting more than 100 countries through 23 (twenty-three) Remittance Arrangements with different exchange houses in abroad and local banks.

1. Remittance Achievement:

Total remittance of the bank stood at Tk. 5,266.21 crore during the year 2021 as against Tk. 4,380.70 crore, Tk. 3,771.34 crore, Tk. 3,691.72 crore and Tk. 2,070.28 crore in the previous year 2020, 2019, 2018 and 2017 respectively. Our remittance increased by Tk. 885.51 crore i.e. 20.21% in 2021 as compared to increases of Tk. 609.36 crore i.e. 16.16% in 2020, Tk. 79.62 crore i.e. 2.16% in 2019, Tk. 1,621.44 crore i.e. 78.32% in 2018 and Tk. 896.74 crore i.e. 76.41% in 2017 respectively. Target for Remittance business for the year 2022 has been fixed at Tk. 6,350.00 crore expecting growth 20.58%.

Performance of Foreign Inward Remittance -From 2017 to 2021:

Year	Remittance		No. of Tr.	Target (In Crore)	Achievement (In %)	Commission Received (In Lac)	Growth (In %)
	BDT (In Crore)	USD (In Million)					
2017	2,070.28	251.89	421,704	1,500	138%	131.10	76.41
2018	3,691.72	441.22	684,045	3,000	123%	176.01	78.32
2019	3,771.34	446.45	698,640	5,000	75%	217.88	2.16
2020	4,380.70	516.19	693,537	4,250	103%	211.21	16.16
2021	5,266.21	618.68	827,851	5,400	97.52%	260.72	20.21

The Branches & Agent Banking Outlets of AIBL have procured foreign remittance BDT 3,653.79 crore in 2021 which is more than 24.22% of the previous year 2020 and procurement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 1,612.42 crore in 2021 which is more than 12.03% of the previous year 2020.

2. Remittance Drawing Arrangement:

We have executed 04 (four) new remittance drawing arrangements with different exchange houses in Qatar, UK & Spain in 2021 and another 10 (ten) more exchange houses from different hubs of the world are under process. In order to boost-up remittance business the division is deploying all-out effort to establish new drawing arrangement with exchange houses in UAE, Oman, Bahrain, Kuwait, Qatar, Malaysia & across the globe.

3. Foreign Remittance Operation at Agent Banking Outlets:

Our all-Agent banking outlets have been disbursing foreign remittance under the support of Foreign Remittance Division. Remittance achieved through Agent Banking Outlets during 2021 was BDT 1,426.87 crore which was 27.09% of total remittance.

4. Marketing & Promotional Activities:

With a view to increase transaction of Moneygram, Al-Arafah Islami Bank executed promotional campaigns in Eid-ul-Azha 2021, under joint promotional campaign with Moneygram. Each Moneygram customer got an umbrella during these campaigns. In order to increase remittance volume, the division has a plan to launch more promotional campaigns in 2022.

Overseas Banking Division:

Overseas Banking Division of International Banking Wing is working

continuously to enhance the business arena of the Bank at home and abroad by establishing Correspondent Banking Relationships with different renowned foreign and domestic Banks subject to compliance with AML-CFT regulations of Bangladesh Bank and other competent authorities. Performance of 2021 in this respect is as under:

New relationship management application (RMA):

Established new 08 RMA (Relationship Management Application) with global banks in 2021 in following regions:

New Nostro Accounts: In 2021, we have opened new 01 (One) Nostro Accounts in the following currency as below:

Name of the bank	Currency	City	Country
Commerz Bank	GBP	London	UK

New Credit line in2021:

Sl no.	Name of the bank
1.	First Abu Dhabi Bank, UAE
2.	Commercial Bank of Dubai, UAE
3.	Exim Finance, Hong Kong
4.	Ajman Bank, UAE

Vessel Tracking Service in AIBL: Since 2019, we have been implementing web-based vessel tracking services from Lloyd's List Intelligence (LLI), United Kingdom to prevent our import & export business from involving money laundering and terrorist financing risk as well as to comply with the requirement of Maritime Sanctions screening.

Basic Tracker: Basic Tracker enables us to track all our swift payment messages from end-to-end in real time (some banks in between the transaction may be hidden/undisclosed), confirms if the beneficiary has been paid or not etc.

Internal Control & Compliance Wing

Internal control in bank is a broad term with wide coverage. Internal Control implies the whole system of control implemented by the management in order to carry on the business of the organization in an efficient way by having an automatic check and balance of overall activities and transactions.

An ideal internal control system of an organization ensures best possible utilization of the resources and helps to mitigate the risks involved in utilization of organization's fund and other resources.

Framework of Internal Control System:

Committee of Sponsoring Organizations (COSO) of the Treadway Commission has developed an internal control framework that has been accepted as the standard all over the world. The key concepts of COSO framework include:

- Internal control is a process (or, more accurately, a series of processes)
- It is effected by people
- It provides reasonable assurance, not absolute assurance
- It is objectives-focused

Objectives of Internal Control

The main objectives of Internal Control are to achieve its goal by proper use of its resources (e.g. manpower, assets-liabilities, equipment's)

etc.), identifying its weakness & taking appropriate measures to overcome the weakness. There are 3 (three) types of objectives: Internal Control is established and developed for safeguarding the assets from unauthorized use and mishap, preparation of financial statement from free from misstatement, whether due to fraud or error and keeping business performance in line with ultimate objectives of the organization.

Components & Principles of Internal Control

Internal control consists of five integrated components such as (a) Control Environment, (b) Risk Assessment, (c) Control Activities, (d) Information & Communication and (e) Monitoring. There are 17 principles under these 5 interrelated components, which are very important for control process. Those are as follows-

Internal Control Components	Principles
Control Environment	<ol style="list-style-type: none"> 1. Demonstrate commitment to integrity and ethical values 2. Ensure that board exercises oversight responsibility 3. Establish structures, reporting lines, authorities and responsibilities 4. Demonstrate commitment to a competent workforce 5. Hold people accountable
Risk Assessment	<ol style="list-style-type: none"> 1. Specify appropriate objectives 2. Identify and analyze risks 3. Evaluate fraud risks 4. Identify and analyze changes that could significantly affect internal controls
Control Activities	<ol style="list-style-type: none"> 1. Select and develop control activities that mitigate risks 2. Select and develop technology controls 3. Deploy control activities through policies and procedures
Information & Communication	<ol style="list-style-type: none"> 1. Use relevant, quality information to support the internal control function 2. Communicate internal control information internally 3. Communicate internal control information externally
Monitoring	<ol style="list-style-type: none"> 1. Perform ongoing or periodic evaluations of internal controls (or a combination of the two) 2. Communicate internal control deficiencies

Three Lines of Defense Model:

Three International organizations and their publications; (1) Basel Committee on Banking Supervision in their publication "Principles for the Sound Management of Operational Risk", (2) Institute of Internal Auditors (IIA) in their global positioning paper "The Three Lines of Defense in Effective Risk Management and Control" and (3) COSO in their publication, "Leveraging COSO in Three Lines of Defense" have propagated and supported the Three Lines of Defense Model for Risk Management which has been internationally accepted for managing risk.

Mentionable here that, Bangladesh Bank in its Guidelines on Internal Control & Compliance in Banks has also address this model for effective

Internal Control & risk management.

The Three Lines of Defense model distinguishes among three groups (or lines) involved in effective risk management:

- Functions that own and manage risks.
- Functions that oversee risks.
- Functions that provide independent assurance.

Relationship among the objectives, components, principles and model:

Successful and effective Control System is a result of a team work. Internal Auditors are no doubt an active player of the team. In fact, the SMT, the BOD-all like internal auditors play their respective roles toward achieving the desire goals of risk management. Relationship among the objectives, the framework and the model are shown below in a nutshell.

Sustainable Finance Unit

SFU of AI-Arafah Islami Bank Ltd. (AIBL) looks after the activities of Green banking, Sustainable Finance and Corporate Social Responsibility. Here the main driving forces are environment, society and governance. It aims at sustainable development, maintaining higher growth of the economy, decreasing the inequality of a society and mitigating the environmental degradation. From this perspective, different following activities are done through this Unit:

Green Banking

a. In-house Activities:

Under implementation of Green Office Guide, we organized

- (i) All our meeting among branches, higher authority, Board of Directors and even Annual General meeting through online platform.
- (ii) Many of our workshop and training session under the program of awareness and capacity building were also successfully done through online platform.

b. Greening the Banking operation:

- (iii) At present we newly introduced banking services through mobile app and Islamic Wallet Mobile Financial Services facilitating accounting opening from home, easy money transfer, payment of bill, mobile top-up, merchant payment and inclusion of rural area under banking service.
- (iv) Recently we also introduced Internet Banking facilitating all transactions and for availing other banking services to our valued clients through internet staying at home.
- (v) Under Business Process Automation (BPA), we now circulate all our letters, instructions, Investment proposal and Sanction through shared digital platform, email and IP message.

c. ESRM (Environment and Social Risk Management):

Considering all the social and environmental aspects as per ESRM Guidelines we have done Environment and Social Risk Rating (ESRR) at the time of processing all the investment proposals properly. Scheduled monitoring and inspections have also been done time to time.

d. Green and Sustainable Finance:

Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general.

Already we are financing in 68 green products on priority basis. To facilitate refinance in green products/projects/initiatives, we have signed agreement on the following issues with Bangladesh Bank:

i) Islamic Refinance scheme for Green Products:

Under this scheme any client can avail refinance for any of 52 green products/projects/initiatives at single digit profit rate.

ii) Green Transformation Fund (GTF):

It includes 200 million US Dollar and 200 million Euro from which manufacturer-exporters can get refinance in foreign exchange against import of capital machineries and accessories relevant to environment-friendly/green attributes specified by BB and industrial raw materials.

Ever since the inception of Green Banking, AIBL has financed in diversified Green areas like LED Bulb/Tube Assembly Plant, ETP Construction, Recycling Waste and Green Brick Manufacturing etc. In the last quarter of 2021 total Green Finance disbursement was BDT 2004.76 million.

On the other hand, we have also achieved tremendous progress in sustainable finance. The most significant issue is that AIBL has been recognized as one of the top ten most sustainable banks in Bangladesh by Bangladesh Bank in 2021. In the last quarter of this year our sustainable finance is BDT 6163.71 million. To take this more ahead, recently we signed agreement with Bangladesh Bank titled as follows:

iii) Refinance Fund for Technology Development / Upgradation of Export Oriented Industries:

Export-oriented industries can avail refinance under this fund at the lowest profit rate for upgradation of capital machinery to enhance their production efficiency.

Corporate Social responsibility (CSR) by Al-Arafah Islami Bank Ltd. (AIBL)

As part of CSR, AIBL always responds to any emergency of the country/society/institution/individual on priority. In 2021 AIBL has done Some mentionable CSR activities such as:

- Donation of BDT. 5.00 crore to Prime Minister's Relief Fund due to COVID-19 Pandemic.
- Besides, AIBL by its own management has distributed foods and health safety items of BDT 2.55 crore to people of different areas of the country affected by the COVID-19 Pandemic.
- AIBL has donated Tk. 10.00 Lac to prize giving ceremony of National Hifzul Quran Recitation Competition in 2021 which will act as motivation to Hifz students for further improvement of quality and standard of holy Quran recitation to an international level.

Our main priority sectors of CSR are education, health, food security, shelter, prevention of environmental disaster and special attention for the advancement of research/literature/culture. In 2021 our total expenditure in CSR is BDT 149.60 million which is shown sector wise in the table below:

(Amount in Million BDT)

Sl No.	Particulars	2020	2021
1	Health	16.81	87.10
2	Education	10.07	6.50
3	Disaster Management	8.51	0.00
4	Cultural Activities	6.68	0.00
5	Environmental Protection	15.26	56.00
6	Others	226.81	0.00
	Total	284.14	149.60

Education Scholarship Program:

Being aligned with government initiatives to achieve Sustainable Development Goal (SDG), AIBL has also taken step to promote quality education which is the 4th most prioritized goal of SDG. In 2018, we successfully begun the program titled "Al-Arafah Islami Bank Education Scholarship-2018" for underprivileged meritorious students

who completed HSC. In 2021 this program scenario is as follows:

Number of Students	Present institute of study	Total Scholarship (BDT in Million)
199	Students are covered from different educational institutions such as Public Universities, Medical Colleges, Engineering Universities, Agricultural Universities, Science and Technology Universities, Open University, National University, Private University etc.	7.17

Cottage, Micro, Small and Medium Enterprises Investment (CMSME)

Cottage, Micro, Small and Medium Enterprises (CMSME), works as the platform for job creation, income generation, and development of forward and backward industrial linkages and fulfillment of local social needs. MSMEs occupied a unique position in the economy of Bangladesh. Here, the MSMEs account for about 45% of manufacturing value addition. They account for about 80% of industrial employment, about 90% of total industrial units and about 25% of total labour force.

In the light of the definition given by Bangladesh Bank, Al-Arafah Islami bank Ltd. has put utmost priority over CMSME financing in three categories of enterprises viz. Industry, Trade & Services.

CMSME Investment at a glance

(Figure in Million)

Description	2021	2020
Total CMSME Portfolio	110641.00	100196.89
% of CMSME Portfolio to Total Portfolio	32.12%	34.41%
Target of CMSME Investment	70000.00	60000.00
Total CMSME Disbursement	65984.19	61005.39
% of Achievement	94.26%	101.67%

Investment on Women Entrepreneurs

About 50% of the populations of Bangladesh are women. Women participation in the mainstream of economic activities especially in the productive sectors is crucial for attaining sustainable economic growth, poverty reduction and women's empowerment. But women participation in economic sector is inadequate and the number of women entrepreneurs is very low compared to that of their male counterparts.

Al-Arafah Islami Bank Ltd. is working with women entrepreneurs to make them capable of earning by connecting with country's economic activities. We give priority to women entrepreneurs to invest on various productive sectors. By the side of collateral secured investment, collateral security free investment is also considered in the question of women development.

Description	Figure in Million
Total SME Portfolio in Women Entrepreneurs	4571.60
Amount of Disbursement to Women Entrepreneurs	3371.28

Agricultural Investment

Agricultural Investment is dealt by Agricultural Department functioning under the control of SME Investment Division. To face the increasing food shortage of the country, bank is paying massive attention to invest on agricultural sectors. The main items of agricultural sectors are-crops, fisheries, warehouse, poverty alleviation, irrigation, livestock development etc. At the end of December 2021, total agricultural investment portfolio is Tk. 5729.00 Million for the fiscal year 2020-2021. With collateral and without collateral both are practiced in agricultural investment.

The Achievement of 2020-2021 is as follows:

(Figure In Million)

Sector wise Agricultural Disbursement	Current Fiscal Year Disbursement July-20 to June-21 (2019-2020)	Accumulated Outstanding (31/12/2021)
a) Crops	511.20	449.40
b) Fisheries	1096.4	1099.50
c) Crop Storage	562.80	681.90
d) Livestock Development	2296.40	2252.00
e) Poverty Alleviation	92.70	41.50
f) Irrigation Tools	188.20	278.40
g) Agricultural Tools	224.10	281.70
h) Others	645.60	644.60
Grand Total	5617.40	5729.00

To promote agricultural sectors properly, our collateral free agricultural schemes are: Rural Agricultural Investment Scheme (RAIS) & Khamarbari Investment Scheme. Those schemes are running in all rural Branches. Skilled and experienced staffs are recruited in the concerned branches to ensure proper development of marginal farmers.

Rural Agricultural Investment Scheme (RAIS)

On the basis of socio-economic development of marginal and lessee farmers, this agricultural based programme named 'Rural Agricultural Investment Scheme (RAIS)' is running in this Bank. Development of country's internal food production as well as socio-economic sectors of farmers is the main focus here. We have already listed 1975 farmers under this scheme and total investment is Tk. 82.50 million of which outstanding is Tk. 39.30 million.

Al-Arafah Khamerbari Investment Scheme

To make a priority to invest in the crop sector of Bangladesh, we have launched the product named: "Al-Arafah Khamerbari Investment Scheme (Khamerbari)". With this product, we work for farmer's community surrounding the Branch. Our field officials motivate farmers to grow the potential crops based on their previous farming experience. This scheme is an innovative action to develop the crop sector of Bangladesh. We have disbursed 1.87 million investments among 150 farmers under this scheme so far.

Growing spices at a lowest profit rate (4%)

As per instruction of Bangladesh Bank, and to increase the production of different types of spices like Pulse, Oil-seed, Spice and Maize, we started investment at a lowest rate of profit (only 4%) to the marginal farmers. We have disbursed 30.90 million investments among 557 farmers under this sector so far.

Mudaraba Animal Husbandry Scheme

In the concept of Islamic Finance, Mudaraba is a special kind of partnership business, where one partner gives money to another and at the end of business cycle, the profit will be distributed between both the parties as per previously signed agreement. The investment comes from the first partner who is called "Saheb-ul-maal", while the management and work is an exclusive responsibility of the other, who is called "Mudarib". All the losses will be contributed by the fund provider. In this scheme, Bank shall purchase cows, goats etc. on behalf of client under the limit of sanction amount. Clients shall responsible for daily maintenance of that animal as per terms and conditions. After a certain time, that animal will be sold in current market rate and then the profit shall be distributed as on previous agreement.

In this scheme, we have already disbursed Tk. 27.97 million for fattening of 484 Cows and 12 Buffalos among 187 farmers so far. This was a great achievement we think. This is a special scheme in the banking sector of Bangladesh.

Agent Banking

Agent Banking services is one of the important dimensions of banking services in Bangladesh which is provided through engaged agents under valid agency agreement. Agent is the owner of one or more than one outlet(s) who conducts banking transactions on behalf of the bank. This type of banking is comparatively a tremendous idea that can help the formal banking sector reach out to the marginalized people of the society through agents. It is playing a pragmatic role in paving the way for financial inclusion, which is a tool for inclusive economic growth and financial development of a country.

We have launched 571 Agent Banking outlets through 397 Agents as on December 2021 with a view to bringing the un-banked population under banking services. As on December 2021, total accounts of Agent Banking are 5,02,855. We have already covered 227 Upazillas under 55 Districts. With some restrictions and limitations, most of the banking services are available in agent banking operation.

In Agent Banking, most of the beneficiaries are living in rural areas and were totally un-banked at the earlier. But now, their total deposit is Tk. 31,016.72 Million and the figure is increasing rapidly. Clients are opening accounts, depositing and withdrawing their expected money, getting foreign remittance from their relatives, paying their utility bills and getting other banking services spontaneously. This is one of the appropriate examples of financial inclusion in Bangladesh.

Agent Banking Performance At a Glance (As on 31-12-2021)

(Taka in Million)

Particular	Year 2020	Year 2021	Growth
Total Number of Agent	264	397	50.38%
Total Number of Outlet	400	571	42.75%
Number of Rural Outlet	353	502	42.21%
Number of Urban Outlet	47	69	46.81%
% of Rural Outlets Among Total Outlets	88%	88%	-
Number of Covered Upazilla	185	227	22.70%
Number of Covered District	48	55	14.58%
% of Area Coverage Among 64 Districts	75%	86%	-
Number of Accounts	3,25,582	5,02,855	54.45%
Number of Male Customer	1,82,090	2,62,697	44.27%
Number of Female Customer	1,35,894	2,31,533	70.38%

Number of Others Account	7,150	8,625	20.63%
% of Female Customer	41.74%	46.04%	-
Deposit of Agent Banking	23,524.42	31,016.72	31.85%
Cost Free Deposit	854.73	1,156.61	35.32%
Low Cost Deposit	7,865.11	11,477.92	45.93%
High Cost Deposit	14,804.63	18,382.21	24.17%
% of Cost Free & Low-Cost Deposit	37.07%	40.73%	-
Number of Foreign Remittance	1,64,392	2,35,580	43.30%
Amount of Foreign Remittance	8,494.70	14,268.73	67.97%
Number of Utility Bills Collection	39,50,120	60,30,907	52.68%
Amount of Utility Bills Collection	2,387.80	4,079.04	70.83%
Amount of Investment in Outlet Area Through Branch	99.14	1657.62	1572 %

Al-Arafah Rural Development program (ARDP)

Bangladesh has made remarkable progress in reducing poverty, supported by sustained economic growth. To keep up this progress a stronger and larger rural economy is crucial for employment generation and poverty alleviation. Financial services play a critical role in reducing poverty. Permanent access to financial services can help poor people to take control of their lives. Believing this fact and also containing the idea that rural people are bankable, we initiated our Islamic Microfinance Program on the year 2001 as Grameen Small Investment Scheme (GSIS). This program is reformed and revamped as 'Al-Arafah Rural Development Program (ARDP)' in late 2020 with a view of ensuring the financial inclusion of rural people and to unlock the considerable economic potential of rural areas. Functioning on the basis of Group and Samity, this program helps on socio-economic development of farmers, labours, fishermen, micro-businessmen and small entrepreneurs. Another important objective of this program is to give priority to create and patronize economically self-dependent rural women entrepreneurs.

Rural microfinance comes with its own set of challenges. Unlike cities, rural populations are dispersed over large areas with poor infrastructure which increases transaction, information other costs significantly higher to offer financial products. Hence, we have tailored our banking solutions through various types of Deposit & Investment products to meet specific needs of rural people which are describe below.

Deposit Schemes:

Under the Al-Arafah Rural development Program (ARDP), members will operate a Mudaraba Savings Deposit (MSD) account for their personal and business transaction and monthly deposit-based saving scheme (ITD) for becoming financially self-sufficient and to build his own capital. Members could avail investment against their savings anytime. Our tailored deposit products are as under:

- Al Wadiah Current Deposit Account (CD) (ARDP)
- Mudarabah Savings Deposit Account (MSD) (ARDP)
- Mudarabah Membership Savings Account (MSD) (ARDP)
- Mudarabah Monthly Profit Paid Term Deposit 3 Years (ARDP)
- Mudarabah Monthly Deposit Scheme (5,10 Years) (ITD) (ARDP)
- Mudarabah Term Deposite (3,6,12 months) (MTDR) (ARDP)

Investment Schemes:

The investment schemes are without collateral/security and can be obtained easily. Repayment system is weekly/monthly installment basis. These are supervised investment schemes and skilled ARDP employees working in different branches ensure continuous processing and supervision of the same. Some of the popular Investment Schemes are:

- Bai-Muazzal (ARDP)
- Group or Samity based Unsecured Investment Scheme. Installment payable in weekly/ monthly ranging from Tk.10,000/- to Tk. 100,000/. Investment Tenure: 1 year.
- In the case of bank deposit lien, 100% or equal amount of money is disbursed.

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2021. In response to the overwhelming expansion in Bank's business, we extended our publicity to fulfill the market demand. We brought new dimension in our branding and publicity for establishing a positive image of the Bank. We acquired encouraging national attention towards AIBL throughout the year with our all-around activities. More than 54 news items of the Bank were broadcasted in 640 news coverage through 20 different TV Channels during the year 2021. We continued news branding on 7 major satellites TV channels such as Channel-i, Bangla Vision, ATN Bangla, ATN News, Desh TV, DBC TV and ETV.

Promotion in the television media got a major hike during the Ramadan in this year. In 11 major TV channels which included NTV, Bangla Vision, Bangla TV, Independent TV Jamuna TV, Channel-9, Boishakhi TV, SA TV, News 24, Gazi TV, Ekattor TV and many more. The Bank sponsored 13 different programs to encourage true Islamic values. The initiative was praised by the stakeholders and positively put an effect on business.

Positive branding was one of the vital supports that led the Bank to hold a firm position in the market. The Bank proved its engagements with people by sponsoring several occasions. Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, Fair of Chittagong Metropolitan Chamber of Commerce & Industry and many more people-related gatherings were sponsored by the Bank. These activities tightened the relationship with clients and uplifted Bank's faithful image.

Our presence in the print media also was bold as we had 1350 Press Release items published in more than 60 different leading Newspapers and Media throughout the year. Besides, more than 700 advertisements took place in 115 different publications during that year.

This year the Bank went into Electronic Media vastly. Besides, promotion in social media and put utmost focus on Digital Media via Online Portals, Facebook, YouTube etc. With a new rebranded outfit, AIBL started serving more smartly and dedicatedly at every point of service throughout the country. Unexpectedly, this year the Promotional planning was struck by the negative effect of global pandemic caused by COVID-19. But the Bank had to modify its plan according to the situation.

Moreover, during the adverse circumstances, Bank made its' promotion through client service more effective and efficient in 2021. We must remember that, a satisfied client is the best advertiser of the Bank. So, all our promotional steps will be focused to make our customers feel that they are banking with their own bank with all the modern facilities, when they are with Al-Arafah Islami Bank Limited.

Branding Summary of AIBL in 2021

SL NO.	Branding Details	Frequency During 2021
1	TV News Items	54 events 640 coverage
2	TV Channel Coverage	21 channels

3	TV Branding (throughout the year)	7 channels
4	TV Branding during Ramadan	13 programs 11 channels
5	PR Published	1350 times
6	Print media covered	60 media
7	Promotional Advertising	700 advertisements
8	Publications used	115 publications

Information Technology

The technology is of great use in banking sector, it has changed the banking industry from paper and branch based banks to digitized and network services. Means it has played a very big role in reducing fraud in banks which protects its clients. Banks are investing heavily in digital banking technology, in which customers use mobile, web or digital platforms to use banking services. Artificial intelligence solutions, such as chatbots, often assist customers in simple tasks such as making payments. As such bank can enhance business processes, make managerial decision, and workgroup collaborations which strengthen their competitive positions in rapidly changing and emerging economies.

Every bank is providing their financial services, DATA analysis & classifications, making the ultimate decision with a truly automation system accomplished by the ICT division. AIBL started its Automation journey from 2006 and lived their Online Operation in the 2008 that has been going on successfully since inception.

Beside Core Banking System (CBS) we are also using the below tech based services to automate, secure and faster our internal activity as well as to offer the better services to our valued customers:

i.RTGS; ii.BEFTN; iii. BACH, iv. ISS Report, v. BPA, vi. CIB, vii.goAML-CTR, viii. RIT Reporting, ix. i-Banking, x. Sylvia (HRMS), xi. Agent Banking, xii. Utility Bill Collection, xiii. Sanction Screening, xiv. FATCA Compliance, xv. SWIFT, xvi. Asset Management, xvii. Centralized Anti Virus Management, xviii. Mail Server, xix.OBU, xx.Treasury, xxi. ATM Service, xxii. Mobile ATM Service, xxiii. Debit Card, xxiv. Credit Card, xxv. SMS Alert etc.

Recently AIBL has launched Islamic Wallet which a Shariah based Mobile Financial Services of Al-Arafah Islami Bank Limited. Islamic Wallet comply with the most rigorous security, compliance standards and all regulatory requirements.

Islamic Wallet promises to provide the most innovative services that can be provided in Mobile Financial Services industry of Bangladesh. It is fast, secure and affordable way to send & receive money from anywhere at any time. In addition to 'send and receive money', it provides a total eco-system where people can derive the best use of money. This wallet will be considered as new and innovative payment system to cater all kinds of banking needs for ensuring the maximum convenience of customers specially those who do not have access to banking services.

Services offered by Islamic Wallet

- Cash In, Cash Out, Person to Person (P2P)
- Fund Transfer from Card and Bank Account.
- Person-to-Business payments (P2B) such as utility bill payment, airtime top-up, insurance premiums, loan instalments, merchant payments etc.
- Business-to-Person payments (B2P) such as payroll, commission disbursement, etc.

- Government-to-Person (G2P) payments such as subsidies, freedom fighter allowances, social welfare payments, endowments, etc.
- Person-to-Government (P2G) payments such as government duties, taxes, fees, etc.
- Ticketing Service
- Tuition Fees Payment

There are some Technology based initiatives taken by the bank management to improve the customers' services with a view to become the best bank in Bangladesh:

1. To become one of the best three Technologically advanced banks in the country within next 3 years
2. Ensure 100% Regulatory Compliance by taking highest possible ICT security measures within a year.
3. Considering a huge unbanked population across the country, AIBL has been working very closely with different government and non-government entity to ensure the availability of Mobile Financial Services (MFS) all over the country.
4. Full-phased Internet Banking along with E-Commerce and Payment Gate way will be started very soon.
5. Introduce Booth Banking Services as per Bangladesh Bank guideline.

Card Division

Card Division of Al-Arafah Islami Bank Limited has diversified range of products and services since the beginning to fulfill the customers' needs by strictly maintaining the Shariah Principals. More than 3.00 lac AIBL card holders including Debit Cards, Credit Cards, Instant Cards, Pre-Paid Cards and Hajj Cards are using AIBL own 200 ATMs as well as any banks' ATMs through NPSB network & MasterCard enable ATMs. The bank issues technologically advanced EMV Chip Cards to provide vast and secured services to our valued customers throughout the time 24/7. We are providing effective and efficient card services among the customers with nominal service charges and maintenance fees which a positive marketing tool. We have travel card which does not require to maintain any bank account and it could be used for overseas travelling time with foreign currency. We have Instant Card for account holders which is being issued from branch premises instantly at the time of account opening. We are planning to introduce International Debit Card within shortest possible time to facilitate dual currency in Debit Cards as per Bangladesh Bank policy. Bank is offering discount facilities for both Debit & Credit Card holders & Equal Monthly Installment (EMI) facilities for Credit Card holders for the last few years to grab the market trends. We have a long list of EMI and discount partners including all renowned furniture manufacturers, branded electronic chain shops, lifestyle retailers, leading hospitals, popular restaurants, hotels & resorts, e-commerce shops, mobile & computer shops, tours & travels outlets, local airlines, auto care shops, motorcycle shops, super shops, etc.

We are working on to launch contactless card with more security within this year. For Platinum Credit Card holders, we have complementary airport lounge facilities at Hazrat Shahjalal International Airport, Dhaka and MasterCard designated airports all over the world. We are ensuring smooth online transactions for our card holders of AIBL through various security measures such as by using "MasterCard SecureCode". Bank is conducting promotional activities for cards through social and print media and has designed a lucrative webpage in its main website.

Card Division is working round the clock to provide efficient and

outstanding services to our valued customers by using advancement technologies.

Asset Quality

Overdue investments stood at Tk. 3993.40 million as on 31st December 2021 as against Tk. 5,959.36 million as of December, 31 last year. Total overdue decreased by Tk. 1,965.96 million during the year 2021 bringing the same to 1.16% of our total investment as against 1.92% in the previous year. Corporate Branch Managers, Zonal Heads and other Branch Managers are advised to take all precautionary measures so that the overdue investments are not inflated and income leakage remains under control.

Rescheduled investments decreased by Tk. 985.60 million from Tk. 21,959.90 million to Tk. 20,974.30 million (Term investments by Tk. 11,875.90 million plus Continuous and Demand investments by Tk. 9,098.40 million) which was 6.09% of total Investment. Recovery against rescheduled investment during the year 2020 was Tk. 1,051.20 million.

Classified investments increased by Tk. 6,818.41 million in 2021 from Tk. 11,769.58 million to Tk. 18,587.99 million representing 4.81% of total investment as against 3.80% in the previous year. During the year 2021, recovery & regularization against classified investment stood at Tk. 991.75 million while recovery against written off investments stood at Tk. 71.84 million recording a total recovery of Tk. 2,114.79 million which includes a recovery Tk. 1,051.20 million from the rescheduled investments. Plan and Strategies to Improve the Asset Quality-

- to ensure constant supervision and follow-up for timely recovery of investment and prevent it from becoming overdue afresh.
- to fix individual target from very beginning of the year for recovery of non-performing investment.
- to give special attention on top classified investment clients for early settlement/ adjustment/regularization.
- to keep constant, follow up & monitoring to ensure timely recovery of installment against rescheduled investment.
- to address chronic NPI clients by taking effective steps and applying prudence.
- to initiate necessary steps to settle the court cases quickly and even the cases can be settled outside the court through persuasion and mutual understanding.
- to be more vigilant to keep NPI at the lowest possible level.
- to deploy level best efforts for recovery of Written off investment including legal action.
- to keep a close eye on the SMA bucket so that SMAs, do not graduate to classified accounts.

Risk Management

Risk is generally defined by the adverse impact on the profitability of several distinct sources of uncertainty. It looks at financial exposures and its inherent risks to the business, and deeply believes profits are in part for successful risk taking in business. A bank must run its operations with two goals- to generate profits and to stay in business. Greater risk and poorly managed risk increase the danger that the bank may incur huge losses and be forced out of business. Risk Management is a tool used by banking institution in the name of good governance, risk mitigation and prudent practice. It focuses a lot on control processes, performance monitoring, collateral value, and decision making policies for credit, market and systemic risks. Risk Management's main objectives are to identify and measuring the risks and advise mitigation

there against. Banking operations are mainly exposed to:

- Investment or default Risk (including concentration risk, country risk, and settlement risk)
- Market risk (Including interest rate risk in the banking book, Forex risk, and equity price risk)
- Liquidity risk
- Operational risk
- Other risks (residual risk, compliance risk, strategic risk, reputation risk etc.)

It should not be understood that risk management is only limited to the individuals, who are responsible for overall risk management function. Business lines are equally responsible for the risks they are taking. Because, the line personnel can understand the risks of their activities, any lack of accountability on their part may hinder sound and effective risk management. AIBL risk governance follows three-lines-of-defense-model which is represented as under:

1st line of defense: Business owners

This includes the business units and operation lines of the Bank.

1. To ensure effective processes to identify, assess/measure, monitor, mitigate, and report on their risks.
2. To operate in accordance with the risk policies and delegated mandates.

2nd line of defense: Standard Setters

This includes Internal Control (IC) framework including RMD and RMC.

3. To ensure effective and efficient operations;
 4. To ensure adequate control of risks;
 5. To ensure prudent conduct of business;
 6. To ensure reliability of financial and non-financial information reported or disclosed (both Internally and externally); and,
 7. To ensure compliance with laws, regulations, supervisory Requirements and the institution's internal policies and procedures.
- 3rd line of defense: Assurance Providers It consists of the bank's internal audit and regulators which
8. Performs independent periodic reviews of the first two lines of defense,
 9. Provides assurance
 10. Informs strengths and potential weaknesses of the first two lines.

In accordance with the direction of Bangladesh Bank, AIBL has established 'Risk Management Division' and possesses board's approved risk management guidelines designed to ensure that risks are identified, monitored and reported. Risk Management Division exclusively manages 6 (six) core risks in line with core risk Management guidelines of Bangladesh Bank. AIBL formed All Risk Committee at Management level in addition to six separate Core Risk Management Committees to address basic risk management activities like identification, assessment, and mitigation of risks. Besides, Board Risk Management Committee oversees the bank's overall risk management activities, risk appetite and performs their duties with utmost care to minimize the risk level.

Regular meeting of all the committees are held on monthly/quarterly basis. The major concerns of the 6 (six) Core Risks Management Committees are as under:

1. Investment Risk Management Committee :

Investment risk arises from the potential that a bank's borrower may fail to meet its obligations in accordance with agreed terms. IRMC deals with the activities of supervises and monitors Investment concentration, Internal investment risk grading, Corporate clients rating, Non

performing investment, Residual risk against investment, Provision against classified investment, Investment mix, Asset quality etc.

2. Asset Liability Risk Management Committee (ALCO):

Asset Liability Management ensures balanced fund mobilization and their deployment with respect to their maturity profile, cost, and yield as well as risk exposure. ALCO looks after the Asset-liability risk, Liquidity risk, Investment Deposit Ratio (IDR), Deposit mix, Investment mix, Gap analysis etc. under direct guidance of the Managing Director & CEO.

3. Foreign Exchange Risk Management Committee:

Foreign Exchange Risk Management in Banks has become inevitable. It oversees Foreign exchange risk, Treasury, Net open position, Import& Export business, Dealing room operations, Anti-money laundering aspects in foreign exchange transactions and remittance etc.

4. Internal Control & Compliance Risk Management Committee:

The primary objective of internal control system in a bank is to help the bank perform better through the use of its resources. Through internal control system, bank identifies its weaknesses and takes appropriate measures to overcome the same. ICC Risk Management Committee assesses and mitigates the risks related to compliance with regulatory requirements, set rules of the Bank, internal checking system, lapses, fraud, forgeries, misappropriation, defalcation, violations of the set rules etc.

5. Central Compliance Committee:

Money laundering risk is the risk of loss of reputation of the Bank. CCC looks after the money laundering and terrorist financing activities, STR (Suspicious Transaction Report), CTR (Cash Transaction Report), KYC (Know Your Customer) and TP (Transaction Profile) related compliances. The committee also supervises and monitors the entire transactional activities of the Bank including money laundering aspects involved with foreign exchange transactions.

6. Information & Communication Technology Risk Management Committee:

ICT risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods. This committee monitors and supervises the risks related to Data security, Physical security, Network security, Disaster recovery, Fraud, Forgery, System failure and Business continuity etc.

Banks always run the risk of insufficient liquidity and investment/ credit defaults. While conducting day to day operation AIBL usually faces the following major risk:

1. Credit/Investment Risk:

This risk occurs whenever a borrower considers paying current debt with future cash flows. In AIBL investment risk are evaluated in 2 ways:

- I. Individual client wise: Investment Wing considers the risk on a case-to-case basis. Their sole purpose is to measure the weighted risk of individual clients and disburse loan/investment accordingly. IIRS is approved & verified by CRO of the Bank.
- II. Portfolio wise: IAD considers the risk on a sector-to-sector basis or on industry-to- industry basis and is reviewed in ARC/MC meeting. This is what is referred to as portfolio wise investment risk management.

1.1 Credit Concentration Risk:

Credit concentration risk may arise from exposure to a single entity/ group and/or exposure in the same economic or geographic sector

and/or credit concentration in dependent industries. AIBL is now exposed to some of specific sectors and regions that are highly inviting concentration risks. Although these regions are economically important, AIBL has the scope to come out from such concentration gradually having a structural strategic perspective investment plan and diversify its investment portfolio in more potential sectors and areas and thus distribution of the risk factors. Initiatives of Credit risk management from RMD are below:

Top-20 Investment Risk Assessment and Resolution Report: To address Systematic risk as a part of BB initiative, RMD is preparing and sending report of Top-20 Investment Clients' position including risk mitigation road map to Bangladesh Bank quarterly after having approval from the Board of Directors and BRMC.

Risk Assessment of Top-20 Defaulters & Risky Investment Client: Apart from the 'Resolution Report of Top-20 Investment Risk Assessment' the RMD has prepared report on the risk assessment of Top-20 Defaulters and Top-20/30/50 Risky investment clients. The division assessed various risk related issues and provided various options & advises on how to mitigate the risks.

Internal Investment Risk Rating System (IIRRS): As per instructions stated in IIRRS guidelines issued by BRPD of Bangladesh Bank, summary report of IIRRS is required to be approved and signed by Chief Risk Officer (CRO) of the Bank.

Credit Rating related activities: Credit Rating has direct impact on Risk Weighted Asset (RWA) of the bank by maintaining minimum capital requirement and satisfactory CAR as well. The division is trying its best to get all the eligible clients rated by the external rating agency by advising branches so that the bank can allow investment safely. Side by side it helps the bank to make investment more maintaining minimum capital.

2. Market Risk:

The possibility of experiencing of loss due to the factors that affect the overall performance of the financial market is called Market Risk. Market risk can be divided into 3 types- Interest rate risk, Forex risk, Capital market investment risk.

Market risk also called 'Systematic Risk', cannot be eliminated through diversification, nevertheless it can be evaded. Systematic risk refers to the risk inherent to the entire market. The risk that a major natural disaster will cause a decline in the market as a whole is an example of market/systematic risk. This sort of risk is evaluated by the Risk Management Division. As a part to address systematic risk, RMD is analyzing Top-20 investment clients' position and incorporating its review report with risk mitigation road map in 'Credit Risk Assessment and Resolution Report' for placing before the Board of Director's meeting for onward submission to Bangladesh Bank as well quarterly.

2.1 Interest/Profit Rate Risk:

The risk that any investment's value will change due to a change in the absolute level of interest rates, in the spread between two rates or in any other interest rate relationship is called Interest/Profit Rate risk. Such changes usually affect securities inversely and can be reduced by diversifying.

3. Operational risk:

Operational risk is the risk that is not inherent in financial, systematic or market wide risk. It is the risk of loss or harm resulting from inadequate or failure of internal processes, people and systems or from external events. The policy for measuring and managing operational

risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. As a part of continue surveillance, the Management Committee (MANCOM), All Risk Committee (ARC), Board Risk Management Committee regularly review different aspects of operational risks and suggest formulating policies, tools and techniques for mitigation of operational risks. This risk is dealt by the operational desk of the RMD.

Managing other specific risks:

Bangladesh Bank has issued six core risk guidelines and Risk Based Capital Adequacy (RBCA) Guidelines that provides concepts, methods and processes with regards to the respective risk areas. AIBL follows those guidelines and also reviews/updates them on regular basis and gets approval from the Board. Apart from these, there are some other specific risks that are covered by SRP Guidelines and RBCA Guidelines of Bangladesh Bank.

Residual Risk:

Residual risk is the amount of risk that remains in the process after all the risks have been calculated, accounted and hedged. Residual risk arises mainly from error in documentation and error in valuation. As institutions mitigate risks by way of collateral, the collaterals can pose additional risks (legal and documentation risks), which may deteriorate the impact of risk mitigation. AIBL have appropriate governing and control system, valuations procedures, internal regulations and responsible individuals assigned for the prudent handling of risks.

Liquidity Risk:

The risk arising from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss is called liquidity risk. This type of risk is maintained by FAD, TD and RMD.

Strategic Risk:

Strategic risk means the current and prospective risk to earnings and capital arising from imperfection and unsuccessful in business strategy/plan formulation, inefficiencies in implementing plan targets, or from the overlooking of changes in business environment. Strategic risk induces operational loss that consequently hampers the capital base. The key aim of strategic Risk Management is to strengthen the bank's earnings resilience and protect it against undue earnings volatility to support overall risk appetite targets (especially CET-1 ratio and Leverage Ratio). This is a part of the risk governance incorporated with top level management. AIBL involves all levels of management in formulating and establishing robust strategy planning process, and regularly reviews on incorporating changes to strategic environment.

Reputation Risk:

A thought or danger to the good name or negative media report against the entity is called reputation risk. This risk is managed by operational risk section of RMD.

Environmental Risk:

Actual or potential threat of adverse effects on environment by effluent, emissions, wastes etc. arising out of organization's activities is called environmental risk. This risk is managed by Investment Risk Management and Sustainable Financial Unit (SFU).

Basel Accord Implementation:

AIBL has been following various Basel pact viz. Basel-I, Basel-II, Basel-III, Stress Testing and others core risk guidelines implemented by Bangladesh Bank. To implement Basel III guidelines, AIBL formed units as under:

Basel Implementation Unit (BIU) at Operational Layer and Supervisory Review Process (SRP) team at Managerial Layer.

The Risk Management Division (RMD), a division headed by Chief Risk Officer (CRO) acts as the center of all risk management function of AIBL and continuously supports BIU/SRP team to be in place to establish supervisory review process under the Basel-III guidelines and to be compliant of Bangladesh Bank's instruction under the supervision of the Chief Risk Officer (CRO).

All Risk Committee (ARC) at Management level:

The All Risk Committee at the Management level sits at least once in a month or more when necessary. In the meeting all the existing/identified and foreseeable/potential risks issues are discussed. Afterwards, recommendations/decisions taken in the meeting are minute and forwarded to the concerned risk-taking departments to address, measure and taking necessary steps to mitigate the risk factors. Discussion on non-complied issues are taken place in the next meeting. All the meeting minutes along with Risk Management Papers are reported to the Department of Off-site Supervision (DOS) of Bangladesh Bank duly.

Risk Management and Other regulatory reports:

Risk Management Division prepares Monthly/Quarterly Risk Management Report, Half-Yearly Comprehensive Risk Management Report (CRMR), and Stress Testing reports incorporating all risk areas as per directions of the prescribed format of Bangladesh Bank. These risk reports are discussed in depth in All Risk Committee at Management level as well as Board Risk Management Committee and necessary instructions with guidance are given there against. Besides, AIBL sends Risk Appetite Statement (RAS), Effectiveness of Risk Management functions etc. to Bangladesh Bank annually duly reviewed and approved by the meeting of Board Risk Management Committee and Board of Directors' of the Bank as well.

Money Laundering and Terrorist Financing Prevention:

We all know that the initial focus of anti-money laundering regime was the intersection of organized crimes and drugs. But in course of time the focus was widened to include proceeds from many criminal activities. Today, everywhere in the world, AML has many goals. With the increased globalization of financial system money laundering has evolved into an activity affecting the societies, financial system and the economy as a whole. Thus, it has become a global phenomenon. It is a danger not just to the global economy but also to national security. All the countries in the world have come to a common platform with a common goal to create an infrastructure which would make the criminals think twice before involving into money laundering activities. Bangladesh accordingly enacted to different laws for combatting money laundering and terrorist financing. Banks are being constantly alerted by the regulators about the evils of ML. As the criminals use the banks as the main vehicle of their criminal activities, responsibilities of bankers have widened over time by manifold as well. Money laundering techniques are always evolving, and as a result, AIBL authority has taken strong steps to fight the evil.

Combating Money Laundering activities have been an integral part of the duties of every banker these days. We are constantly updating ourselves with the rules and regulations of AML/CFT. Nevertheless, it becomes hard to keep up with the culprits. They have always been finding out newer ways to bypass the rules and thus the vigilant eyes of the bankers and other Law Enforcing Agencies. Of late, the COVID-19 pandemic has changed the way of our lives exhaustively. Keeping in

line with the new normal, criminals have also adopted newer ways of laundering money. Criminals are exploiting vulnerabilities opened up by the COVID-19 pandemic, increasing the risks of Cyberattacks, money laundering, and terrorist financing activities. This pandemic has forced us to leverage technology to our best. At the same time also exposed us to newer AML/CFT risks. Our Management has been principally watchful concerning our IT network, non-public data, third party risk, and Cyber security incident response plans and to focus additional efforts on staff training and awareness.

Prominent activities we have done in the year 2021:

- The Board has agreed to introduce an automated AML monitoring system and approved installation of monitoring software this year.
- Introduced TBML guidelines and ensuring compliance thereof.
- Nominated Zonal and Divisional anti-money laundering compliance officer so that every department, divisions, zones remain active in preventing money laundering.
- Circulated the new methods of records keeping (22 comprehensive data files) for sound AML/CFT compliance.
- Circulated the common lapses in regard to AML/CFT Risk Management for awareness on branch level compliance.
- Conducted 04 Central Compliance Committee meetings and adopted multi-level resolutions for strengthening compliance campaign of the Bank
- 58 STR/SAR submitted to BFIU and 358 STR settled by branches
- Conducted AML/CFT related in-house and out-reach virtual training programs for the employees of the Bank and Agent Outlets
- Delivered information on AML/CFT regarding correspondent Banking and vice versa
- Submitted total 435465 CTR successfully in 2021 (report submitted Monthly) through the GoAML web portal
- Corresponded about 164217 letters in number with BFIU and Branches
- 191 Branches were inspected by the Audit and Inspection Division on AML/CFT compliance
- Total 20 branches on AML/CFT compliance conducted virtual evaluations under the pandemic (COVID-19) situation through MLTFP Division

Additionally, we have been and will remain vigilant and aware of AML & CFT compliance issues and perform the following functions, among others, in a more meticulous way:

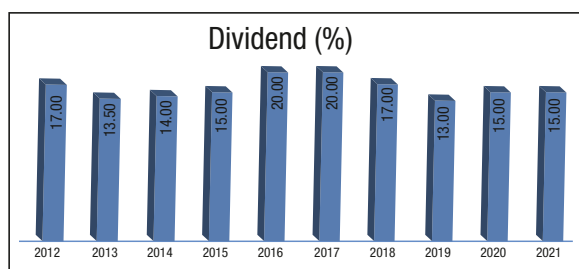
- Obtain correct and complete information in all Account Opening Forms, KYC, Transaction Profile (TP), etc. both for regular and walking customers
- Due Diligence and Enhanced Due Diligence (EDD) for all customers, as the case may be.
- Follow the rules for Customer Acceptance Policy of the Bank.
- Review abnormal, meaningless and suspicious transactions/ activities and timely report the same as STR/SAR to the competent authority.
- Regularly and accurately review the Online Cash Transactions.
- Ensure auto screening of both UN, Local and other Sanction Lists
- Do an acceptable price verification before opening LCs and monitor ship tracking closely.
- Monitor inward and outward foreign remittances.

- Obtain proper documents in support of the declared 'Source of Fund'.
- Ensure proper preventive measures and safeguards against Trade Based Money Laundering.
- Strictly follow BFIU instruction in case of dealing with Politically Exposed Persons (PEPs), Influential Persons (IPs), High Officials, and Topmost of International Organizations.
- Officials to be more cautious in maintaining secrecy regarding correspondence with BFIU.
- To identify, assess and mitigate the risk of Money Laundering & Terrorist Financing, follow the Risk Register attached to ML & TF Risk Management Guidelines of the Bank.
- Conduct Quarterly Meetings (at least) at Branch level as per instructions of BFIU's Master Circular No. 26 dated 16/06/2020.
- To transform the Central Compliance Committee (CCC) to a more effective and robust one.
- Branch/Zonal/Divisional Anti Money Laundering Compliance Officers to ensure all AML & CFT issues at the branches, zones, division levels respectively.
- Proper and timely submission of CTR through "GoAML Software" with assistance from Information Communication and Technology Wing (ICTW).
- Internal Control and Compliance Wing (ICCW) to oversee proper implementation the rules and regulations issued for bank's AML & CFT compliance program including Agent Banking, Agent outlets, and MFS.
- Ensure correct and timely submission of STR/SAR report to BFIU.
- Human Resources Division (HRD) to ensure Employee Screening Mechanism as per BFIU's instruction.
- Agent Banking Division to be watchful on AML & CFT compliance regarding Agent Banking and Agent outlets.
- Overall compliance of AML & CFT issues of the Bank though will be supervised by Money Laundering and Terrorist Financing Prevention Division but it is a duty of every employee of the Bank.
- Knowledge of AML & CFT compliance issues are essential for all employees. As such AIBL, Training & Research Institute (AIBTRI) ensure knowledge enhancement through In-house and Outreach training, BAMLCO training, TBML, and Lead Bank Training, workshops, seminars (both physical & virtually), etc. for capacity building.
- Ensure that all AML/CFT awareness related poster, leaflet, festoon, etc. are distributed to branches properly
- Ensure awareness regarding adverse media news on AML/CFT
- Credit Card department to remain extra cautious regarding usage foreign currency over the allowable yearly limit
- Do a proper KYC and due diligence while onboarding merchants for doing E-Commerce business
- Remain extra vigilant regarding cyber threats
- Timely and correctly submit the half yearly reports to BFIU

Dividend

The bank has been paying dividend every year since 1998 just after conversion of a public limited company. The Board of Directors of the Bank is pleased to recommend dividend 15% Cash in the year 2021. Table of Historical Dividend Payment Percentage are as follows:

Year	Dividend
2012	17% Bonus
2013	13.50% Bonus
2014	14% Cash
2015	10% Cash & 5% Bonus
2016	20% Cash
2017	15% Cash & 5% Bonus
2018	15% Cash & 2% Bonus
2019	13% Cash
2020	15% Cash
2021	15% Cash



Credit Rating

Credit Rating Information and Services Limited (CRISL) has adjudged the following rating for Al-Arafah Islami Bank Limited:

Long Term	AA (pronounced Double A Two)
Short Term	ST-2
Based on	Audited Financial Statement 2020
Date of Rating	18 July 2021
Validity	17 July 2022
Outlook	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2021	AA	ST-2	Stable
30 June 2020	AA	ST-2	Stable
30 June 2019	AA	ST-2	Stable
30 June 2018	AA	ST-2	Stable
30 June 2017	AA	ST-2	Stable

Interpretation:

AA+, AA, AA-(Double A) (High Safety): Securities rated in this category are adjudged to be of high credit quality and offer higher safety. The level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

ST-2 (High Grade): High certainty of timely payment. Liquidity factors are strong and supported good fundamental protection factors. Risk factors are very small.

Human Resources

Well educated and skilled manpower is the best capital of an organization particularly in banking institution. We put utmost importance on recruitment and development of human resources. In recruiting process, we put emphasis on attracting talented young stars. Total 437 employees in different categories/ranks joined and exit 63 during the year 2021 raising our total employees to 4,247 as on 31.12.2021.

We have 4,247 staff in the Bank of whom 334 are executives 3,347 are officers and 566 other staff as on December 31st 2021.

SI No	Designation	Category Number
1	Executives	334
2	Officers	3,347
3	Others	566
	Total	4,247

We nominated 65 employees in outside training course viz. BIBM, BBTA, BAB etc. in 2021 and they have completed the course successfully.

We motivate and facilitate our deserving employees to complete international standard professional degrees like CDCS, CSDG and ACAMS. Presently, we have 65 CDCS, 3 CSDG and 10 CAMS officials of which 1 officials completed CDCS and 3 officials CAMS during the year 2021.

Activities of AIBTRI

AIBTRI: Centre of Excellence for Human Capital Development After inception in 1996, Al-Arafah Islami Bank Training & Research Institute (AIBTRI) has come a long way to its destination of being an organization of excellence in training and education. Skilled human resources are the cutting-edge assets of any organization. Needless to say, for effective growth of an institution and enhance both soft & hard skills of its employees, there is no alternative to continuous training. AIBTRI's prime objectives, among others, are to impart training to Bank employees to aware them about the latest development of knowledge in the functional procedures, policies, rules, directives and regulation of the financial system. As the banking sector is experiencing various reform measures with a view to coping up with the modern financial complexities like fintech, regtech, crypto currencies, Central Bank Digital Currency (CBDC) etc, need-focused training is imperative to turn the human resources of the Bank into human capital.

Training programs at AIBTRI are scheduled and singled out on need-based assessments by a set of committed faculty members of the institute. AIBTRI has given utmost importance to training for human capital development with cutting-edge skills, knowledge and wisdom. Despite many limitations and shortcomings, AIBTRI is however, moving forward for attaining its desired level of competency through arranging various training courses, EDPs, seminars, workshops etc. on topical banking and financial issues.

The financial sector of Bangladesh underwent a number of reform measures under new normal scenario in the country. In line with these changed circumstances, the AIBTRI has been adopting new strategies and methods for improving their manpower development services. AIBTRI is also keeping pace by putting its best efforts to respond to the need for capacity building of AIBL officials with new thoughts and innovative ideas to achieve the objectives of different reform measures.

Overall Training Scenario in 2021:

Amidst of the Covid-19 pandemic, AIBTRI conducted a wide range of activities to attain objectives of imparting quality training to the officers of the Bank. AIBTRI conducted a total number of 113 (One Hundred and Thirteen) Training Courses, Workshops, Executive Development Programs, Lead Bank Program, Outreach Program and Foreign Training Program where 9449 participants attended during the period January – December, 2021. It may be noted that both the online and classroom based programs were arranged. Proper health safety measures were taken before arranging the classroom based programs.

Training Courses (TC):

To develop the professional skill and knowledge of the officials in the fields of shariah, banking, finance, CMSME and microfinance, customer service development etc. AIBTRI conducted a total of 12 (Twelve) training courses both classroom based as well as through virtual platform during the year under report.

Training Workshops (TW):

A total of 86 (Eighty Six) training workshops were conducted during the year for fulfilling the requirements of understanding the current issues and challenges relating to banking operations such as new imperatives on International Trade and Finance, impact of fintech applications, National Integrity Strategy, Documentation Errors & Investment Property Valuation, FATCA, Money Laundering & Terrorist financing issues etc. Moreover, with a view to enhancing skill of the employees, AIBTRI has arranged a number of in-house discussions on topical issues of Islamic shariah and banking.

Executive Development Programs (EDP):

To meet the requirements of awaring the bank's executives, managers, manager operations, BAMLCOs about the money laundering preventions and other topical economic and financial issues, AIBTRI conducted 3 (three) EDP in 2021 through Microsoft Teams platform due to Covid -19 pandemic.

Outreach Training Programs (OTP):

AIBTRI conducted 11 (Eleven) outreach training programs (OTP) during the year 2021 in five different locations based on zonal offices of the Bank. The programs had their remarkable impact to create awareness among young, brilliant and promising officers regarding Islamic Shariah and Banking, Environmental Risk Rating, Agent Banking, Islamic Financial Literacy Program etc.

Lead Bank Program (LBP):

The AIBTRI with the cooperation of MLTFPD of the bank arranged a Lead Bank Program on prevention of Money Laundering and Terrorist Financing at Khulna Zone. BFIU Officials had conducted various sessions of the program.

Future Programs of AIBTRI:

Given the directions of the esteemed Board of Directors (BOD) of the Bank, following programs have been undertaken by AIBTRI for the year 2022 to initiate research on the practical operational areas with a view to assisting the Board for its policy making as well as to develop the bank as a knowledge-based Islamic bank in the country:

- a) To conduct "Certified Expert in AML & CFT program on Anti Money Laundering and Combating Financing of Terrorism" for professional development of the employees of the Bank. These certified experts would help the bank to make it free from money laundering and financing of terrorism activities.

- b) To plan, develop and conduct "Executive Diploma program on Islamic Banking and Finance" for professional development of the employees of the Bank.
- c) The Research Division of AIBTRI is being organized to accomplish the research work on new innovative financial products and services for the Bank to cater the growing demands of the customers at large. AIBTRI is undertaken various measures to study different industries to understand their position, contribution etc. These studies will not only help the bank in taking prudent decisions while approving investments and enhancement thereof, but also will be able to prepare contemporary policies for future reference.
- d) To prepare policy papers and important notes analyzing the mechanism and modus operandi of Islamic financial products in vogue in comparison with the present Islamic financial products of the Bank and suggest modifications thereto or develop new modalities of Islamic financial products.
- e) Creation and Management of AIBTRI website and Training Database.

Branches Control Division: -

Branches Control Division (BCD) has been executing following tasks:

1. Compliance of different circulars on Customer Service & General Banking issued by Bangladesh Bank, NBR & other Regulatory Authorities time to time.
2. Agency Arrangement i.e Agreement for bill collection of DESCO, DPDC, WASA, BTCL, REB etc.
3. Compliance of NBR, DUDAK, Anti-corruption Commission etc. authorities Income Tax related bank account information.
4. Compliance against General banking related irregularities of the branch raised by Audit & Inspection Division.
5. Issuance of duplicate instruments (MTDR, MPTD, PO etc.) in lieu of original ones.

Branches Control Division (BCD) issued total 33 very important Instruction Circular during the year-2019 some of them are listed below:

1. Up Keeping of Branch Premises and Maintenance of Important Affairs of the Branch.
2. Implementation Progress Report as per Guideline of Core Banking Solution (CBS)-Features & Controls
3. Duties and Responsibilities Branch Manager and Manager Operation.
4. Cash Management & Teller Operation.
5. Type of Deposit Accounts and General Instructions for Maintenance.
6. Banking Booth Policy and operational guideline.
7. Sending SMS to Account holders.

Business Promotion & Marketing Division (BPMD)

Business Promotion and Marketing Division (BPMD) started its journey in the year 2010 under the name and style 'Marketing & Business Development Division (MBDD)'. A full fledged Policy Guideline was introduced on 23.06.2016 with a vision to survive in the market of stiff competition as well as to improve business relentlessly of our Bank using different marketing tools. BPMD has the motto to offer new customized Financial Products and Services to cater the growing needs of common people keeping in mind the strict compliance of Shariah regulatory norms.

BPMD consists of four (4) Departments as:

- i) Business Development & Marketing Department
 - ii) Branch Expansion Department
 - iii) Product Development & Evaluation Department
 - iv) Financial Literacy & Financial Inclusion Department
- Each department has its own targeted goal to achieve.

Function of BPMD:

The main marketing strategy of BPMD is to build and maintain a long-term relationship with its investment clients, assists Branches regarding prospective investment clients, assist Branches for deposit mobilization growth of the Bank.

However, Business Promotion & Marketing Division focuses the following marketing strategies:

1. Close follow-up, Monitoring, Supervision with the marketing desk of branches and zones regarding business development issues
2. To fix-up a reasonable annual business target considering market situation or all the branches and follow-up, monitor; supervise to achieve the target by the branches
3. To design and develop all marketing communication materials/gift items and to provide promotional gift items, leaflet, brochure to the branches for maintaining marketing relationship with the existing and prospective investment clients
4. To identify customer need, designing and developing of new products and improvement of existing products
5. To provide assistance/advice/guideline to the branches regarding new investment client for business development of the Bank according to the collected potential client list by the Branch
6. To conduct Financial Literacy program among unbanked people through Branches for increasing "No Frills Accounts" and balance
7. To collect potential client list quarterly in each year from the Branches for maintaining sustainable business growth
8. To evaluate the Branch performance on monthly basis whether the branches are maintaining the point-to-point deposit, investment and operating profit growth
9. Provide assistance/advice/guideline to the Branch regarding deposit mobilization for business development of the Bank. List of corporate depositors to be kept at Branch level as well as Head Office
10. Generating several promotional items for specific events and business development/brand development as well such as Ramadan Gift Box, Pohela Boishakh Gift items, Happy New Year Gift items etc.
11. To arrange special service month, awareness program, customer gathering and other program on different development and promotional issues
12. To arrange and execution of agreement with govt, sami-govt, autonomous bodies, corporation and also private sector to collect utilities and others Services.
13. To arrange School Banking Campaign and Conference
14. To arrange or formulate program for customer awareness and monitor properly
15. Other functions related with Business Promotion.

Some other responsibility of BPMD is worth mentioning here such as it will maintain probable schedule of different National & International Trade Fair, National Book Fair, National Banking Fair, Hajj Fair, other important fair, Bishwaljtema.

The above expresses a whole gamut of functions of BPMD part of which is in practice. If total support and logistics are in place, BPMD

will definitely play a pivotal role in the development of ever changing Islamic Banking arena.

Branch Network

At present we have 201 branches all over the country. In a bid to expand our network of Branches we got approval to open 17 (Seventeen) new branches in 2021.

Appointment of Statutory Auditor

In the 26th Annual General Meeting of the Bank M/S Hossain Farhad & Co. Chartered Accountants and M/S Shafiq BASAK & Co. Chartered Accountants was appointed External Auditors of the Bank for a term till conclusion of the 27th Annual General Meeting.

The Board has approved M/S Shafiq BASAK & Co. Chartered Accountants and M/S Hoda Vasi Chowdhury & Co. Chartered Accountants for appointment as External Auditors by the shareholders till the 28th Annual General Meeting.

Board Meeting

During the year 2021, 13 regular Board Meeting had been held. Besides, 20 meetings of Executive Committee, 8 meetings of Audit Committee and 4 Risk management Committee of the Board had also been held during the year.

Appreciation

The Board of Directors expresses its gratitude to the Almighty Allah for enabling us to achieve remarkable progress in all respect during the year 2021. Board of Directors takes this opportunity to thank the Shariah and Board Members of the Bank for their relentless whole-hearted support. Their collective wisdom contributed extensively to acquiring of strength. The Board of Directors also thanks the management and the staff for their loyalty, support and untiring efforts which has resulted in improved performance. The Board of Directors expresses its thanks to respected shareholders, valued customers, patrons well-wishers, Government, of Bangladesh, Bangladesh Bank, Registrar of Joint Stock Companies & Firms, Securities and Exchange Commission, Auditors, Legal advisers and all others concerned for giving us the benefit of their support and co-operation. We quietly weigh their continued support and co-operation which are constant source of inspiration. We re-assurance

Our vow to remain most disciplined, Shariah compliant and result oriented.

While we look forward to their continuous support and co-operation with trust and confidence, we reassure that our respected shareholders can expect further satisfactory results in 2022. May the Almighty, Allah give us dedication, patience and fortitude to serve the cause of Islam and to go ahead with our mission to run the Bank as per the principles of Islamic Shariah.

May Allah the Almighty bestow his bountiful blessing upon us all.

Allah Hafiz

Ma- Assalam

Sincerely,



Alhaji Salim Rahman
Chairman

Date: 11 August 2022



Opening ceremony of AIBL Shantirhat Branch, the 196th branch of the Bank situated at Patiya, Chattogram



Snap of "The Annual Business Development Conference 2022" where Chairman of the Board of Directors of the Bank was present virtually as the Chief Guest



As a tribute to Father of the Nation Bangabandhu Sheikh Mujibur Rahman, the Bank organized a webinar titled 'Bangabandhu and Bangladesh'



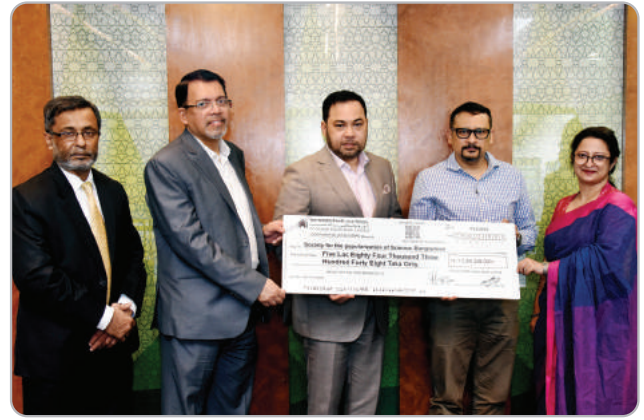
An Investment Agreement of Tk 500 crore was signed with Unique Hotel & Resorts Ltd, the leading five-star quality hotel service provider of the country



Chairman, Executive Committee Chairman along with Managing Director & CEO of AIBL traveled Maldives while giving courtesy-visit to Finance Minister and Monetary Authority Governor of the island nation



Governor of Bangladesh Bank handing over a Tax Certificate to AIBL Managing Director and CEO. The Bank was awarded as highest taxpayer for the 2020-2021 tax year by National Board of Revenue



Chairman of the Bank handing over a sponsorship cheque as Al-Arafah Islami Bank Limited become the Title Sponsor of 7th Bangladesh Junior Science Olympiad



AIBL introduced the first contactless Islamic Mastercard debit and prepaid cards that will allow cardholders to simply tap the card in front of a card reader or POS terminal to complete transactions



Managing Director & CEO along with the top Management of the Bank in a photo-session with 116 newly recruited Management Trainee Officers (MTO) at their Orientation Program



The Bank signed an agreement on Automated Challan System with Bangladesh Bank for collecting passport fees, VAT, tax and other government fees with A-Challan



In the middle of the year, the Bank opened its 500th Agent Outlet at Nafartila Bazar, Lohagara Upazila of Chattogram

Directors' Report to the Shareholders as per condition No. 1.5 of BSEC Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3rd June 2018

The Directors also report that:

- i. Industry outlook and possible future developments in the industry; Page No. 39-40
- ii. The segment-wise or product-wise performance; Page No. 44-46 & 50-53
- iii. Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; Page No. 119-121
- iv. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; Page No. 64
- v. A discussion on continuity of any extraordinary activities and their implications (gain or loss); Not applicable.
- vi. A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; Page No. 179-182
- vii. A statement of utilization of proceeds raised through public issues, rights issues and /or any other instruments (AIBL Mudaraba Subordinate Bond) Page: 45;
- viii. An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc. Not Applicable;
- ix. An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;

Highlights along with reasons thereof are given below:

Particulars	2021 Amount in million	2020 Amount in million	Growth (%)
Investment income	23,261.04	26,169.24	-11.11%
Profit paid to depositors	12,833.77	16,385.55	-21.68%
Net Investment Income	10,427.27	9,783.69	6.58%
Commission, Exchange and other Income	3,878.28	3,491.91	11.06%
Total Operating Income	14,305.55	13,275.60	7.76%
Total Operating Expense	6,959.66	6,614.51	5.22%
Profit before tax and provision	7,345.89	6,661.09	10.28%
Provision on Investment and others	2,655.58	1,887.90	40.66%
Profit Before tax	4,690.31	4,773.19	-1.74%
Provision for taxation	2,666.95	2,222.40	20.00%
Net Profit after tax	2,023.36	2,550.79	-20.68%
EPS	1.90	2.40	-20.83%

The growth rate in 2021 has decreased as a result of combined effect of decrease in net Investment Income compared to previous corresponding year due to implementation of single digit rate (as directed by Bangladesh Bank) as well as impact of prevailing COVID-19.

- x. A statement of remuneration paid to the directors including independent directors; Page no. 145
- xi. The financial statements prepared by the management of the Bank present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- xii. Proper books of account of the Bank have been maintained;
- xiii. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- xiv. International Accounting Standards(IAS) or International Financial Reporting Standards(IFRS),as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;
- xv. The system of internal control is sound in design and has been effectively implemented and monitored;
- xvi. The Minority share holders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- xvii. There is no significant doubt upon the Bank's ability to continue as a going concern;
- xviii. The significant deviations from the last year's operating results of the Bank has been highlighted and the reasons thereof is explained serial no. ix of page no 64;
- xix. A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; Page No. 17
- xx. The Bank has declared dividend (cash or stock) for the year 2021;
- xxi. Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; Page No 59
- xxii. The total number of Board meetings held during the year and attendance by each director; Page No 78
- xxiii. A report on the pattern of share holding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:
 - a. Parent or Subsidiary or Associated Companies and other related parties(name-wise details); Page No. 128-130
 - b. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children(name-wise details); page no 179-182
 - c. Executives; and; page no 9-11
 - d. Shareholders holding ten percent(10%) or more voting interest in the company (name-wise details); Not applicable

Explanation: For the purpose of this clause, the expression "executive" means top5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.

xxiv. Appointment or reappointment of a director, a disclosure on the following information to the shareholders:

- Brief resume of the director; Page No. 179-182
- nature of his or her expertise in specific functional areas; and Page No.179-182
- names of companies in which the person also holds the directorship and the membership of committees of the Board; Page No.179-182

xxv. A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

- Bank has an accounting policies and there in after have been consistently applied in estimation for preparation of financial statements;

b. Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; Not applicable

c. Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; Not applicable.

d. Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; Not applicable

e. Briefly explain the financial and economic scenario of the country and the globe; Page no 39-40

f. Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and page no 55-57

g. Future plan or projection or forecast for Bank's operation, performance and financial position, with justification thereof,

Budgeted Deposit, Investment, Classified Investment, Foreign Exchange and Operating Profit for the year 2022

(BDT in million)

SLNo	Particulars	Achievement December 2020	Budget	Achievement December 2021	Achievement Of Budget 2021	% Growth on 2020	Budget 2022	Budgeted Growth on 2021 (In Taka)	(%) Growth on 2021
1	2	3	4	5	6=(5/4)%	7=(5-3)/3	8	9=(8-5)	10=(8-5)/5
1	Deposit & Borrowings	348,814	410,000	380,885	92.90%	9.19%	435000	54,115	14.21%
2	Investment	309,762	369,000	344,431	93.34%	11.19%	398000	53,569	15.55%
3	No. of Accounts	2,259,902	2,600,000	2541170	97.74%	12.45%	2850000	308,830	12.15%
4	Classified Investment	11,770	15,000	16,566.84	110.45%	40.75%	19000	2,433	14.69%
5	Percentage (%) of Classified Investments	3.80%	4.07%	4.81%	-	-	4.77%	-	-
6	Foreign Exchange Business	318,125	419,000	450,015.10	107.40%	41.46%	530000	79,985	17.77%
	a) Import	169,379	220,000	261,566.10	118.89%	54.43%	300000	38,434	14.69%
	b) Export	104,939	145,000	135,786.90	93.65%	29.40%	170000	34,213	25.20%
	c) Remittance	43,807	54,000	52,662.10	97.52%	20.21%	60000	7,338	13.93%
7	Operating Profit	6,661	8,500	7,345.89	86.42%	10.28%	8300	954	12.99%

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION

Report to the Shareholders
of
Al Arafa Islami Bank Limited
On Compliance on the Corporate Governance Codes
For the year ended on 31st December 2021

We have examined the compliance status to the corporate governance Code by Al Arafa Islami Bank Limited for the year ended on 31st December 2021. This code relates to the Notification No. BSEC/CMRRCD/2006/ 158/207/Admin/80, Dhaka, Dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the condition of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the condition of the corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information explanation, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion.

- (a) The Bank has complied with the condition of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except condition no. 1.2(a).
- (b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the Bank as required under the Companies Acts, 1994, the securities laws and other relevant laws, and
- (d) The Governance of the company is satisfactory

Place: Dhaka
Dated: 26th April, 2022

For Saifur Enayet & Associates



Md. Saifur Rahman FCMA

Principal & CEO
Cost & Management Accountants

COMPLIANCE STATUS OF BSEC GUIDELINES FOR CORPORATE GOVERNANCE

Annexure – C
As per condition No. 1(5) (xxvii)

Status of Compliance with the Corporate Governance Code (CGC) of Al Arafah Islami Bank Limited For the year ended 31st December 2021

[As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018.
(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.00	Board of Directors (BoD)			
1.(1)	Board Size shall not be less than 5(five) and more than 20(twenty)	√		
1.(2)	Independent Director:			
1.2.(a)	At least one-fifth (1/5) of the total number of board of directors shall be Independent Directors (ID) Complied	-	√	The Board of Directors consists of 20 (Twenty) members including 3 (Three) Independent Directors which is in compliance with the Section- 15(9) of Bank Company Act, 1991 (Amended up to 2018)
1.2 (b) (i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company	√	-	
1.2(b) (ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	√	-	
1.2 (b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	√	-	-
1.2 (b)(iv)	ID does not have any relationship whether pecuniary or otherwise relationship with the company or its subsidiary/ associated companies;	√	-	-
1.2 (b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	√	-	-
1.2 (b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√	-	-
1.2 (b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;	√	-	-
1.2 (b)(viii)	ID shall not be independent director in more than five listed companies;	√	-	-
1.2 (b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBF;	√	-	-
1.2 (b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	√	-	-

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (c)	Appointment of ID shall be done by Board and approved by the shareholders in AGM.	√		-
1.2 (d)	The Post of ID cannot remain vacant more than 90 days.	√		-
1.2 (e)	The tenure of office of an ID shall be for three(3) years, which may be extended for one(1) tenure only;	√		-
1.3	Qualification of Independent Director(ID):			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	√		
1.3(b)	Independent director shall have the following qualifications:			
1.3(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;	√	-	
1.3(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	√		
1(3)(b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;	√		
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	N/A
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;	-	-	N/A
1 (3) (c)	The ID shall have at least Ten (10) years of experiences in any field mentioned in clause (b);	√		
1 (3) (d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	-	-	N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or CEO:			
1(4)(a)	The Position of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer (CEO) of the Company shall be filled by different Individuals;	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO;	√		Roles and responsibilities are as per BRPD circular no - 11 dated on 27 October,2013 of Bangladesh Bank guidelines and service rules of the bank
1(4)(e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence shall be duly recorded in the minutes.	√	-	
1(5)	Directors' Report to Shareholders:			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(i)	Industry outlook and possible future developments in the industry;	√	-	
1(5)(ii)	Segment-wise or product-wise performance;	√	-	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√	-	
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√	-	
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√	-	
1(5)(vi)	A detailed discussion and statement on related party transactions;	√	-	
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	-	-	N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.;	-	-	N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements;	-	-	N/A
1(5)(x)	Disclosure for remuneration paid to Directors including Independent Directors	√	-	
1(5)(xi)	A statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;	√	-	
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√	-	
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√	-	
1(5)(xiv)	Followed IAS or IFRS as applicable in preparation of the financial statement and departure therefrom has been adequately disclosed.	√	-	
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√	-	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√	-	
1(5)(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	√	-	
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons thereof should be explained;	√	-	
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized;	√	-	
1(5)(xx)	Reason for non-declaration of dividend (cash or stock) for the year.	-	-	N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director;	√	-	
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details);			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√	-	
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√	-	
1(5)(xxiii)(c)	Executives (top 5 (five)) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance	√	-	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√	-	
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director.	√	-	
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√	-	
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board;	√	-	
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√	-	
1(5)(xxv)(b)	Presenting detailed Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes;	√	-	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance and position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	√	-	
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√	-	
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe;	√	-	
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√	-	
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√	-	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√	-	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure -B and as per Annexure-C.	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(6)	Meeting of the Board of Directors: Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	√	-	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC);	N/A	-	As per the Bangladesh Bank Circular BRPD(R-1) 717/2021-5064 dated 16 June 2021 no such committee is possible to form without the instructions from Bangladesh Bank. As per the circular formation of such committee clearly contradicts with the rules of Bank Company Act 1991 and instructions of Bangladesh Bank. So no NRC is formed by the Board.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior;	N/A	-	
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary Company;	√	-	
2(b)	At least 1 (One) Independent Director of holding company shall be a director on the Board of subsidiary company;	√	-	
2(c)	Minutes of subsidiary to be placed in the meeting of holding company;	√	-	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√	-	
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√	-	
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3.1	Appointment:			
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and stock exchange(s).	√		
3 (2)	Requirement to attend Board of Directors' Meetings: MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board;	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and CFO:			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4.	Board of Directors' Committee:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	-		N/A
5.	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1) (c)	Audit Committee shall be responsible to the Board. The duties of Audit Committee shall be clearly set forth in writing.	√		
5.2	Constitution of the Audit committee:			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least one independent director (ID);	√		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 years of such experience;	√		
5(2) (d)	Casual vacancy shall be filled by the board not later than 1(one) month from the date of the vacancy.	√	-	
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director;	√		
5.3	Chairperson of the Audit Committee:			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of Audit Committee recording the reasons of such absence in the minutes.	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	✓		
5.4	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher, where the presence of an ID is a must.	✓		
5.5	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval;	✓		
5(5)(h)	Review adequacy of internal audit function;	✓		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	<p>Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;</p> <p>Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:</p> <p>Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.</p>	✓	-	
5.6	Reporting of the Audit Committee:			
5.6 (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(6)(a)(ii)	The audit committee shall immediately report to the board on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;	√	-	
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	√	-	
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities-related laws, relies on and regulation;	√	-	
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√	-	
5.6 (b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	√	-	
5.7	Reporting to the Shareholders and General Investors: Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a) (ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC):	As per the Bangladesh Bank Circular BRPD(R-1) 717/2021-5064 dated 16 June 2021 no such committee is possible to form without the instructions from Bangladesh Bank. As per the circular formation of such committee clearly contradicts with the rules of Bank Company Act 1991 and instructions of Bangladesh Bank. So no NRC is formed by the Board.		
6.1	Responsibility to the Board of Directors			N/A
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	-	-	
6(1)(b)	The NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	-	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);	-	-	
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director (ID);		-	N/A
6(2)(b)	All members of the Committee shall be non-executive directors;		-	N/A
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		-	N/A
6(2)(d)	Board shall have authority to remove and appoint any member of the committee;		-	N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		-	N/A
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as an advisor who shall be a non-voting member if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		-	N/A
6(2)(g)	The company secretary shall act as the secretary of the committee;		-	N/A
6(2)(h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;		-	N/A
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;		-	N/A
6.3	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		-	N/A
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		-	N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.		-	N/A
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.		-	N/A
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.		-	N/A
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two-third of the members of the Committee, whichever is higher, where the presence of an independent director is must as required under condition No. 6(2)(h).		-	N/A
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		-	N/A
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;		-	N/A
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		-	N/A
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;		-	N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals;		-	N/A
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		-	N/A
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top-level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		-	N/A
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board;		-	N/A
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;		-	N/A
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.		-	N/A
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.		-	N/A
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√	-	
7(1)(ii)	Financial information systems design and implementation.	√	-	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements.	√	-	
7(1)(iv)	Broker-dealer services.	√	-	
7(1)(v)	Actuarial services.	√	-	
7(1)(vi)	Internal audit services or special services;	√	-	
7(1)(vii)	Any other service that the Audit Committee determines;	√	-	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√	-	
7(1)(ix)	Any other service that may create conflict of interest.	√	-	
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family shall not hold any shares in the said company.	√	-	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√	-	
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√	-	
8(2)	The company shall keep the website functional from the date of listing.	√	-	
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) other than its statutory auditor or audit firm on yearly basis regarding the compliance of conditions of the Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√	-	
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√	-	
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	√	-	

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

1. Compliance of section 1.5 (xxii)

a) Board of Directors meeting held during the year 2021 and attendance by each Director:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1	Alhaji Salim Rahman	Chairman	13	13	13
2	Alhaji Abu Naser Md. Yeahea	Vice-Chairman	13	11	10
3	Alhaji Abdus Samad	Director	13	13	13
4	Alhaji Mohammad Abdus Salam	Director	13	13	13
5	Jb. Badiur Rahman	Sponsor Director	13	13	13
6	Alhaji Mahbubul Alam	Independent Director	13	13	13
7	Alhaji Nazmul Ahsan Khaled	Sponsor Director	13	13	13
8	Alhaji Abdul Malek Mollah	Sponsor Director	13	13	13
9	Hafez Alhaji Md. Enayet Ullah	Sponsor Director	13	13	13
10	Alhaji Ahamedul Hoque	Director	13	13	13
11	Alhaji Niaz Ahmed	Director	13	11	11
12	Alhaji Mohammed Eamadur Rahman	Director	13	13	13
13	Alhaji Engr. Kh. Mesbahuddin Ahmed	Director	13	13	13
14	Alhaji Mohammed Haroon	Sponsor Director	13	13	13
15	Alhaji Liakat Ali Chowdhury	Director	13	13	13
16	Alhaji Md. Anowar Hossain	Sponsor Director	13	13	13
17	Alhaji Md. Harun-Ar-Rashid Khan (Nominated by China Builders & Machinerics Ltd.)	Nominee Director	13	13	13
18	Alhaji Md. Rafiqul Islam	Director	13	12	12
19	Alhaji Md. Amir Uddin PPM	Independent Director	13	13	13
20	Alhaji M. Kamaluddin Chowdhury	Independent Director	13	13	13

b) Board of Executive Committee meeting held during the year 2021 and attendance by each Director:

01 January, 2021 to 08 August, 2021

SI	Composition of Board		No. of Meeting Held	Attended
	Name of Directors	Position		
1	Alhaji Salim Rahman	Chairman	12	9
2	Hafez Alhaji Md. Enayet Ullah	Vice Chairman	12	12
3	Alhaji Abu Naser Md. Yeahea	Member	12	11
4	Alhaji Mohammad Abdus Salam	Member	12	12
5	Alhaji Liakat Ali Chowdhury	Member	12	12
6	Alhaji Md. Anowar Hossain	Member	12	12
7	Alhaji Md. Harun-Ar-Rashid Khan (Nominee Director of China Builders & Machinerics Ltd.)	Member	12	12

09 August, 2021 to 31st December, 2021

SI	Composition of Board		No. of Meeting Held	Attended
	Name of Directors	Position		
1	Alhaji Abdus Samad	Chairman	8	8
2	Alhaji Mohammad Abdus Salam	Vice Chairman	8	7
3	Hafez Alhaji Md. Enayet Ullah	Member	8	8
4	Alhaji Ahamedul Hoque	Member	8	8
5	Alhaji Engr. Kh. Mesbah Uddin Ahmed	Member	8	8
6	Alhaji Liakat Ali Chowdhury	Member	8	8
7	Alhaji Md. Anowar Hossain	Member	8	8

c) Board of Audit Committee meeting held during the year 2021 and attendance by each Director:

01 January, 2021 to 08 September, 2021

SI	Composition of Board		No. of Meeting Held	Attended
	Name of Directors	Position		
1	Alhaji Mahbubul Alam	Chairman	5	5
2	Alhaji Nazmul Ahsan Khaled	Member	5	5
3	Alhaji Abdul Malek Mollah	Member	5	5
4	Alhaji Niaz Ahmed	Member	5	5
5	Alhaji Md. Amir Uddin PPM	Member	5	5

09 September, 2021 to 31 December, 2021

SI	Composition of Board		No. of Meeting Held	Attended
	Name of Directors	Position		
1	Alhaji Mahbubul Alam	Chairman	3	3
2	Alhaji Nazmul Ahsan Khaled	Member	3	3
3	Alhaji Mohammed Emadur Rahman	Member	3	2
4	Alhaji Md. Harun-Ar-Rashid Khan (Nominated by China Builders & Machineries Ltd.)	Member	3	3
5	Alhaji M. Kamaluddin Chowdhury	Member	3	2

d) Board of Risk Management Committee meeting held during the year 2021 and attendance by each Directors:

01 January, 2021 to 08 September, 2021

SI	Composition of Board		No. of Meeting Held	Attended
	Name of Directors	Position		
1	Jb. Badiur Rahman	Chairman	2	2
2	Alhaji Md. Rafiqul Islam	Member	2	2
3	Alhaji Engr. Kh. Mesbahuddin Ahmed	Member	2	2
4	Alhaji Ahamedul Hoque	Member	2	2
5	Alhaji M.Kamaluddin Chowdhury	Member	2	2

09 September, 2021 to 31 December, 2021

SI	Composition of Board		No. of Meeting Held	Attended
	Name of Directors	Position		
1	Jb. Badiur Rahman	Chairman	2	2
2	Alhajj Abdul Malek Mollah	Member	2	2
3	Alhajj Mohammed Haroon	Member	2	2
4	Alhajj Md. Rafiqul Islam	Member	2	2
5	Alhajj Md. Amir Uddin PPM	Member	2	2

2. Compliance of section 1.5 (xxiii)

The Pattern of Shareholding

a) Parent/Subsidiary/Associated Companies and Other Related Parties:

SI No	Name of the Directors	Relation	Shares Held
1	AIBL CAPITAL MANAGEMENT LTD	Related Party	98%
2	AIBL CAPITAL MARKET SERVICES LTD	Related Party	60.50%

b) Directors, Chief Executive Officer/Managing Director, Company Secretary, CFO, Head of Internal Control and Compliance wings and their spouse and minor Children (as on 31st December, 2021)

SI No	Name	Designation	Shares Held
01	Alhajj Salim Rahman	Chairman	21,298,982
	Tahsina Rahman	Spouse	23,315,376
02	Alhajj Abu Naser Md. Yeahea	Vice-Chairman	26,300,798
03	Alhajj Abdus Samad	Director	23,965,115
	Mrs. Shahana Ferdous	Spouse	769,540
04	Alhajj Mohammad Abdus Salam	Director	21,598,392
05	Jb. Badiur Rahman	Sponsor Director	29,704,244
	Mrs. Syeda Rashida Yasmin	Spouse	2,620,906
06	Alhajj Mahbulul Alam	Independent Director	-
07	Alhajj Nazmul Ahsan Khaled	Sponsor Director	22,812,996
08	Alhajj Abdul Malek Mollah	Sponsor Director	21,357,454
	Mrs. Laila Begum	Spouse	333
09	Hafez Alhajj Md. Enayet Ullah	Sponsor Director	21,303,874
10	Alhajj Ahamedul Hoque	Director	21,298,448
11	Alhajj Niaz Ahmed	Director	21,407,921
	Mrs. Shabana Niaz	Spouse	8,780,841
12	Alhajj Mohammed Eamadur Rahman	Director	21,324,314
13	Alhajj Engr. Kh. Mesbahuddin Ahmed	Director	21,299,266
	Mrs. Ajmeri Ahmed	Spouse	9,423,819
14	Alhajj Mohammed Haroon	Sponsor Director	21,422,224
	Mrs. Shamsun Nahar Begum	Spouse	190,500
15	Alhajj Liakat Ali Chowdhury	Director	21,304,850

16	Alhaji Md. Anwar Hossain	Sponsor Director	23,578,732
	Mrs. Shahida Anowar	Spouse	236,850
17	Alhaji Md. Harun-Ar-Rashid Khan (Nominated by China Builders & Machineries Ltd.)	Nominee Director	21,376,917
18	Alhaji Md. Rafiqul Islam	Director	21,350,369
19	Alhaji Md. Amir Uddin PPM	Independent Director	-
20	Alhaji M. Kamaluddin Chowdhury	Independent Director	-
21	Jb. Farman R. Chowdhury	Managing Director	-
22	Jb. Md. Mahmudur Rahman	DMD & Company Secretary	-
23	Jb. Muhammed Nadim FCA	DMD & CFO	-
24	Jb. Akter Kamal	SEVP & Head of ICCW	-

c) Statement of Shares held by top 5(Five) salaries employees other than the Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance Wings (as on 31st December, 2021)

SI No	Name	Designation	No. of Shares
1	Jb. S. M. Jaffar	Deputy Managing Director	Nil
2	Jb. Shabbir Ahmed	Deputy Managing Director	Nil
3	Jb. Md. Shafiqur Rahman	Deputy Managing Director	Nil
4	Jb. Syed Masodul Bari	Deputy Managing Director	Nil
5	(i) Jb. Abed Ahmed Khan	Deputy Managing Director	Nil
	(ii) Jb. Abdullah Al-Mamun	Deputy Managing Director	Nil

d) Shareholding ten percent (10%) or more voting interest in the Company: None

শরী'আহ সুপারভাইজরী কমিটি-এর বার্ষিক প্রতিবেদন

(৩১ ডিসেম্বর, ২০২১ ঈসায়ী তারিখে সমাপ্ত বছরের জন্য)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ !

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ.

আলহামদুলিল্লাহ! আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড কর্তৃপক্ষ ব্যাংকের শরী'আহ সুপারভাইজরী কমিটি প্রদত্ত দিক নির্দেশনা, সিদ্ধান্ত এবং সুনির্দিষ্ট ফতওয়াসমূহ ও শরী'আহর বিধিবিধান যথাযথভাবে বাস্তবায়ন করেছে কিনা সে সম্পর্কে মতামত প্রকাশের জন্য আমরা পর্যালোচনায় মিলিত হয়েছি।

আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড-এর ব্যাংকিং কার্যক্রমের ক্ষেত্রে ইসলামী শরী'আহর নীতিমালা মোতাবেক সার্বিক ব্যবসা-বাণিজ্য পরিচালনার দায়িত্ব মূলতঃ ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের। শরী'আহ সুপারভাইজরী কমিটির দায়িত্ব হচ্ছে ব্যাংকের কার্যাবলী পরিচালনায় শরী'আহসম্মত দিকনির্দেশনা ও সিদ্ধান্ত প্রদান এবং তার ভিত্তিতে ব্যবস্থাপনা কর্তৃপক্ষ ব্যাংকে তাদের যাবতীয় কার্যক্রম পরিচালনা করেছে কি না- তা যাচাইকরণে পর্যালোচনাপূর্বক একটি স্বাধীন মতামত আপনাদের নিকট উপস্থাপন করা।

আল-আরাফাহ্ ইসলামী ব্যাংক লিঃ-এর শরী'আহ সুপারভাইজরী কমিটি ও শরী'আহ সুপারভাইজরী সচিবালয় কর্তৃক বিগত ২০২১ ঈসায়ী বছর, ১৪৪২-১৪৪৩ হিজরীতে প্রধান কার্যালয়সহ ব্যাংকের সকল শাখায় অনুসৃত কার্যক্রম সাধ্যমত পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র এবং লেনদেন যাচাই-বাহাইপূর্বক ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত বার্ষিক ব্যালেন্সশীট (খসড়া) পর্যালোচনা করে নিম্নোক্ত অভিমত ও পরামর্শ প্রদান করেছে :

অভিমত

- বিগত অর্থবছরে আল-আরাফাহ্ ইসলামী ব্যাংক লিঃ কর্তৃক ব্যাংকিং কার্যক্রমে অনুসৃত ও পরিচালিত যাবতীয় কার্যাবলী, লেনদেন এবং চুক্তিসমূহ, আমরা যা সাধ্যমতো পর্যালোচনা করেছি তা ইসলামী শরী'আহর নীতিমালা অনুযায়ী করা হয়েছে।
- ব্যাংকের বিভিন্ন শ্রেণীর মুদারাবা ডিপোজিটরদের মাঝে যে লাভ বন্টন করা হয়েছে, তা শরী'আহর মুদারাবা নীতিমালার ভিত্তিতে সাহিবুল মাল তথা ডিপোজিটরদের সাথে ব্যাংকের চুক্তি মোতাবেক করা হয়েছে।
- আল-আরাফাহ্ ইসলামী ব্যাংক ডিপোজিটর ও শেয়ারহোল্ডারদের একাউন্ট ও ডিপোজিটর কোন টাকার উপর কোন যাকাত প্রদান করে না। তাই ডিপোজিট ও শেয়ারের টাকার উপর যাকাত প্রযোজ্য হলে তা প্রদান করা যথাক্রমে ডিপোজিটর ও শেয়ারহোল্ডারদের নিজ নিজ দায়িত্ব।
- কেন্দ্রীয় ও আন্তর্জাতিক ব্যাংকের বিধিগত বাধ্যবাধকতা এবং ব্যাংকের বিভিন্ন শাখায় বিনিয়োগকালীন কিছু অসতর্কতার ফলে অর্জিত সূদ ও সন্দেহজনক আয় (Doubtful Income) সতর্কভাবে চিহ্নিত করা হয়েছে এবং উক্ত অর্থ যাতে ডিপোজিটর ও শেয়ারহোল্ডারদের মাঝে লভ্যাংশ হিসেবে বন্টিত না হয় সে জন্য ব্যাংকের মূল আয় থেকে তা পৃথক করে শরী'আহ নির্ধারিত পন্থায় খরচের জন্য সিদ্ধান্ত প্রদান করা হয়েছে।

পরামর্শ

- বাই-মুয়াজ্জাল ও বাই-মুরাবাহা বিনিয়োগে পণ্য ক্রয়-বিক্রয়ে গ্রাহককে 'ক্রয়-প্রতিনিধি' নিয়োগে আরো সতর্কতা অবলম্বনের মাধ্যমে শরী'আহ পরিপালনের যথাযথ ব্যবস্থা গ্রহণ করা।
- মুদারাবা ও মুশারাকা তথা ব্যাংক ও গ্রাহকদের মধ্যে অংশীদারিত্বমূলক বিনিয়োগ কার্যক্রম ব্যাংকে চালু করার যথাযথ ব্যবস্থা গ্রহণ করা।
- দেশের অপেক্ষাকৃত দরিদ্র গ্রাহকদের আর্থ-সামাজিক উন্নয়নের লক্ষ্যে শরী'আহ নীতিমালার আলোকে ক্ষুদ্র বিনিয়োগ প্রকল্প জোরদার করার ব্যবস্থা গ্রহণ করা।
- ব্যাংকের সর্বস্তরের জনশক্তি, ব্যাংকের ডিপোজিট ও বিনিয়োগ গ্রাহককে ইসলামী ব্যাংকিং বিষয়ে প্রশিক্ষিত করে গড়ে তোলার লক্ষ্যে ইসলামী ব্যাংকিং ও অর্থনীতি বিষয়ে প্রয়োজনীয় প্রশিক্ষণের ব্যবস্থা গ্রহণ করা।
- আল-আরাফাহ্ ইসলামী ব্যাংক ফাউন্ডেশনের মাধ্যমে দেশের দরিদ্র জনগোষ্ঠীর মাঝে সম্ভবপর জনকল্যাণমূলক কার্যক্রম বৃদ্ধির প্রচেষ্টা জোরদার করা।
- ব্যাংকের সর্বস্তরের সকলকে সর্বদা মনে রাখা একান্ত জরুরী যে, শরী'আহ নীতিমালা পরিপালনে ইসলামী ব্যাংকিং-এর ক্ষেত্রে সবাই নিজ নিজ পর্যায় থেকে দায়িত্বশীল। তাই আমাদের সবাইকে সর্বোচ্চ সতর্কতার সাথে দায়িত্ব পালন করতে হবে।

আল্লাহ তা'আলা আমাদের জানা-অজানা ভুল-ত্রুটিগুলো ক্ষমা করে যাবতীয় ভাল কাজ একমাত্র তাঁর সন্তুষ্টির জন্য কবুল করুন। ভবিষ্যতে আল্লাহ তা'আলাকে স্মরণ করে ও তাকওয়া অবলম্বনের মাধ্যমে আমাদেরকে দেশ ও জাতীর জন্য আরো বেশী অর্থনৈতিক কল্যাণমূলক কাজ করার তাওফীক দান করুন, আমীন।



(মো. আন্বুর রহীম খান)

এসভিপি এন্ড সচিব
শরী'আহ সুপারভাইজরী কমিটি



(মুফতী হাফিজ আহমাদ মুজাদ্দেদী)

চেয়ারম্যান
শরী'আহ সুপারভাইজরী কমিটি।

Report of the Shariah Supervisory Committee

For the year ended on 31 December 2021

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Honourable Shareholders of Al-Arafah Islami Bank Limited (AIBL)

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ.

Al-hamdulillah! As a Shariah Supervisory Committee we examine all the Banking activities to see whether all Shariah Laws, Guidelines, Directions and Fatwas given by the Shariah Supervisory Committee from time to time have been complied with by the Bank or not.

On the other hand it is the responsibility of the Management of the Bank to ensure compliance thereof. After completing examinations, the Shariah Committee places an Independent Report based on Islami Shariah for the Shareholders.

As a result we have meticulously scrutinized and examined all the activities including relevant documents, transactions and deals performed by 201 Branches of AIBL during the year ended on 31.12.2021 (Esayee) (Hijri 1442-1443). Our Opinions and Suggestions are enumerated below:

Opinions:

- Whatever we have audited, on completion we have found that more or less all the activities, transactions and deals have been in accordance with the Shariah Principles and Regulations.
- Distribution of profits among various Mudaraba Depositors has been done in line with the Mudaraba Principles as per Sahibul Mal, i.e. as per the contractual agreement between the Bank and the Depositors.
- Since the Bank does not pay any Zakath on the money of the Depositors and Shareholders, the responsibility of paying Zakath is thus vested in our respective Depositors and Shareholders.
- Although all the activities have been in terms with Shariah Principles nevertheless due to ignorance of the obligation of abiding by some internal and international regulatory bindings and lack of proper due diligence there has been few cases where the means of the income earned have not been approved by the Shariah. This has been termed as Doubtful Income and the Bank has been advised to separate the same from its basic income and spend it on the basis of Shariah prescribed ways. This money is not to be distributed among the Depositors or Shareholder as Profit or Dividend.

Suggestions:

- To ensure buy and sell through Bi-muajjal and Bi-murbaha investment modes and to comply with the Shariah rules clients can even be appointed as "Buying-Agents" if needed.
- Bank should introduce the Mudaraba and Musharaka investment schemes even in a small scale.
- To assist in improving the socio-economic condition of the less privileged group of the population Bank should emphasize on the existing small investment schemes and introduce new development schemes based on Islamic Shariah.
- In order to involve more and more people into Islamic Banking and to make them understand the benefit of it in this life and hereafter Bank should arrange various seminars, workshops and client-gathering at the Head Office, Zones and Branch level on a regular basis.
- To strengthen the welfare and CSR activities of Al-Arafah Islami Bank Foundation by ensuring the implementation of the Shariah Rules and Regulations.
- Everyone from the Banking Sector should keep in mind about the responsibilities of Shariah Compliance in Islamic Banking. So, all of us have to perform our duties with utmost vigilance.

May Allah (SWT) forgive all of our sins and accept all of our good deeds for His sake. In future, May Allah (SWT) give us Tawfiq to do more financially welfare activities by remembering and maintaining Taqwa for developing the Country and the Nation, Ameen.



(Md. Abdur Rahim Khan)

Secretary

Shariah Supervisory Committee



(Mufti Sayeed Ahmad Muzaddedi)

Chairman

Shariah Supervisory Committee

IMPLEMENTATION STATUS OF INTEGRITY UNDER NATIONAL INTEGRITY STRATEGY

Integrity & National Integrity Strategy:

Integrity generally means behavioral excellence influenced by ethics, morality and honesty. It also implies adherence to time-tested norms, values, customs and principles of a society. At the individual level, it means being duty-bound and honest. Organizations are created by people for achievement of its common goal. For promotion of integrity, strict adherence to remaining morally and ethically correct at individual level is of critical importance. "Homes" can play a vital role in promoting integrity since moral education originates from homes. It is equally true about institutions, as they are the manifestation of the overall goal of the individuals. Laws, regulations, processes, policies, systems and the philosophy may be followed in such a manner that they promote righteousness in life. So, beyond the laws/policies, a movement has to be initiated so that the citizens become ethical in public and private lives and integrity prevails in all organizations, business and civil society. Therefore keeping all these factors in mind, in order to establishing a good governance in all institutions and in the society at large The Government of the People's Republic of Bangladesh formulated a NATIONAL INTEGRITY STRATEGY to prevent corruption and promote a happy and prosperous Bangladesh.

Purpose of National Integrity Strategy:

The Government of Bangladesh has introduced National Integrity Strategy in the year 2012 to establish rule of law, fundamental human rights, equality, justice and organizational good governance through ensuring political, economical and social rights as well as to develop prosperous Bangladesh. Bangladesh Bank itself and all the scheduled banks are implementing the Strategy through Action Plans since 2013. National Integrity Strategy Action Plan and Implementation Progress Monitoring Structures, 2021-22 at field level, has also been in place.

For implementation of National Integrity Strategy, Al-Arafah Islami Bank Limited has taken the following steps according to the instructions given by Bangladesh Bank to improve ethics in all levels and to establish good governance in the bank:-

01. 7 (seven) member Central Integrity Committee (having a Managing Director as a president) has been formed. Progress on Integrity Strategy implementation is discussed in regular meetings of the Central Integrity Committee.
02. Action Plan regarding integrity has been devised as per format provided by Bangladesh Bank and quarterly implementation progress reports are being sent to Bangladesh Bank.
03. An Instruction Circular has been issued to all the branches/zones/offices to strictly comply with instructions so that the identified existing and potential challenges and problems of the bank can be faced and mitigated.
04. Previous Code of Conducts for the officials and stakeholders of the bank has been updated as per Central Bank instructions and informed all the employees of the bank through instruction circular for meticulous compliance thereof.
05. According to the instructions of the Integrity Committee of Head Office, discussion meetings are being organized in every zones/branches at least quarterly basis to improve the ethics/morality of the officials and minutes of the meetings are being sent to the Member-Secretary, Integrity Committee of Head Office of the bank on a quarterly basis for monitoring and follow up.
06. As per directions of the bank's Central Integrity Committee, classroom sessions are being conducted in each training program of the training institute for development of the morality of all the executive/officials of the bank. The Training Institute of the bank is being organized Executive Development Program (EDP) from time to time with executives of different levels for development of their moral and ethical values.
07. According to the instructions of Bangladesh Bank, a 5-Member Innovation Team has been formed to take new strategies/Innovative Ideas on the deposit/investment & services products from time to time.
08. According to the instructions of Bangladesh Bank, recently, the Obijog Nishpotti Kormokarta (ONIK), Complain Management & Resolving Officer (CMRO) and an Appellate Authority have been appointed for the management of dispute/complaints of the customers and stakeholders under the Right to Information Act, 2009.
09. The particulars (name & designation etc) of the officials who are dismissed / removed / terminated from time to time by the bank are being uploaded to the web portal of Bangladesh Bank and compliance reports is being sent to Bangladesh Bank on quarterly basis as per their instruction.

10. Advertisements are being published in each quarter in the national daily newspaper by AIBL on the Integrity Rhymes introduced by Bangladesh Bank on ethics/morality.
11. In 2016, for the practice of integrity, AIBL awarded crests and certificates to the 38 employees as incentive after fulfilling 13 different criteria. In 2017, 63 officials / executives have been awarded crests and certificates in order to encourage good practice / excellence in the bank. This time the number of determining criteria was 25. In the meantime, to encourage even further BRPD Circular No. 08 of 08/08/2018 was issued by Bangladesh Bank with a direction to give one month's basic salary each to 5 employees/officials of the bank each year as Integrity Award. In order to encourage the integrity practice / excellence in this bank in the light of the instructions of the Bangladesh Bank, the policy of awarding of one month's basic in each year to 5 employees/officials as Integrity Award was approved by the Board of Directors on 24/11/2018 in its 330th Meeting and the award. Accordingly Integrity Award are being given to the employees of the bank. Lastly for the year 2019-2020, the award has been given to 05 Executives and officials of the bank. The Award for the year 2020-2021 have to be given soon as per Bangladesh Bank Policy and guidelines of this bank.

There is no denying the fact that introduction of financial award for integrity will not only motivate the officials to be behaviorally correct but also will increase the competitiveness and efficiency of the employees and officials. This will inevitably decrease the irregularities of banking activities and will improve the quality of asset as well. Thus the aims and objectives/goals of the bank as well as overall integrity of the officials will be achieved.

REPORT OF THE BOARD AUDIT COMMITTEE (BAC)

In compliance with the guidelines of Banking Companies Act (amended in July 2013), Bangladesh Bank guidelines, notifications of Bangladesh Securities & Exchange Commission (BSEC) and international best practices of Corporate Governance, the Audit Committee of the Board of Al-Arafah Islami Bank Limited was formed by the Board of Directors of the bank with a view to ensuring the achievement of objectives of the bank, enhancing the efficiency of operations and compliance with applicable laws, rules, regulations and internal policies to make the bank a strong and dependable organization for all stakeholders, specially shareholders, depositors and the society as a whole.

Objectives of the Board Audit Committee

1. Review the financial reporting process, the system of internal control and compliance approach to manage risks, the audit process, findings of the Central Bank's comprehensive audit and the Bank's mechanism for monitoring compliance of laws and regulations and its own code of business conduct.
2. Assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies, policies and overall business plans set by the Board for effective functioning of the bank.

Role and Responsibilities of the Committee

The roles and responsibilities of Board Audit Committee of AIBL have been formulated on the basis of BRPD Circular No. 11 dated 27 October 2013, corporate governance notification issued by BSEC, dated 03 June, 2018 and other best practice of corporate governance guidelines and standards. The important roles and responsibilities of the Board Audit Committee are described below:

1. Review the Internal Control system of the bank to ensure that sufficient Risk Management System is in place to manage core risk of the bank.
2. Review the Internal Audit Procedure.
3. Review the efficiency and effectiveness of Internal Control System.
4. Consider the recommendations made by the internal and external auditors.
5. Ensure fair presentation of financial statements in compliance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards.
6. Review compliance with the applicable rules and regulations of Bangladesh Bank, BSEC, Bank Company Act- 1991 (amended in July, 2013) and Companies Act, 1994.
7. Review the statement of all related party transactions submitted by the management.
8. Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
9. Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.

Report to the Board of Director

1. Report immediately to the Board of Directors on conflict of interest.
2. Report to the Board of Directors on frauds or irregularities or material defects in the Internal Control System.
3. Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations.

Composition of the Board Audit Committee (BAC)

The Board Audit Committee was reconstituted by the Board of Directors of the bank in its 363rd Meeting held on 09 September, 2021. The Board Audit Committee (BAC) consists of the following 05 (five) members:

SL. No	Name	Educational Qualification	Status with the Bank	Status with the Committee
1	Jb. Mahbubul Alam	B.Com	Independent Director	Chairman
2	Jb. Nazmul Ahsan Khaled	B.Sc Engineer	Director	Member
3	Jb. Mohammed Emadur Rahman	M.B.A. (Marketing-London)	Director	Member
4	Jb. Md. Harun-Ar-Rashid Khan	M.A. (Social Welfare)	Nominee Director	Member
5	Jb. M. Kamal Uddin Chowdhury	B.Com	Independent Director	Member

Meetings of Board Audit Committee:

During the Year 2021, 08 (eight) meetings of the Committee were held.

Activities during the year:

The Board Audit Committee carried out the following activities during the year 2021 :-

1. Reviewed the comprehensive inspection report of Bangladesh Bank, evaluated compliance status thereof and advised the bank management to take necessary action as required.
2. Reviewed performance of internal audit, 2021.
3. Reviewed audited accounts and report of 2021 and recommended those audited report to place to the Board.
4. Reviewed inspection report of different branches of the bank conducted by Internal Control and Compliance Wing of the bank and advised the bank management to enhance deposit, Investment including reduction of classified Investment.
5. Reviewed the compliance status of audit objections and advised the management to ensure full compliance of regulatory, legal and significant issues meticulously.
6. Reviewed annual financial statements of the bank with appointment of external auditors prior to submission to the Board for their approval.
7. Reviewed and approved Annual Plan of Risk Based Internal Audit, 2021.
8. Reviewed and approved action plan for turning loss-incurring branches into profitable branches.
9. Reviewed comparative position of half yearly income - expenditure statement as on 30 June, 2021 and 30 June, 2020.
10. Recommended various measures for improvement of performance of the bank.
11. Reviewed cost of fund as on June 30, 2021 of the bank.
12. Reviewed half yearly report of Self-Assessment of Anti-Fraud Internal Control.
13. Reviewed Annual Health Report on ICCW and Integrated Health report of the Bank.

Acknowledgement

In conclusion, we would like to extend our sincere thanks and profound gratitude to the members of Board of Directors for allowing the committee to discharge its due role independently.

We also express our gratitude and thanks to the management, auditors, regulatory authorities particularly, Bangladesh Bank and Bangladesh Securities & Exchange Commission for their cordial co-operation in performing the duties with due diligence.

For and on behalf of Board Audit Committee.



Alhaji Mahbubul Alam
Chairman
Board Audit Committee (BAC)

ACTIVITIES OF THE BOARD RISK MANAGEMENT COMMITTEE IN THE YEAR 2021

The major activities of the Board Risk Management Committee (BRMC) in the year 2021 were as follows:

- a) Reviewed the Bank's Risk Management Guidelines and recommended thereon.
- b) Reviewed all Core Risk Management Guidelines of the Bank.
- c) Reviewed the Capital Management, Bank Resiliency Capacity, and Internal Capital Adequacy Assessment Process (ICAAP) through Comprehensive Risk Management Report (CRMR) of the Bank.
- d) Reviewed the Capital to Risk Weighted Assets Ratio (CRAR) of the Bank from time to time against Minimum Capital Requirement (MCR) through Risk Management Paper/Report of the Bank.
- e) Reviewed the Risk Appetite Statement of the Bank.
- f) Evaluated the Stress Testing Result periodically while reviewing CRMR of the Bank
- g) Evaluated the Risk Based Capital Adequacy (Basel-III) periodically while reviewing CRMR of the Bank.
- h) Evaluated the Monthly Risk Management Report (MRMR) and Comprehensive Risk Management Report (CRMR) of the Bank periodically.
- i) Evaluated the implementation status of the decisions taken in the management level Risk Management Committee (RMC) meetings time to time.
- j) Reviewed the status of Bank's Recovery, Classification, Legal position and Written off accounts periodically.
- k) Reviewed the Bank's overall collateral securities and advised the management to obtain additional securities from the large borrowers on best effort basis to reduce additional capital charge of the Bank.
- l) Evaluated the concentration of Investment portfolio of Bank and advised the management to diversify investment portfolio as far as possible and practicable.
- m) Reviewed the Bank's overall rated investment clients and advised the management to improve the number of rated investment clients by pursuing the existing Corporate and SME investment clients to reduce the Risk Weighted Assets (RWA) as well as to reduce additional capital charge on the Bank.
- n) Reviewed the Bank's Top-20 Defaulter Clients and the status thereof.
- o) Reviewed the status of the Top-20/30/50 investments of the Bank and advised the management to closely monitor such investments for further improvement.
- p) Reviewed the CAMELS rating and Comprehensive Risk Management Ratings of the Bank and advised the management for further improvement.
- q) Reviewed the report of Risk Management Policies and Effectiveness of Risk Management functions of the Bank.

The Minutes of the RMC meetings with suggestions were placed for implementation and to the Board of Directors for subsequent approval.

Reporting to the Board

The decisions and recommendations of the Board Risk Management Committee were submitted before the Board of Directors for reviewing and the Board closely reviewed and approved the same as placed.

Acknowledgement

The members of the Board Risk Management Committee (BRMC) express their gratitude and thanks to the Board of Directors, Management and Risk Management Team of the Bank for their cooperation while performing its duties and responsibilities.



Badiur Rahman
Chairman
Board Risk Management Committee

CEO AND CFO'S DECLARATION TO THE BOARD

April 26, 2022

The Board of Directors
Al-Arafah Islami Bank Limited
Al-Arafah Tower,
63, Purana Paltan,
Dhaka 1000.

Subject: Declaration on Financial Statements for the year ended on December 31, 2021

Muhtaram,
Assalamu Alaikum.

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Al-Arafah Bank Limited for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- i. We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Ma-assalam
Sincerely yours,



Farman R. Chowdhury
Managing Director and CEO



Muhammed Nadim FCA
Chief Financial Officer

DIVIDEND DISTRIBUTION POLICY 2021

Introduction:

This policy is formulated in compliance with the Directive No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities & Exchange Commission (BSEC) dated January 14, 2021.

Purpose:

The purpose of the policy is to comply with the Directives of Bangladesh Securities & Exchange Commission (BSEC). So this Dividend distribution policy 2021 is formulated and shall be disclosed in the Annual Report & official website of Al-Arafah Islami Bank Limited.

Manner and Procedure of Dividend Distribution:

In case of Cash dividend: -

- i) Within 10 (ten) days of declaration of cash dividend by the Board of directors, the declared cash dividend payable for the concerned year shall be kept in the separate bank account of Al-Arafah Islami Bank Ltd. dedicated for this purpose only;
- ii) Cash Dividend shall be paid directly to the bank account of shareholder or unit holder as available in the BO Account maintained with the depository participant (DP) or the bank account as provided by the shareholder through Bangladesh Electronic Fund Transfer Network (BEFTN). The bank may pay off such cash dividend through bank transfer or any other electronic payment system as recognized by Bangladesh Bank if not possible to pay off through BEFTN;
- iii) Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client, the bank shall pay off such cash dividend to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN;
- iv) In case of non-availability of a valid bank account or non-possibility to distribute dividends through BEFTN/other electronic system, it will have to be distributed in the form of dividend warrants and send by post to the respective shareholders address;
- v) The bank shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investment (FPI) through the security custodian in compliance with rules or regulations in this regard;
- vi) A separate bank account will be maintained from which all the dividend payment can be made.

In case of stock dividend:-

- i) Stock dividend shall be directly credited to the BO accounts respective shareholders within 30 days of AGM (final approval) or record date as the case may be;
- ii) Undistributed stock dividend shall be kept in Suspense BO Account under the Block Module of CDBL system;
- iii) The sale proceeds of fractional bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Unpaid or unclaimed of unsettled cash/stock dividend:

The summary of unpaid or unclaimed and unsettled cash or stock dividends shall be disclosed in the Annual Report and settled as per instructions of Bangladesh Securities & Exchange Commission (BSEC) from time to time. Any voting rights on undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

Deduction of Tax:

Tax will be deducted at source as per applicable tax laws.

Amendments/Modifications:

To the extent of any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law of the land. Such amended policy shall be placed before the board for approval.

Discloser Policy:

The Dividend Distribution policy shall be available on the Bank's website and shall also be disclosed in the Bank's Annual Report.

SUMMARY OF UNCLAIMED

Stock/Right/Cash & Fraction Dividend as on 31-12-2021

In compliance with the Bangladesh Securities & Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021, Summary of Unclaimed Stock/Right/Cash & Fraction Dividend are as follows:

SL No.	Dividend Year	% Of Dividend & Right	Unpaid/Undistributed/ Unclaimed/Unsettled Stock/Right/ Cash & Fraction Dividend on 31-12-2021				Balance of Unpaid/ Undistributed/ Unclaimed & Unsettled Stock/Right/Cash & Fraction Dividend on 31-12-2021	
			Stock/Right (Share)	Stock/Right Transferred to CMSF (Share)	Cash & Fractional Dividend (TK)	Cash & Fractional Transferred to CMSF (Tk.)	Stock/Right (Share)	Cash & Fraction Dividend (Tk.)
1	1998 & 1999	15% & 12%	-	-	5,53,332.50	5,53,332.50	-	5,53,332.50
2	2000	12%	-	-	3,78,907.50	3,78,907.50	-	3,78,907.50
3	2001	7.5%	-	-	2,68,405.44	2,68,405.44	-	2,68,405.44
4	2002	20%	-	-	4,58,000.00	4,58,000.00	-	4,58,000.00
5	2003	16%	-	-	9,57,150.53	9,57,150.53	-	9,57,150.53
6	2004	15.5%	-	-	10,01,935.11	10,01,935.11	-	10,01,935.11
7	2005	26%	1,26,500	-	6,86,943.75	6,86,943.75	1,26,500	6,86,943.75
8	2006	35%	1,98,300	-	9,86,536.81	9,86,536.81	1,98,300	9,86,536.81
9	2007	20%	1,52,120	-	-	-	1,52,120	-
10	2008	30%	2,59,810	-	3,68,594.06	3,68,594.06	2,59,810	3,68,594.06
11	2009	30%	3,35,181	-	-	-	3,35,181	-
12	2010	100% (R)	87,459	-	-	-	87,459	-
13	2010	26%	4,16,932	-	57,632.55	57,632.55	4,16,932	57,632.55
14	2011	21%	4,33,137	-	64,195.18	64,195.18	4,33,137	64,195.18
15	2012	17%	4,14,990	-	56,254.28	56,254.28	4,14,990	56,254.28
16	2013	14%	3,84,352	-	72,115.50	72,115.50	3,84,352	72,115.50
17	2014	14%	-	-	1,13,93,632.73	1,13,93,632.73	-	1,13,93,632.73
18	2015	10% (C) & 5% (S)	1,73,136	-	1,00,36,241.44	1,00,36,241.44	1,73,136	1,00,36,241.44
19	2016	15%	-	-	1,24,89,642.70	1,24,89,642.70	-	1,24,89,642.70
20	2017	15% (C) & 5% (S)	2,47,003	-	86,19,759.73	-	2,47,003	86,19,759.73
21	2018	15% (C) & 2% (S)	99,441	-	1,44,66,276.20	-	99,441	1,44,66,276.20
22	2019	13%	-	-	1,42,13,910.91	-	-	1,42,13,910.91
23	2020	15%	-	-	1,56,61,919.07	-	-	1,56,61,919.07
Total			33,28,361	-	9,27,91,385.99	3,98,29,520.08	33,28,361	9,27,91,385.99



Auditor's Report and Financial Statements of Al-Arafah Islami Bank Limited

for the year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Al-Arafah Islami Bank limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Al-Arafah Islami Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Al-Arafah Islami Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 and the consolidated and separate profit or loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 02 and comply with the Bank Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Measurement of provision for Investments	
<p>The process for estimating the provision for customer investments associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for availing investment facilities.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the group and the Bank reported total gross investment of BDT 336,890 million (2020: BDT 308,620 million) and BDT 336,091 million (2020: BDT 303,210 million) respectively and the Bank reported provision for investments of BDT 13,285 million (2020: BDT 10,771 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Investment appraisal, disbursement and monitoring procedures, and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Investments (Investment -CL) submitted to Bangladesh Bank; <p>Our substantive procedures in relation to the provision for investment portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained.

Risk	Our response to the risk
Measurement of provision for Investments	
	<p>Considering continuing adverse impact of COVID 19, Bangladesh Bank has given certain flexibility from classification requirement for Investments vide issuing various circulars such as BRPD 3 dated 31 January 2021, BRPD 5 dated 24 March 2021, BRPD 13 dated 27 June 2021, BRPD 19 dated 26 August 2021 and BRPD 53 dated 30 December 2021 whereby Banks were not allowed to adversely classify any investment upon fulfilment of applicable conditions for the year ended 31 December 2021.</p>
See note no 9 and 15.2 and 15.4 to the financial statements	

Risk	Our response to the risk
Valuation of treasury bill and treasury bond (including Islami Bond)	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds including Islami Bond issued by Bangladesh Bank is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 8 to the financial statements	

Risk	Our response to the risk
Valuation of deferred tax liabilities	
<p>The Bank reports net deferred tax liabilities (DTL) to totaling BDT 93.59 million as at 31 December 2021.</p> <p>Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTLs.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note no 16 to the financial statements	

Risk	Our Response to the risk
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
Risk	Our Response to the risk
Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
Risk	Our Response to Risk
Carrying value of investments in subsidiaries by the Bank	
<p>The Bank has invested in equity shares of its two subsidiaries, AIBL Capital Market Services Ltd. & AIBL Capital Management Ltd. as at 31 December 2021. The carrying value of this investment is BDT 2,910 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged.</p>
See note no 11 to the financial statements	

Risk	Our Response to Risk
Implementation of IFRS 16 Leases	
<p>IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are appropriate.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment and;</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
See note no 11 to the financial statements	

Other Matter

The consolidated and separate financial statements of AL Arafah Islami Bank Ltd for the year ended December 31, 2020, were audited by Hussain Farhad & Co. and Shafiq Basak & Co., Chartered Accountants, who expressed an unmodified opinion on those statements on May 09, 2021.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);

- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely AIBL Capital Market Services Limited and AIBL Capital Management Ltd., which has been audited by another auditor who has expressed an unqualified audit opinion. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit or loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for investments and other assets in accordance with the quick summary report issued by Bangladesh Bank vide Circular Letter #DBI-7/4(1)/2022-223 dated April 21, 2022 which are, in our opinion, doubtful of recovery.
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 6,640-person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



A.K.M Fazlul Haque FCA
Partner
Enrolment number: 1090
Hussain Farhad & Co.
Chartered Accountants

DVC:2204261090AS597496

Place: Dhaka
Date: 26th April 2022



Md. Shafiqul Islam FCA
Partner
Enrolment number: 595
Shafiq Basak & Co.
Chartered Accountants

DVC: 2204260595AS896100

CONSOLIDATED BALANCE SHEET

As at December 31, 2021

	Notes	2021	2020
		Taka	Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	5.A	3,232,053,536	2,898,207,542
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		20,456,548,331	28,660,902,877
		23,688,601,867	31,559,110,419
Balance with other Banks and Financial Institutions			
In Bangladesh	6.A	3,133,653,387	8,288,025,632
Outside Bangladesh		8,907,482,685	8,273,812,895
		12,041,136,072	16,561,838,527
Placement with Banks & Other Financial Institutions			
	7.A	23,985,000,000	14,270,010,000
Investment in Share & Securities			
Government	8A	30,156,139,866	21,563,673,525
Others	8.A.i	23,504,940,000	19,583,830,000
		6,651,199,866	1,979,843,525
Investments			
General Investments etc.	9.A	323,342,833,833	296,717,853,936
Bills purchased and discounted		13,547,882,130	11,902,810,514
		336,890,715,963	308,620,664,450
Fixed assets less Accumulated Depreciation			
	10.A	5,470,272,635	5,833,880,252
Other Assets			
	11.A	30,404,308,443	19,838,600,217
Non-Banking Assets			
	12	50,875,037	50,875,037
Total Assets			
		462,687,049,884	418,298,652,427
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions			
Deposits and other Accounts	13.A	32,506,761,109	24,000,477,831
Mudaraba Savings Deposits	14.A	62,011,042,726	54,879,126,373
Mudaraba Term Deposits	14.A.ii.	175,485,115,456	164,009,495,781
Other Mudaraba Deposits		68,093,138,221	66,743,970,036
Al-wadeeah Current Accounts and Other Accounts etc.		43,639,188,504	37,331,437,580
Bills Payable		4,059,481,203	3,059,381,492
		353,287,966,110	326,023,411,262
Other Liabilities			
	15.A	36,298,385,294	31,485,714,465
Deferred tax Liabilities/ (Assets)			
	16.A	93,595,145	133,204,157
AIBL Mudaraba Bond			
	17	14,600,000,000	11,200,000,000
Total Liabilities			
		436,786,707,658	392,842,807,715
Capital/Share holders Equity			
Paid -up Capital	18	10,649,021,850	10,649,021,850
Statutory Reserve	19	10,649,021,850	10,334,627,824
Revaluation Reserve	20	1,084,331,861	1,084,326,967
Retained Earnings	21.A	1,823,372,676	1,732,137,218
		24,205,748,237	23,800,113,859
Total Equity attributable to equity holders of the bank			
Non-Controlling Interest	18.A	1,694,593,989	1,655,730,853
Total Equity			
		25,900,342,226	25,455,844,712
Total Liability and Share holders equity			
		462,687,049,884	418,298,652,427
Net assets value per share (NAV)			
	42	22.73	22.35

CONSOLIDATED BALANCE SHEET

As at December 31, 2021

	Notes	2021	2020
		Taka	Taka
Contingent Liabilities			
Acceptance and endorsement		51,57,55,95,132	54,17,66,70,210
Letters of Guarantee	22	13,673,407,658	10,511,211,685
Letters of Credit		44,089,212,630	28,867,356,800
Bills for Collection		7,495,927,198	4,386,736,198
Other Contingent Liabilities		-	-
Total		116,834,142,618	97,941,974,893
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		116,834,142,618	97,941,974,893

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.



A.K.M Fazlul Haque FCA
Partner
Enrolment number: 1090
Hussain Farhad & Co.
Chartered Accountants

DVC:2204261090AS597496

Place: Dhaka
Date : 26th April 2022



Md. Shafiqul Islam FCA
Partner
Enrolment number: 595
Shafiq Basak & Co.
Chartered Accountants

DVC: 2204260595AS896100

CONSOLIDATED PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2021

	Notes	2021	2020
		Taka	Taka
Investment Income	23.A	23,446,012,634	26,331,277,005
Profit paid on deposits & Borrowing	24.A	(13,072,790,998)	(16,556,644,305)
Net Investment Income		10,373,221,636	9,774,632,700
Income from Investment in Shares /Securities	25.A	359,554,772	681,937,628
Commission, Exchange and Brokerage	26.A	3,299,109,368	2,627,550,022
Other Operating Income	27.A	591,501,509	345,976,039
		4,250,165,649	3,655,463,689
Total operating income		14,623,387,285	13,430,096,389
Salaries and allowances & contribution to P.F	28.A	4,756,913,912	4,546,405,905
Directors' fees & expenses	29.A	6,962,107	6,142,217
Shariah Supervisory Committee's fees & expenses	30	246,770	298,376
Rent, taxes, insurance and lighting etc.	31.A	539,464,890	499,303,449
Postage, telegram, telephone and stamp etc.	32.A	67,231,400	68,348,432
Legal charges		13,427,966	16,046,838
Auditors' fee		1,640,750	1,667,500
Salary & Allowances to the Managing Director		20,418,000	19,344,000
Depreciation and repairs to the bank's properties	33.A	891,400,236	836,300,557
Stationery, printing & advertisement etc.	34.A	149,075,124	186,323,511
Other expenses	35.A	682,465,783	562,152,855
Total operating expenses		7,129,246,938	6,742,333,640
Profit/(Loss) before Tax & provision		7,494,140,347	6,687,762,748
Provision against Investments & Contingent Liabilities	36.A	2,647,118,347	1,878,171,305
Provision for diminution in value of investment		8,459,961	9,725,095
Other Provision		-	-
Total provision		2,655,578,307	1,887,896,400
Profit/(Loss) before Tax		4,838,562,040	4,799,866,349
Current tax	15.1.A	2,751,343,416	2,258,441,408
Deferred tax		(39,225,005)	(30,381,805)
Provision for Taxation		2,712,118,411	2,228,059,603
Net Profit/(Loss) after tax		2,126,443,629	2,571,806,745
Net Profit attributable to:			
Equity holders of the bank		2,087,580,493	2,565,236,578
Non-controlling Interest		38,863,136	6,570,167
Profit for the year		2,126,443,629	2,571,806,745
Appropriation			
Statutory Reserve		314,394,026	954,638,686
General Reserve (1 % strat-Up fund)		20,233,578	25,507,894
Profit paid on aibl mudaraba perpetual bond		64,364,153	-
Non-Controlling Interest		38,863,136	6,570,167
		437,854,894	986,716,747
Transfer to Retained Earnings		1,688,588,736	1,585,089,999
Earning per Ordinary Share (EPS)	41.A	1.96	2.41

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.



A.K.M Fazlul Haque FCA
Partner
Enrolment number: 1090
Hussain Farhad & Co.
Chartered Accountants

DVC:2204261090AS597496

Place: Dhaka

Date : 26th April 2022



Md. Shafiqul Islam FCA
Partner
Enrolment number: 595
Shafiq Basak & Co.
Chartered Accountants

DVC: 2204260595AS896100

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2021

	Notes	2021	2020
		Taka	Taka
Cash flows from operating activities			
Investment income receipt in Cash		24,041,035,285	27,246,795,860
Profit paid on deposits and borrowing		(13,545,742,269)	(17,792,460,102)
Dividend received		43,099,747	9,408,411
Fees & Commission received in cash		3,299,109,368	2,627,550,022
Recoveries from written off investments		57,842,746	56,952,186
Cash payments to employees		(4,777,331,912)	(4,565,749,905)
Cash payments to suppliers		(149,075,124)	(186,323,511)
Received from other operating activities (item-wise)		591,501,509	345,976,039
Paid for other operating activities (item-wise)	37.A	(1,432,385,136)	(1,246,894,494)
Advance income tax paid		(2,108,226,440)	(2,449,571,990)
Operating profit before changes in operating assets and liabilities		6,019,827,775	4,045,682,515
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(4,671,356,341)	(309,323,863)
Increase/(Decrease) of placement to other banks		(9,714,990,000)	(2,270,010,000)
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(28,354,421,330)	(18,920,509,901)
Increase/Decrease of other assets (item-wise)	38.A	(8,773,892,156)	(38,804,398)
Increase/ (Decrease of placement from other banks and financial institution		8,506,283,278	(3,545,897,730)
Increase/(Decrease) of Deposits from customers (other than Banks)		27,737,506,118	30,017,418,004
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39.A	(560,976,753)	1,073,635,198
Cash receipt from operating activities		(15,831,847,184)	6,006,507,310
A. Net Cash from operating activities		(9,812,019,409)	10,052,189,825
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(460,733,215)	(2,225,318,994)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(460,733,215)	(2,225,318,994)
Cash flows from financing activities			
Increase in Exchange Equalization Account		4,894	(19,953)
Issue of AIBL Subordinate Bond / Perpetual Bond		3,400,000,000	4,400,000,000
Dividend paid		(1,597,353,277)	(1,384,372,840)
C. Net cash flows from financing activities		1,802,651,616	3,015,607,206
D. Net increase in cash and cash equivalent (A+B+C)		(8,470,101,008)	10,842,478,038
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent D+E		(8,470,101,008)	10,842,478,038
G. Cash & Cash Equivalents at the beginning of the year		67,704,778,946	56,862,300,908
H. Cash & Cash Equivalents period ended	40.A	59,234,677,938	67,704,778,946
Net Operating Cash Flow per Share (NOCFPS)	43	-9.21	9.44


Chief Financial Officer


Managing Director


Director


Director


Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2021	10,649,021,850	10,334,627,824	1,732,137,218	1,084,326,967	23,800,113,859	1,655,730,853	25,455,844,712
Changes in accounting policy	-	-	-	-	-	-	-
offload share	-	-	-	-	-	-	-
Restated Adjustment	-	-	-	-	-	-	-
Restated balance	10,649,021,850	10,334,627,824	1,732,137,218	1,084,326,967	23,800,113,859	1,655,730,853	25,455,844,712
Deferred tax Adjustment	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	4,894	4,894	-	4,894
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	2,087,580,493	-	2,087,580,493	38,863,136	2,126,443,629
Cash Dividend	-	-	(1,597,353,277)	-	(1,597,353,277)	-	(1,597,353,277)
Bonus Share	-	-	-	-	-	-	-
Asset revaluation Reserve	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(64,364,153)	-	(64,364,153)	-	(64,364,153)
Transfer to 1 % strat-Up fund	-	-	(20,233,578)	-	(20,233,578)	-	(20,233,578)
Appropriations during the year	-	314,394,026	(314,394,026)	-	-	-	-
Balance as at December 31, 2021	10,649,021,850	10,649,021,850	1,823,372,676	1,084,331,861	24,205,748,237	1,694,593,989	25,900,342,226
Balance as at December 31, 2020	10,649,021,850	10,334,627,824	1,732,137,218	1,084,326,967	23,800,113,859	1,655,730,853	25,455,844,712



Chief Financial Officer



Managing Director



Director



Director



Chairman

CONSOLIDATED STATEMENT OF LIQUIDITY

(Maturity Analysis of Assets and Liabilities)

For the year ended December 31, 2021

SL No	Particulars	Less than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
1	2	3	4	5	6	7	8
1	Assets :						
	Cash in hand	8,262,801,867	-	-	-	15,425,800,000	23,688,601,867
	Balance with other Bank and Financial Institution	3,528,100,000	145,900,000	1,100,000,000	-	7,267,136,072	12,041,136,072
	Placement with Banks & Other Financial Institutions	2,165,576,000	19,640,000,000	2,200,000,000	-	(20,576,000)	23,985,000,000
	Investments (in Shares & Securities)	-	-	972,100,000	-	29,184,039,866	30,156,139,866
	Investments	60,054,761,420	93,530,661,420	105,548,970,284	51,532,261,420	26,224,061,419	336,890,715,963
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,470,272,635	5,470,272,635
	Other Assets	183,200,000	105,200,000	-	1,433,100,000	28,682,808,443	30,404,308,443
	Non Banking Assets	-	-	-	-	50,875,037	50,875,037
	Total Assets	74,194,439,287	113,421,761,420	109,821,070,284	52,965,361,420	112,284,417,472	462,687,049,884
2	Liabilities :						
	Placement from Banks & Other Financial institutions	1,204,400,000	19,809,150,237	11,493,210,872	-	-	32,506,761,109
	Deposits	54,213,966,000	117,192,600,000	111,096,921,085	45,257,900,000	25,526,579,025	353,287,966,110
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	3,600,000	-	-	-	36,294,785,294	36,298,385,294
	Deferred tax Liabilities/ (Assets)	-	-	-	-	93,595,145	93,595,145
	AIBL Mudaraba Subordinated Bond	-	-	-	-	14,600,000,000	14,600,000,000
	Total Liabilities	55,421,966,000	137,001,750,237	122,590,131,957	45,257,900,000	76,514,959,464	436,786,707,658
	Net Liquidity Gap	18,772,473,287	(23,579,988,817)	(12,769,061,673)	7,707,461,420	35,769,458,008	25,900,342,226

The Liquidity statement is prepared on contractual basis and which usually renewable. As a result it may not be actually alarming situation due to mismatch of assets & liability.



Chief Financial Officer



Managing Director



Director



Director



Chairman

BALANCE SHEET

As at December 31, 2021

	Notes	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash in hand			
Cash in hand (including foreign currencies)	5	3,217,933,106	2,879,721,830
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		20,456,548,331	28,660,902,877
		23,674,481,437	31,540,624,707
Balance with other Banks and Financial Institutions			
In Bangladesh	6	3,133,653,387	8,288,025,632
Outside Bangladesh		8,907,482,685	8,273,812,895
		12,041,136,072	16,561,838,527
Placement with Banks & Other Financial Institutions			
Investment in Share & Securities			
Government	8	23,504,940,000	19,583,830,000
Others	8.a	5,472,068,391	1,143,979,346
	8.b	28,977,008,391	20,727,809,346
Investments			
General Investments etc.	9	322,543,724,969	291,307,599,462
Bills purchased and discounted		13,547,882,130	11,902,810,514
		336,091,607,099	303,210,409,976
Fixed assets less Accumulated Depreciation			
Other Assets			
Non-Banking Assets	10	5,463,069,708	5,826,875,749
	11	23,190,127,923	20,870,178,204
	12	50,875,037	50,875,037
Total Assets		453,473,305,667	413,058,621,546
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial institutions			
Deposits and other Accounts			
Mudaraba Savings Deposits	13	27,343,210,872	22,504,318,785
Mudaraba Term Deposits	14	62,011,042,726	54,879,126,373
Other Mudaraba Deposits		175,739,194,371	164,296,138,402
Al-wadeeah Current Accounts and Other Accounts etc.	14.i	68,093,138,221	66,743,970,036
Bills Payable	14.ii	43,639,188,504	37,331,437,580
		4,059,481,203	3,059,381,492
		353,542,045,025	326,310,053,883
Other Liabilities			
Deferred tax Liabilities/ (Assets)	15	33,868,952,635	29,226,954,457
AIBL Mudaraba Bond	16	93,595,145	133,204,157
	17	14,600,000,000	11,200,000,000
Total Liabilities		429,447,803,677	389,374,531,282
Capital/Share Holders Equity			
Paid up Capital	18	10,649,021,850	10,649,021,850
Statutory Reserve	19	10,649,021,850	10,334,627,824
Revaluation Reserve	20	1,084,331,861	1,084,326,967
Retained Earnings	21	1,643,126,429	1,616,113,623
Total Share holders equity		24,025,501,990	23,684,090,264
Total Liability and Share holders equity		453,473,305,667	413,058,621,546
Net assets value per share (NAV)	42	22.56	22.24

OFF BALANCE SHEET

As at December 31, 2021

OFF BALANCE SHEET ITEMS

Contingent Liabilities

Acceptance and endorsement

Letters of Guarantee

Letters of Credit

Bills for Collection

Other Contingent Liabilities

Total

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

Notes	2021	2020
	Taka	Taka
	51,575,595,132	54,176,670,210
	13,673,407,658	10,511,211,685
	44,089,212,630	28,867,356,800
	7,495,927,198	4,386,736,198
	-	-
	116,834,142,618	97,941,974,893
	-	-
	-	-
	-	-
	-	-
	116,834,142,618	97,941,974,893

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.



A.K.M Fazlul Haque FCA
Partner
Enrolment number: 1090
Hussain Farhad & Co.
Chartered Accountants

DVC:2204261090AS597496

Place: Dhaka
Date : 26th April 2022



Md. Shafiqul Islam FCA
Partner
Enrolment number: 595
Shafiq Basak & Co.
Chartered Accountants

DVC: 2204260595AS896100

PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2021

	Notes	2021	2020
		Taka	Taka
Investment Income	23	23,261,043,228	26,169,242,291
Profit paid on deposits & Borrowing	24	(12,833,773,890)	(16,385,553,054)
Net Investment Income		10,427,269,338	9,783,689,237
Income from Investment in Shares /Securities	25	339,091,445	679,338,829
Commission, Exchange and Brokerage	26	3,003,819,477	2,500,613,283
Other Operating Income	27	535,368,779	311,960,495
		3,878,279,701	3,491,912,607
Total operating income		14,305,549,039	13,275,601,844
Salaries and allowances & contribution to P.F	28	4,678,276,709	4,476,381,093
Directors fees & expenses	29	6,962,107	6,142,217
Shariah Supervisory Committee's fees & expenses	30	246,770	298,376
Rent, taxes, insurance and lighting etc.	31	518,790,708	479,560,573
Postage, telegram, telephone and stamp etc.	32	67,054,263	67,993,484
Legal charges		13,422,248	15,988,510
Auditors' fee		1,583,250	1,667,500
Salary & Allowances to the Managing Director		20,418,000	19,344,000
Depreciation and repairs to the bank's properties	33	886,756,883	832,224,004
Stationery, printing and advertisement etc.	34	147,513,137	185,548,278
Other expenses	35	618,636,986	529,363,979
Total operating expenses		6,959,661,061	6,614,512,014
Profit/(Loss) before Tax & provision		7,345,887,978	6,661,089,829
Provision against Investments & Contingent Liabilities	36	2,647,118,347	1,878,171,305
Provision for diminution in value of investment		8,459,961	9,725,095
Other Provision		-	-
Total provision		2,655,578,307	1,887,896,400
Profit/(Loss) before Tax		4,690,309,671	4,773,193,430
Current tax		2,706,560,843	2,253,104,866
Deferred tax	16	(39,609,013)	(30,700,807)
Provision for Taxation		2,666,951,830	2,222,404,059
Net Profit/(Loss) after tax		2,023,357,841	2,550,789,370
Appropriation			
Statutory Reserve		314,394,026	954,638,686
Profit paid on aibl mudaraba perpetual bond		64,364,153	-
General Reserve (1 % Start-Up Fund)		20,233,578	25,507,894
		398,991,758	980,146,580
Retained Earnings		1,624,366,083	1,570,642,791
Earning per Ordinary share (EPS)	41	1.90	2.40

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.



A.K.M Fazlul Haque FCA
Partner
Enrolment number: 1090
Hussain Farhad & Co.
Chartered Accountants

DVC:2204261090AS597496

Place: Dhaka

Date : 26th April 2022



Md. Shafiqul Islam FCA
Partner
Enrolment number: 595
Shafiq Basak & Co.
Chartered Accountants

DVC: 2204260595AS896100

CASH FLOW STATEMENT

For the year ended December 31, 2021

	Notes	2021 Taka	2020 Taka
Cash flows from operating activities			
Investment income receipt in Cash		23,658,148,613	26,746,398,647
Profit paid on deposits and borrowings		(12,906,725,161)	(17,221,368,851)
Dividend received		33,566,797	8,761,739
Fees & Commission received in cash		3,003,819,477	2,500,613,283
Recoveries from write off investments		57,842,746	56,952,186
Cash payments to employees		(4,698,694,709)	(4,495,725,093)
Cash payments to suppliers		(147,513,137)	(185,548,278)
Received from other operating activities (item-wise)		535,368,779	311,960,495
Paid for other operating activities (item-wise)	37	(1,347,641,802)	(1,192,933,381)
Advance income tax paid		(2,061,982,892)	(2,438,271,566)
Operating profit before changes in operating assets and liabilities		6,126,188,711	4,090,839,180
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(4,328,089,045)	(277,727,877)
Increase/(Decrease) of placement to other banks		(9,714,990,000)	(2,270,010,000)
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(33,947,860,704)	(18,855,090,010)
Increase/(Decrease) of other assets (item-wise)	38	(407,390,310)	246,484,556
Increase/(Decrease) of placement from other banks and financial institution		4,838,892,087	(3,520,255,065)
Increase/(Decrease) of Deposits from customers (other than Banks)		27,704,942,412	30,020,097,525
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39	(138,075,121)	608,890,594
Cash receipt from operating activities		(15,992,570,680)	5,952,389,723
A. Net Cash from operating activities		(9,866,381,969)	10,043,228,903
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(402,005,372)	(2,224,248,856)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(402,005,372)	(2,224,248,856)
Cash flows from financing activities			
Increase in Exchange Equalization Account		4,894	(19,953)
Issue of AIBL Subordinate Bond / Perpetual Bond		3,400,000,000	4,400,000,000
Increase in Share Capital		-	-
Dividend paid		(1,597,353,277)	(1,384,372,840)
C. Net cash flows from financing activities		1,802,651,616	3,015,607,206
D. Net increase in cash and cash equivalent (A+B+C)		(8,465,735,725)	10,834,587,253
E. Effects of exchange rate changes on cash and cash-equivalents			
		-	-
F. Net increase in cash and cash equivalent (D+E)		(8,465,735,725)	10,834,587,253
G. Cash & Cash Equivalents at the beginning of the year		67,686,293,234	56,851,705,980
H. Cash & Cash Equivalents at the end of the year	40	59,220,557,509	67,686,293,234
Net Operating Cash Flow per Share (NOCFPS)	43	(9.27)	9.43

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director


Director


Director


Chairman

STATEMENT OF CHANGES EQUITY

For the year ended December 31, 2021

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Total Taka
Balance at 1st January, 2021	10,649,021,850	10,334,627,824	1,616,113,623	1,084,326,967	23,684,090,264
Changes in accounting policy	-	-	-	-	-
Issue of the share capital	-	-	-	-	-
Restated balance	10,649,021,850	10,334,627,824	1,616,113,623	1,084,326,967	23,684,090,264
Deferred tax Adjustment	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	4,894	4,894
Net gain and losses not recognised in Income Statement	-	-	-	-	-
Net profit for the year	-	-	2,023,357,841	-	2,023,357,841
Cash	-	-	(1,597,353,277)	-	(1,597,353,277)
Bonus Share	-	-	-	-	-
Asset revaluation Reserve	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(64,364,153)	-	(64,364,153)
Transfer to 1 % strat-Up fund	-	-	(20,233,578)	-	(20,233,578)
Appropriations during the year	-	314,394,026	(314,394,026)	-	-
Total shareholders' equity as on December 31, 2021	10,649,021,850	10,649,021,850	1,643,126,429	1,084,331,861	24,025,501,990
Total shareholders' equity as on December 31, 2020	10,649,021,850	10,334,627,824	1,616,113,623	1,084,326,967	23,684,090,264



Chief Financial Officer



Managing Director



Director



Director



Chairman

STATEMENT OF LIQUIDITY

(Maturity Analysis of Assets and Liabilities)

For the year ended December 31, 2021

SL No	Particulars	Less than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
1	2	3	4	5	6	7	8
1	Assets :						
	Cash in hand	8,248,681,437	-	-	-	15,425,800,000	23,674,481,437
	Balance with other Bank and Financial Institution	3,528,100,000	145,900,000	1,100,000,000	-	7,267,136,072	12,041,136,072
	Placement with Banks & Other Financial Institutions	2,165,576,000	19,640,000,000	2,200,000,000	-	(20,576,000)	23,985,000,000
	Investments (in Shares & Securities)	-	-	972,100,000	-	28,004,908,391	28,977,008,391
	Investments	60,054,761,420	93,530,661,420	104,749,861,420	51,532,261,420	26,224,061,419	336,091,607,099
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,463,069,708	5,463,069,708
	Other Assets	183,200,000	105,200,000	-	1,433,100,000	21,468,627,922.52	23,190,127,923
	Non Banking Assets	-	-	-	-	50,875,037	50,875,037
	Total Assets	74,180,318,857	113,421,761,420	109,021,961,420	52,965,361,420	103,883,902,550	453,473,305,667
2	Liabilities :						
	Placement from Banks & Other Financial Institutions	1,204,400,000	14,645,600,000	11,493,210,872	-	-	27,343,210,872
	Deposits	54,213,966,000	117,192,600,000	111,351,000,000	45,257,900,000	25,526,579,025	353,542,045,025
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	3,600,000	-	-	-	33,865,352,634.88	33,868,952,635
	Deferred tax Liabilities/ (Assets)	-	-	-	-	93,595,145	93,595,145
	AIBL Mudaraba Subordinated Bond	-	-	-	-	14,600,000,000	14,600,000,000
	Total Liabilities	55,421,966,000	131,838,200,000	122,844,210,872	45,257,900,000	74,085,526,805	429,447,803,677
	Net Liquidity Gap	18,758,352,857	(18,416,438,580)	(13,822,249,452)	7,707,461,420	29,798,375,744	24,025,501,990

The Liquidity statement is prepared on contractual basis and which usually renewable. As a result it may not be actually alarming situation due to mismatch of assets & liability.


Chief Financial Officer


Managing Director


Director


Director


Chairman

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2021

1. The Bank and its activities

- 1.1 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 Ulema, 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 Chaittagong Stock Exchange (CSE). Presently the bank has 201 Branches and 2 (two) 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.

1.2 Subsidiaries of the Bank

Al-Arafah Islami Bank Ltd has two subsidiary companies. The financial statements of these subsidiary companies are included in the consolidated financial statements according to IFRS-10.

1.2.1 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.

Copy of the audited financial statement is attached Appendix A

1.2.2 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.

Copy of the audited financial statement is attached in Appendix B

2. Basis of preparation and significant accounting policies

2.1 Preparation of financial statements

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 operations 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 (as amended 2013), 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 2020, Dhaka and Chittagong Stock Exchange Listing Regulations, other laws and rules applicable in International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). 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 Islamic Financial Institutions.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

2.2 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 are drawn up.

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

The consolidated financial statements incorporate the financial statements of Al-Arafah Islami Bank Limited and the financial statements of subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there are no evidence of impairment.

2.3 Cash flow statement

IFRS: The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

2.4 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following basis:

- i) Balance with other banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term;
- ii) Investments are on the basis of their respective maturity;
- iii) Fixed assets are on the basis of their useful lives;
- iv) Other assets are on the basis of their realization / amortization;
- v) Borrowing from other Banks, financial institutions and agents, etc are as per their maturity / repayment terms;
- vi) Provisions and other liabilities are on the basis of their repayment / adjustments schedule.

2.5 Use of estimation and judgment

The preparation of financial statements requires the bank to make certain estimates and to form judgments about the application of accounting policies which may affect the reported amount of assets, liabilities, income and expenses. The most significant areas of estimates and judgments have been made on provision for Investments.

2.6 Reporting period

The financial statements cover particular calendar period from January 01, 2021 to December 31, 2021.

2.7 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.8 Assets and basis of their valuation

2.8.1 Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

2.8.2 Investments

Investments are stated in the Balance Sheet net of profit receivable/mark-up profit.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

Investment write-off

Investment are normally written off, when there is no realistic prospect of recovery of these amounts in accordance with BRPD Circular No.2 (13 January, 2003). A separate Investment Administration and Recovery Department (IARD) has been set up at the Head Office, which monitors investment written off and legal action through the Money Court. These write-offs do not undermine or affect the amount claimed against the borrower by the bank.

The Investment Administration and Recovery Department (IARD) maintains a separate ledger for all individual cases written off by each branch. The IARD follows up on the recovery efforts of these written off investment and reports to management on a periodic basis. Written off investment are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

2.8.2.1 Investment in shares and securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June, 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

2.8.2.2 Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

2.8.2.3 Provision on loans and advances/investments

IFRS: As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular No.14 (23 September, 2012), BRPD Circular No. 19 (27 December, 2012) and BRPD Circular No. 05 (29 May, 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD Circular No. 10 dated 18 September, 2007 and BRPD Circular No. 14 dated 23 September, 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

2.8.2.4 Investment in subsidiaries

The bank has made investment in subsidiary company named AIBL Capital Market Service Ltd Tk. 242.00 crore holding 60.50% shares. The rest of 39.50% shares are held by others and another subsidiary Company named AIBL Capital Management Limited Tk 49.00 crore holding 98% shares.

2.8.3 Fixed assets Accounting & Depreciation and Intangible Assets Accounting & Amortization Policy.

Board of Directors of Al- Arafah Islami Bank Limited in its 226th meeting held on 11 July, 2012 has approved "Fixed Assets accounting & depreciation and Intangible Assets accounting & amortization Policy" which has been effected from January 2012.

i) All fixed assets except land are stated at cost less accumulated depreciation and accumulated impairment loss as per IAS-16 "Property, Plant and Equipment". Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

ii) Land is recognised at cost at the time of acquisition and subsequently measured at revalued amounts which is the market value at the time of revaluation done on 31st January 2020 by a independent professional valuer on 31st December 2020, any surplus on revaluation is shown as equity component until the disposal/de-recognition of asset. The property is located within:

a) Holding No 63, Purana Paltan Dist : Dhaka, P. S Motijheel, Sub - registry office : Sutrapur, Dhaka collectorate Touzi # 141-B-1, Mouza : Sabek Shahar Dhaka, Sheet # 22, Ward # 03, Sabek Khatian # 6947, 6947 [KA], 6947[Jha], Sabek Dag # 97, 100,101,102 and 110, SA Mouza : Ramna, Sheet # 10, SA Khatian # 362, SA Dag # 1979,1980,1981,2025,1997,1998 and 1979/2039, RS Mouza : Motijheel, RS Khatian # 420, RS Dag # 1314 and 1322, D.P Khatian # 619, D.P Dag # 812 and 804. Mutation Khatian 362/3 and Dag # 1979 and 1980. The area of land measuring about 27.10 Decimal,

b) Holding No 63/1/A, Purana Palton, Dist: Dhaka, P.S Motijheel,Subregistry office: Sutrapur ,Dhaka Collectorate Touzi # 141-B-1, under Mouza: Sabek-Sahar Dhaka then Ramna, Hal-Motijheel, J-L#S.A-04, R.S & City Jarip - 06, Sheet # 22,Ward # 03, Khatian-C.S-6947 (Jha), SA-362, R.S-428, Dhaka City Jarip-103,449, Namjari-542, 362/3/1, Jote-543,687& 437,Dag # C.S-100,101, S.A 1979, 1980, 1981,1997,2025,1979/2039,R.S-1315,1322,1316/1360,1323/1359, Dhaka City Jarip-808,809,811. Deed # 3825 &300, dated: 22.08.2010 & 01.02.2012. The area of land measuring about (11.40+11.60) 23.00 Decimal.

c) Total land measuring 30.36 katha, cost price was Tk. 453,255,000. The land was revalued at tk. 5.00 crore per katha and total land valuation amount Tk. 1,518,000,000. Total asset revaluation gains amounting Tk. 1,129,348,248.

Depreciation of an item of fixed assets and amortization on intangible assets is charged on the basis of estimated useful lives as mentioned in revised fixed asset policy of the bank on monthly basis following straight-line method. The depreciation/amortization method used should reflect the pattern in which the asset's economic benefits are consumed by the enterprise. The depreciation charge for each period should be recognized as an expense unless it is included in the carrying amount of another asset.

iv) Depreciation/amortization rates used for each type of fixed assets are as follows (per annum):

Name of Assets	"Rate of Depreciation/amortization"	Estimated useful Lives
Furniture and Fixture (Wood)	10%	10 years
Furniture and Fixture (Steel)	10%	10 years
Computer	20%	5 years
Computer Accessories	20%	5 years
Motor Car	20%	5 years
Mechanical Appliances	20%	5 years
Books	10%	10 years
Online Hardware	20%	5 years
Land	Nil	Nil
Building	2.50%	40 years
Interior Decoration	10%	10 years
Online Software	20%	5 years

v) Depreciation is charged on the addition of fixed assets and intangible assets are amortized from the date of use.

vi) Maintenance and repair costs are charged to profit and loss account as and when incurred.

vii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular No. 15.

2.8.4 IFRS 16: Leases

AL-Arafah Islami Bank Limited applied IFRS 16: Leases for the first time with the date of initial application of 1 January 2020, using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments and recognised a right-of-use asset at the date of the initial application on a lease by lease basis.

According to IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer

Upon lease commencement, the Bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate @ 6% implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments as well as the impact of lease modifications, amongst others.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss account on a straight-line basis over the lease term.

On the balance sheet, right-of-use assets have been included in fixed assets including premises, furniture and fixtures and lease liabilities have been included in other liabilities.

2.8.5 Other assets

Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

2.8.6 Non-banking asset

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD Circular No. 15, there must exist a face item named Non-banking asset.

2.8.7 Reconciliation of inter bank/branch books of accounts

Books of accounts in regard to Inter-branches are reconciled and there are no material differences, which may affect the financial statements significantly. Unrecognized entries in case of inter-branch transactions as on the reporting date are not mentionable due to the time gap before finalizing the same.

2.9 Share Capital

Ordinary shares are classified as equity, when there is no contractual obligation to transfer cash or other financial assets.

2.10 Statutory reserve

Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve along with share premium equals to its paid up capital.

2.11 Revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the surplus amount should be credited directly to equity under the heading of revaluation surplus/reserve as per IAS-16: "Property, Plant and Equipment". The bank first revalued its land in December 2004, December 2012 and again in December 2020 which is absolutely owned by the bank and the surplus amount transferred to revaluation reserve. (Annexure-A)

2.12 Non-controlling interest

Non-controlling interest is that portion of the profit or loss and net assets of the subsidiaries (AIBL Capital Market Services Limited and AIBL Capital Management Limited and) attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent (Al-Arafah Islami Bank Limited).

2.13 Basis for valuation of liabilities and provisions

2.13.1 Provisions on Investment

a) Provision for Investment are made on the basis of year end review by the management and instructions contained in Bangladesh Bank BRPD Circular No. 05 dated 05 June, 2006 & BRPD Circular No. 10, dated 18 September, 2007 & Subsequent changes as per BRPD Circular No.14 dated 23 Spetemebr, 2012 and BRPD Circular No.05 dated 29 May, 2013 and BRPD Circular No.52 dated 29 December 2021. The provision rates are given below:

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

Particulars	Rate
General provision on unclassified general loans and advances / investments	1%
General provision on unclassified small enterprise financing	0.25%
General provision on unclassified loans / investments for housing finance and on loans for professionals	2%
General provision on unclassified BHS/MHS/SDS	2%
General provision on unclassified consumer financing other than housing finance and loans for professionals	0.25% to 5%
General provision on special mention account	0.25% to 5%
Specific provision on substandard loans and advances / investments	20%
Specific provision on doubtful loans and advances / investments	50%
Specific provision on bad / loss loans and advances / investments	100%
General provision for COVID 19	1.5% & 2%
Start-up Fund on Net Profit	1%

2.13.2 Loans and advances/Investments net of provision

IFRS: Loans and advances/Investments are presented should be net of provision.

Bangladesh Bank: As per BRPD Circular No. 14 dated September 23, 2012, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

2.13.3 Provision for off balance sheet exposures

BRPD circular no.10 (18 September, 2007) requires a general provision for off balance sheet exposure is to be calculated at 1% (2007:0.50%) on all off balance sheet exposures as defined in BRPD Circular No.10 (24 November, 2002). Accordingly we have recognized a provision of 1% on the following off balance sheet items:

1. Letter of Guarantee
2. Letter of Credit
3. Acceptance and endorsements
4. Other Contingent Liabilities

iv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD Circular No. 14 dated September 23, 2012, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

v) Provision for other assets

BRPD Circular No. 14 (25 June, 2001) requires a provision of 100% on other assets which are outstanding for one year and above.

vi) Provision on balance with other banks and financial institutions (Nostro Accounts)

Provision for unsettled transaction on nostro accounts made are reviewed at each balance sheet date by management and certified by our external auditor in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) Circular Letter No. 677 (13 September, 2005)

vii) Provision for taxation

Current tax

Provision for current income tax has been made @ 37.50% for income from business, @ 20% for cash dividend & @ 10% for capital gain as prescribed in the Finance Act 2020 and Income Tax Ordinance, 1984 of the profit made by the bank considering taxable add-back of income and disallowance of expenditure in compliance with IAS-12 "Income Taxes". Tax return for the income year 2021 (Assessment year 2022-2023) has been filed but assessment is to be done by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

Deferred tax

The bank recognized deferred tax in accordance with the provision of IAS-12. Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax base of an assets or liability and its carrying amount/reported amount in the financial statement. Deferred tax assets or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/expenses does not create a legal liability/recoverability to and from the income tax authority. The bank recognizes deferred tax on 100% specific provision investment which will be write off as per Bangladesh Bank Circulars. The detail calculation of deferred tax for the period ended 31st December 2021, has given below:

Particular	As per Books of Account			As Per Tax			Deferred Tax Liability/(Assets)
	Carrying Amount	Assets not Deprecible	Net Carrying Amount	Tax Base	Temporary Difference Taxable/ (Deductible)	Tax Rate	
1. Fixed Assets	5,46,30,69,708	1,51,91,50,691	3,94,39,19,017	3,81,47,90,448	12,91,28,569	37.50%	4,84,23,213
Net deferred tax liability (asset)							4,84,23,214

Deferred tax Assets (Income)/Liability Expenses		Equity Component	
Balance as on 1st January 2021	8,80,30,227	4,51,73,930	13,32,04,157
Provision required as on 31 December ,2021	(3,96,09,013)		(3,96,09,013)
Balance as on 31 December ,2021	4,84,23,214	4,51,73,930	9,35,95,144

viii) Provision for gratuity

Gratuity Fund benefits are given to the staff of the bank in accordance with the approved Gratuity Fund rules. National Board of Revenue has approved the gratuity fund as a recognized gratuity fund on October 10, 2010. The fund is operated by a Board of Trustees consisting of 06 (six) members of the bank. The employees who serve at least 07 (seven) years in AIBL are normally entitled to get gratuity equivalent to one month's basic salary of the employees for their completed year of services in the Bank. So that actuarial valuation is not considered essential.

ix) Retirement benefit and staff welfare schemes

The Bank operates a Contributory Provident Fund, Social Security Fund and Benevolent Fund. These funds are managed by separate Board of Trustees.

x) Other provision and accrued expenses

In compliance with IAS-37, provision and accrued expenses are recognised in the financial statements when the bank has legal or constructive obligation as a result of past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.14 Revenue recognition

2.14.1 Profit on Investment

a) Income from investments has been accounted for on accrual basis except investment under Musharaka. Income in case of Musharaka is accounted for on realization basis.

b) Profit/rent/compensation accrued on classified investment are suspended and accounted for as per Circulars issued by the Bangladesh Bank. Moreover, incomes which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank. Bank charges compensation on unclassified overdue Bai-Murabaha and Bai-Muazzal investment. Such compensation is not permissible by Shariah to take into regular income of the bank. Therefore, the amount of compensation treated as a component of provision against bad & doubtful investment. Interest received due to legal obligation is also not taken into regular income of the bank.

c) Profit on investment is calculated on daily product basis and charged on yearly basis.

d) Recognition of interest in suspense

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD Circular No. 14 dated 23 September, 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

2.14.2 Fees and commission income

Fees and commission income are recognized when earned. Commission charged on customer on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.14.3 Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither Other Comprehensive Income nor the elements of Other Comprehensive Income are allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

2.14.4 Dividend Income

Dividend Income from investment is recognised at the time when it is declared, ascertained, and right to receive the payment is established.

2.15 Management and other expenses

Expenses incurred by the bank are recognised on actual and accrual basis.

2.16 Sharing of investment income

The investment income (except exchange and commission income) is shared between depositors and the bank at the ratio of 70 : 30.

2.17 Foreign currency transactions

i) The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates prevailed on the dates of such transactions.

ii) The assets and liabilities denominated in foreign currencies as at 31 December, 2021 are translated into Taka currencies at the prevailing selling and buying rates of the concerned foreign currencies.

iii) Gains and losses of translation are dealt with through exchange account.

2.18 Basic Earning per share

This has been calculated by dividing the basic earning attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the year as per IAS-33. Diluted earning per share is required to be calculated for the period, when there is scope for dilution during the period under review.

2.19 Related Party transactions

Related party transaction is a transfer of resources, services, or obligation between related parties, regardless of whether price is charged as per IAS 24. (Annexure-C)

2.20 Events after reporting period

All the material events after the reporting period have been considered; appropriate adjustments and disclosures have been made in the financial statements.

2.20.1 Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

2.20.2 Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD Circular No. 14 dated September 23, 2012, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

2.20.6 Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.21 Approval of the financial statements

2.22 General

i) The financial statements have been prepared in accordance with the formats prescribed under the Banking Companies Act, 1991 (as amended 2013) and in compliance with the rules of Islamic Law (Shariah) related to the banking business activities.

ii) The figures appearing in these accounts have been rounded off to the nearest taka.

iii) Wherever necessary previous years' figures have been rearranged to conform to the current years' presentation.

3.A Risk Management

The risk of Al-Arafah Islami Bank Limited is defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 6 (six) Core Risk Areas of banking i.e Credit risk management, foreign exchange risk management, Assets Liability Management, prevention of money laundering and establishment of internal control and compliance and information & communication technology. The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under :

i) Credit Risk Management

Credit risk is one of the major risks faced by the bank. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, bank's credit risk management activities have been designed to address all these issues. The bank has an investment (Credit) risk management committee at head office. The committee reviews the investment risk issues on monthly basis. The bank has segregated the investment approval, investment administration, investment recovery and legal authority. The bank has segregated duties of the officers/executives involved in credit related activities. A separate business development (marketing) department has been established at head office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. In the branches of the bank separate officials are engaged as relationship manager, documentation officer, verification officer, disbursement officer and recovery officer. Their jobs have been allocated and responsibilities have been defined.

Investment (Credit) Risk Grading Manual

The bank has implemented the Investment (Credit) Risk Grading Manual (IRGM) since April 1, 2006 which is made mandatory by Bangladesh Bank vide BRPD Circular No. 18 of December 11, 2005. Investment Officials of the bank have been trained on IRGM. Investment Risk Grading is incorporated in the investment presentation form for all the cases.

ii) Foreign Exchange Risk Management

Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. As per foreign exchange risk management guideline, bank has established a separate treasury department at head office. Under the treasury department, foreign exchange front office, foreign exchange back office and local money market have been physically demarketed. Duties and responsibilities of them have also been defined. All foreign exchange transactions are revalued at mark to market rate as determined by Bangladesh Bank at the month end. All Nostro accounts are reconciled on monthly basis and outstanding entry beyond 30 (thirty) days is reviewed by the management for its settlement. Regulatory reports are submitted on time to Bangladesh Bank.

iii) Assets Liability Management

The Asset Liability Committee (ALCO) monitors balance sheet risk and liquidity risks of the bank. The balance sheet risk is defined as potential change in earnings due to change in rate of profit, foreign exchange rates which are not of trading nature. ALCO reviews liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The primary objective of ALCO is to monitor and avert significant volatility in net profit income, investment value and exchange earnings.

iv) Internal control and compliance

Effective internal controls are the foundation of safe and sound banking. A properly designed and consistently enforced system of operational and financial internal control helps the bank management to safeguard the bank's resources, produce reliable financial and managerial report, and comply with laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

AIBL has taken all-out efforts to mitigate all sorts of risk in line with the guidelines issued by Bangladesh Bank. To this effect, the bank has formed an Internal Control & Compliance (ICC) division headed by Senior Executive Vice President. The ICC division has been segregated to three departments which are audit & inspection department, audit monitoring department and regulatory compliance department. AIBL internal control contains self-monitoring mechanisms and to ensure effective control DCFCL, Investment documentation checklist and quarterly operation report have been developed and implemented. Internal audit and internal control teams carries out regular audit and surprise/special inspection of the branches to mitigate operational risk and restrain the possibility of circumvention or overriding the control procedure. ICC division submits parallel comprehensive internal audit report to the managing director and to the audit committee. Within 02 (two) months after receiving the audit report, audit monitoring department completes the compliance report and submits the report to the audit committee for their review. The committee reviews the system of internal control and the audit process for compliance with rules, regulation and code of conduct, financial reporting process, and also suggests actions to remedy the lapses/irregularities. By this time the ICC division has introduced concurrent audit, surprise inspection, auto information system, Quarterly Audited System, and mandatory leave policy to boost-up the functions of internal control and compliance.

v) Prevention of money laundering

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk the bank has a Central Compliance Unit (CCU) at head office. The unit reviews the anti money laundering activities of the bank on regular basis. The bank has a designated Chief Anti Money Laundering Compliance Officers (CAMLCO) at head office and Branch Anti Money Laundering Compliance Officers (BAMLCO) at branches. The compliance officers review the Suspicious Transaction (STR) and records them properly. Manuals have been established for the prevention of money laundering and transaction profile has been introduced. Training has been continuously given to all category of officers and executives for developing awareness and skill for identifying suspicious activities. The bank submits the STR, CTR and other periodical reports to Bangladesh Bank on time.

vii) Guideline on information & Communication Technology:

Technology is the process by which humans modify nature to meet their needs and wants. The term Information Technology (IT) means computers, auxiliary equipment, software, hardware and similar procedures, services and related resources. Information Technology (IT) developed in a rapidly changing global environment, and challenges us to courageous initiatives to address a host of vital skilled human resources. To overcome the challenges the bank has a IT policy. The IT policy of the bank includes the purchase policy, hardware policy, software development policy, banking application usage policy, security policy, disaster recovery policy etc. The bank is now implementing its on line banking project complying the IT policy.

viii) Internal Audit

As per Internal Control & Compliance (ICC) Risk Management Guideline of Bangladesh Bank, a 'Risk Based Audit Plan' is to prepared for each calendar year for smooth conducting of Audit & Inspection of all the branches and departments & divisions of Head Office of the bank. Besides the Yearly Auditing, Internal Audit Department Conducts Special Audit, Quarterly Foreign Exchange & Investment Audit, Surprise Audit etc.

To prevent incidence of errors and their recurrences, more emphasis are given on spot rectification of irregularities/lapses while auditing/inspecting of the branches.

For Audit purpose, branches have been segregated into 05 risk categories (Extremely High, Very High, High, Medium & low risk). The regular Audit & Inspection Teams also conduct Core Risks System Audit during their regular Audit & Inspections.

viii) Fraud and Forgeries:

During the year 1st January to 31st December, 2021 Audit and Inspection department of ICCD, have detected some incidents/irregularities as fraud-forgeries relating to cash misappropriation and investment disbursement in 02 branches of the Bank, which are not material in terms of Bank's overall financial transactions. In order to not jeopardize the bank's interest, all such irregularities were regularized/mitigated by recovery of the defalcated money through strong monitoring and close supervision by the ICC Division. Furthermore, administrative actions were also taken against the delinquent officers/persons involved. Compliances of these issues were duly reported to the Board Audit Committee and Bangladesh Bank in time as per regulatory guidelines.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

3.B Risk Based Capital (Basel III)

To comply with the international best practices and to make the bank's capital more risk sensitive as well as to build the banking industry more shock absorbent and stable, Bangladesh Bank is aimed to implement Basel-II reporting from 2010 and Basel-III reporting from 2015. As per the directive of Bangladesh Bank, all scheduled banks in Bangladesh are now required to report risk based capital adequacy for banks under Basel-III along with the existing capital adequacy rules and reporting under Basel-I and Basel-II during the parallel run i.e. 2009 and 2010 respectively. All scheduled banks are also required to disclose capital adequacy in both quantitative and qualitative terms. The first disclosure as per guidelines shall be made as on the effective date viz. January 01, 2015.

3.C Compliance status on Bangladesh Accounting Standards (IAS) and Bangladesh Financial Reporting Standards (IFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, the bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates & Joint Ventures	28	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the IFRS	IFRS No.	Status
Financial Instruments: Disclosures	7	Applied
Financial Instruments: Recognition and Measurement	9	Applied
Consolidated Financial Statements	10	Applied
Disclosure of interest in other entities	12	Applied
Fair value Measurement	13	Applied
Revenue from contracts with customers	15	Applied
Leases	16	Applied

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

4 Audit Committee:

An Audit Committee was constituted by the Board of Directors of the bank in its 95th meeting held on 24th March, 2003 as per BRPD Circular No. 12 dated 23th December, 2002 and subsequently reconstituted by the Board of Directors in its 363rd Meeting held on 09 September, 2021 as per BRPD Circular No. 11 Dated 27.10.2013 as under:

SL	Name	Status with Committee	Educational Qualification
1	Mahbubul Alam	Chairman	B.Com
2	Nazmul Ahsan Khaled	Member	B.Sc Engineer
3	Mohammed Emadur Rahman	Member	M.B.A. (Marketing-London)
4	Md. Harun-Ar-Rashid Khan	Member	M.A. (Social Welfare)
5	M. Kamal Uddin Chowdhury	Member	B.Com

During the period 2021 the audit committee of the bank conducted 08 (eight) meetings in which among others, the following issues were discussed:-

- i) Reviewing the inspection report of different branches of AIBL conducted by the bank internal inspection team from time to time and status of compliance thereof.
- ii) Reviewing the comprehensive inspection report of different branches of AIBL conducted by Bangladesh Bank and status of compliance thereof.
- iii) Reviewing the financial statements of the bank for the period 31 December, 2021.

5 COVID-19 on disclosure

The business operation and profitability of the Bank had been impacted severely by COVID-19 along with implication of single digit profit rate declared by Bangladesh Bank during the year 2020, but due to the relatively stable market condition and quicker economic recovery, the operating income of the Bank increased significantly during the year 2021 compared to 2020.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

5. Cash in hand

a) Cash in hand

In local currency

In Foreign currency (Note 5.a.ii)

b) Balance with Bangladesh Bank

In local currency

In Foreign currency

c) Balance with Sonali Bank Ltd.

In local currency

In Foreign currency

5.a.i Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)

5.a.ii In Foreign currency

Currency Name	Amount in FC	Ex. Rate
US Dollar	80	86.62
Great Britain Pound	-	-
EURO	-	-
REYAL	350000	20.92

2021	2020
Taka	Taka
3,209,848,106	2,856,093,511
8,085,000	23,628,319
3,217,933,106	2,879,721,830
19,000,036,966	26,395,995,220
269,017,371	740,941,976
19,269,054,337	27,136,937,196
1,187,493,994	1,523,965,681
-	-
1,187,493,994	1,523,965,681
20,456,548,331	28,660,902,877
Amount in BDT	Amount in BDT
762,256	7,442,519
-	-
-	-
7,322,744	16,185,800
8,085,000	23,628,319

5.d Cash Reserve Requirments (CRR) and Statutory Liquidity Requirments (SLR)

Cash Reserve Requirments(CRR) and Statutory Liquidity Requirments (SLR) have been calculated and maintained in accordance with Section 33 of Bank Companies Act.1991 & as per Bangladesh Bank Curcular No: MPD/03 Dated:09.04.2020

5.e Cash Reserve Requirments (CRR)

Required Reserve(DBO 4.00 % & OBO 2% of Average Demand and Time Liabilities)

Actual reserve held with Bangladesh Bank

Surplus/(Deficit)

Statutory Liquidity Requirments (SLR)

Required Reserve(5.50 % of Average Demand and Time Liabilities)

Actual reseve held

Surplus/(Deficit)

5.A Cash in hand

Al-Arafah Islami Bank Ltd.

AIBL Capital Market Services Ltd.

AIBL Capital Management Ltd.

Millennium information solution Ltd.

6. Balance with other Banks and Financial Institutions

a) In Bangladesh:

Al-Wadia Current Accounts

Dutch Bangla Bank Ltd.

National Bank Ltd.

Agrani Bank

Short Term Deposits

Dhaka Bank Ltd.

Prime Bank Ltd.

15,257,506,000	13,637,960,000
18,947,749,000	26,864,746,000
3,690,243,000	13,226,786,000
21,309,191,000	19,106,483,000
27,910,362,000	23,548,000,000
6,601,171,000	4,441,517,000
3,217,933,106	2,879,721,830
5,602	6,982
14,114,828	18,478,730
-	-
3,232,053,536	2,898,207,542
235,458	1,276,148
2,176,505	3,442,195
20,576,000	18,649,430
22,987,962	23,367,772
52,198,332	271,243,614
5,067,421	4,936,282

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

EXIM Bank Ltd.
ICB Islamic Bank Ltd.
Jamuna Bank Ltd.
The City Bank Ltd.
Southeast Bank Ltd.
AB Bank Ltd.
Bank Alfah Ltd.

2021	2020
Taka	Taka
74,906,530	111,881,874
162,068,844	162,134,189
44,611,746	58,702,131
15,496,381	12,224,062
37,673,703	1,619,083,538
6,849	4,386,784
425,246,611	919,604,341
3,110,665,425	8,264,657,859
3,133,653,387	8,288,025,632

* (AIBL is maintaining constant communication with ICB Islamic Bank and Bangladesh Bank for Recovering their money from ICB Islamic bank)

b. Outside Bangladesh (NOSTRO A/C)

Name of Bank	Currency	Amount in FC	Rate	Amount in BDT	Amount in BDT
CITIBANK N.A., NEW YORK, USA	USD	(17,03,903)	81.80	(14,68,36,571)	14,72,09,072
COMMERZBANK AG, FRANKFURT, USD	USD	2,56,484	81.80	2,20,06,301	10,51,15,091
HABIB AMERICAN BANK, NEW YORK, USA	USD	5,16,791	81.80	4,41,24,251	9,47,71,267
ICICI BANK LIMITED, HONGKONG	USD	3,99,041	81.80	3,26,41,103	4,85,04,690
MASHREQ BANK PSC, NEW YORK	USD	8,95,933	81.80	7,29,00,023	14,84,17,846
STANDARD CHARTERD BANK LTD, NEW YORK	USD	37,80,025	81.80	32,11,13,043	68,69,553
AB BANK LTD., MUMBAI	ACUD	4,47,742	81.80	3,84,16,251	5,24,23,873
AXIS BANK LTD. MUMBAI	ACUD	3,78,644	81.80	3,24,75,419	5,07,01,575
BANK OF BHUTAN, BHUTAN	ACUD	1,38,887	81.80	1,19,16,532	1,44,16,835
HABIB METROPOLITAN BANK LTD, KARACHI	ACUD	4,19,311	81.80	3,59,76,868	1,44,80,822
ICICI BANK LIMITED, MUMBAI	ACUD	12,95,451	81.80	10,97,26,793	5,56,80,851
KUMARI BANK LTD, NEPAL	ACUD	97,725	81.80	83,84,805	1,16,60,055
MASHREQ BANK PSC, MUMBAI	ACUD	3,43,100	81.80	2,94,38,122	3,82,88,046
PUNJAB NATIONAL BANK, KOLKATA	ACUD	1,54,819	81.80	1,32,82,501	1,86,04,759
SONALI BANK LTD. KOLKATA	ACUD	1,42,087	81.80	1,21,91,028	7,54,34,605
STANDARD CHARTERD BANK LTD, KARACHI	ACUD	2,80,454	81.80	2,40,62,953	2,53,89,421
STANDARD CHARTERD BANK LTD, MUMBAI	ACUD	(6,74,996)	81.80	(5,77,83,990)	9,16,40,935
STANDARD CHARTERD BANK, KOLKATA (AMEX)	ACUD	1,55,899	81.80	1,33,76,118	1,32,20,281
COMMERZBANK AG, FRANKFURT, EURO	EUR	20,911	93.56	19,56,456	2,06,46,771
INTESA SANPAOLO SPA, ITALY	EUR	2,88,135	93.56	2,79,48,192	90,56,872
STANDARD CHARTERD BANK LTD, FRANKFURT	EUR	9,87,230	93.56	9,59,44,205	31,55,14,199
PUNJAB NATIONAL BANK, KOLKATA, ACUE	ACUE	7,812	93.56	7,57,764	8,13,926
COMMERZBANK AG, FRANKFURT, GBP	GBP	49,550	113.89	57,10,469	-
STANDARD CHARTERD BANK LTD, LONDON	GBP	(9,298)	113.89	10,58,939	5,18,60,773
AL RAJI BANK, RIYADH, KSA	SAR	5,57,086	22.84	1,27,24,401	1,65,02,478
EMIRATES NBD, RIYADH, KSA	SAR	5,47,242	22.84	1,24,99,550	55,87,121
RIYAD BANK, K.S.A.	SAR	2,11,620	22.84	48,33,612	-
STANDARD CHARTERD BANK LTD, JAPAN	JPY	3,04,871	0.75	2,27,769	13,10,835
ABU DHABI COMMERCIAL BANK, UAE	AED	36,479	23.36	8,52,152	4,50,350
SHANGHAI PUDONG DEVELOPMENT BANK	CNY	2,93,433	13.46	39,49,930	12,87,106
HABIB BANK AG, ZURICH	CHF	64,344	22.84	59,97,565	5,98,842
Total				79,18,72,554	1,43,64,58,850
Placement to OBU-USD				8,11,56,10,131	6,83,73,54,045
Grand total				8,90,74,82,685	8,27,38,12,895
				12,04,11,36,072	16,56,18,38,527

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

6.A. Consolidated Balance with other Banks and financial institutions

a) In Bangladesh:

Al-Arafah Islami Bank Ltd. [Note-6.a]

AIBL Capital Market Services Ltd.

AIBL Capital Management Ltd.

Less: Inter-Company Adjustment

b. Outside Bangladesh

6.A.i Maturity - wise Groupings (Inside & Outside Bangladesh)

Payable on Demand

Up to 1 (one) month

Over 1 (one) Month but not more than 3 (three) Months

Over 3 (three) Months but not more than 1 (one) year

Over 1 year but not more than 5 years

Over 5 years

7. Placement with Banks & Other Financial institutions

The City Bank

Exim bank Ltd.

Premier bank Ltd.

Southeast Bank Limited

Islamic Finance and Investment Ltd

Union bank Ltd

Mercantile Bank Ltd

Social Islami Bank Ltd.

Dhaka Bank

NRB Commercial Bank Ltd

Standard Bank Limited

Midland bank Ltd.

Agrani Bank

F.c. placement local (usd)

7.A Al-Arafah Islami Bank Ltd.

AIBL Capital Market Services Ltd.

8. Investment in Shares & Securities

Bangladesh Govt. Islami Bond Fund (8.a)

Bangladesh government investment sukuk (BGIS) (8.a)

Investment In Islamic Refinance Fund (8.a)

Investment in Share (8.b)

	2021	2020
	Taka	Taka
	3,133,653,387	8,288,025,632
	254,078,915	186,642,621
	-	100,000,000
	3,387,732,302	8,574,668,253
	(254,078,915)	(286,642,621)
	3,133,653,387	8,288,025,632
	8,907,482,685	8,273,812,895
	12,041,136,072	16,561,838,527
	3,528,100,000	16,561,838,527
	145,900,000	-
	1,100,000,000	-
	-	-
	7,267,136,072	-
	12,041,136,072	16,561,838,527
	-	450,000,000
	6,300,000,000	6,700,000,000
	2,000,000,000	2,000,000,000
	300,000,000	-
	1,200,000,000	1,000,000,000
	1,000,000,000	1,000,000,000
	300,000,000	-
	2,840,000,000	1,000,000,000
	1,000,000,000	-
	250,000,000	-
	2,500,000,000	-
	600,000,000	-
	3,550,000,000	-
	21,840,000,000	12,150,000,000
	2,145,000,000	2,120,010,000
	23,985,000,000	14,270,010,000
	23,985,000,000	14,270,010,000
	-	-
	23,985,000,000	14,270,010,000
	13,500,000,000	17,500,000,000
	9,504,940,000	1,583,830,000
	500,000,000	500,000,000
	5,472,068,391	1,143,979,346
	28,977,008,391	20,727,809,346

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

		2021	2020
		Taka	Taka
8.a	Investments in Share & Securities		
	Government Securities	23,504,940,000	19,583,830,000
	Bangladesh Govt. Islami Bond Fund	13,500,000,000	17,500,000,000
	Bangladesh government investment sukuk (BGIS) (8.a)	9,504,940,000	1,583,830,000
	Investment In Islamic Refinance Fund	500,000,000	500,000,000
8.b	In shares (quoted and unquoted)		
	Quoted		
	Private (8.b.i)	931,991,763	503,902,718
	Unquoted		
	Private (8.b.ii)	4,540,076,628	640,076,628
		5,472,068,391	1,143,979,346
8.b.i	Book value of share as on 31 December 2021 as follows		
	Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
	Dafodilco	337,651,147	186,423,800
	padmaoil	17,742,023	22,496,986
	Primetex	25,658,888	20,878,645
	Doreenpw	-	5,416,784
	Jamunaoil	8,855,453	-
	primelife	197,308,404	8,071,989
	Bbscables	5,063,220	-
	Sinobangla	31,756,505	31,756,505
	Premierce	27,720,667	13,105,238
	ITC	-	26,505,188
	YPL	-	4,567,429
	renata	-	5,767,991
	acmelab	-	6,165,247
	ibnsina	9,042,717	2,746,916
	Lindbd	1,192,739	-
	BEXGSUKUK	100,000,000	-
	AIBI 1st Islamic Mutual Fund	170,000,000	170,000,000
		931,991,763	503,902,718
8.b.ii	Unquoted shares in		
	Swift Share	7,453,233	7,453,233
	Central Depository Bangladesh Limited	3,138,890	3,138,890
	Inv in SIBL bank mudaraba sub-or	-	100,000,000
	Inv in union bank mudaraba sub-or	500,000,000	500,000,000
	Investment in sibl perpetual bond	1,000,000,000	-
	Investment in ibbl second mudara	2,000,000,000	-
	Investment in sbl perpetual bond	1,000,000,000	-
	Investment in Millennium Information Solution Limited	29,484,505	29,484,505
		4,540,076,628	640,076,628
		5,472,068,391	1,143,979,346

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

		2021	2020
		Taka	Taka
8.A	Investment in Shares & Securities		
	Al-Arafah Islami Bank Ltd.	28,977,008,391	20,727,809,346
	AIBL Capital Market Services Ltd. 8.A.ii	662,120,683	662,120,683
	AIBL Capital Management Ltd. 8.A.ii	517,010,792	173,743,496
	Millennium information solution Ltd. 8.A.ii	-	-
		30,156,139,866	21,563,673,525
8.A.i	Investment in Shares & Securities		
	Al-Arafah Islami Bank Ltd.	5,472,068,391	1,143,979,346
	AIBL Capital Market Services Ltd.	662,120,683	662,120,683
	AIBL Capital Management Ltd.	517,010,792	173,743,496
		6,651,199,866	1,979,843,525
8.A	Maturity grouping of investments		
	Payable on Demand		
	Not more than 3 months	-	-
	Over 3 (three) months but not more than 1 (one) year	972,100,000	165,100,000
	Over 1 year but not more than 5 years	-	835,864,179
	More than 5 years	29,184,039,866	20,562,709,346
		30,156,139,866	21,563,673,525
9.	Investments		
	a) General Investment		
	i. in Bangladesh		
	Murabaha Investment	86,322,076,719	84,060,687,619
	Bai-Muazzal Investment	129,337,794,964	109,678,699,174
	Hire Purchase Investment	107,165,266,820	96,221,472,646
	Quard	2,200,822,788	2,203,972,836
	Other Investment	5,857,967,923	5,694,465,907
		330,883,929,214	297,859,298,182
	ii. Out side Bangladesh	-	-
		330,883,929,214	297,859,298,182
	Less: Unearned profit on Investment	8,340,204,245	6,551,698,720
		322,543,724,969	291,307,599,462
	b) Bill Purchased & Discounted		
	Payable in Bangladesh	11,622,369,941	10,685,972,770
	Payable out side Bangladesh	1,925,512,189	1,216,837,744
		13,547,882,130	11,902,810,514
		336,091,607,099	303,210,409,976
	c) Maturity grouping of Investment		
	Including bills purchased and discounted		
	Payable on Demand		
	Up to 1 (one) month	60,054,761,420	42,483,870,000
	Over 1 (one) month but not more than 3 (three) months	93,530,661,420	8,521,000,000
	Over 3 (three) months but not more than 1 (one) year	104,749,861,420	96,457,600,000
	Over 1 year but not more than 5 years	51,532,261,420	38,378,000,000
	Over 5 years	26,224,061,419	117,369,939,976
		336,091,607,099	303,210,409,976

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

d) An analysis to disclose following Significant concentration :

- i. Investment to Directors and others
- ii. Investment to Managing Director and Chief Executive
- iii. Investment to customer (No. of clients with amount of outstanding and classified loan to whom loans and Investment sanctioned more than 10% of total capital of the Bank)

iv. Investments to customers for more than 10% of Bank's Total Capital

Number of clients

Amount of outstanding Investment

Amount of Classified Investment

	2021	2020
	Taka	Taka
	44,115,238	44,115,238
	-	-
	149,637,600,000	132,086,200,000
	43	38
	149,637,600,000	132,086,200,000
	-	-

	Name of Clients	Funded	Non-Funded	Figure in crore	Figure in crore
01	Meghna Group	0.52	522.20	522.72	109.03
02	City Group	159.59	430.82	590.41	621.10
03	Thermax Group	423.24	68.81	492.05	500.98
04	Majumder Traders	309.39	72.97	382.36	233.40
05	T K Group	110.27	57.07	167.34	149.61
06	Abul Khair Steel Industries Ltd.	99.38	392.10	491.48	451.23
07	AIBL Capital Market Services Ltd.	428.01	100.00	528.01	405.37
08	Noapara Traders	-	273.00	273.00	331.54
09	Techno Electricals Ltd	61.91	124.96	186.87	203.47
10	Badsha Group	229.77	260.89	490.66	457.99
11	Aman Tex Limited	259.59	153.51	413.10	556.73
12	Masihata Sweaters Ltd.	367.37	193.56	560.93	450.62
13	Tafrid Cotton Mills Ltd.	460.90	77.82	538.72	486.89
14	The Rani Concast, Rani Re-Rolling & RRM Electron	240.66	86.03	326.69	310.28
15	Sheikh Brother & its Sister Concern	263.89	650.55	914.44	252.18
16	Runner Motors Ltd. & Promita	207.78	10.03	217.81	390.25
17	Bangladesh Steel Re-rolling Mills	-	311.85	311.85	211.34
18	NICE Denim Mills Ltd.	458.62	197.14	655.76	622.87
19	Younus Paper Mills Ltd & its sister concern	228.80	33.66	262.46	252.44
20	Momtex	375.48	45.03	420.51	376.53
21	Kader Compact Spinning Mills	320.59	-	320.59	308.95
22	Kabir Steel Re-rolling Mills	367.68	203.82	571.50	416.91
23	IBN Sina	257.85	87.61	345.46	329.50
24	Ayman Textile & Hosiery Ltd.	413.27	0.77	414.04	403.71
25	Aman Group	-	-	-	-
26	Nitol Motors Ltd.	355.29	1.28	356.57	297.69
27	Robiul Islam, M/S. Rahman Traders & M/S. Zobari Traders	342.10	-	342.10	271.85
28	Creative paper Mills	226.54	128.19	354.73	321.95

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

				2021	2020
				Taka	Taka
29	Biswas Poultry & Fish Feeds Ltd.	278.09	141.89	419.98	716.39
30	PRAN-RFL Group	62.33	224.17	286.50	290.28
31	Delta Group	383.51	0.72	384.23	356.89
32	Bandar Steel Industries Ltd	-	-	-	328.12
33	Mahmud Fabrics And Finishing Ltd.	654.93	124.84	779.77	495.14
34	S Suhi industrial Park Ltd	647.53	198.83	846.36	609.33
35	Smile Food Products Ltd	-	149.96	149.96	420.04
36	H.R. Re-Rolling Mills	55.67	137.55	193.22	36.90
37	Healthcare pharmaceuticals Ltd.	97.13	27.34	124.47	81.46
	Max Infrastructure Ltd.	191.16	135.95	327.11	-
	Nassa Taipei Denim & Textile Ltd	433.95	53.61	487.56	-
	Bashundhara Group	396.08	510.93	907.01	-
	Formula One	-	386.27	386.27	-
	MIR Akter	207.54	79.11	286.65	-
	Buildstone Construction Co. Ltd	-	251.53	251.53	-
		10,376.41	6,906.37	17,282.78	13,058.96
	v) Industry/Sector wise Investments				
	Agriculture			5,663,500,000	5,295,100,000
	Industry			178,629,900,000	135,956,500,000
	Construction			24,653,900,000	33,552,500,000
	Power,Gas,Water & Sanatary Services			2,807,700,000	509,000,000
	Transport & communication			11,341,300,000	25,252,500,000
	Trade Service			115,621,408,696	106,382,508,696
	Storage			1,753,800,000	2,575,100,000
	Professional & Miscellaneous Service			3,960,302,648	238,900,000
				344,431,811,344	309,762,108,696
	Less: Unearned profit on Investment			8,340,204,245	6,551,698,720
				336,091,607,099	303,210,409,976
	vi) Geographical Location -wise Investment				
	Urban:			325,933,829,009	279,733,284,696
	Dhaka Region			260,538,764,572	229,158,499,696
	Chittagong Region			38,886,917,343	30,868,768,000
	Sylhet Region			1,062,490,925	701,366,000
	Rajshahi Region			6,711,620,886	6,756,778,000
	Mymensing			3,906,143,427	1,709,600,000
	Khulna Region			7,853,894,878	1,604,789,000
	Rangpur Region			3,594,003,561	6,790,241,000
	Barisal Region			3,379,993,417	2,143,243,000
	Rural:			18,497,982,335	30,028,824,000
	Dhaka Region			1,155,605,025	12,655,339,000
	Chittagong Region			6,955,001,100	6,962,517,000
	Sylhet Region			662,255,000	612,328,000
	Mymensing			2,755,021,200	2,675,891,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

Rajshahi Region
Khulna Region
Rangpur Region
Barisal Region

Less: Unearned profit on Investment

e) Classification of Investment including bills purchased and discounted

Unclassified

Standard including (Staff investment)
Special Mention Accounts (SMA)

Classified

Sub Standard
Doubtful
Bad / Loss

Less: Unearned profit on Investment

f) Required Provision on Investment & Off -balance sheet exposures

Unclassified

General provision on unclassified Investment
General provision on small enterprise Investment
General provision on Housing financing Investment
General provision on consumer financing Investment
General provision on Micro Investment
General provision on special mention Investment
General provision on BHS/MHS/SDS

Classified

Specific provision on substandard Investment
Specific provision on doubtful Investment
Specific provision on bad/loss Investment

Unclassified

General provision on Off-balance sheet

g) Provision made on Investment & Off-balance sheet exposures

Unclassified

General provision on unclassified Investment
General provision on small enterprise Investment
General provision on Housing financing Investment
General provision on consumer financing Investment
General provision on Micro Investment
General provision on special mention Investment
General provision on BHS/MHS/SDS

	2021	2020
	Taka	Taka
	319,450,000	309,873,000
	3,560,050,000	3,698,801,000
	2,245,000,000	2,177,094,000
	845,600,010	936,981,000
	344,431,811,344	309,762,108,696
	8,340,204,245	6,551,698,720
	336,091,607,099	303,210,409,976
	327,864,971,344	297,992,531,696
	322,876,507,344	292,884,970,696
	4,988,464,000	5,107,561,000
	16,566,840,000	11,769,577,000
	4,694,050,000	1,699,551,000
	424,893,000	1,051,252,000
	11,447,897,000	9,018,774,000
	344,431,811,344	309,762,108,696
	8,340,204,245	6,551,698,720
	336,091,607,099	303,210,409,976
	2,597,152,001	2,391,238,001
	243,546,000	220,660,000
	31,668,000	27,071,000
	17,215,000	6,378,000
	35,533,000	26,456,000
	24,395,000	25,475,000
	134,591,000	89,822,000
	3,084,100,001	2,787,100,001
	560,609,000	294,903,000
	36,471,000	85,100,000
	7,969,703,099	6,264,354,000
	8,566,783,099	6,644,357,000
	1,093,400,000	935,500,001
	12,744,283,100	10,366,957,001
	2,597,152,001	2,391,238,001
	243,546,000	220,660,000
	31,668,000	27,071,000
	17,215,000	6,378,000
	35,533,000	26,456,000
	24,395,000	25,475,000
	134,591,000	89,822,000
	3,084,100,001	2,787,100,001

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

Classified

Specific provision on substandard Investment

Specific provision on doubtful Investment

Specific provision on bad/loss Investment

Unclassified

General provision on Off-balance sheet

Provision Excess/(Shortfall)

h) Particulars of Investments

i) Investment considered good in respect of which of the bank company is fully secured;

ii) Investment considered good against which the banking company holds no security other than the debtors personal guarantee.

iii) Investment considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors;

iv) Investment adversely classified; provision not maintained thereagainst;

v) Investment due by directors or officers of the Banking company or any of these either separately or Jointly with any other persons;

vi) Investment due from companies or firms in which the directors of the banking company have interests as directors, partners or managing or in the case of private companies as members;

vii) Maximum total amount of Investments including temporary Investments made at any time during the year to directors or managers or officers of the banking companies or any of them either agents severally or jointly with any other persons;

viii) Maximum total amount of Investment including temporary Investment granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;

ix) Due from banking companies;

x) Amount of Classified Investment on which profit has not been charge, are mentioned as follows;

a) An amount of Bad Investment on which profit has not been charged

i) Decrease/Increase in provision (Specific)

ii) Amount of Investment written off;

iii) Amount realised against Investment previously written off;

b) Amount of provision kept against Investment classified as "bad/loss" on the date of preparing the balance sheet ;

c) Profit creditable to the profit suspense/Compensation A/c;

	2021	2020
	Taka	Taka
	560,609,000	294,903,000
	36,471,000	85,100,000
	7,969,703,099	6,264,354,000
	8,566,783,099	6,644,357,000
	1,093,400,000	935,500,001
	12,744,283,100	10,366,957,001
	-	-
	248,117,618,428	213,929,647,146
	96,314,192,910	95,832,461,579
	-	-
	-	-
	65,053,016	39,033,331
	-	-
	-	-
	11,447,897,000	9,018,774,000
	1,922,426,099	622,334,000
	7,463,593,749	7,328,753,936
	57,842,746	56,952,186
	-	-
	7,969,703,099	6,264,354,000
	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

- xi) i) Cumulative amount of the written of Investment;
- ii) Amount written off during the current year;
- iii) The amount of written off Investment for which lawsuit has been filed;

9.A. Investments

Al-Arafah Islami Bank Ltd.
AIBL Capital Market Services Ltd.
AIBL Capital Management Ltd.

Less : Inter company Adjustment

9.A.i Maturity grouping of Investment

Including bills purchased and discounted

Payable on Demand

Up to 1 (one) month

Over 1 (one) month but not more than 3 (three) months

Over 3 (three) months but not more than 1 (one) year

Over 1 year but not more than 5 years

Over 5 years

10. Fixed Assets

Tangible Assets

Land

Building

Furniture (Wood)

Furniture (Steel)

Computer

Computer (Accessories)

Motor Car

Machine equipment & appliance

Online Hardware

Interior Decoration

Right of use Assets as per IFRS-16*

Books & Library

Intangible Assets

Online Software

Total

Less Accumulated Depreciation & Amortization

Schedule of Fixed Assets are given in Annexure - A.

10.A. Fixed Assets

Al-Arafah Islami Bank Ltd.
AIBL Capital Market Services Ltd.
AIBL Capital Management Ltd.

	2021	2020
	Taka	Taka
	8,833,746,975.81	8,627,064,415
	190,860,995	121,316,489
	798,433,000	7,328,753,936
	336,091,607,099	303,210,409,976
	784,382,481	8,805,970,320
	14,726,383	3,384,154
	336,890,715,963	312,019,764,450
	-	(3,399,100,000)
	336,890,715,963	308,620,664,450
	-	-
	60,054,761,420	42,483,870,000
	93,530,661,420	8,521,000,000
	105,548,970,284	96,457,600,000
	51,532,261,420	38,378,000,000
	26,224,061,419	122,780,194,450
	336,890,715,963	308,620,664,450
	1,519,150,690	1,519,150,690
	1,221,316,331	1,221,316,331
	1,110,481,309	992,423,925
	198,052,878	173,781,745
	339,509,129	317,880,563
	139,586,740	124,487,860
	218,854,314	206,274,578
	1,336,114,375	1,236,705,711
	945,058,999	931,105,123
	179,000,650	177,608,111
	1,636,000,000	1,623,800,000
	9,279,367	9,234,557
	8,852,404,782	8,533,769,194
	514,696,836	440,632,105
	9,367,101,618	8,974,401,299
	3,904,031,910	3,147,525,550
	5,463,069,708	5,826,875,749
	5,463,069,708	5,826,875,749
	6,690,525	6,879,749
	512,402	124,754
	5,470,272,635	5,833,880,252

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

11. Other Assets

	2021	2020
	Taka	Taka
Master card Settlement Account	167,495,746	126,991,506
Suspense Account	47,190,764	60,233,028
Adjustment a/c debit balance	-	-
Stock of Stationery	105,202,072	82,703,538
Stamp in hand	9,469,036	7,780,094
Advance Deposit	5,108,992	-
Advance Rent	391,982,212	365,452,182
Stock of atm card	1,050,000	1,050,000
P.r (bb) against stimulus fund	97,374,511	-
Investment for Subsidiary Companies	2,910,000,000	2,910,000,000
Advance Income Tax & TDS [Note 11.3]	16,679,938,718	14,617,955,826
Protested Bills	18,539,796	16,146,242
Prepaid Expenditure	2,255,786	1,799,998
Balance with cmsl for portfolio account	1,433,093,999	1,395,696,176
Parking for overdue claims (ibw)	135,951,643	-
Accrued Income	994,244,364	1,143,667,847
Scb mc settlement a/c (local)	8,420,248	-
Stock of ATM Card	1,211	-
Master card	100,000,050	-
Clearing adjustment	76,829,300	140,701,767
Dividend Receivable	5,979,475	-
Due from off-shore Banking unit	21,450,372,206	13,101,216,877
	44,640,500,129	33,971,395,081
Less: Balance with OBU for elimination investment with OBU	21,450,372,206	13,101,216,877
	23,190,127,923	20,870,178,204

*** Investment in Millennium Information Solution Ltd.

Investment in subsidiary	29,484,505	29,484,505
Less: Sale of Investment	-	-
	29,484,505	29,484,505

Millennium Information Solution Limited was a subsidiary of Al-Arafah Islami Bank Limited. This year Al-Arafah Islami Bank sold out it's 41% holdings shares to different parties. As a result the Millennium Information Solution Limited is not a subsidiary of Al-Arafah Islami Bank Limited this year. Hence, consolidated financial statements did not consider the financial statement of Millennium Information Solution Limited. Al-Arafah Islami Bank also reduce it's investment of the said subsidiary accordingly. So this investment in subsidiary has been reclassified as investment is share.

11.1 Classification of other Assets under the following catagories

i) Investment in shares of subsidiary companies;	2,910,000,000	2,910,000,000
In Bangladesh	-	-
ii) Stationery, Stamps, Printing materials etc.	114,672,319	90,483,632
iii) Advance rent and advertisement;	391,982,212	365,452,182
iv) Profit accrued on Investment but not collected, commision & brokerage receivable on shares and debenture and other income receivable	994,244,364	1,143,667,847

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
v) Security deposit	5,108,992	-
vi) Preliminary, formation and organization expenses, renovation	2,255,786	1,799,998
vii) Master card Settlement Account	167,495,746	126,991,506
viii) Suspenses account	47,190,764	60,233,028
ix) DD Paid without advice	-	-
x) Protested Bills	18,539,796	16,146,242
xi) Dividend Receivable	-	-
xii) Stock of atm card	1,050,000	1,050,000
xiii) Others	18,537,587,944	16,154,353,769
	23,190,127,923	20,870,178,204
xiii) Others		
Clearing adjustment	76,829,300	140,701,767
Remittance adjustment a/c	5,979,475	-
Advance Income Tax & TDS	16,679,938,718	14,617,955,826
Scb mc settlement a/c (local)	8,420,248	-
Balance with cmsl for portfolio account	1,433,093,999	1,395,696,176
Parking for overdue claims (ibw)	135,951,643	-
Master card	100,000,050	-
	18,537,587,944	16,154,353,769
11.2 Advance Income Tax & TDS		
i) Beginning of the year	14,617,955,826	12,179,684,260
Advance tax paid during the year	1,908,417,810	2,256,760,016
Tax deducted at Source during the year	153,565,082	181,511,550
Settlement for previous year	-	-
Advance income tax at the end of the year	16,679,938,718	14,617,955,826
11.A. Consolidated Other Assets		
Al-Arafah Islami Bank Ltd.	23,190,127,923	20,870,178,204
AIBL Capital Market Services Ltd.	10,104,219,007	1,716,724,790
AIBL Capital Management Ltd.	19,961,514	261,697,223
	33,314,308,443	22,848,600,217
Less: Inter-Company Adjustment	(2,910,000,000)	(3,010,000,000)
	30,404,308,443	19,838,600,217
12. Non-Banking Assets	50,875,037	50,875,037
13. Placement from Banks & Other financial Institutions	-	-

The Bank has taken finance from Islami Investment Bond (Islami Bond) at banks' own mudaraba savings rate (i.e. as on 31ST December 2021 MTDR provisional rate) for 180 days tenure which introduced by the Government for islami banks and financial institutes in september 2004 through Bangladesh Bank. The borrowing has been secured by MTDR, Accepted bills and Demand Promissory Note.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

			2021	2020
			Taka	Taka
	Name of the Bank	Mature Date	Amount	Amount
a.	In Bangladesh			
	Borrowing from Bangladesh Bank	22-Feb-2022	1,00,00,00,000	1,00,00,00,000
	Borrowing from Bangladesh Bank	21-Feb-2022	2,00,00,00,000	2,00,00,00,000
	Borrowing from Bangladesh Bank	14-Mar-2022	2,00,00,00,000	2,00,00,00,000
	Borrowing from Bangladesh Bank	23-Mar-2022	2,00,00,00,000	2,00,00,00,000
	Borrowing from Bangladesh Bank	29-Mar-2022	2,00,00,00,000	-
	Borrowing from Bangladesh Bank		9,00,00,00,000	7,00,00,00,000
	b. F.C. BORROWING FROM BANGLADESH BANK		18,343,210,872	15,504,318,785
	Mudaraba f.c. deposit a/c (edf from bb)		-	11,200,658,264
	Borrowing from b. Bank, stimulus Fund (qsf)		1,262,813,140	1,711,372,719
	Borrowing from b. Bank, stimulus Fund (agri)		562,245,000	170,403,000
	Borrowing from b. Bank refinance		775,829,783	799,661,178
	Fc borrowing from b. Bank (ltff & edf)		15,742,322,948	1,622,223,623
	c. Out side Bangladesh		-	-
			27,343,210,872	22,504,318,785
13.A	Placement from Banks & Other financial Institutions			
	Al-Arafah Islami Bank Ltd.		27,343,210,872	22,504,318,785
	AIBL Capital Market Services Ltd.		5,163,550,237	1,496,159,046
			32,506,761,109	24,000,477,831
14.	Deposit and Other Accounts			
	Mudaraba Savings Deposits		62,011,042,726	54,879,126,373
	Mudaraba Term Deposits		175,739,194,371	164,296,138,402
	Other Mudaraba Deposits [Note :14.i]		68,093,138,221	66,743,970,036
	Al-Wadia Current Accounts and Others Accounts etc.[Note: 14.ii]		43,639,188,504	37,331,437,580
	Bills Payable		4,059,481,203	3,059,381,492
			353,542,045,025	326,310,053,883
14.i.	Other Mudaraba Deposits			
	Mudaraba Short Term Deposit		27,878,761,286	26,533,627,259
	Installment Term Deposit (ltd)		23,089,167,411	21,472,769,922
	Savings Inv. Deposit (Sid)		7,402,166	4,139,247
	P/P Term Deposit (Ptd)		7,434,782,237	8,061,971,632
	Monthly Hajj Deposit (Mhd)		238,875,966	232,468,349
	Term Hajj Deposit (Thd)		3,548,315	3,086,982
	Marriage Savings & Inv. Scheme		670,217	610,238
	Special Pension Dep. Scheme		3,773,268	-
	Mudaraba Term Cash Waqf Deposi		72,970,341	70,862,881
	Lakhapati Deposit Scheme (Lds)		111,760,029	181,909,800
	Millionaire Dep. Scheme (Mmds)		3,111,638,016	3,374,519,941

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
Kotipoti Deposit Scheme (Mkds)	2,240,940,296	2,159,841,416
Double Benefit Dep. Scheme (Dbds)	742,170,944	1,312,742,366
Pension Dep. Scheme (Pds)	2,976,971,867	3,095,763,445
Triple Benefit Dep. Scheme (Tbds)	179,705,862	239,656,558
	68,093,138,221	66,743,970,036
14.ii Al-wadeeah Current Accounts and Other Accounts		
Al-wadeeah Current Deposits	26,253,187,927	18,914,518,753
Sundry Deposit	12,909,524,574	11,804,905,539
Profit Payable For All Deposit Ac	2,934,255,132	3,407,206,402
F.C Held against EDF	167,243,984	185,135,669
F.C Deposit Account :	1,374,976,887	3,019,671,217
	43,639,188,504	37,331,437,580
14.A. Consolidated Deposit and other Accounts		
Mudaraba Savings Deposits	62,011,042,726	54,879,126,373
Mudaraba Term Deposits [Note :14.A.ii]	175,485,115,456	164,009,495,781
Other Mudaraba Deposits	68,093,138,221	66,743,970,036
Al-Wadia Current Accounts and Others Accounts etc.	43,639,188,504	37,331,437,580
Bills Payable	4,059,481,203	3,059,381,492
	353,287,966,110	326,023,411,262
14.A.i Maturity-wise Classification of Deposits		
i. Repayable on Demand	8,063,000,000	13,303,500,000
With a residual maturity of		
ii. Repayable within 1 (one) month	46,150,966,000	39,757,253,883
iii. Over 1 (one) month but within 6 (six) months	135,934,172,086	133,550,120,000
iv. Over 6 (six) months within 1 (one) year	92,355,348,999	91,659,580,000
v. Over 1 (one) year within 5 (five) years	45,257,900,000	34,489,600,000
vi. Over 5 (five) years within 10 (ten) years	25,525,128,672	13,262,418,753
vii. Unclaimed Deposits 10 (ten) years and above	1,450,354	938,626
	353,287,966,110	326,023,411,262
14.A.ii Mudaraba Term Deposits	175,739,194,371	164,296,138,402
Less: Inter-Company Adjustment	(254,078,915)	(286,642,621)
	175,485,115,456	164,009,495,781
15. Other Liabilities		
Provision for unclassified investment [15.2.a.ii]	3,084,100,000	2,787,100,000
1.5% & 2 % general provision - covid-19	541,424,000	404,650,000
Provision for classified investment [15.2.a.i]	8,566,783,099	6,644,357,001
Provision for off balance sheet item [15.a.iii]	1,093,400,000	935,500,000
Provision for diminution in value of investment	40,659,950	32,199,990
Provision for Outstanding expense	5,001,470	5,101,558
Provision for taxation [15.1]	17,280,168,856	14,573,608,012

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
provision for Others	18,747,964	18,747,964
Provident fund	16	98,209
Adjustment a/c credit balance	3,587,475	-
Clearing adjustment	256,522,409	299,931,381
Cib collection charge	24,141,583	23,036,634
Social security b. Fund	74	10,903
F.c. held against bb l/c	94,973	94,973
Supervision fees (sme)	594,841	556,066
b.b borrowing Settlements	19,506,849	157,695,559
Electronic govt procurement	1,242,771	4,054,623
Profit rent suspense	368,939,189	605,761,304
Compensation receivable	1,242,589,933	1,212,529,229
Mastercard Settlement Account	44,270,101	74,513,157
1 % strat-Up fund	45,741,472	25,507,894
Lease Liabilities as per IFRS-16 Leases *	1,216,000,000	1,421,900,000
	33,868,952,635	29,226,954,457
15.1 Provision for income Tax		
Current tax		
Provision held at the beginning of the year	14,573,608,013	12,320,503,147
Provision made during the year	2,706,560,843	2,253,104,866
Settlement for previous year	-	-
Provision held at the end of the year	17,280,168,856	14,573,608,013
15.1.a Provision for Current Tax made during the year		
Income Tax on Business income	2,487,522,473	2,040,894,923
Capital gain	2,693,406	825,991
Cash Dividend	6,713,359	1,752,348
Excess Profit Tax (+)	-	-
Estimated Provision Required as at December 31,2021 (i)	2,496,929,239	2,043,473,263
Balance as at January 1,2020	14,573,608,013	12,320,503,147
Tax for previous year (-)	14,573,608,013	12,320,503,147
Actual provision for tax held (II)	17,280,168,856	14,573,608,013
Estimated provision needs to be made (I-II)	2,706,560,843	2,253,104,866
Provision actually made during the year	2,496,929,239	2,043,473,262
A. Computation of Taxable Profit		
Profit before tax	4,690,309,671	4,773,193,430
Add:Inadmissible expenditure	3,213,489,721	2,016,627,451
Less: Item of income for sparate Consideration	60,500,859	17,021,649
Less: Further allowable Expenditure	650,887,660	771,395,159
Estimated Business income other than 82(C)	7,192,410,872	6,001,404,073
Add: Capital Gain	2,693,406	825,991
Add:Cash dividend	6,713,359	1,752,348
Total Taxable Income	7,201,817,638	6,003,982,412

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

15.2 Provision on Investment & Others

Provision against Classified Investments (Specific) [15.2.a.i]
 Provision against Unclassified Investments (general) [15.2.a.ii]
 Provision against Off-balance Sheet exposures [15.2.a.iii]
 Provision for diminution in value of investments [15.3]

Total Provision Held (a)

a) The movement in Specific provision on classified Investment :

i) Provision held at the beginning of the year
 Fully provision debt written off
 Recoveries of amount previously written off
 Specific provision for the year
 Provision transfered from diminution in value of investment
 Provision held at the end of the year
 Provision held at the beginning of the year
 Provision during the year
 Provision transfered from classified investment
 Provision held at the end of the year

iii) The movement in provision against Off-balance sheet exposures

Provision held at the beginning of the year
 Provision during the year

Provision held at the end of the year

Total general provision on Investment

b) Provision for Others

Provision held at the beginning of the year
 Provision during the year

Less, Adjustment during the year

Provision held at the end of the year

15.3 Provision for diminution in value of investment in Share

Provision held at the beginning of the year
 Provision transfered to classified Investment

Provision held at the end of the year

15.4 General provision -COVID-19 :

Transferred to 1.5 % General provision -COVID-19
 Transferred to 2 % General provision -COVID-19

Transferred From 1.5 % General provision -COVID-19

Transferred From 2 % General provision -COVID-19

Provision during the year 2 % General provision -COVID-19

Provision held at the end of the year

	2021	2020
	Taka	Taka
	8,566,783,099	6,644,357,001
	3,084,100,001	2,787,100,000
	1,093,400,000	935,500,000
	40,659,950	32,199,990
Total Provision Held (a)	12,784,943,050	10,399,156,991
	6,644,357,001	6,022,023,000
	(190,860,995)	(121,316,489)
	57,842,746	56,952,186
	2,055,444,347	686,698,303
	-	-
	8,566,783,099	6,644,357,001
	2,787,100,001	2,157,277,000
	297,000,000	629,823,001
	-	-
	3,084,100,001	2,787,100,001
	3,084,100,001	2,787,100,001
	935,500,001	778,500,000
	157,900,000	157,000,001
	1,093,400,000	935,500,001
Total general provision on Investment	12,744,283,100	10,366,957,001
	18,747,964	18,747,964
	-	-
	18,747,964	18,747,964
	-	-
	18,747,964	18,747,964
	32,199,990	22,474,895
	8,459,960	9,725,095
	40,659,950	32,199,990
	404,650,000	404,650,000
	(215,400,000)	-
	(189,250,000)	-
	-	-
	215,400,000	-
	189,250,000	-
	136,774,000	-
	326,024,000	-
Provision held at the end of the year	541,424,000	404,650,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

		2021	2020
		Taka	Taka
15.5	General Reserve (1 % Start-Up Fund)	25,507,894	25,507,894
	Provision during the year	20,233,578	-
	Provision held at the end of the year	45,741,472	25,507,894
15.A.	Consolidated Other Liabilities		
	Al-Arafah Islami Bank Ltd.	33,868,952,635	29,226,954,457
	AIBL Capital Market Services Ltd.	2,384,221,150	2,317,497,394
	AIBL Capital Management Ltd.	45,211,508	41,262,614
	Millennium information solution Ltd.	-	-
		36,298,385,294	31,585,714,465
	Less: Inter-Company Adjustment	-	(100,000,000)
		36,298,385,294	31,485,714,465
15.I.A	Consolidated Current tax		
	Al-Arafah Islami Bank Ltd.	2,706,560,843	2,253,104,866
	AIBL Capital Market Services Ltd.	42,223,340	3,927,898
	AIBL Capital Management Ltd.	2,559,233	1,408,644
		2,751,343,416	2,258,441,408
15.3.A	Provision for diminution in value of investment		
	Al-Arafah Islami Bank Ltd.	40,659,950	32,199,990
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	-
		40,659,950	32,199,990
16.	Deferred tax Liabilities/ (Assets)		
	Opening balance	133,204,157	157,832,964
	Add: Addition for the year	(39,609,013)	(30,700,807)
	Deferred tax Liabilities on revaluation Reserve	-	6,072,000
	Provision held at the end of the year	93,595,145	133,204,157
	Presented after appropriate offsetting as follows:	133,204,157	157,832,964
	Deferred tax Liabilities(+)	(39,609,013)	(30,700,807)
	Deferred tax Liabilities on revaluation Reserve	-	6,072,000
	Deferred tax Liabilities	93,595,143	133,204,157
	Deferred Tax Liabilities(net)		
16.A	Deferred tax Liabilities/ (Assets)		
	Al-Arafah Islami Bank Ltd.	93,595,145	133,204,157
	AIBL Capital Market Services Ltd.	-	-
	Provision held at the end of the year	93,595,145	133,204,157
17.	AIBL Mudaraba Bond		
	AIBL Mudaraba Bond	9,600,000,000	11,200,000,000
	Perpetual bond	5,000,000,000	-
		14,600,000,000	11,200,000,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

18. a) Authorised Capital

The Authorized Capital of the Bank is 1,500,000,000 Ordinary Share of Tk. 10 each.

b) Issued, Subscribed and Fully Paid - up Capital

Issued for Cash

Issued for other than Cash (Bonus Share)

	2021	2020
	Taka	Taka
	15,000,000,000	15,000,000,000
	2,819,339,680	2,819,339,680
	7,829,682,170	7,829,682,170
	10,649,021,850	10,649,021,850

c) Issued and paid up Capital of the Bank is 106,49,02,185 nos. of shares of Tk. 10 each as follows

Description	2021	2020	2021	2020
	No. of Shares	No. of Shares	Total Taka	Total Taka
Sponsors / Promoters	445,921,227	445,921,227	4,459,212,270	4,459,212,270
Institution	318,138,088	233,005,304	3,181,380,880	2,330,053,040
General Public	300,842,870	385,975,654	3,008,428,700	3,859,756,540
Total	1,064,902,185	1,064,902,185	10,649,021,850	10,649,021,850

d) Break-up of Shares Classification of shareholders by holding as on 31-12-2021

Range of Holding	Number of Shareholders	No. of Shares	% of Shares
Less than 50,000	18,620	52,384,493	4.92
50,001 to 100,000	169	11,890,568	1.12
100,001 to 200,000	125	17,588,588	1.65
200,001 to 300,000	34	8,577,625	0.81
300,001 to 400,000	34	11,471,171	1.08
400,001 to 500,000	24	10,676,827	1.00
500,001 to 1,000,000	33	22,181,357	2.08
1,000,001 to 10,000,000	78	210,392,974	19.76
10,000,001 to Above	29	719,738,582	67.59
Total	19,146	1,06,49,02,185	100.00

e) Minimum Capital Requirement Capital Adequacy Ratio

1. Tier-I (Core Capital)

Paid-up Capital	10,649,021,850	10,649,021,850
Statutory Reserve	10,649,021,850	10,334,627,824
Retained Earnings	1,643,126,429	1,616,113,623
Less : Regulatory Adjustment (Goodwill and al other Intangible Assets)	(514,696,836)	(440,632,105)
	22,426,473,293	22,159,131,192

2. Additional Tier-I Capital

Total Tier-1 Capital	27,426,473,293	22,159,131,192
----------------------	----------------	----------------

3. Tier- II (Supplementary Capital)

General Provision	4,759,583,951	4,127,250,001
AIBL Mudaraba Bond	9,600,000,000	11,200,000,000
As per basel iii excess amount over maximum limit of T-2	(427,367,314)	
	13,932,216,636	15,327,250,001
Maximum Limit of Tier-2 Capital (considerin para 3.2 (v) including foot note no. Of Guidelines)	13,932,232,685	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

3.Tier- III

A. Total Eligible Capital (1+2)

B. Total Risk weighted Assets (a+b+c)

a. Credit Risk

i. Balance sheet Exposure

ii. Off-balance sheet Exposure

b. Market Risk (From WS-3)

c. Operational Risk (From WS-4)

C. Capital Adequacy Ratio (CAR) (A / B)

D. Core Capital to RWA

E. Supplementary Capital to RWA

F. Minimum Capital Requirement (MCR) 10.00% of RWA

G. Capital surplus on risk weighted assets based (A-F)

H. Required Capital with Conservation Buffer @ 12.50% on RWA

I. Excess Over Capital with Conservation Buffer (A-H)

18.A. Non-Controlling Interest

Opening balance

Add: Non-Controlling Interest in Profit for the year

19. Statutory Reserve

Opening balance beginning of the year

Add. Reserve @ 20% (on pre-tax profit)

Balance at the end of the year.

20. Revaluation Reserve

Asset revaluation Reserve

Less. Deferred tax liability on revaluation Reserve

Add. Asset revaluation Reserve 2020

Total Asset revaluation Reserve

FC Revaluation Reserve

21. Retained Earnings

Opening balance beginning of the year

Less : Cash Dividend

Add: Net Profit / (loss) after tax during the year

Less : Transfer to Statutory Reserve

Less : transfer to 1 % strat-Up fund

Less : Profit paid on aibl mudaraba perpetual bond

	2021	2020
	Taka	Taka
A. Total Eligible Capital (1+2)	41,358,689,930	37,486,381,193
B. Total Risk weighted Assets (a+b+c)	270,110,220,245	248,708,705,958
	244,926,742,164	224,672,718,460
i. Balance sheet Exposure	236,977,560,164	212,203,213,710
ii. Off-balance sheet Exposure	7,949,182,000	12,469,504,750
b. Market Risk (From WS-3)	4,370,700,000	4,278,305,436
c. Operational Risk (From WS-4)	20,812,778,081	19,757,682,062
	15.31%	15.07%
C. Capital Adequacy Ratio (CAR) (A / B)		
D. Core Capital to RWA	10.15%	8.91%
E. Supplementary Capital to RWA	5.16%	6.16%
F. Minimum Capital Requirement (MCR) 10.00% of RWA	27,011,022,025	24,870,870,596
G. Capital surplus on risk weighted assets based (A-F)	14,347,667,905	12,615,510,597
H. Required Capital with Conservation Buffer @ 12.50% on RWA	33,763,777,531	31,088,588,245
I. Excess Over Capital with Conservation Buffer (A-H)	7,594,912,399	6,397,792,948
18.A. Non-Controlling Interest		
Opening balance	1,655,730,853	1,649,160,686
Add: Non-Controlling Interest in Profit for the year	38,863,136	6,570,167
	1,694,593,989	1,655,730,853
19. Statutory Reserve		
Opening balance beginning of the year	10,334,627,824	9,379,989,138
Add. Reserve @ 20% (on pre-tax profit)	314,394,026	954,638,686
Balance at the end of the year.	10,649,021,850	10,334,627,824
20. Revaluation Reserve		
Asset revaluation Reserve	1,084,174,318	938,446,318
Less. Deferred tax liability on revaluation Reserve	-	(6,072,000)
Add. Asset revaluation Reserve 2020	0	151,800,000
Total Asset revaluation Reserve	1,084,174,318	1,084,174,318
FC Revaluation Reserve	157,543	152,649
	1,084,331,861	1,084,326,967
21. Retained Earnings		
Opening balance beginning of the year	1,616,113,623	1,429,843,673
Less : Cash Dividend	(1,597,353,277)	(1,384,372,840)
Add: Net Profit / (loss) after tax during the year	2,023,357,841	2,550,789,370
	2,042,118,187	2,596,260,203
Less : Transfer to Statutory Reserve	314,394,026	954,638,686
Less : transfer to 1 % strat-Up fund	20,233,578	25,507,894
Less : Profit paid on aibl mudaraba perpetual bond	64,364,153	-
	1,643,126,429	1,616,113,624

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
21.A. Consolidated Retained Earnings		
Al-Arafah Islami Bank Ltd.	1,732,137,218	1,531,420,060
Add: Net profit after tax during the year	2,087,580,493	2,565,236,578
Less: Cash dividend to equity holders of the bank	(1,597,353,277)	(1,384,372,840)
Less: Transfer to statutory reserve	(314,394,026)	(954,638,686)
Less : transfer to 1 % strat-Up fund	(20,233,578)	(25,507,894)
Less : Profit paid on aibl mudaraba perpetual bond	(64,364,153)	-
	1,823,372,676	1,732,137,218
22. Letter of Guarantee		
a) Claim against the bank which is not acknowledged as debt		
b) Money for which is the bank is contingently liable in respect of guarantees given favoring		
i. Directors	-	-
ii. Government	-	-
iii. Bank and other financial institution	-	-
iv. Others	13,673,407,658	10,511,211,685
	13,673,407,658	10,511,211,685
23. Investment Income		
i. Income from General Investments		
Murabaha	659,946,127	956,400,707
Bai-Muazzal	7,829,192,174	8,609,387,246
Hire-Purchase	7,331,125,505	7,140,486,725
Others mode income	6,509,268,620	8,190,599,917
	22,329,532,426	24,896,874,595
ii. Profit received from other Islamic Bank	931,510,802	1,272,367,696
Total (i + ii)	23,261,043,228	26,169,242,291
23.A. Cosolidated Investment Income		
Al-Arafah Islami Bank Ltd.	23,261,043,228	26,169,242,291
AIBL Capital Market Services Ltd.	148,918,120	201,661,411
AIBL Capital Management Ltd.	618,117	6,945,439
Millennium information solution Ltd.	-	-
	23,410,579,465	26,377,849,141
Less : Inter company Adjustment	35,433,169	(46,572,136)
	23,446,012,634	26,331,277,005
24. Profit paid on Deposits & Borrowing		
Mudaraba Savings Deposit	1,011,254,295	941,831,308
Mudaraba Short Term Deposit	440,700,008	625,070,485
Mudaraba Term Deposit	7,566,899,289	10,151,872,162
Mudaraba Special Deposit	2,938,461,887	2,824,683,287
AIBL Mudaraba subordinate debt.	738,784,104	539,888,191
Mudaraba BD. Govt. Islamic Bond fund	51,674,307	1,238,807,621
Profit Expenses of Lease Liabilities (as Per IFRS 16 Leases)	86,000,000	63,400,000
	12,833,773,890	16,385,553,054

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

		2021	2020
		Taka	Taka
24.A.	Profit paid on Deposits & Borrowing		
	Al-Arafah Islami Bank Ltd.	12,833,773,890	16,385,553,054
	AIBL Capital Market Services Ltd.	203,583,939	217,663,387
	AIBL Capital Management Ltd.	-	-
	Millennium Information	-	-
		13,037,357,829	16,603,216,441
	Less : Inter company Adjustment	35,433,169	(46,572,136)
		13,072,790,998	16,556,644,305
25.	Income from Investment in Share /Securities		
	Dividend income (cash)	33,566,797	8,761,739
	Gain on sale of Shares/Securities	26,934,062	8,259,910
	Profit received from other Islamic Bond	278,590,586	662,317,180
		339,091,445	679,338,829
25.A.	Income from Investment in Share /Securities		
	Al-Arafah Islami Bank Ltd.	339,091,445	679,338,829
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	20,463,327	2,598,799
		359,554,772	681,937,628
	Less : Inter company Adjustment	-	-
		359,554,772	681,937,628
26.	Commission, Exchange & Brokerage Income		
	Commission	1,730,909,474	1,259,857,835
	Exchange	1,272,910,003	1,240,755,448
	Brokerage commision	-	-
		3,003,819,477	2,500,613,283
26.A	Commission, Exchange & Brokerage Income		
	Al-Arafah Islami Bank Ltd.	3,003,819,477	2,500,613,283
	AIBL Capital Market Services Ltd.	294,535,529	124,563,647
	AIBL Capital Management Ltd.	754,362	2,373,092
		3,299,109,368	2,627,550,022
	Less : Inter company Adjustment	-	-
		3,299,109,368	2,627,550,022
27.	Other Operating Income		
	Procesing fee on investment	18,060,588	-
	Supevision fee	84,025	74,850
	Service charge	7,747	8,169
	Capital gain or loss from fixed asset	3,479,798	305,162
	Passbook sales(gsis)	133,429	40,865
	Application form sales(seis)	218,573,859	138,100,106
	Telephone/ fax charge	52,250	150
	legal expenses recovered	21,436,649	16,379,916

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
Printing & stationary	476,520	73,900
P & t charge recovered	45,496,826	36,738,266
Account maintenance fee	1,260	3,151,338
Card income	124,264,624	95,905,368
Misc.earning	98,332,549	21,182,405
	535,368,779	311,960,495
27.A. Other Operating Income		
Al-Arafah Islami Bank Ltd.	535,368,779	311,960,495
AIBL Capital Market Services Ltd.	56,132,730	34,015,544
AIBL Capital Management Ltd.	-	-
Millennium information solution Ltd.	-	-
	591,501,509	345,976,039
Less : Inter company Adjustment	-	-
	591,501,509	345,976,039
28. Salaries, Allowances & Contribution to P.F		
Basic Pay	1,663,242,302	1,694,088,275
House Rent Expenses	800,951,906	731,982,953
House Maintenance	317,926,866	292,000,108
Medical Expenses	281,866,696	258,298,752
Bonus	541,349,863	426,220,502
Bank's contribution to P.F	161,546,104	148,161,310
Utility	78,706	214,448
Conveyance Expenses	100,064,622	95,497,579
LFA Allowance (Salary)	246,766,683	275,976,247
Lunch and entertainment allowance	105,944,972	96,284,980
Leave encashment expenses	2,003,898	106,294,540
Car Expenses	205,111,892	195,407,818
Gratuity Expenses	251,422,199	155,953,581
	4,678,276,709	4,476,381,093
28.A. Salaries, Allowances & Contribution to P.F		
Al-Arafah Islami Bank Ltd.	4,678,276,709	4,476,381,093
AIBL Capital Market Services Ltd.	68,679,573	65,349,066
AIBL Capital Management Ltd.	9,957,630	4,675,746
Millennium information solution Ltd.	-	-
	4,756,913,912	4,546,405,905
29. Director & Sharia Council Fees & Expenses		
i. Directors fees for attending Board/executive Committee/other committee meeting	3,921,800	2,723,499
ii. TA/DA/ Hotel fare & Foreign Directors	3,040,307	3,418,718
iii. Others	-	-
	6,962,107	6,142,217

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

		2021	2020
		Taka	Taka
29.A.	Director & Sharia Council Fees & Expenses		
	Al-Arafah Islami Bank Ltd.	6,962,107	6,142,217
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	-
	Millennium information solution Ltd.	-	-
		6,962,107	6,142,217
30.	Sharia Supervisory Committee's Fees & Expenses		
	i. Sharia fees for attending meeting	246,770	298,376
	ii. TA/DA/ Hotel fare & Foreign Directors	-	-
	iii. Others	-	-
		246,770	298,376
31.	Rent,Taxes,Insurance & Electricity Bill		
	Rent Office		-
	Transfer to depreciation and profit expenses under IFRS-16*	144,248,868	155,320,787
	Electricity Bill	110,020,581	102,938,980
	Insurance	264,521,259	221,300,806
		518,790,708	479,560,573
31.A.	Rent,Taxes,Insurance & Electricity Bill		
	Al-Arafah Islami Bank Ltd.	518,790,708	479,560,573
	AIBL Capital Market Services Ltd.	20,674,182	19,742,876
	AIBL Capital Management Ltd.	-	-
	Millennium information solution Ltd.	-	-
		539,464,890	499,303,449
32.	Postage,Telegram,Telephone & Stamp		
	Stamp and Catridge paper	-	-
	Postage	15,413,217	13,455,317
	Fax Charges	-	75
	Telephone (Office)	3,101,615	3,444,999
	Telephone (Residence)	-	-
	Telephone (Mobile)	1,363,239	6,295,445
	SWIFT Charge	5,775,809	3,979,418
	Internet Charges	452,182	297,670
	Online Charge	40,948,201	40,520,560
		67,054,263	67,993,484
32.A.	Postage,Telegram,Telephone & Stamp		
	Al-Arafah Islami Bank Ltd.	67,054,263	67,993,484
	AIBL Capital Market Services Ltd.	89,706	317,218
	AIBL Capital Management Ltd.	87,431	37,730
		67,231,400	68,348,432

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

33. Depreciation Repairs to the Bank's property

Repairs to the Bank's property

R.R. Furniture & Fixture (Wooden)

R.R. Furniture & Fixture (Steel)

R.R. Computer

Maint. of Motor Car and other Vehicle

R.R. Machine equipment & appliances

Maintenance of Land & Building

Maintenance of Rented Premises

R.R. Computer Accessories

R.R. Others

Software Maintenance Fee

Hardware Maintenance Fee

Depreciation to the Bank's property

Depr. Furniture (Wood)

Depr. Furniture (Steel)

Depr. Computer

Depr. Motor Car

Depr. Machine equip & Appliance

Depr. Books & Library

Depr. Land & Building

Depr. Online Hardware

Depr. Online Software

Depr. Computer Accessories

Right of use (ROU) Assets*

Depr. Interior Decoration

33.A Depreciation Repairs to the Bank's property

Al-Arafah Islami Bank Ltd.

AIBL Capital Market Services Ltd.

AIBL Capital Management Ltd.

Millennium information solution Ltd.

34. Stationary, Printing & Advertisement

Printing & Stationery

Paper & Table Stationery

Advertisement & Publicity Expenses

	2021	2020
	Taka	Taka
	1,758,545	1,668,371
	1,829,961	1,415,162
	1,517,523	1,306,037
	809,384	842,577
	32,845,059	35,954,599
	183,868	64,220
	-	-
	737,533	795,944
	1,964,421	983,812
	78,229,272	47,053,580
	1,069,904	1,834,440
	120,945,470	91,918,742
	96,730,246	89,493,472
	12,449,534	11,297,083
	26,861,104	26,211,176
	20,038,911	23,533,557
	143,752,896	147,499,163
	84,699	62,791
	30,665,928	30,665,652
	132,773,014	123,308,414
	69,107,402	58,082,225
	15,208,404	15,702,666
	206,412,506	201,900,000
	11,726,769	12,549,063
	765,811,413	740,305,262
	886,756,883	832,224,004
	886,756,883	832,224,004
	4,414,224	3,951,074
	229,129	125,479
	-	-
	891,400,236	836,300,557
	36,810,220	41,198,965
	38,035,768	38,193,139
	72,667,148	106,156,174
	147,513,136	185,548,278

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
34.A. Stationary, Printing & Advertisement		
Al-Arafah Islami Bank Ltd.	147,513,137	185,548,278
AIBL Capital Market Services Ltd.	1,401,253	737,312
AIBL Capital Management Ltd.	160,734	37,921
	149,075,124	186,323,511
35. Other expenses		
Local conveyance expenses	11,702,975	10,501,672
Petroleum oil lubricant motors	15,051,989	12,065,249
Cng motor car	2,789,043	2,122,200
Entertainment expenses	26,656,869	21,576,260
Travelling expenses	17,875,884	16,156,750
Bank charge	14,910,956	12,945,186
Wages (salary-casual staff)	57,639,381	54,948,195
Security guard service	143,101,713	133,168,957
Subscription	16,613,973	14,266,550
Leveries & uniforms	9,608,893	312,200
Petroleum oil & lubricants	249,500	8,413,110
Donations	568,432	404,035
Wasa charge	7,459,488	6,259,411
Gas charge	1,684,448	1,389,486
Excise duty	48,857,727	82,000
News paper journal & periodical	1,429,439	2,728,127
Evening banking expenses	862,392	824,425
Upkeep branches premises	2,787,527	3,861,063
Washing charge	2,519,125	2,942,511
Direct expenses on investment	-	-
Computer Accessories	761,233	9,928,681
Photo Copy Machine Accessories	13,097,023	1,476,921
Business development	21,931,850	22,028,761
Closing expenses	1,790,880	-
Holding tax of own premises	7,776,512	926,280
Capital loss from sale of fixed ass	282,466	1,185,200
Office expenses (Various Purchase)	-	140,618
Registration expenses	15,066,095	27,041,979
Remittance expense through agent	144,282	20,369,472
Agm/egm	633,302	632,792
Crocarige	680,765	394,774
Creditrating charge	967,500	806,250
Tax token expenditure	633,857	980,503
Misc. Expenses	2,118,347	2,356,619
Training expenses	3,572,674	5,008,905
Card expense	129,933,462	101,621,778
It allowance	6,008,645	5,299,377
Saturday working allowance (Overtime)	4,504,134	4,974,789
Charge expenses	3,499,133	4,203,500
Risk expenses	2,254,500	2,089,100
Account opening commision throu	11,548,500	6,904,900
Data info service charge	2,924,436	1,690,240
Electronics & fittings item	3,009,126	3,087,555
Honorarium	3,128,510	1,247,600
	618,636,986	529,363,979

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
35.A. Consolidated Other expenses		
Al-Arafah Islami Bank Ltd.	618,636,986	529,363,979
AIBL Capital Market Services Ltd.	59,993,316	31,832,421
AIBL Capital Management Ltd.	3,835,481	956,455
Millennium information solution Ltd.	-	-
	682,465,783	562,152,855
36. Provision against Investments & Off-Balance sheet exposures		
On Classified Investment as per Bangladesh Bank Circular	2,055,444,347	686,698,303
On Un-classified Investment as per Bangladesh Bank Circular	297,000,000	1,034,473,001
1% General provision -COVID-19	136,774,000	-
On Off-balance sheet as per Bangladesh Bank Circular	157,900,000	157,000,001
	2,647,118,347	1,878,171,305
36.A. Provision against Investments & Off-Balance sheet exposures		
Al-Arafah Islami Bank Ltd.	2,647,118,347	1,878,171,305
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	2,647,118,347	1,878,171,305
37. Paid for other operating activities		
Directors fees & expenses	6,962,107	6,142,217
Shariah Supervisory Committee's fees & expenses	246,770	298,376
Rent, taxes, insurance and lighting etc.	518,790,708	479,560,573
Postage, telegram, telephone and stamp etc.	67,054,263	67,993,484
Legal charges	13,422,248	15,988,510
Auditors' fee	1,583,250	1,667,500
Repairs to the bank's properties	120,945,470	91,918,742
Other expenses	618,636,986	529,363,979
	(1,347,641,803)	(1,192,933,381)
37.A. Paid for other operating Activities		
Al-Arafah Islami Bank Ltd.	(1,347,641,802)	(1,192,933,381)
Inter company Adjustment	(84,743,334)	(53,961,113)
	(1,432,385,136)	(1,246,894,494)
38. Increase/Decrease of other assets (item-wise)		
Master card Settlement Account	40,504,240	(20,027,608)
Suspense Account	(13,042,264)	(11,934,296)
Adjustment a/c debit balance	-	(17,092,695,939)
Stock of Stationery	22,498,534	30,100,671
Stamp in hand	1,688,942	(195,313)
Advance Deposit	5,108,992	(4,411,842)
Advance Rent	26,530,030	(70,989,465)
Stock of atm card	-	(128,867,841)
P.r (bb) against stimulus fund	97,374,511	2,910,000,000

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
Investment for Subsidiary Companies	-	11,707,955,826
Advance Income Tax & TDS [Note 11.3]	-	2,438,271,566
Protested Bills	2,393,554	10,439,542
Prepaid Expenditure	455,788	(233,928)
Balance with cmsl for portfolio account	37,397,823	-
Parking for overdue claims (ibw)	135,951,643	20,509,132
Accrued Income	-	36,468,548
Scb mc settlement a/c (local)	8,420,248	-
Stock of ATM Card	1,211	-
Master card	100,000,050	-
Clearing adjustment	(63,872,467)	(70,873,608)
Dividend Receivable	5,979,475	-
Revaluation adjustment a/c	-	-
	(407,390,310)	246,484,555
38.A Increase/Decrease of other assets (item-wise)		
Al-Arafah Islami Bank Ltd.	(407,390,310)	246,484,556
Inter company Adjustment	(8,366,501,847)	(285,288,953)
	(8,773,892,156)	(38,804,398)
39. Increase/Decrease of Trading liabilities (item-wise)		
Clearing adjustment	(43,408,972)	20,655,010
Interest income	-	-
Cib collection charge	1,104,949	6,612,931
Social security b. Fund	(10,829)	10,903
Parking account	-	-
F.c. held against bb l/c	-	-
Credit card payment (local)	15,435,609	-
Supervision fees (sme)	38,775	24,050
b.b borrowing Settlements	(138,188,710)	(94,239,274)
Electronic govt procurement	(2,811,852)	(1,832,465)
Settlement npsb (issuing)	-	-
Profit rent suspense	-	417,556,616
Compensation receivable	56,519,683	199,364,900
Mastercard Settlement Account	(30,243,056)	60,639,754
	(138,075,121)	608,890,594
39.A Increase/Decrease of Trading liabilities (item-wise)		
Al-Arafah Islami Bank Ltd.	(138,075,121)	608,890,594
Inter company Adjustment	(422,901,632)	464,744,603
	(560,976,753)	1,073,635,198
40. Cash and Cash Equivalent at the end of the year		
Cash in hand	3,217,933,106	2,879,721,830
Balance with Bangladesh Bank & Sonali Bank Ltd.	20,456,548,331	28,660,902,877
Balance with Other Banks	12,041,136,072	16,561,838,527
Bangladesh Government Islamic Investment Bond	23,504,940,000	19,583,830,000
	59,220,557,508	67,686,293,234
40.A Cash and Cash Equivalent at the end of the year		
Al-Arafah Islami Bank Ltd.	59,220,557,508	67,686,293,234
AIBL Capital Market Services Ltd.	5,602	6,982
AIBL Capital Management Ltd.	14,114,828	18,478,730
Millennium information solution Ltd.	-	-
	59,234,677,938	67,704,778,946

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2021

	2021	2020
	Taka	Taka
41. Calculation of Earning Per Share (EPS)		
The earning per share of the bank has been calculated in accordance with BAS-33 under basic Earning per share method as follows:		
Earnings Per Share (EPS)		
Basic earning (net profit after tax) for the year	2,023,357,841	2,550,789,370
Number of ordiner shares outstanding as of the reporting date	1,064,902,185	1,064,902,185
Earning per Share	1.90	2.40
41.A Consolidated Earnings Per Share (CEPS)		
Net profit after tax	2,087,580,493	2,565,236,578
Number of ordiner shares outstanding as of the reporting date	1,064,902,185	1,064,902,185
Consolidated earnings per share as per share	1.96	2.41
42. Net Asset Value		
Net Assets Value (Consolidated)	24,205,748,237	23,800,113,859
Net Assets Value (Bank's)	24,025,501,990	23,684,090,264
No. of Outstanding Share	1,064,902,185	1,064,902,185
Net Asset Value (NAV) per Share (Consolidated) (Previous year's figure restated)	22.73	22.35
Net Asset Value (NAV) per Share (Bank's) (Previous year's figure restated)	22.56	22.24
43. Net Opertating Cash Flows per share (NOCFPS);		
Net cash flows from operating activities (Consolidated)	(9,812,019,409)	10,052,189,825
Net cash flows from operating activities (Banks)	(9,866,381,969)	10,043,228,903
No. of outstanding share	1,064,902,185	1,064,902,185
Net Operating Cash Flow per share (NOCFPS) (Consolidated) (previous year's figure restated)	(9.21)	9.44
Net Operating Cash Flow per share (NOCFPS) (Bank's) (Previous year's figure restated)	(9.27)	9.43
44 Reconciliation of Operating Cash flow:		
Profit before provision & tax (A)	7,345,887,978	6,661,089,829
Adjustment of Non-Cash Items (B):		
Depreciation	765,811,413	740,305,262
Net loss/(gain) on sale of fixed assets	(3,479,798)	(305,162)
Foreign Exchange gain/ loss	(24,185,838)	(25,963,976)
Total Non-Cash Items (B)	738,145,777	714,036,124
Adjustment of accrued income /expenses (C) :		
(increase)/decrease of profit income receivable on investment	2,885,264,371	1,425,454,075
Increase/(decrease) of profit payable on deposits	(2,781,026,435)	(2,272,020,303)
Increase/(decrease) of accrued expenses payable	(100,088)	551,021
Total adjustment of accrued income/expenses (C)	104,137,848	(846,015,207)
Income tax payment (D)	(2,061,982,892)	(2,438,271,566)
Cash flows before changes in operating assets and liabilities (A+B+C+D)	6,126,188,711	4,090,839,180
45. Events after the balance sheet date		
The Board of Directors in its 371th meeting held on 26 April, 2022 has approved the audited financial statements for the year ended 31 December 2021. The Board has also recommended 15% cash dividend for the year ended 31 December 2021 subject to approval of the shareholders at the 27th Annual General Meeting (AGM).		

CONSOLIDATED SCHEDULE OF FIXED ASSETS

As at a December 31, 2021

Annexure - A.I

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-21	
		Balance at 1st January 2021	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31 st December 2021	Charge for the year	Transfer/ Disposal during the year	Balance at 31st December 2021		
A. Fixed Assests											
1	Land	389,802,442	-	-	-	389,802,442	-	-	-	-	389,802,442
2	Building	1,221,316,331	-	-	-	1,221,316,331	155,990,462	30,665,928	-	186,656,390	1,034,659,941
3	Furniture & Fixture (Wood)	995,684,943	-	118,145,924	-	1,113,830,867	376,207,751	97,056,348	-	473,264,099	640,566,768
4	Furniture & Fixture (Steel)	174,255,887	-	25,059,739	541,459	198,774,167	85,324,466	12,494,674	227,712	97,591,428	101,182,739
5	Computer	324,777,060	-	23,273,181	-	348,050,241	253,654,020	27,143,198	-	280,797,218	67,253,023
6	Computer Accessories	123,789,160	-	15,490,985	-	139,280,145	87,948,510	15,208,404	-	103,156,914	36,123,231
7	Motor Car	224,337,517	-	21,626,594	9,046,858	236,917,253	177,330,685	20,038,911	9,046,858	188,322,738	48,594,515
8	Machine Equipment & Appliance	1,248,466,534	-	99,771,627	-	1,348,238,161	890,144,377	144,185,603	-	1,034,329,980	313,908,181
9	Books & Library	9,234,557	-	44,810	-	9,279,367	8,959,695	84,699	-	9,044,394	234,973
10	Online Hardware	934,052,007	-	13,974,699	20,823	948,005,883	533,692,566	132,773,014	20,823	666,444,757	281,561,126
11	Interior Decoration	194,298,047	-	1,703,831	-	196,001,878	155,299,245	13,381,455	-	168,680,700	27,321,178
12	Right of use Aseets (ROU)	1,623,800,000	-	12,200,000	1,636,000,000	201,900,000	206,426,814	206,426,814	-	408,326,814	1,227,673,186
	Sub-Total	7,463,814,485	-	331,291,390	9,609,140	7,795,496,735	2,926,451,776	699,459,048	9,295,393	3,616,615,431	4,168,881,304
B. Intangible Assets											
13	Online Software	443,047,973	-	74,286,531	-	517,334,504	275,878,677	69,422,403	9,660	345,291,420	172,043,084
	Sub-Total	443,047,973	-	74,286,531	-	517,334,504	275,878,677	69,422,403	9,660	345,291,420	172,043,084
C. Revaluation of Property, Plant & Equipment											
14	Land	1,129,348,248	-	-	-	1,129,348,248	-	-	-	-	1,129,348,248
	Sub-Total	1,129,348,248	-	-	-	1,129,348,248	-	-	-	-	1,129,348,248
	December 31. 2021	9,036,210,706	-	405,577,921	9,609,140	9,432,179,487	3,202,330,453	768,881,451	9,305,053	3,961,906,851	5,470,272,635
	December 31. 2020	6,819,095,281	151,800,000	2,075,144,710	9,829,285	9,036,210,706	2,467,168,292	743,519,935	8,357,774	3,202,330,453	5,833,880,252

SCHEDULE OF FIXED ASSETS

As at a December 31, 2021

Annexure - A

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-2021	
		Balance at 1st January 2021	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31st December 2021	Charge for the year	Transfer/ Disposal during the year	Balance at 31st December 2021		
A. Fixed Assests											
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	-	389,802,443
2	Building	1,221,316,331	-	-	-	1,221,316,331	155,990,462	30,665,928	186,656,390	1,034,659,941	
3	Furniture & Fixture (Wood)	992,423,925	-	118,057,384	-	1,110,481,309	373,558,238	96,730,246	470,288,484	640,192,825	
4	Furniture & Fixture (Steel)	173,781,745	-	24,812,592	541,459	199,052,878	85,317,127	12,449,534	97,538,949	100,513,929	
5	Computer	317,880,563	-	21,628,566	-	339,509,129	247,723,446	26,861,104	274,584,550	64,924,579	
6	Computer Accessories	124,487,860	-	15,098,880	-	139,586,740	87,837,806	15,208,404	103,046,210	36,540,530	
7	Motor Car	206,274,578	-	21,626,594	9,046,858	218,854,314	159,259,089	20,038,911	170,251,142	48,603,172	
8	Machine Equipment & Appliance	1,236,705,711	-	99,408,664	-	1,336,114,375	878,636,782	143,752,896	1,022,389,678	313,724,697	
9	Books & Library	9,234,557	-	44,810	-	9,279,367	8,946,171	84,699	9,030,870	248,497	
10	Online Hardware	931,105,123	-	13,974,699	20,823	945,058,999	530,500,904	132,773,014	663,253,095	281,805,904	
11	Interior Decoration	177,608,111	-	1,392,539	-	179,000,650	144,316,272	11,712,461	156,028,733	22,971,917	
12	Right of use Aseets (ROU)	1,623,800,000	-	12,200,000	1,636,000,000	201,900,002	206,426,814	696,704,011	3,561,394,917	4,161,661,618	
	Sub-Total	7,404,420,947	-	328,244,728	9,609,140	7,723,066,535	2,873,986,299	696,704,011	3,561,394,917	4,161,661,618	
B. Intangible Assets											
13	Online Software	440,632,105	-	74,064,731	-	514,696,836	273,539,252	69,107,402	342,636,994	172,059,842	
	Sub-Total	440,632,105	-	74,064,731	-	514,696,836	273,539,252	69,107,402	342,636,994	172,059,842	
C. Revaluation of Property, Plant & Equipment											
14	Land	1,129,348,248	-	-	-	1,129,348,248	-	-	-	1,129,348,248	
	Sub-Total	1,129,348,248	-	-	-	1,129,348,248	-	-	-	1,129,348,248	
	December 31 . 2021	8,974,401,300	-	402,309,459	9,609,140	9,367,101,619	3,147,525,551	765,811,413	3,904,031,911	5,463,069,708	
	December 31 . 2020	6,758,510,216	151,800,000	2,073,920,367	9,829,285	8,974,401,300	2,415,578,062	740,305,262	3,147,525,550	5,826,875,750	

INVESTMENT IN SHARES & SECURITIES

Stock at hand as on 31-12-2021

SL No.	Name of Company	No. of Share	Amount (at cost)	Market rate	Market Amount
1	PRIMELIFE	2413032	197,308,404	57.50	138,749,340
2	AIBL1STIMF	17000000	170,000,000	8.50	144,500,000
3	PREMIERCEM	337734	27,720,667	65.10	21,986,483
4	SINOBANGLA	376000	31,756,505	50.00	18,800,000
5	DAFODILCOM	4988678	337,651,147	70.90	353,697,270
6	PRIMETEX	846623	25,658,888	22.00	18,625,706
7	PADMAOIL	78864	17,742,023	212.50	16,758,600
8	BBSCABLES	66162	5,063,220	55.90	3,698,456
9	LINDEBD	751	1,192,739	1579.80	1,186,430
10	JAMUNAOIL	47473	8,855,453	171.10	8,122,630
11	IBNSINA	31274	9,042,717	271.30	8,484,636
12	BEXGSUKUK	1000000	100,000,000	0.00	-
Total		27,186,591	931,991,763		734,609,552

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

- (a) Fully secured Loans, advances and leases considered good in respect of Bank is in amount of 248,117,618,428/- in year ending 2021. These information is presented in note 9.h.i.
- (b) Loans, advances and leases considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the borrowers in amount 96,314,192,910/- in year ending 2021. These information is presented in note 9.h.ii.
- (c) Loans, advances and leases considered good against which the bank holds no security other than the debtor's personal guarantee 96,314,192,910/- in year ending 2021.
- (d) Provision maintained all kind of classified investments as either sub-standard or bad as per Bangladesh Bank Circular is presented in note 9.f of Audited financial statement.

Classified	16,566,840,000	11,769,577,000
Sub Standard	4,694,050,000	1,699,551,000
Doubtful	424,893,000	1,051,252,000
Bad / Loss	11,447,897,000	9,018,774,000

- (e) List of borrowers and amount of loans, advances and leases which remained outstanding for more than one year and exceeding 5% of total equity of the bank. Provide borrower's specifics including managing director, directors and chairman of the board of directors of the borrowing entity's is:

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
1	Motijheel	Noapara Traders	Faizur Rahman	Noapara	0.00	1000.00	1000.00	47.87	273.76	321.63
		Noapara Trading	Saidur Rahman							
		Noapara Trade International	Faizur Rahman							
		Shufala Trading Corporation	Asrafunnahar							
		Difa Enterprise	Mosammat Morzina Rahman							
		Saifullah Gulf	Saidur Rahman							
2	Jatrabari	City Sugar Industries Ltd	Fazlur Rahman	City Group	325.00	602.00	927.00		430.82	590.41
3	Motijheel	Majumder Traders	Chitta Majumder (Proprietor)	Majumder	314.00	500.00	814.00		72.97	382.36
4	Khatungonj	ABUL KHAIR LTD.	SHAFIQUK ISLAM, ABUL HASHEM, ABUL KASHEM, ABUSYED CHOWDHURY	Abul Khair	340.00	470.00	810.00		392.10	491.48
5	Uttara Model Town	S SUHI INDUSTRIAL PARK LTD.	Rezin Ahmad Talukder, MD	PRETTY	279.47	482.18	761.65		198.83	846.36
		Pretty Weashing Ltd								
		Pretty Composite Textaile Ltd								
		OXFORD Colours Ltd								
5	Motijheel Corporate	Nice Denim Mills Ltd.	Md. Nurul Islam		437.81	226.00	663.81		197.01	633.52
6	Motijheel	MAX INFRASTRUCTURE LTD.	GHULAM MOHAMMED		159.86	451.20	611.06		135.95	327.11
7	Motijheel	Shaikh Brothers	Hafizur Rahman Babu		0.00	600.00	600.00		650.55	794.39
		Islam Fertilizer								
		Fertilizer House								
		Nipa Enterprise								
		Jessor Traders								
		Jannat Enterprise								

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount				
					Funded	Non-Funded	Total	Funded	Non-Funded	Total		
					5	6	7=(5+6)	8	9	10=(8+9)		
8	Khatungonj	CHIN HUNG FIBRES LTD.	ABU TAYAB, ABUL KALAM, LAILA BILKIS BEGUM, KHALEDA BEGUM	TK	307.50	258.00	565.50		57.07	167.34		
		CHIN HUNG COTTON MILLS LTD.										
		SAMUDA CONTAINER LTD.										
		T.K.GAS & GAS CYLINDER										
		T.K FOOTWEAR LIMITED										
9	Station Road	Smile Food Products Ltd	Mohammad Mahafuzul Hoque (MD), Golam Mostafa Majumdar (Director)		250.00	300.00	550.00		149.96	149.96		
10	Head Office Corporate	Tafrid Cotton Mills Ltd.	Shaikh Md. Shamiul Islam, Managing Director	Tafrid	460.90	87.76	548.66		77.82	538.72		
11	Motijheel	Techno Electricals Ltd.	Abu Zafar Mohammad Shofiuddin (Chairman) Shohel Ahmed (Managing Director) Nurul Kader (Director) Afroza Sultana (Director) Shirin Akter (Director) Jb. Monzurul Quader (Director)	SQ	216.15	326.67	542.82		124.96	186.87		
		S.Q lights Ltd.										
		S.Q Trading & Engineering										
		S.Q Wire & Cable Co. Ltd										
		S.Q Woods Preservatives										
		SRN Electronics										
		Power Add										
		Global Marketing Service										
12	VIP Road	M/S Thermax Group' 7 concern	Jb. Abdul Kadir Molla (MD), Mrs. Nasima Begum (Director), Mrs. Nahida Sultana Kona (Director), Mrs. Nasrin Sultana Dina (Director)	Thermax Group	372.56	135.60	508.16			0.00		
		THERMAX TEXTILE MILLS LTD.									7.43	78.09
		THERMAX KNIT YARN LTD.									0.00	24.21
		THERMAX SPINNING LTD									7.76	93.81
		THERMAX MELANGE SPINNING MILLS LTD.									1.91	22.88
		THERMAX WOVEN DYEING LTD.									6.13	17.02
		THERMAX YARN DYED FABRICS LTD.									42.63	251.10
		THERMAX YARN DYEING LTD									0.56	18.28

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
13	Motijheel	AIBL Capital Market Services Ltd	Jb. Badiur Rahman (Nominated Director), Jb. Muhammed Nadim (Nominated Director), Jb. Rezaur Rahman (Nominated Director)		380.00	100.00	480.00		100.00	528.01
14	Motijheel	Formula one Spinning	Md. Rezaul Karim		290.63	150.00	440.63		386.27	386.27
15	VIP Road	KBC Agro Products (Pvt.) Ltd.	Jb. Md. Mahabur Rahman (MD)		50.00	382.04	432.04		1.49	51.90
16		M/S Meghna Group's 17 concern	Jb. Mostafa Kamal (MD), Mrs. Beauty Akhter (Director), Mrs. Tahmina Binthe Mostafa (Director), Mrs. Tanjima Binthe Mostafa (Director), Jb. Tanveer Ahmmmed Mostafa (Director)	Meghna Group	100.00	320.00	420.00			0.00
		Janata Flour And Dal Mills Ltd.							0.00	0.00
		Tanveer Food Ltd.							73.68	73.68
		United Sugar Mills Ltd.							0.00	0.00
		Unique Cement Ind. Ltd.							48.56	48.56
		UNIQUE CEMENT FIBRE INDUSTRIES LTD							0.44	0.44
		Tasnim Condensed Milk Ltd.							12.52	12.52
		Meghna Seeds Crushing Mills Ltd.							0.00	0.00
		Tanveer Oils Ltd.							0.00	0.00
		Meghna Edible Oils Refinery Ltd.							51.58	52.10
		Meghna Noodles & Biscuits Factory Ltd.							1.03	1.03
		SONARGAON PRINTING AND PACKAGING INDUSTRIES LIMITED							0.00	0.00
		Sonargaon Seeds Crushing Mills Ltd.							49.20	49.20
		Meghna Fresh LPG Ltd.							9.19	9.19
		MEGHNA BEVERAGE LIMITED							0.00	0.00
		Sonargoan Flour & Dal Mills Ltd							54.34	54.34
		Meghna Sugar Refinery Ltd.							221.65	221.65
		Surma Mustard Oil Mills Ltd.							0.00	0.00
17	New Elephant Road	Younus Paper Mills Ltd.	MOHAMMED YOUNUS ,MAHFUZA YOUNUS	Younus	292.86	127.00	419.86		33.66	262.46
18	Gulshan	MAHMUD FABRICS AND FINISHING LTD	A. K. M. Aminul Islam	Mahmud Group	357.65	60.00	417.65		59.04	536.01
19	Motijheel Corporate	Creative Paper Mills Ltd.	Feroz Ahmed		229.00	166.62	395.62		128.18	344.91
20	Banani	Masihata Sweater Ltd.	Khaled Hossain Mahboob(MD), Sayeda Mahfuza Akter(Chairman)	Masihata Group	157.77	235.22	392.99		99.12	379.89

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
21	Motijheel	Partex Jute Mills Ltd.	Rubel Aziz	partex Group	156.00	236.16	392.16		0.00	51.57
22	Dilkusha	Bandar Steel Industries Ltd	Sirajul Islam, Harun Ur Rashid, Sharif Ahmed, Kauser Ahmed, Mohammad Akhter Hossain Khan, Sabina Yeasmen, Abul Kalam, Kamrul Islam		155.33	236.00	391.33		76.99	76.99
23	New Elephant Road	MIR AKHTER HOSSAIN LTD.	MIR NASIR HOSSAIN, SHAMA E JAHEER, MAHBUBA NASIR, SOHELA HOSSAIN		280.00	110.00	390.00		79.11	286.65
24	Dilkusha	Kamal Yarn Ltd.	Md. Badsha Mia	Badsha Group	170.00	215.00	385.00		102.13	158.15
25	Uttara Model Town	Aman Tex Limited	RAFIQUL ISLAM (MD)	Aman	224.06	157.00	381.06		153.51	235.47
26	kawran bazar	The Delta Blended Yarn Mills Ltd.	Eng. A.K.M Faruque Ahmed, Chairman & Managing Director	Delta Group	327.64	52.00	379.64		0.72	341.77
27	Motijheel	Nitol Motors Ltd	Abdul Matlub Ahmad	Nitol Niloy	363.00	15.00	378.00		1.28	356.57
28	Motijheel	Md. Robiul Islam	Md. Robiul Islam (Proprietor)		300.00	75.00	375.00		0.00	342.10
		Rahman Traders								
		Jubayer Trading								
29	Agrabad	Kabir Steel Re-Rolling Mills	Md Shajahan , Rokeya Begum, Nawab Sirazudowla, Jamal Uddin, Selim Uddin, Karim Uddin, Sarwar Jahan, Shariar Jahan	KSRM	218.46	150.00	368.46		203.82	571.50
30	Dilkusha	Healthcare Pharmaceuticals Limited	Alauddin Ahammad, Suraya Bilkis ,Md. Halimuzzaman , Mokarram Hossain (Liton)		336.67	20.00	356.67		27.34	124.47
31	Motijheel	The Rani Concast Steel Mills Ltd.	Jb. Abul Bashar (Chairman) Jb. Sumon Chowdhury (Managing Director), MS Yeasmin Bashar Chowdhury (Director)	RRM	244.41	110.00	354.41		86.03	326.69
32	Motijheel	H. R. Re-Rolling Mills Ltd	Syfur Rahman Khokon (MD) , Md. Saydur Rahman Sumon (Director), Md. Arifur Rahman (Director), Md. Mizanur Rahman (Director)		223.16	124.88	348.04		137.35	193.02
33	Motijheel	Birds Garments Ltd unit-2	Mustafa Anwar (Chairman), Najmus Shahrir Saadat Anwar (MD) , Aktaruzzaman Bablu (Director)	Birds	71.22	274.54	345.76		138.35	210.06
		Birds R.N.R Fashions Ltd								
		Khalifa Apparels Ltd.								
		Birds A & Z Ltd.								
34	Dhamondi	THE IBN SINA TRUST	A.K.M. Sodrul Islam		281.52	60.00	341.52		0.00	212.58
35	Head Office Corporate	Bonafide Knitting Mills Ltd	Md. Wahiduzzaman, Managing Director	Bonafide Group	257.78	76.05	333.83		76.05	209.77

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
36	Banani	Ayman Textile & Hosiery Ltd.	Bahauddin Mohammad Yousuf(MD), Ziauddin Muhammad Yeahyea, Md. Irtejaur Rahman, Ahmad, Maleka Akter	Ayman Group	322.31	0.77	323.08		0.77	414.04
38	Mohakhali	Sarker Steel Ltd	Md. Zakir Hossain Sarker		226.93	94.50	321.43		54.51	311.86
39		M S Dyeing, Printing & Finishing Ltd.	Md. Mamunur Rashid, Managing Director		126.60	191.60	318.20		191.60	274.25
40	Head Office Corporate	Islam Brothers & Com.	Md. Rafiqul Islam	Aman Group	297.42	20.00	317.42		0.00	123.77
41	Bandartila	Taher And Co. Ltd.	Jb. Alhaj Abu Taher(Chairman) Jb. Alhaj Mohammad Monjur Alam(MD)	Mostafa hakim	10.00	306.17	316.17		191.98	222.71
		T. R. Ship Breakers Ltd.								
		Golden Steel Alloy Works Ltd.								
		Taher Ship Breaking And Recycling Industries								
42	Agrabad	BSRM	Ali Hossain Akbarali, Amir Ali Hossain, Zohaer Taher Ali, Tehseen Zohaer Taher Ali, Sabeen Amir	BSRM	100.00	205.00	305.00		311.85	311.85
43	Motijheel Corporate	MSA Spinning	Shahabuddin Ahmed		200.00	100.00	300.00		97.92	317.74
44	Uttara Model Town	SHISHIR KNITTING & DYEING LTD M.M. FASHIONS AND COMPOSITE LTD. DELTA PRINTING AND PACKAGING BANGLADESH LTD.	Badrul Hasan Taslim, MD		188.75	106.57	295.32		66.14	275.39
15	Motijheel	EAST WEST PROPERTY DEV. (pvt) Ltd.	AHMED AKBAR SOBHAN	Bashundhara	280.00	0.00	280.00		0.00	328.70
46	Dhamondi	MOMTEX EXPO LTD	Md. Reajul Islam, Managing Director	Pakiza Group	214.00	60.00	274.00		45.03	267.63
47	Motijheel Corporate	Kader Compact Spinning Ltd.	Shahabuddin Ahmed	Kader Compact	272.65	0.00	272.65		0.00	320.59
48	Head Office Corporate	Z & Z Intimates Ltd.	Sharif Zahir, Managing Director		135.61	133.00	268.61		55.09	139.98
49	New Elephant Road	Runner Motors Ltd.	HAFIZUR RAHMAN KHAN, MOHAMMAD ALI DEEN, SHAMSUL ALAM, MD MOZAMMEL HOSSAIN	Runner	257.97	10.03	268.00		10.03	211.16
50	Jubilee Raod	HOSSAF POWER LTD	Moazzam Hossen (Managing Director)	Hossaf	120.00	141.70	261.70		13.93	113.93
51	Dilkusha	Al-Amin Poultry Feed	Md. Abul Kalam Azad	Dhaka Group	150.00	110.00	260.00		0.00	64.85

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
52	VIP Road	M/S Biswas Poultry & Fish Feed Ltd.	Jb. Md. Mahabubur Rahman (MD) ,Jb. Md. Shafiqur Rahman (Director),Mrs. Dil Afroz Rahman (Director)		80.00	180.00	260.00		131.11	235.26
53	Motijheel	Muazuddin Textile Ltd.	Jb. Morzina Begum (Chairman) ,Jb. Lutfar Rahman (Managing Director)	Muazuddin	87.74	166.00	253.74		53.14	89.56
54	New Elephant Road	Anwer Khan Modern Hospital Ltd.	ANWER HOSSAIN KHAN		251.00	0.00	251.00		0.00	242.93
55	Mouchak	IFAD AUTOS LTD	Iftakher Ahmed Tipu (Chairman) , Jb. Taskeen Ahmed (MD) ,Janaba Nilufar Ahmed (Director), Jb. Tanveer Ahmed (Director), Jb. Tasfeen Ahmed (Directr)	ifad	210.00	40.00	250.00		5.20	186.69
56	Laldighirpar	M/s. Fakhor Uddin Ali Ahmed	Fakhor Uddin Ali Ahmed,(Managing partner),Salah Uddin Ali Ahmed, (partner),Falah Uddin Ali Ahmed, (partner),Foyez Hasan Ferdous, (partner)		50.00	200.00	250.00		133.48	142.68
57	Gulshan	Karooni Knit Composite Ltd. and Karooni Knit Composite Ltd. Unit-2	Jb. KUTUB UDDIN AHAMMED (Managing Director)		85.00	162.48	247.48		159.54	227.03
58	Head Office Corporate	Spectra Engineers Limited	Khan Md. Aftab Uddin		85.00	158.00	243.00		107.14	195.45
59	O.R.Nizam Road	N. Mohammad Plastic Industries Ltd	Md. Nazrul Hoque	N. Mohammad Group	182.67	58.72	241.39		92.86	187.67
60	Northsouth Road	Premier Steel Re-Rolling Mills (Pvt.) Ltd	Md Abul Hossain	PSRM	176.60	55.00	231.60		2.00	226.48
61	VIP Road	Navana Pharmaceuticals Ltd	JB. DR. MD. JONAI D SHAFIQ(MD),MRS. IMRANA ZAMAN CHOWDHURY(CHAIRMAN),JB. JAVED KAISER ALLY(DIRECTOR), JB. SAYEED AHMED(DIRECTOR), MRS. TARANA AHMED(DIRECTOR)		127.00	102.00	229.00		124.16	289.43
62	Khulna	M/S Khorshed Metal Industries	AHMED TALUKDER,ABDUL MALIKE,KABIR HOSSAIN,A.T.M MOSTAFA, ABDULLAH AL MAHMUD,MRS HAZERA BEGUM	HAMKO GROUP	193.30	35.00	228.30		17.73	189.75
63	Banani	Promita Oil & Gas Ltd	HAFIZUR RAHMAN KHAN		215.39	10.00	225.39		0.00	6.65
64	Gulshan	MAHMUD INDIGO LIMITED			122.56	100.00	222.56		31.34	121.51

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
65	Sonargaon Janapath	ADVANCED CHEMICAL IND	ANIS UD DOWLA,ARIF DOWLA , NAJMA DOWLA ,GOLAM MAINUDDIN , WALIUR RAHMAN BHUIYAN	ACI GROUP	100.00	120.00	220.00			106.71
66	Motijheel Corporate	Bangladesh Hardland Ceramics Co. Ltd.	Md. Shahedul Islam		123.00	90.00	213.00		6.20	129.16
67	Panthapath	Wahid construction Ltd.	MD WAHID MIAH (Managing Director)	Karim Group	133.00	80.00	213.00		18.77	61.70
68	Khatungonj	Ruby Food Industries Ltd.	Abul Bashar chowdhury,Abul Masud Chowdhury	BSM Group	115.00	97.81	212.81		75.16	166.24
		M/s. Masud & Brothers								
		M/s. BSM Syndicate								
69	Pagla	R.B Steel Mills (pvt) Ltd	Md. Hasan Miah-(Managing Director) Fatema Hasan Ruma Alias-(Director), Md. Hasan Miah-(Director)		81.50	125.00	206.50		51.49	129.90
		RUPALI IRON ENTERPRISE								
		NB IRON ENTERPRISE								
		New Rupali Iron Building Structure Manufacture Ltd								
70	Motijheel	NAZ Bangladesh Limited	Ms. Zulfia Yasmin (Chairman),Jb. Nasir Uddin Ahmed (Managir Director)		63.07	137.50	200.57		86.27	142.10
71	Agrabad	Ziri Subeder Steel Re rolling Mills	Md Lokman Hakim	Ziri Subeder	100.00	100.00	200.00		0	0.00
72	Agrabad	M/S Mak Corporation and its sister concern Mother Steel Ltd & A.P.S Corporation	jb. Master Abul Kashem , A.K.M Saifullah Sayed, Nigar Sultana Deizi , Mofizul Alam, Md. Parvez Kamal Chy	MAK	5.00	195.00	200.00		0.17	14.44
73	Motijheel	ANW Homes Ltd.			200.00	0.00	200.00		0.00	209.21
74	VIP Road	INTERNATIONAL LEASING AND FINANCIAL SERVICES LIMITED	MIZANUR RAHMAN (Director),M. NURUL ALAM (Director) , NOWSHERUL ISLAM (Director) ,ANWARUL KABIR (Director), BASHUDEB BANERJEE (Director) , ABUL HASHEM (Director),NASIM ANWAR (Director) , RASHEDUL HAQUE (Director), ZAHIRUL ALAM (Director)		200.00	0.00	200.00		0.00	204.74
75	Gallamari	M/S. Sarker Traders	Md. Alamgir Sarker,(Managing partner),Md. Abu Sayeed Sarker (Partner) , Md. Abul Kalam Azad (Partner), Md. Abu Yusuf Sarker (Partner)	Sarker Group	20.00	180.00	200.00		152.85	252.87

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
	1	2	3	4	5	6	7=(5+6)	8	9	10=(8+9)
76	Motijheel Corporate	The Ibn Sina Ph. Ind. Ltd.	ANM Abdul Zaher		108.92	90.00	198.92		87.60	132.87
77	Panthapath	MAHABUB BROTHERS PVT. LTD.	SHEIKH MOZNU (Chairman)	Akhankha	137.48	60.00	197.48		3.53	143.19
78	Banani	Mega Yearn Dying Mills Ltd.	Khaled Hossain Mahboob(MD), Sayeda Mahfuza Akter(Chairman)		92.36	104.36	196.72		76.84	125.95
79	Gulshan	Incepta Pharmaceuticals Limited.	Janab Abdul Muktadir (Managing Director & Chairman)		50.00	140.00	190.00		9.30	9.30
80	Agrabad	Maf Footwear Ltd	Mr. Hasnat Md. Abu Obida , Mr. Talha Bin Tayab		108.30	79.00	187.30		29.54	112.67
81	Motijheel	Rahmat Spinning & sister concern	Md. Aman Ullah Sarkar		103.42	80.72	184.14		16.15	148.03
82	O.R.Nizam Road	Al- Razi Chemical Complex Ltd	Md. Mujibur Rahaman,Managing Director	Smart Group	128.65	50.50	179.15		49.57	91.41
83	Motijheel Corporate	Orion Pharma Ltd.	Mohammad Obaidul Karim	Orion	174.00	0.00	174.00		0.00	196.58
84	Saidpur	Ahmed Wood Crafts Pvt. Ltd M/s. S.I Overseas and M/s. Joanaki Traders	Aftab Ahmed (Chairman)		156.81	15.00	171.81		2.19	113.79
85	Banani	Aman Knitting's Ltd.	Md. Mahabub Hossain(MD) Abul Hossain(Chairman) Mohammad Sakhawat Hossain(Director)	Aman Group	61.80	109.00	170.80		34.23	102.90
86	Motijheel	Amanat Shah Spinning Mills Ltd.	Jb. Fazlur Rahman (Chairman) Jb. Helal Miah (Managing Director) Ms. Lutfa Begum (Director) Jb. Rezaul Karim (Director) Jb. Kamrul Hasan (Director)	Amanat Shah	100.00	70.00	170.00		0.00	0.00
87	VIP Road	Vitalac Dairy & Food Industry Ltd.	Md. Mahabub-Ul-Alam (MD), Mostaq Hossain Chowdhury (Director), Md. Selim (Director), Md. Nuruddin (Director), Shah Humayun Kabir(Director), Syed Jamal Uddin(Director), Md. Aftab Uddin Mintu (Director),		89.00	81.00	170.00		29.39	130.25
88	Moulvibazar	Star UPVC Pipes & Fittings Ltd.	Md. Baker, Managing Director	Fardin Group	108.53	60.00	168.53		18.05	106.20
89	Dilkusha	Pioneer Denim Ltd	Md. Badsha Mia,Asma Begum,Kamal Uddin Ahmed, Mohiuddin Ahmed		150.00	15.00	165.00		158.76	332.51
90	Kushtia	Woodland Plywood & Particle Board Mills Ltd	MD HAFIJUR RAHMAN	Woodland Group	136.81	20.00	156.81		21.49	103.40
91		Zuma Enterprise	Issa Badsha		75.00	80.00	155.00		0.00	5.54

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

Ref. No.: SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated 25th April 2022

SL	Name of the branch	Name of the Borrower	Name of the Proprietor/ Partner/ Director	Group Name	Limit			Outstanding Amount		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
					5	6	7=(5+6)	8	9	10=(8+9)
92	Agrabad	Khulna Printing & Packaging Ltd	S.M. Amzad Hossain(Chairman) Amzad Hossain (Director) Mrinal Kanti Debnath (Director) Habibur Rahman (Director) Sujit Kumar Saha (Director)		45.00	110.00	155.00		9.87	64.37
93	Dilkusha	National Auto Rice Mill (Unit 1&2)	Mohammad Ali		147.63	7.00	154.63		0.00	36.21
94	Mirpue	DELTA HOSPITAL LIMITED	Dr. Syed Mukarram Ali, Managing Director		148.68	1.50	150.18		12.10	117.60
95	Motijheel	Nassa Taipei Denims Ltd.	NAZRUL ISLAM MAZUMDER	Nassa	100.00	40.00	140.00		53.61	171.41
		Nassa Taipei Textile Mills Ltd.	NAZRUL ISLAM MAZUMDER		100.00	40.00	140.00		0.00	106.86
96	Saidpur	Ranu Agro Industries Ltd.	Shaymoly Rani Das (Chairman), Sushil Kumar Das (MD) , Sushanto Kumar Das(Director)		137.40	1.00	138.40		1.33	144.88
97	Banani	Khantex Fashion Ltd	HUMAYUN KABIR SALIM(MD)		60.64	76.60	137.24		45.58	132.23
98	VIP Road	Jaj Bhuiyan Textile Mills	Jb. Md. Fayazur Rahman Bhuiyan	Jaj Bhuiyan	136.12	0.40	136.52		14.44	145.43
99	Motijheel Corporate	Libra Infusion Ltd.	Rowshan Alam		122.58	12.78	135.36		3.04	111.65
100	Jubilee Raod	GPH ISPAT LTD	MD. ALAMGIR KABIR (Chairman),Mohammad Jahangir Alam (MD)		60.50	72.11	132.61		73.33	100.95
101	Motijheel Corporate	Zaber Spinning Mills Ltd.	Imran Hossain Chowdhury	Noman Group	60.00	72.00	132.00		56.88	118.08
102	UttaraModel Town	Turag Garment & Hosiery Mills Ltd	SAMIA RAHMAN, HOSSAIN BIN M.A. KHALEQUE	Turag	29.63	100.00	129.63		99.13	135.28
103	Motijheel	Haseen Knit Composite Ltd	Jb. Faiz Ahamed Khan (MD) ,Ms. Fatema Humaira Haseen (Director)		66.24	61.50	127.74		4.60	99.58
104	Motijheel	Hasan Tanvir Fashion wears Ltd	Mrs. Farjana Begum (Chairman),Jb. A M Zakir Hossain (MD)		52.38	75.00	127.38		9.32	62.40
105	Gulshan	MAHMUD DENIMS LIMITED			83.08	40.00	123.08		34.46	116.26
106	Progati Sarani	RFL Electronics Ltd.	Mr. Rathindra Nath Paul	Pran RFL Group	0.00	122.00	122.00		88.81	89.17
107	Dhamondi	RAHIMAFROOZ BATTERIES LTD.	Feroz Rahim	Rahimafrooz	119.65	0.98	120.63		4.53	124.63
108	UttaraModel Town	Elegant Coal & Mining Company	Tanveer Ahmed	Elegant	0.00	120.00	120.00		40.13	59.76

(f) Loan, advances and leases due from entities in which managing director, directors or chairman of the board of directors of the bank has ownership interest or exercises control over operating and financial policies by their representation in the board or management of the entities is :

Date 31-12-2021

Figure in million

SL	Name of the borrower/ company of which debentures of share subscribed/ beneficiary on whose behalf guarantee issued	Name of the interested director his immediagte relations (together with the name of concerned director) or employed of the Bank	Nature of interest (shareholder director, employee, guarantor etc) & value of interest in the concern indicated in col-1	Date of over due	Nature of facilit (Loan, Guarantee, debentures, shares etc)	Amount outstanding	Particulars & value of securities	Remarks
1	Purbachal Gas Filling	Abu Naser Mohammad yeahea	Proprietor	23.01.2027 15.02.2027 19.03.2023 05.03.2024 23.01.2023 24.08.2023 20.04.2025	Guarantee	2.75	1) 700000 nos. shares of mutual Trust Bank Ltd of JB. ABU NASER MOHAMMAD YEAHEA, book value 7700.00 market value 17290.00 BDT 2) 325000 nos. shares of Progati Insurance Company Ltd of Mrs. NAHREER SIDDIQUE, W/O JB. ABU NASER MOHAMMAD YEAHEA, book value 3200.00, marker value 10465.00 BDT Total Book value 10250.00, Market value 27755.00 BDT	STD
2	FARIHA APPARELS LTD	Engr. Khandakar Mejbha Uddin ahmed K h a n d a k a r Mofassel Uddin Ahmed	Younger Brother	24.03.2023	Back to Back LC Bai Istisna Baim Wes Bill	0.17	5.50 Dec land with 7 storied building with 1 storied b a s e m e n t . Value 33880.00 BDT	H.O approval for Reschedule dated-11.02.2019
3	M/s Golden Trading & sister concern	Jb. Alhaj Niaz Ahmed	Shareholder director	UnLimit Date	Bank Guarantee	1.01	M T D R / C a s h Security of TK. 50,64,786 and Lien of 187266 nos share of AIBL (as per latest sanction).	uc
Total						3.93		

- (g) Loan, advances and leases due from directors or officers of the bank or any of them their separately or jointly with any other person list enclosed with f no ans.
- (h) Opening balance of provision for bad and doubtful loans/debt, actual provision required for the year, provisions released for the year because of their recovery of the loan or writing-off of the loans. Actual provision made for the year and shortfall in provision for bad and doubtful loans/debts are:

Opening balance of provision for bad and doubtful loans/debt	6,644,357,001
Fully Provision debt Written off	(190,860,995)
Recoveries of amount previously written off	57,842,746
Provision required for the year	2,055,444,347
Ending balance of provision for bad and doubtful loans/debt	8,566,783,099

- (i) Amount of reclassified/rescheduled loans, advances and leases which are outstanding for more than one year and considered to be classified on the balance sheet date is 2097.43 crore.
- (j) Amount of loans, advances and leases to the related parties. Related party disclosure shall be in accordance with IAS-24 and shall cover the following in particulars:

Sl	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
1	Alhadj Salim Rahman 255, Nasirabad I/A, Chittagong.	Chairman	<p>Chairman</p> <p>a. KYCR Coil Ind. Ltd. 13.47%</p> <p>b. KDS Textile Mills Ltd. 0.67%</p> <p>c. SKYS Securities Ltd. 1.21%</p> <p>Managing Director</p> <p>d. KDS Accessories Ltd. 14.09%</p> <p>e. KDS Garments Ind. Ltd. 49.85%</p> <p>f. KDS Apparels Ltd. 50.12%</p> <p>g. KDS Apparels Ltd. 1.71%</p> <p>h. KDS Fashions Ltd. 45.00%</p> <p>i. KDS IDR Ltd. 10.00%</p> <p>j. KDS Cotton Poly Thread Ind. Ltd. 21.00%</p> <p>k. KDS Poly Ind. Ltd. 50.00%</p> <p>l. Steel Accessories Ltd. 0.07%</p> <p>l. KDS Logistics Ltd. 5.00%</p> <p>Director</p> <p>m. Millennium Information Solution Limited --</p> <p>Representative Director</p> <p>n. AIBL Capital Market Services Ltd. 0.33%</p> <p>1.12%</p> <p>Shareholders</p> <p>o. Eastern Bank Ltd. 2.13%</p> <p>p. Pragati Insurance Ltd.</p> <p>q. Pragati Life Insurance Ltd.</p>		

SI	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
02	Alhaji Abu Naser Md. yeae 232-234, Tejgoan Industrial Area, Dhaka-1208.	Vice Chairman	Managing Director a. Purbachal Steel Mills Ltd. b. Purbachal Exclusive Ltd. c. Purbachal Drillers Ltd. d. Beco Feed Ltd. Director e. AIBL Capital Market Services Ltd. Proprietor f. Purbachal Gas Filling g. Beco Electronics	99.82% 99.50% 50.00% 42.50% 4.50% 100.00% 100.00%	
03	Alhaji Abdus Samad S.Alam Bhaban,57-C, Sugandha R/A, Chattogram.	Director	Director a. AIBL Capital Market Services Ltd. b. AIBL Capital Management Ltd. c. Millennium Information Solution Limited Proprietor d. Samad Trading Agency	0.50% -- 2.00% 100.00%	
04	Alhaji Mohammad Abdus Salam Mir Ahmed Building 234, Khatungong, Chittagong.	Director	Managing Director a. Mir CNG & Filling Station b. Mir Pulp & Paper Industries Ltd. c. Mir Filling Station Ltd. Director d. Karnafully Filling Station Ltd. e. AIBL Capital Market Services Ltd. CEO f. M/S. Hajee Mir Ahmed Sowdagar Proprietor g. M/S M.A. Salam & Co. h. Mir Bonaspati Products i. Mir Food & Beverage Industries	40.00% 25.00% 100.00% 15.00% 1.50% 30.00% 100.00% 100.00% 100.00%	
05	Jb. Badiur Rahman PriyaPrangon, Building No. -A, Flat No: 0506, 2 Paribagh, Dhaka.	Director	Proprietor a. M/S Oceanlink Services Director b. Central Hospital Ltd. c. Human Resources Dev Co. Ltd. d. AIBL Capital Market services Ltd. e. Sea Force Alliance Limited Chairman/Director : f. Baidene Pvt. Ltd. g. Ocean Trade Ltd. Director h. Millennium Information Solution Limited i. Sea Force Alliance Limited CEO/Director j. Ariel Maritime PTE Ltd.	100.00% 2.45% 2.00% 0.625% 20.00% 16.16% 15.00% 5.00% 20.00% 100.00%	

SI	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
06	Alhaji Mahbubul Alam Niraloy Prova, Apartment # C2W, House # 75, Road # 8/A, Dhanmondi, Dhaka.	Independent Director	Nil	Nil	
07	Alhaji Nazmul Ahsan Khaled 760, Satmasjid Road, Dhanmondi R/A, Dhaka	Director	Managing Director : a. Moonlight Garments Ltd. b. Ehsan Garments Ltd. c. Khaled Shipping Lines Ltd. d. Engineers Enterprise Ltd. e. Nourish Poultry & Hatchery Ltd. f. Nourish Agro Ltd. g. Telnet Communication Ltd. h. Nourish Grand Parents Ltd. i. Nourish Feeds Ltd. j. Nourish Fisheries Ltd. k. Nourish Foods Ltd. l. Agrow Breeders Ltd. m. Agrow Layers Ltd. n. Artisun Enterprise Ltd. o. Ehsan Packaging & Printing Ind. Ltd. p. Aquafarm Shrimp Ltd. q. Executive Travel Solutions Ltd r. GROW Fruits & Vegetables Ltd. Director : s. Mohammadi Navigation Ltd. t. AIBL Capital Market Services Ltd.	20.00% 10.00% 30.00% 20.00% 25.00% 20.00% 40.00% 20.00% 25.00% 30.00% 20.00% 20.00% 20.00% 20.00% 25.00% 16.67% 20.00% 20.00% 20.00% 46.15% 0.50%	
08	Alhaji Abdul Malek Mollah House-12-14, Road-6, Block-E, Niketon, Gulshan-1, Dhaka	Director	Managing Director a. The Mollah Trading Ltd. Shareholder: b. AIBL Capital Market Services Ltd.	15.00% 0.50%	
09	Hafez Alhaji Md. Enayet Ullah 2, MukimKatra, Moulvi Bazar, Dhaka.	Director	Active Owner: a. M/S Hadyet & Brothers	100%	
10	Alhaji Ahamedul Hoque M/s. A.H. Syndicate 16/1, Amir Market, Khatungonj, Chittagong.	Director	Chairman a. AIBL Capital Management Services Ltd. Proprietor: b. M/S. A.H. Syndicate Shareholder: c. AIBL Capital Market Services Ltd.	-- 51.00% 0.25%	

Sl	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
11	Alhaji Niaz Ahmed House # 24, Road # 1, Block # i, Chairman Bari, Banani, Dhaka.	Director	Chairman a. Millennium Information Solution Limited Managing Director: b. Golden Oil Mills Ltd. c. Savoy Ice Cream Factory Ltd. d. Golden Mart Agro Indus. Ltd. Director: e. AIBL Capital Market Services Ltd. f. Bangla Tel Limited g. BD Link Communication Limited h. Jibondhara Solution Limited i. Reedisha Golden Economic Zone Ltd. j. KLF Agro Extracts BD Ltd. Proprietor: k. Broadway Marketing Co. l. Golden Trading Co. m. Khaja Corporation n. Trade Plus Partner: o. Golden Gulf Bitumen p. Golden Trading Co.	70.00% 55.00% 60.00% 0.75% 10.00% 5.00% 10.00% 33.00% 30.00% 95.00% 100.00% 100.00% 100.00%	
12	Alhaji Mohammed Emadur Rahman Kazi Castle, Islampur, Shaporan Sylhet.	Director	Director a. Al Haramain Perfumes (Pvt) Co. Ltd. b. Millennium Information Solution Limited c. Al Haramain Hospital Managing Director: d. Rich & Ruitz Perfumes Trading L.L.C. e. Al Halal Perfumes Industry f. Hamidia Tea Company Limited CEO: g. 4 Corners Distribution UK Limited Deputy Managing Director: h. Al Haramain Perfumes Mgf. & Oudh Processing Ind.L.L.C. Partner: i. Al Haramain Trading LLC Shareholder: j. AIBL Capital Market Services Ltd.	40.00% 5.00% 40.00% 49.00% 24.00% 34.00% 50.00% -- 10.00% 0.75%	
13	Alhaji Engr. Kh. Mesbahuddin Ahmed House # 2-E, Road # 8, Sector # 7, Uttara Model Town, Dhaka.	Director	Managing Director a. M/S Aqua Consultant and Association Ltd. Director : b. Takaful Islami Insurance Ltd. c. Human Resources Development Co. Ltd (HURDCO) d. Central Hospital Ltd. e. AIBL Capital Market services Ltd. f. Millennium Information Solution Limite	34.25% 3.20% 5.00% 4.88% 1.75% 2.00%	
14	Alhaji Mohammed Haroon 1025/B, Housing Society, Nasirabad, Chittagong.	Director	Owner: a. Rising Star Trading Est (U.A.E.) Shareholder: b. AIBL Capital Market Services Ltd.	100.00% 1.00%	

Sl	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
15	Alhaji Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong	Director	Managing Partner: a. Asadi steel Enterprise b. Jamuna Ship Breakers Managing Director: c. Bangladesh Ship Breaking Ltd. d. L & M Builders (Pvt) Ltd. Proprietor e. Regal Oxygen Vice Chairman f. AIBL Capital Market Services Ltd.	90.00% 83.34% 90.00% 25.00% 100.00% 0.25%	
16	Alhaji Md. Anowar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	Managing Director a. A.G. Textile Mills Ltd. b. Dubai Bangla L P Gas Ltd c. Ashik Shipping Lines Ltd. d. Dubai Bangladesh Cement Mills Ltd. e. Dubai Bangladesh Bag Factory Ltd. Director f. Islami Commercial Insurance Co. Ltd. g. Southeast University h. Anowar Hossain Secondary School i. Sultan Hossain Memorial Hospital	54.00% 40.00% 60.00% 18.00% 80.00% 5.00% -- -- --	
17	Alhaji Md. Harun-Ar-Rashid Khan (Nominee Director of China Builders & Machineries Ltd.) House-19/A, Road-18, Banani, Dhaka	Nominee Director	Nil		
18	Alhaji Md. Rafiqul Islam 1025/C, Housing Society, Nasirabad, Chittagong.	Director	Nil		
19	Alhaji Md. Amir Uddin PPM A 11 Nasreen Villa, 08 Baily Road, Dhaka	Independent Director	Independent Director: a. AIBL Capital Market Services Ltd. b. AIBL Capital Management Ltd.	-- --	
20	Alhaji M. Kamaluddin Chowdhury Flat no. 0015/C2, 14th Floor, Baily Heights, 2 Navratan Colony, New Baily Road, Dhaka-1217	Independent Director	Trustee a. South-East University, Dhaka		
21	Jb. Farman R. Chowdhury ACME Concord, Flat # 3B, House # 10, Road # 121, Gulshan-1, Dhaka-1214.	Ex-Officio Director	Nil		

(k) Amount of Classified loans, Advances and leases on which interest income has not been recognized is in amount of Tl. 11,447,897,000/- (Note-9.x.a)

(l) Written-off investments during the year -2021 =20.67 Crore
Cumulative balance of written-off investments =746.36 crore

(m) Interest credited to interest suspense account and year-end balance of interest suspense account is 368,939,189/-, which is presented in Note 15.

Off-shore Banking Unit (OBU)

BALANCE SHEET

As at December 31, 2021

PROPERTY AND ASSETS	Notes	31/12/2021		31/12/2020	
		USD	Taka	USD	Taka
Cash in hand					
Cash in hand (including foreign currencies)		-	-	-	-
Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)		-	-	-	-
		-	-	-	-
Balance with other Banks and Financial Institutions					
In Bangladesh		998,479	85,669,504	667,236	56,581,852
Outside Bangladesh		-	-	-	-
		998,479	85,669,504	667,236	56,581,852
Placement with Banks & Other Financial institutions					
Investment in Share & Securities					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Investments					
General Investments etc.		2,412,457	206,988,771	-	-
Bills purchased and discounted		246,593,402	21,157,713,930	153,819,518	13,043,956,622
		249,005,859	21,364,702,701	153,819,518	13,043,956,622
Fixed assets including Premises					
		-	-	-	-
Other Assets					
Non-Banking Assets		-	-	-	-
		-	-	-	-
Total Assets		250,004,338	21,450,372,206	154,486,753	13,100,538,474
LIABILITIES AND CAPITAL					
Liabilities					
Placement from Banks & Other Financial institutions	4	249,006,077	21,364,721,437	153,819,662	13,043,968,884
Deposits and other Accounts					
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadia Current Accounts and Others Accounts etc.		-	-	-	-
Bills Payable		-	-	-	-
		-	-	-	-
Other Liabilities					
		-	-	-	-
Deferred tax Liabilities/ (Assets)					
		-	-	-	-
Total Liabilities		249,006,077	21,364,721,437	153,819,662	13,043,968,884
Capital/Share Holders Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign Currency Transaction gain/(Loss)		-	-	-	-
Other Reserve		-	-	-	-
Retained Earnings		998,261	85,650,768	667,091	56,569,590
Total Share holders equity		998,261	85,650,768	667,091	56,569,590
Total Liability and Share holders equity		250,004,338	21,450,372,206	154,486,753	13,100,538,474

Off-shore Banking Unit (OBU)
OFF-BALANCE SHEET
 As at December 31, 2021

PROPERTY AND ASSETS	Notes	31/12/2021		31/12/2020	
		USD	Taka	USD	Taka
OFF BALANCE SHEET ITEMS					
Contingent Liabilities					
Acceptance and endorsement		-	-	-	-
Letters of Guarantee		-	-	-	-
Letters of Credit		-	-	-	-
Bills for Collection		-	-	-	-
Other Contingent Liabilities		-	-	-	-
Total		-	-	-	-
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		-	-	-	-

Off-shore Banking Unit (OBU)
PROFIT & LOSS ACCOUNTS

As at December 31, 2021

Notes	31/12/2021		31/12/2020	
	USD	Taka	USD	Taka
Investment Income	10,019,100	859,638,807	6,708,563	568,888,800
Profit paid on deposits & Borrowing	(9,016,840)	(773,644,839)	(6,037,472)	(511,980,009)
Net Investment Income	1,002,261	85,993,968	671,091	56,908,791
Income from Investment in Shares /Securities	-	-	-	-
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	-	-	-	-
Total operating income	1,002,261	85,993,968	671,091	56,908,791
Salaries and allowances & contribution to P.F	-	-	-	-
Directors fees & expenses	-	-	-	-
Shariah Supervisory Committee's fees & expenses	-	-	-	-
Rent, taxes, insurance, lighting etc.	-	-	-	-
Postage, telegram, telephone and stamp etc.	4,000	343,200	4,000	339,202
Legal charges	-	-	-	-
Auditors' fee	-	-	-	-
Salary & Allowances to the Managing Director	-	-	-	-
Depreciation and repairs to the bank's properties	-	-	-	-
Stationery, printing, advertisement etc.	-	-	-	-
Other expenses	-	-	-	-
Total operating expenses	4,000	343,200	4,000	339,202
Profit/(Loss) before Tax & provision	998,261	85,650,768	667,091	56,569,590
Provision against Investments & Contingent Liabilities	-	-	-	-
Provision for diminution in value of investment	-	-	-	-
Other Provision	-	-	-	-
Total provision	-	-	-	-
Profit/(Loss) before Tax	998,261	85,650,768	667,091	56,569,590
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Provision for Taxation	-	-	-	-
Net Profit/(Loss) after tax	998,261	85,650,768	667,091	56,569,590
Appropriation				
Statutory Reserve	-	-	-	-
General Reserve	-	-	-	-
	-	-	-	-
Retained Earnings	998,261	85,650,768	667,091	56,569,590
Earning per Ordinary share (EPS)				

Off-shore Banking Unit (OBU)
CASH FLOW STATEMENT
As at December 31, 2021

	31/12/2021		31/12/2020	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in Cash	10,019,100	859,638,807	6,708,563	568,888,800
Profit paid on deposits	(9,016,840)	(773,644,839)	(6,037,472)	(511,980,009)
Dividend recieved	-	-	-	-
Fees & Commission received in cash	-	-	-	-
Recoveries from write off investments	-	-	-	-
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Received from other operating activities (item-wise)	-	-	-	-
Paid for other operating activities (item-wise)	(4,000)	(343,200)	(4,000)	(339,202)
Advance income tax paid	-	-	-	-
Operating profit before changes in operating assets and liabilities	998,261	85,650,768	667,091	56,569,590
Changing in Operating assets & liabilities				
Increase/Decrease of trading securities	-	-	-	-
Increase/Decrease of investment and advances to other banks	249,006,077	21,364,721,437	153,819,662	13,043,968,884
Increase/Decrease of Investment and advances to customers (other than Banks)	(249,005,859)	(21,364,702,701)	(153,819,518)	(13,043,956,622)
Increase/Decrease of other assets (item-wise)	-	-	-	-
Increase/Decrease of Deposits from other banks	-	-	-	-
Increase/Decrease of Deposits from customers (other than Banks)	-	-	-	-
Increase/Decrease of Other liabilities account of customers	-	-	-	-
Increase/Decrease of Trading liabilities (item-wise)	-	-	-	-
Cash receipt from operating activities	218	18,736	145	12,262
A. Net Cash from operating activities	998,479	85,669,504	667,236	56,581,852
Cash flows from investing activities:				
Proceeds from sale of securities	-	-	-	-
Payments for purchases of securities	-	-	-	-
Purchase of property, plant and equipment	-	-	-	-
Sales proceeds of Fixed assets	-	-	-	-
Purchase-sale of subsidiary	-	-	-	-
B. Net cash flows from investing activities	-	-	-	-
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)	998,479	85,669,504	667,236	56,581,852
E.Effects of exchange rate changes on cash and cash-equivalents	-	-	-	-
F.Net increase in cash and cash equivalent (D+E)	998,479	85,669,504	667,236	56,581,852
G.Cash & Cash Equivalent at the beginning of the year	0	0	0	0
H.Cash & Cash Equivalent at the end of the year	998,479	85,669,504	667,236	56,581,852

NOTES TO THE FINANCIAL STATEMENTS

	31/12/2021		31/12/2020	
	USD	Taka	USD	Taka
Cash				
a) Cash in hand				
In local currency	-	-	-	-
In Foreign currency	-	-	-	-
b) Balance with Bangladesh Bank				
In local currency				
In Foreign currency	-	-	-	-
c) Balance with Sonali Bank Ltd.	-	-	-	-
In local currency				
In Foreign currency	-	-	-	-
Balance with other Banks and Financial Institutions				
In Bangladesh:	998,479	85,669,504	667,236	56,581,852
Outside Bangladesh				
	998,479	85,669,504	667,236	56,581,852
Placement with Banks & Other Financial institutions	-	-	-	-
Investments in Share & Securities				
Government Securities				
Bangladesh Govt. Islami Bond Fund				
Investment In Islamic Refinance Fund	-	-	-	-
In shares (quoted and unquoted)	-	-	-	-
Quoted	-	-	-	-
Private (8.b)	-	-	-	-
Unquoted	-	-	-	-
Investments				
a) General Investment				
i. in Bangladesh				
Murabaha Investment	-	-	-	-
Bai-Muazzal Investment	-	-	-	-
Hire Purchase Investment	-	-	-	-
Quard	-	-	-	-
Other Investment	-	-	-	-
ii. Out side Bangladesh				
b) Bill Purchased & Discounted				
Payable in Bangladesh				
Payable out side Bangladesh	246,593,402	21,157,713,930	153,819,518	13,043,956,622

NOTES TO THE FINANCIAL STATEMENTS

	31/12/2021		31/12/2020	
	USD	Taka	USD	Taka
	246,593,402	21,157,713,930	153,819,518	13,043,956,622
Fixed Assets				
Tangible Assets				
Land	-	-	-	-
Building	-	-	-	-
Furniture (Wood)	-	-	-	-
Furniture (Steel)	-	-	-	-
Computer	-	-	-	-
Computer (Accessories)	-	-	-	-
Motor Car	-	-	-	-
Machine equipment & appliance	-	-	-	-
Online Hardware	-	-	-	-
Interior Decoration	-	-	-	-
Books & Library	-	-	-	-
Intangible Assets				
Online Software	-	-	-	-
Total	-	-	-	-
Less Accumulated Depreciation	-	-	-	-
Other Assets				
Placement from Banks & Other financial Institutions				
Parent Bank	94,593,974	8,116,162,950	80,628,939	6,837,366,304
Other Bank OBU	31,000,000	2,659,800,000	9,000,000	763,203,600
Out Side Bangladesh	123,412,104	10,588,758,487	64,190,723	5,443,398,980
	249,006,077	21,364,721,437	153,819,662	13,043,968,884
Deposit and Other Accounts				
Mudaraba Savings Deposits	-	-	-	-
Mudaraba Term Deposits	-	-	-	-
Other Mudaraba Deposits	-	-	-	-
Al-Wadia Current Accounts and Others Accounts etc	-	-	-	-
Bills Payable	-	-	-	-
Other Liabilities				
a) Authorised Capital				
The Authorized Capital of the Bank is Ordinary Share of Tk. 10 each.				
b) Issued, Subscribed and Fully Paid - up Capital				
Issued for Cash				
Issued for other than Cash (Bonus Share)				
Statutory Reserve				

NOTES TO THE FINANCIAL STATEMENTS

	31/12/2021		31/12/2020	
	USD	Taka	USD	Taka
Opening balance beginning of the year	-	-	-	-
Add. Reserve @ 20% (on pre-tax profit)				
Balance at the end of the year.				
Other Reserve				
Asset revaluation Reserve				
Retained Earnings				
Opening balance beginning of the year	667,091	56,569,590	597,727	50,747,047
Less : transfer to Parent bank	(667,091)	(56,569,590)	(597,727)	(50,747,047)
Add: Profit during the year	998,261	85,650,768	667,091	56,569,590
Less : transfer to Parent bank	998,261	85,650,768	667,091	56,569,590
Investment Income	10,019,100	859,638,807	6,708,563	568,888,800
Profit paid on Deposits & Borrowing	(9,016,840)	(773,644,839)	(6,037,472)	(511,980,009)
Income from Investment in Share /Securities				
Commission, Exchange & Brokerage Income				
Commission				
Exchange				
Brokerage commision				
Other Operating Income				
Salaries, Allowances & Contribution to P.F				
Director & Sharia Council Fees & Expenses				
i. Directors fees for attending Board/executive Committee/other committee meeting				
ii. TA/DA/ Hotel fare & Foreign Directors				
iii. Others				
Sharia Supervisory Committee's Fees & Expenses				
i. Sharia fees for attending meeting				
ii. TA/DA/ Hotel fare & Foreign Directors				
iii. Others				
Rent,Taxes,Insurance & Lighting				
Rent Office				
Lighting & Electricity				
Insurance				
Postage,Telegram,Telephone & Stamp				
Stamp and Catridge paper				
Postage				
Fax Charges				
Telephone (Office)				

NOTES TO THE FINANCIAL STATEMENTS

	31/12/2021		31/12/2020	
	USD	Taka	USD	Taka
Telephone (Residence)				
Telephone (Mobile)				
SWIFT Charge				
Internet Charges				
Online Charge				
Depreciation Repairs to the Bank's property				
Repairs to the Bank's property				
R.R. Furniture & Fixture (Wooden)				
R.R. Furniture & Fixture (Steel)				
R.R. Computer				
Maint. of Motor Car and other Vehicle				
R.R. Machine equipment & appliances				
Maintenance of Land & Building				
Maintenance of Rented Premises				
R.R. Computer Accessories				
R.R. Others				
Software Maintenance Fee				
Hardware Maintenance Fee				
Depreciation to the Bank's property				
Depr. Furniture (Wood)				
Depr. Furniture (Steel)				
Depr. Computer				
Depr. Motor Car				
Depr. Machine equip & Appliance				
Depr. Books & Library				
Depr. Land & Building				
Depr. Online Hardware				
Depr. Online Software				
Depr. Computer Accessories				
Depr. Interior Decoration				
Stationary, Printing & Advertisement				
Printing & Stationery				
Paper & Table Stationery				
Advertisement & Publicity Expenses				
Other expenses				
Cash and Cash Equivalent at the end of the year				
Cash in hand				
Balance with Bangladesh Bank & Sonali Bank Ltd.				
Balance with Parent Banks	998,479	85,669,504	667,236	56,581,852
Bangladesh Government Islamic Investment Bond				
	998,479	85,669,504	667,236	56,581,852

Off-shore Banking Unit (OBU)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2021

1 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") License on 17 February'14 vide letter # BRPD (P-3)744(121)/2014-934 from Bangladesh Bank. The Bank commenced operation of this unit from 22 May 2014. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at AIBL Motijheel Branch, 161, Motijheel Commercial Area Dhaka 1000.

1.1 Principal activities

The principal activities of OBU are to provide Mudaraba Investment against payment of import bills under UPAS (Usance Payment at Sight) and Musharaka Documentary Bills in foreign currency (MDB F.C) to its customers.

2 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, Bangladesh Accounting Standards, Bangladesh Financial Reporting Standard (BFRS) and other applicable directives issued by the Bangladesh Bank, in particular, Banking Regulations and Policy Department (BRPD) Circular No. 15 (09 November 2009).

2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.3 Foreign currency transaction

a) Foreign currency transactions are converted into equivalent taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 85.80 closing rate as at 31 December 2021.

a) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

b) Translation gains and losses

The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

2.4 Cash and cash equivalents

Cash and cash equivalents are accounted for notes and coins in hand, highly liquid financial assets, unrestricted balances held with other banks/ financial institutions and Bangladesh Bank.

3. Investments

a) General investments of Off-shore Banking Units are stated in the Balance Sheet net off unearned income. Provisions for investments are made as per instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012 and BRPD Circular No. 19 dated 27 December 2012.

b) Profit is calculated on a daily product basis but charged and accounted for on accrual basis. Profit is not charged on bad and loss investments as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

4. Placement from Banks & Other Financial institutions

The OBU has borrowed fund from different Banks & Other Financial institutions reside in Bangladesh and outside Bangladesh in the mode of Placement.

Off-shore Banking Unit (OBU)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2021

Name of the Bank	31.12.2021		31.12.2020	
	USD	TK	USD	TK
In Bangladesh				
Al-ArafahIslami Bank Ltd.	9,45,93,973.78	8,11,61,62,950	8,06,28,939.30	6,83,73,66,304.21
Other OBU	3,10,00,000.00	2,65,98,00,000	90,00,000.00	76,32,03,600.00
Outside Bangladesh	12,34,12,103.58	10,58,87,58,487	6,41,90,722.92	5,44,33,98,980.00

5. Profit income

In terms of the provisions of the BAS-18 "Revenue", the profit income is recognized on accrual basis.

5.1 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

5.2 Profit paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

5.3 Allocation of common expenses

Establishment expenses in the nature of rent, rates, taxes, management expenses, printing and stationery, electricity, postage, stamps, telecommunication and audit fees etc. have not been separately accounted for in the financial statements, but staff costs (salaries and allowances) are separately accounted for OBU

6 Profit paid on deposits & Borrowings

	31.12.2021		31.12.2020	
	USD	TK	USD	TK
AIBL Treasury Division	85,15,884.60	73,06,62,898.6	57,02,043.50	48,35,35,569.4
AIBL AD Branches	5,00,955.02	4,29,81,940.35	3,35,428.14	2,84,44,440.03
	90,16,839.62	77,36,44,838.95	60,37,471.64	51,19,80,009.4

7. Principles of Shariah

Any gains, expenses & losses not permitted in the Shariah and not duly approved by the Shariah Supervisory Committee is not accounted for and income thus derived transferred/expensed as per approval of the Shariah Supervisory Committee.

8. Cash flow statement

Cash flow statement has been prepared in accordance with the BAS-7 "Cash flow statement" under direct method as recommended in the BRPD Circular No. 14, dated June 25, 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

9. General

These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.

10. Reporting period

The financial statements cover from 1st January 2021 to December 31, 2021.

Related Party Disclosure (Annexure-C)

NAME OF THE DIRECTORS & THE ENTITIES IN WHICH THEY HAVE INTEREST
as on 31 December 2021

Sl	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
1	Alhaji Salim Rahman 255, Nasirabad I/A, Chittagong.	Chairman	<p>Chairman</p> <p>a. KYCR Coil Ind. Ltd. 13.47%</p> <p>b. KDS Textile Mills Ltd. 0.67%</p> <p>c. SKYS Securities Ltd. 1.21%</p> <p>Managing Director</p> <p>d. KDS Accessories Ltd. 14.09%</p> <p>e. KDS Garments Ind. Ltd. 49.85%</p> <p>f. KDS Apparels Ltd. 50.12%</p> <p>g. KDS Fashions Ltd. 1.71%</p> <p>h. KDS IDR Ltd. 45.00%</p> <p>i. KDS Cotton Poly Thread Ind. Ltd. 10.00%</p> <p>j. KDS Poly Ind. Ltd. 21.00%</p> <p>k. Steel Accessories Ltd. 50.00%</p> <p>l. KDS Logistics Ltd. 0.07%</p> <p>Director</p> <p>m. Millennium Information Solution Limited 5.00%</p> <p>Representative Director</p> <p>n. AIBL Capital Market Services Ltd. --</p> <p>Shareholders</p> <p>o. Eastern Bank Ltd. 0.33%</p> <p>p. Pragati Insurance Ltd. 1.12%</p> <p>q. Pragati Life Insurance Ltd. 2.13%</p>		
02	Alhaji Abu Naser Md. Yeahea 232-234, Tejoan Industrial Area, Dhaka-1208.	Vice Chairman	<p>Managing Director</p> <p>a. Purbachal Steel Mills Ltd. 99.82%</p> <p>b. Purbachal Exclusive Ltd. 99.50%</p> <p>c. Purbachal Drillers Ltd. 50.00%</p> <p>d. Beco Feed Ltd. 42.50%</p> <p>Director</p> <p>e. AIBL Capital Market Services Ltd. 4.50%</p> <p>Proprietor</p> <p>f. Purbachal Gas Filling 100.00%</p> <p>g. Beco Electronics 100.00%</p>		
03	Alhaji Abdus Samad S.Alam Bhaban,57-C, Sugandha R/A, Chattogram.	Director	<p>Director</p> <p>a. AIBL Capital Market Services Ltd. 0.50%</p> <p>b. AIBL Capital Management Ltd. --</p> <p>c. Millennium Information Solution Limited 2.00%</p> <p>Proprietor</p> <p>d. Samad Trading Agency 100.00%</p>		

SI	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
04	Alhaji Mohammad Abdus Salam Mir Ahmed Building 234, Khatungong, Chittagong.	Director	Managing Director a. Mir CNG & Filling Station b. Mir Pulp & Paper Industries Ltd. c. Mir Filling Station Ltd. Director d. Karnafully Filling Station Ltd. e. AIBL Capital Market Services Ltd. CEO f. M/S. Hajee Mir Ahmed Sowdagar Proprietor g. M/S M.A. Salam & Co. h. Mir Bonaspati Products i. Mir Food & Beverage Industries	40.00% 25.00% 100.00% 15.00% 1.50% 30.00% 100.00% 100.00% 100.00%	
05	Jb. Badiur Rahman PriyaPrangon, Building No. -A, Flat No: 0506, 2 Paribagh, Dhaka.	Director	Proprietor a. M/S Oceanlink Services Director b. Central Hospital Ltd. c. Human Resources Dev Co. Ltd. d. AIBL Capital Market services Ltd. e. Sea Force Alliance Limited Chairman/Director : f. Baidene Pvt. Ltd. g. Ocean Trade Ltd. Director h. Millennium Information Solution Limited i. Sea Force Alliance Limited CEO/Director j. Ariel Maritime PTE Ltd.	100.00% 2.45% 2.00% 0.625% 20.00% 16.16% 15.00% 5.00% 20.00% 100.00%	
06	Alhaji Mahbubul Alam Niraloy Prova, Apartment # C2W, House # 75, Road # 8/A, Dhanmondi, Dhaka.	Independent Director	Nil	Nil	
07	Alhaji Nazmul Ahsan Khaled 760, Satmasjid Road, Dhanmondi R/A, Dhaka	Director	Managing Director : a. Moonlight Garments Ltd. b. Ehsan Garments Ltd. c. Khaled Shipping Lines Ltd. d. Engineers Enterprise Ltd. e. Nourish Poultry & Hatchery Ltd. f. Nourish Agro Ltd. g. Telnet Communication Ltd. h. Nourish Grand Parents Ltd. i. Nourish Feeds Ltd. j. Nourish Fisheries Ltd. k. Nourish Foods Ltd. l. Agrow Breeders Ltd. m. Agrow Layers Ltd. n. Artisun Enterprise Ltd. o. Ehsan Packaging & Printing Ind. Ltd. p. Aquafarm Shrimp Ltd. q. Executive Travel Solutions Ltd r. GROW Fruits & Vegetables Ltd. Director : s. Mohammadi Navigation Ltd. t. AIBL Capital Market Services Ltd.	20.00% 10.00% 30.00% 20.00% 25.00% 20.00% 40.00% 20.00% 25.00% 30.00% 20.00% 20.00% 20.00% 25.00% 16.67% 20.00% 20.00% 20.00% 46.15% 0.50%	

SI	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
08	Alhaji Abdul Malek Mollah House-12-14, Road-6, Block-E, Niketon, Gulshan-1, Dhaka	Director	Managing Director a. The Mollah Trading Ltd. Shareholder: b. AIBL Capital Market Services Ltd.	15.00% 0.50%	
09	Hafez Alhaji Md. Enayet Ullah 2, MukimKatra, Moulvi Bazar, Dhaka.	Director	Active Owner: a. M/S Hadyet & Brothers	100%	
10	Alhaji Ahamedul Hoque M/s. A.H. Syndicate 16/1, Amir Market, Khatungonj, Chittagong.	Director	Chairman a. AIBL Capital Management Services Ltd. Proprietor: b. M/S. A.H. Syndicate Shareholder: c. AIBL Capital Market Services Ltd.	-- 51.00% 0.25%	
11	Alhaji Niaz Ahmed House # 24, Road # 1, Block # i, Chairman Bari, Banani, Dhaka.	Director	Chairman a. Millennium Information Solution Limited Managing Director: b. Golden Oil Mills Ltd. c. Savoy Ice Cream Factory Ltd. d. Golden Mart Agro Indus. Ltd. Director: e. AIBL Capital Market Services Ltd. f. Bangla Tel Limited g. BD Link Communication Limited h. Jibondhara Solution Limited i. Reedisha Golden Economic Zone Ltd. j. KLF Agro Extracts BD Ltd. Proprietor: k. Broadway Marketing Co. l. Golden Trading Co. m. Khaja Corporation n. Trade Plus Partner: o. Golden Gulf Bitumen p. Golden Trading Co.	70.00% 55.00% 60.00% 0.75% 10.00% 5.00% 10.00% 33.00% 30.00% 95.00% 100.00% 100.00% 100.00% 50.00% 95.00%	
12	Alhaji Mohammed Emadur Rahman Kazi Castle, Islampur, Shaporan Sylhet.	Director	Director a. Al Haramain Perfumes (Pvt) Co. Ltd. b. Millennium Information Solution Limited c. Al Haramain Hospital Managing Director: d. Rich & Ruitz Perfumes Trading L.L.C. e. Al Halal Perfumes Industry f. Hamidia Tea Company Limited CEO: g. 4 Corners Distribution UK Limited Deputy Managing Director: h. Al Haramain Perfumes Mgf.& Oudh Processing Ind.L.L.C. Partner: i. Al Haramain Trading LLC Shareholder: j. AIBL Capital Market Services Ltd.	40.00% 5.00% 40.00% 49.00% 24.00% 34.00% 50.00% -- 10.00% 0.75%	

SI	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
13	Alhaji Engr. Kh. Mesbahuddin Ahmed House # 2-E, Road # 8, Sector # 7, Uttara Model Town, Dhaka.	Director	Managing Director a. M/S Aqua Consultant and Association Ltd. Director : b. Takaful Islami Insurance Ltd. c. Human Resources Development Co. Ltd (HURDCO) d. Central Hospital Ltd. e. AIBL Capital Market services Ltd. f. Millennium Information Solution Limite	34.25% 3.20% 5.00% 4.88% 1.75% 2.00%	
14	Alhaji Mohammed Haroon 1025/B, Housing Society, Nasirabad, Chittagong.	Director	Owner: a. Rising Star Trading Est (U.A.E.) Shareholder: b. AIBL Capital Market Services Ltd.	100.00% 1.00%	
15	Alhaji Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong	Director	Managing Partner: a. Asadi steel Enterprise b. Jamuna Ship Breakers Managing Director: c. Bangladesh Ship Breaking Ltd. d. L & M Builders (Pvt) Ltd. Proprietor e. Regal Oxygen Vice Chairman f. AIBL Capital Market Services Ltd.	90.00% 83.34% 90.00% 25.00% 100.00% 0.25%	
16	Alhaji Md. Anwar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	Managing Director a. A.G. Textile Mills Ltd. b. Dubai Bangla L P Gas Ltd c. Ashik Shipping Lines Ltd. d. Dubai Bangladesh Cement Mills Ltd. e. Dubai Bangladesh Bag Factory Ltd. Director f. Islami Commercial Insurance Co. Ltd. g. Southeast University h. Anwar Hossain Secondary School i. Sultan Hossain Memorial Hospital	54.00% 40.00% 60.00% 18.00% 80.00% 5.00% -- -- --	
17	Alhaji Md. Harun-Ar-Rashid Khan (Nominee Director of China Builders & Machinerics Ltd.) House-19/A, Road-18, Banani, Dhaka	Nominee Director	Nil		
18	Alhaji Md. Rafiqul Islam 1025/C, Housing Society, Nasirabad, Chittagong.	Director	Nil		
19	Alhaji Md. Amir Uddin PPM A 11 Nasreen Villa, 08 Baily Road, Dhaka	Independent Director	Independent Director: a. AIBL Capital Market Services Ltd. b. AIBL Capital Management Ltd.	-- --	
20	Alhaji M. Kamaluddin Chowdhury Flat no. 0015/C2, 14th Floor, Baily Heights, 2 Nawratan Colony, New Baily Road, Dhaka-1217	Independent Director	Trustee a. South-East University, Dhaka		
21	Jb. Farman R. Chowdhury ACME Concord, Flat # 3B, House # 10, Road # 121, Gulshan-1, Dhaka-1214.	Ex-Officio Director	Nil		

NAME OF THE DIRECTORS AND THEIR SHAREHOLDINGS IN THE YEAR- 2021

Sl	Name of Directors	Status	Ending position on 31/12/2021	Opening position on 01/01/2021	Remarks
1	Alhaji Salim Rahman	Chairman	21298982 shares of Tk. 10/- each Tk. 212989820/-	21298982 shares of Tk. 10/- each Tk. 212989820/-	
2	Alhaji Abu Naser Md. Yeahea	Vice-Chairman	26300798 shares of Tk. 10/- each Tk. 263007980/-	26300798 shares of Tk. 10/- each Tk. 263007980/-	
3	Alhaji Abdus Samad	Director	23965115 shares of Tk. 10/- each Tk. 239651150/-	23965115 shares of Tk. 10/- each Tk. 239651150/-	
4	Alhaji Mohammad Abdus Salam	Director	21598392 shares o Tk. 10/- each Tk. 215983920/-	21598392 shares of Tk. 10/- each Tk. 215983920/-	
5	Jb. Badiur Rahman	Sponsor Director	29704244 shares of Tk. 10/- each Tk. 297042440/-	29704244 shares of Tk. 10/- each Tk. 297042440/-	
6	Alhaji Mahbul Alam	Independent Director	Nil	Nil	
7	Alhaji Nazmul Ahsan Khaled	Sponsor Director	22812996 shares of Tk. 10/- each Tk. 228129960/-	22812996 shares of Tk. 10/- each Tk. 228129960/-	
8	Alhaji Abdul Malek Mollah	Sponsor Director	21357454 shares of Tk. 10/- each Tk. 213574540/-	21357454 shares of Tk. 10/- each Tk. 213574540/-	
9	Hafez Alhaji Md. Enayet Ullah	Sponsor Director	21303874 shares of Tk. 10/- each Tk. 213038740/-	21303874 shares of Tk. 10/- each Tk. 213038740/-	
10	Alhaji Ahamedul Hoque	Director	21298448 shares of Tk. 10/- each Tk. 212984480/-	21298448 shares of Tk. 10/- each Tk. 212984480/-	
11	Alhaji Niaz Ahmed	Director	21407921 shares of Tk. 10/- each Tk. 214079210/-	21407921 shares of Tk. 10/- each Tk. 214079210/-	
12	Alhaji Mohammed Eamatur Rahman	Director	21324314 shares of Tk. 10/- each Tk. 213243140/-	21324314 shares of Tk. 10/- each Tk. 213243140/-	
13	Alhaji Engr. Kh. Mesbahuddin Ahmed	Director	21299266 shares of Tk. 10/- each Tk. 212992660/-	21299266 shares o Tk. 10/- each Tk. 212992660/-	
14	Alhaji Mohammed Haroon	Sponsor Director	21422224 shares of Tk. 10/- each Tk. 214222240/-	21422224 shares of Tk. 10/- each Tk. 214222240/-	
15	Alhaji Liakat Ali Chowdhury	Director	21304850 shares of Tk. 10/- each Tk. 213048500/-	21304850 shares of Tk. 10/- each Tk. 213048500/-	
16	Alhaji Md. Anwar Hossain	Sponsor Director	23578732 shares of Tk. 10/- each Tk. 235787320/-	23578732 shares of Tk. 10/- each Tk. 235787320/-	
17	Alhaji Md. Harun-Ar-Rashid Khan (Nominated by China Builders & Machineries Ltd.)	Nominee Director	21376917 shares of Tk. 10/- each Tk. 213769170/-	21376917 shares of Tk. 10/- each Tk. 213769170/-	
18	Alhaji Md. Rafiqul Islam	Director	21350369 shares of Tk. 10/- each Tk. 213503690/-	21350369 shares of Tk. 10/- each Tk. 213503690/-	
19	Alhaji Md. Amir Uddin PPM	Independent Director	Nil	Nil	
20	Alhaji M. Kamaluddin Chowdhury	Independent Director	Nil	Nil	
21	Jb. Farman R. Chowdhury	Ex. Officio Director	Nil	Nil	

DISCLOSURES ON Risk Based Capital (Basel-III)

The public disclosure of prudential information is an important component of Basel Committee on Banking Supervision's framework of capital measurement and capital adequacy, known as Basel III. Bangladesh Bank has specified the standard of disclosure through Guidelines on Risk Based Capital Adequacy (December 2010) which revised in Basel III Guideline on December 2014 with effect from January 2015. The standard aims to enhance the transparency in Bangladeshi financial market by setting minimum requirement for the disclosure of information on the risk management practice and capital adequacy.

To cope up with the international best practices and to make the bank's capital shock absorbent 'Guidelines on Risk Based Capital Adequacy (R-BCA) for banks' (Revised Regulatory Capital Framework in line with Basel II) was introduced from January 01, 2009 as a parallel run with BRPD Circular No. 10, dated November 25, 2002 (Basel I). At the end of parallel run, Basel II regime started from January 01, 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. After that Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with Basel III) vide its BRPD Circular 18 dated December 21, 2014 that Basel III reporting start from January 2015 and full implementation will start from January 2020. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance.

An Action Plan/Roadmap was issued by Bangladesh Bank for implementation of Basel-III in Bangladesh vide BRPD Circular No: 18 Dated: 21 December, 2014. For effective implementation of Basel-III, the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework in line with Basel III) has been issued by Bangladesh Bank.

Action Plan/Roadmap Action

Action	Deadline
Issuance of Guidelines on Risk Based Capital Adequacy	December 2014
Commencement of Basel III Implementation process	January 2015
Capacity Building of the Banks	January 2015- December 2019
Initiation of Full Implementation of Basel III	January 2020

Phase-in Arrangements

The phase-in arrangements for Basel III implementation will be as follows:

	2015	2016	2017	2018	2019	2020	2021
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Ratio	4.50%	5.125%	5.75%	6.375%	7.00%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%	12.50%	12.50%

The Basel III framework consists of three-mutually reinforcing pillars:

Pillar 1 : Minimum capital requirements for credit risk, market risk and operational risk

Pillar 2 : Supervisory review process (SRP)

Pillar 3 : Market discipline

Market discipline (Pillar 3) comprises a set of disclosures on the Capital Adequacy and Risk Management framework of the Bank. Pillar 3 disclosures as per BB circular on Basel-III Capital Regulations are set out in the following sections for information.

The disclosures (qualitative and quantitative) under the revised Risk Based Capital Adequacy (RBCA) framework as advised by Bangladesh Bank based on the audited financial position of the bank as of 31st December, 2021 are presented below:

1. Scope of Application
2. Capital Structure
3. Capital Adequacy
4. Credit Risk
5. Equities: Disclosures for Banking book positions
6. Interest Rate Risk in the Banking Book (IRRBB)
7. Market Risk
8. Operational Risk
9. Liquidity Ratio
10. Leverage Ratio
11. Remuneration

1. Scope of application:

a. Qualitative Disclosures	
The name of the top corporate entity to which this framework applies	Al-Arafah Islami Bank Limited
<p>An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group</p> <p>(i) that are fully consolidated;</p> <p>(ii) that are given a deduction treatment; and</p> <p>(iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted)</p>	<p>Consolidated financial statements are the financial statements of a group (parent and subsidiaries) presented into one. This offers the benefit of viewing the whole group's combined financial information together to see how all companies are doing jointly.</p> <p>The bank has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standard (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accounts of Bangladesh (ICAB) into Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) where relevant to the bank</p> <p>A group consists of a parent entity and all its subsidiaries. The control exercised by the parent entity is the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from its activities.</p> <p>Consolidated financial statements represent combination of the financials of all subsidiaries of the parent entity. This consolidation is required when a parent owns 50 percent or more shares in the subsidiaries with controlling authority.</p> <p>Procedures</p> <p>In preparing consolidated financial statements, an entity combines the financial statements of the parent entity and its subsidiaries and the items covered are mainly assets, liabilities, equity, income and expenses. However intra group balances, transactions, income and expenses are eliminated in full.</p> <p>The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements are of the same date. Consolidated financial statements are prepared using uniform accounting policies for both the parent entity and the subsidiaries.</p> <p>Minority interest is presented in the consolidated statement of financial position within equity segment but separately from the equity of the owners of the parent entity.</p> <p>Consolidation for regulatory purposes</p> <p>Banks having subsidiaries have been advised to consolidate their financial statements following accounting standards as set by the regulators to assess capital adequacy. As such the bank has prepared capital adequacy report on Solo basis as well as on consolidated basis.</p> <p>If subsidiaries financials are not consolidated with that of the Bank, investments in subsidiaries by the bank will be deducted at 50% from Tier 1 and 50% from Tier 2 capital of the bank. The assets representing the investments in subsidiaries whose capital had been deducted from that of the parent would not be included in total assets for the purposes of computing CAR.</p> <p>Off-Shore Banking Unit (OBU)</p> <p>The Bank obtained the Off-shore Banking Unit ("the Unit") License on 17 February'14 vide letter # BRPD (P-3)744(121)/2014-934 from Bangladesh Bank. The Bank commenced operation of this unit from 22 May 2014. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at AIBL Motijheel Branch, 161, Motijheel Commercial Area, Dhaka 1000.</p> <p>Al-Arafah Islami Bank Limited has 3 (Three) subsidiaries viz.</p> <p>a. AIBL Capital Market Services Ltd.</p> <p>b. AIBL Capital Management Ltd.</p> <p>c. AIBL Asset Management Co. Ltd.</p> <p>Al-Arafah Islami Bank Ltd. holds 60.50% share of AIBL Capital Market Services Ltd., 98% share of AIBL Capital Management Ltd. and 90% share of AIBL Asset Management Co. Ltd.</p> <p>A brief description of the Bank and its subsidiary are given below:</p>

	<p>a. AIBL Capital Market Services Limited AIBL Capital Market Services Limited was incorporated as subsidiary company of Al-ArafahIslami Bank Limited with an authorized capital of Tk. 10 billion and paid-up capital of Tk. 4 billion of which AIBL holding is 60.50%. The main objectives of the company are to carry out the business of Stock Broker and Dealer in the Capital Market.</p> <p>b. AIBL Capital Management Limited AIBL Capital Management Limited, a subsidiary company of Al-ArafahIslami Bank Limited, was incorporated with an authorized capital of Tk. 2 billion and paid-up capital of Tk. 500 million. The main objectives of the company are to carry out the business of Merchant Banking in all its aspects including Issue Management (IPO, Right Share Issue, Bond Issue etc.), Portfolio Management, Underwriting, Corporate Advisory Services, Pre-IPO Placement, Investment Analysis and Research etc.</p> <p>c) AIBL Asset Management Co. Ltd. Another subsidiary company in the name of AIBL Asset Management Co. Ltd. has already been incorporated with Authorized Capital of Tk. 500 million and Paid up Capital of Tk. 100 million to carry out the business of Asset Management, Portfolio Management, Capital Market Operation and other financial services. The shareholding ratio of AIBL and its another subsidiary AIBL Capital Market Services Limited is 9:1. We hope that the company will start its functioning very soon.</p>
c) Any restrictions, or other major impediments on transfer of funds or regulatory capital within the group.	Not Applicable
b.Quantitative Disclosures	
The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to and alternative method) included in the capital of the consolidated group.	Not Applicable
2) Capital structure:	
1.Qualitative Disclosures:	
a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2	For the purpose of calculating capital under capital adequacy framework, the capital of banks shall be classified into two tiers. The total regulatory capital will consist of sum of the following categories: 1) Tier 1 Capital (going-concern capital): a) Common Equity Tier 1 b) Additional Tier 1 2) Tier 2 Capital (gone-concern capital)
	Common Equity Tier 1 Capital: It is called 'Core Capital' comprises of highest quality of capital elements consists of – i. Fully Paid-up Capital ii. Statutory Reserve iii. Non-Repayable Share Premium Account iv. General Reserve v. Retained Earnings vi. Minority Interest in Subsidiaries vii. Dividend Equalization Account viii. Less: Regulatory adjustments applicable on CET1
	Additional Tier 1: i) Non-cumulative irredeemable preference share ii) Instruments issued by the banks that meet the qualifying criteria for AT1 iii) Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties as specified in Annex-4 of Basel III Guidelines (For Consolidated Reporting) Less:Regulatory adjustments applicable on AT1

	<p>Tier-2 Capital : It is called 'gone-concern capital' represents other elements which fall short of some of the characteristics of the core capital consists of-</p> <ul style="list-style-type: none"> i) General Provision ii) All other preference shares iii) Subordinated debt iv) Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties (For Consolidated reporting only) v) Revaluation Reserves as on 31st December, 2017 (50% of Fixed Assets and Securities and 10% of equities) vi) Other (if any item approved by Bangladesh Bank) vii) Less: Regulatory adjustments applicable on Tier-2 capital 																			
	<p>Compliance status of AIBLAs per condition for maintaining regulatory capital:</p> <table border="1"> <tr> <td>1</td> <td>Common Equity Tier 1 of at least 4.5% of the Total RWA</td> <td>Complied</td> </tr> <tr> <td>2</td> <td>Tier 1 will be at least 6.00 % of the Total RWA</td> <td>Complied</td> </tr> <tr> <td>3</td> <td>Minimum CRAR will be 10.00 % of the Total RWA</td> <td>Complied</td> </tr> <tr> <td>4</td> <td>Additional Tier 1 Capital can be admitted maximum up to 1.5% of the Total RWA or 33.33% of CEFI whichever higher</td> <td>Complied</td> </tr> <tr> <td>5</td> <td>Tier 2 Capital can be admitted maximum up to 4% of the Total RWA or 88.89% of CEFI whichever higher</td> <td>Complied</td> </tr> <tr> <td>6</td> <td>Addition to Minimum CRAR, Capital Conservation Buffer (CCB) of 2.50% of the Total RWA is being introduced which will be maintain in the form of CET1.</td> <td>Complied</td> </tr> </table>		1	Common Equity Tier 1 of at least 4.5% of the Total RWA	Complied	2	Tier 1 will be at least 6.00 % of the Total RWA	Complied	3	Minimum CRAR will be 10.00 % of the Total RWA	Complied	4	Additional Tier 1 Capital can be admitted maximum up to 1.5% of the Total RWA or 33.33% of CEFI whichever higher	Complied	5	Tier 2 Capital can be admitted maximum up to 4% of the Total RWA or 88.89% of CEFI whichever higher	Complied	6	Addition to Minimum CRAR, Capital Conservation Buffer (CCB) of 2.50% of the Total RWA is being introduced which will be maintain in the form of CET1.	Complied
1	Common Equity Tier 1 of at least 4.5% of the Total RWA	Complied																		
2	Tier 1 will be at least 6.00 % of the Total RWA	Complied																		
3	Minimum CRAR will be 10.00 % of the Total RWA	Complied																		
4	Additional Tier 1 Capital can be admitted maximum up to 1.5% of the Total RWA or 33.33% of CEFI whichever higher	Complied																		
5	Tier 2 Capital can be admitted maximum up to 4% of the Total RWA or 88.89% of CEFI whichever higher	Complied																		
6	Addition to Minimum CRAR, Capital Conservation Buffer (CCB) of 2.50% of the Total RWA is being introduced which will be maintain in the form of CET1.	Complied																		

2. Quantitative Disclosures:

The amount of Regulatory Capital 2021 as follows:

(Figure In million)

1.Common Equity Tier-1(Going Concern Capital):	Solo Basis	Consolidated Basis
Fully Paid-up Capital	10,649.02	10,649.02
Statutory Reserve	10,649.02	10,649.02
Retained Earnings	1,643.12	1,823.37
Non Controlling Interest	-	1,694.50
Less: Deferred Tax Assets (DTA)	-	-
	22,941.17	24,816.01
Good will and other Insensible assets	(514.69)	(514.69)
Total Common Equity Tier-1 Capital	22,426.47	24,301.31
Additional Tier-1 Capital:		
Instruments issued by the banks that meet the qualifying criteria for Additional Tier-1	5,000.00	5,000.00
Maximum limit of additional tier-1 capital	5,224.45	5,746.59
Total Admissible Additional Tier-1 Capital	5,000.00	5,000.00
2. Tier-2 Capital :		-
General Provision	4,759.60	4,759.60
Subordinated debt	9,600.00	9,600.00
Revaluation Reserves for Securities up to 50%	1084.33	1084.33
Less: 100%of Revaluation Reserves for Fixed Assets, Securities & Equity	1084.33	1084.33
Total Tier-2 Capital	14,359.60	14,359.60
Maximum limit of tier-2 capital	13,932.23	15,324.71
Total Admissible Tier-2 Capital	13,932.23	14,359.60
Total eligible capital	41,358.71	43,660.91

3) Capital Adequacy:

Qualitative Disclosures:	
a) A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities	<p>The Bank is subject to the Capital adequacy norms as per Master Circular on Basel-III Capital regulations issued by the Bangladesh Bank. The Basel III capital regulation is being implemented from 2015. In line with the guidelines of the Bangladesh Bank, the Bank has adopted the following approaches for computing the capital charge.</p> <p>For Credit Risk – Standardized Approach For Market Risk – Standardized Approach Operational Risk – Basic Indicator Approach</p> <p>The Bank has a policy on Internal Capital Adequacy Assessment Process (ICAAP) as stipulated by Bangladesh Bank. The ICAAP also details the Risk Appetite of the Bank, assessment of material risks, the process for capital adequacy assessment to support business projections, adequacy of risk control framework, capital raising plans and Bank-wide stress testing. The periodic assessment of bank's performance against the Risk Appetite defined under ICAAP and results of stress testing are reported to the Board of Directors for their review. CRAR has been computed based on the Basel III guidelines and it is well above the regulatory minimum level of 10%.</p>

(Figure in million)

Quantitative Disclosures :		
Capital requirement under following Risk:	Solo Basis	Consolidated Basis
a) Capital requirement for Credit Risk	24,492.67	25,666.35
b) Capital requirement for Market Risk	437.07	463.13
c) Capital requirement for Operational Risk	2,081.28	2,114.81
d) Total Capital Requirement (a+b+c)	27,011.02	28,244.29
e) Capital to Risk –weighted Asset Ratio:	15.31%	15.46%
1. Common Equity Tier 1 (CET 1) Ratio	8.30%	8.60%
Tier 1 Capital Adequacy Ratio	10.15%	10.37%
Tier-2 Capital Adequacy Ratio	5.16%	5.08%
Capital to Risk-weighted Asset Ratio (CRAR)	15.31%	15.46%
f) Capital Conservation Buffer	4.15%	4.37%
Available Capital under Pillar 2 Requirement	14,347.68	15,416.62
Minimum Capital Requirement (MCR)	27,011.02	28,244.29

4) Credit Risk

1. Qualitative Disclosures:

a) Definition of past due and impaired assets (for accounting purposes)

A loan payment that has not been made as of its due date is termed as past due. Payment may be made for repayment/renewal/rescheduling or as an installment of a claim.

The past due claims are discussed below:

Special Mention Accounts (SMA):

A claim which is overdue for 90 days or more will be classified as Special Mention Account. When a loan is classified as SMA, it needs constant monitoring and supervision as the repayment probability decreases.

Sub-Standard (SS):

The repayment of the loan has been put in doubt but the recovery is not unlikely.

Doubtful (DF):

There is less possibility of recovery of the overdue amount and probability of loss is high.

Bad /Loss (B/L):

These are the loans which have almost turned unrecoverable.

Approaches followed for specific and general allowances:

i) Specific provision:

- a) Substandard : 20%
- b) Doubtful : 50%
- c) Bad/Loss : 100%

ii) General Provision:

- a) 0.25% to 5% on different categories of unclassified loans.
- b) 1% on Off Balance sheet exposure.
- c) 5% on the outstanding amount of loans kept in the 'Special Mention Account' after netting off the amount of Interest Suspense.

For classification of loan, specific and general allowances the bank follows Master Circular-Loan Classification and Provisioning vide BRPD circular no. 06 dated June 14, 2012; and as advised by Bangladesh Bank from time to time.

In addition to the above mentioned objective criteria, loans can be classified on the basis of subjective judgment taking into consideration the factors such as uncertainty or doubt of repayment, continuous loss of capital, adverse situation, decrease of value of securities, legal suit etc.

However, Bangladesh Bank can classify any claim on the basis of their subjective judgment as well as can ask the Bank to buildup additional provision on non-performing loans.

Credit Risk Management Policy

The bank has established Credit Risk Management framework as directed by Bangladesh Bank through introduction of Risk Management (CRM) policy guide along with implementation of the Credit Risk Grading (CRG). This framework defines CRM structure, role, responsibilities and the processes to identify, quantify, and manage risk within the framework under the given policy. The CRM policy is reviewed from time to time for adoption of new techniques/policies for measurement and management of risk in line with the socio-economic scenario and investment environment of the country.

2) Quantitative Disclosures:

(Figure In million)

a) Funded:	
General Investment	
Murabaha Investment	86,322.08
Bai-Muazzal Investment	1,29,337.79
Hire Purchase Investment	1,07,165.27
Quard	2,200.82
Other Investment	5,857.97
Sub Total	3,30,883.92
Outside Bangladesh	-
	3,30,883.92
Less: Unearned profit on Investment	8,340.20
	3,22,543.72
Bill Purchased & Discounted	
Payable in Bangladesh	11,622.36
Payable outside Bangladesh	1,925.51
Sub Total	13,547.88
Total Funded:	3,36,091.61
b) Total Non- Funded:	1,16,834.14
c) Geographical distribution of exposures	
Region Based	
Dhaka Region	2,55,357.60
Chittagong Region	44,731.88
Sylhet Region	1,682.98
Rajshahi Region	6,860.82
Mymensingh	6,499.86
Khulna Region	1,1137.56

Rangpur Region	5,697.61
Barisal Region	4,123.27
Total	3,36,091.58
d) Country based funded	
Domestic	3,36,091.58
Overseas	-
e) Country based Non-funded	73,047.95
Domestic	1,16,834.14
Overseas	-
f) Major Industry wise distribution of exposures	
Agriculture, Fishing and Forestry	5,663.50
Industry	1,78,629.90
Construction	24,653.90
Water works & Sanitary Service	2,807.70
Transport & communication	11,341.30
Storage	1,753.80
Trade Finance	1,15,621.40
Miscellaneous	3,960.30
Total	3,44,431.80
Less Unearned Profit on Investment	8,340.20
Total	3,36,091.60
g) Distribution of risk exposure by claims	
a) Claims on sovereigns and central banks	44,461.40
b) Claims on PSE -	-
c) Claims on banks and securities firms	57,611.60
d) Claims on corporate	1,96,171.40
e) Claims included in the retail portfolio & small enterprises	78,558.40
f) Claims secured by residential property	3,776.60
g) Claims secured by commercial real estate	4,741.60
h) Consumer Investment	27.40
i) Off-balance sheet items	24,735.78
h) Credit risk mitigation	
Claims secured by financial collateral	2,288.57
Net exposure after the application of haircuts	1,314.69
Claims secured by eligible guarantee	-
g) Residual contractual maturity breakdown of the whole portfolio	
Repayable on demand	-
Up to 1 month	60,054.76
More than 1 month but less than 3 months	93,530.66
More than 3 months but less than 1 year	1,04,749.86
More than 1 year to less than 5 year	51,532.26
More than 5 year	26,224.06
Total	3,36,091.61
Gross Non Performing Assets- (NPAs)	
Non-performing assets to outstanding Investment (loans and advances)	16,566.84
Movement of Non Performing Assets (NPAs)	
Opening balance	11,769.58
Additions	5962.56
Less Cash Recovery	(805.20)
Less RSDL from CL	(153.42)
Less Written Off	(206.68)
Closing balance	16,566.84

(Figure In million)

Movement of specific provisions for NPAs	
Provision held at the beginning of the year	6,644.36
Fully provision debt written off	(190.86)
Recoveries of amount previously written off	57.84
Specific provision for the year	2,055.44
Closing balance	8,566.78

5) Equities: Disclosures for Banking Book Positions

a) Qualitative Disclosures:

The bank holds unquoted equities intent of which is not trading and the same are shown as banking book asset in balance sheet. As these securities are not quoted or traded in the bourses they are shown in the balance sheet at the cost price and no revaluation reserve has been created against these equities.

b) Quantitative Disclosures:

Values of investments (for unquoted securities) as disclosed in the Balance Sheet:

(Figure In million)

Name of the Scrip	value
Swift Share	7.4
Central Depository Bangladesh Ltd	3.13
Investment in Millenium Information Solution Ltd	29.48
AIBL Capital Market services	662.12
AIBL Capital Management LTD	517.01
Total	1219.14

c) As investment in unquoted equities does not have any maturity, we have calculated capital charge on the basis of its risk weight which is 125% of investment value.

6) Interest Rate Risk in the Banking Book (IRRBB)

a) Qualitative Disclosures:

Interest rate risk is the exposure of a bank's financial condition due to adverse movements in interest rates. Changes in interest rates affect a bank's earnings by changing its net interest income and the level of other interest sensitive income and operating income. Changes in interest rates also affect the underlying value of the bank's assets, liabilities and off-balance-sheet instruments because the economic value of future cash flows changes when interest rates change.

1. Interest rate risk in the banking book can be measured on the basis of:
2. Economic value perspective- net interest income measured in a given point in time such as Economic Value of Capital

b) Quantitative Disclosures:

MATURITY GAP ON BANKING BOOK ASSETS & LIABILITIES

As on December 31, 2021

(Figure In million)

Particulars	Up to 1 month	1 to 3 month	3 to 12 month	1 to 5 years	Above 5 years	Total
Asset						
Cash in hand	8,262.80	-	-	-	15,425.80	23,688.60
Balance with other banks & Financial Institute	3,528.10	145.90	1,100.00	-	7,246.56	12,020.56
Placement with other banks & Financial Institute	2,165.57	19,640.00	2,200.00	-	-	24,005.57
Investment in Share & Securities (only HTM)	-	-	972.10	-	29,184.04	30,156.14
Investment (Loans and Advances)	60,054.76	93,530.66	1,05,548.97	51,532.26	26,224.06	3,36,890.71
Fixed Assets	-	-	-	-	5,470.27	5,470.27
Non Banking Asset					50.88	50.88
Other Assets	183.20	105.20	-	1,433.10	28,682.81	30,404.31
Total	74,194.43	1,13,421.76	1,09,821.07	52,965.36	1,12,284.42	4,62,687.04
Liabilities						
Placement from other banks & Financial Institute	1,204.40	19,809.15	11,493.21	-	-	32,506.76
Deposits and Other accounts	54,213.97	1,17,192.60	1,11,096.92	45,257.90	25,526.58	3,53,287.97
Provision and other liabilities	3.60	-	-	-	36,294.79	36,298.39
Deferred Tax Liabilities/Assets	-	-	-	-	93.59	93.59
AIBL Subordinate Bond	-	-	-	-	14,600.00	14,600.00
Total	55,421.97	1,37,001.75	1,22,590.13	45,257.90	76,514.96	4,36,812.69
GAP	18,772.46	(23,579.99)	(12,769.06)	7,707.46	35,769.46	25,900.33
Cumulative Gap	18,772.46	(4,807.53)	(17,576.59)	(9,869.13)	25,900.33	-

Impact of Upward Interest Rate on Banking Book for One Year in Different Time Buckets:

(Figure In million)

Particular/ shock	Minor	Moderate	Major
Increase in interest rate	1.00%	2.00%	3.00%
Period	Up to 1 month		
GAP	18,772.46	18,772.46	18,772.46
Impact on NII (Net Interest Income)	15.64	31.29	46.93
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	5.87	11.73	17.60
Period	1 to 3 month		
GAP	(23,579.99)	(23,579.99)	(23,579.99)
Impact on NII(Net Interest Income)	(39.30)	(78.60)	(117.90)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(14.74)	(29.47)	(44.21)
Period	3 to 12 month		
GAP	(12,769.06)	(12,769.06)	(12,769.06)
Impact on NII(Net Interest Income)	(95.77)	(191.54)	(287.30)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(35.91)	(71.83)	(107.74)

Impact of Downward Interest Rate on Banking Book for One Year in Different Time Buckets

(Figure In million)

Particular/ shock	Minor	Moderate	Major
Decrease in interest rate	(1.00%)	(2.00%)	(3.00%)
Period	Up to 1 month		
GAP	18,772.46	18,772.46	18,772.46
Impact on NII (Net Interest Income)	(15.64)	(31.29)	(46.93)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(5.87)	(11.73)	(17.60)
Period	1 to 3 month		
GAP	(23,579.99)	(23,579.99)	(23,579.99)
Impact on NII (Net Interest Income)	39.30	78.60	117.90
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	14.74	29.47	44.21
Period	3 to 12 month		
GAP	(12,769.06)	(12,769.06)	(12,769.06)
Impact on NII(Net Interest Income)	95.77	191.54	287.30
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	35.91	71.83	107.74

Impact of Upward Interest Rate on Banking Book for up to One Year (Cumulative)

(Figure In million)

Particular/shock	Minor	Moderate	Major
Increase in interest rate	1.00%	2.00%	3.00%
GAP	(17,576.59)	(17,576.59)	(17,576.59)
Period(Year)	1 Year		
Impact on NII (Net Interest Income)	(175.77)	(351.53)	(527.30)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	(65.91)	(131.82)	(197.74)

Impact of Downward Interest Rate on Banking Book for up to One year (Cumulative)

(Figure In million)

Particular/shock	Minor	Moderate	Major
Decrease in interest rate	(1.00%)	(2.00%)	(3.00%)
GAP	(17,576.59)	(17,576.59)	(17,576.59)
Period(Year)	1 Year		
Impact on NII (Net Interest Income)	175.77	351.53	527.30
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	65.91	131.82	197.74

7) Market Risk:

a) Qualitative Disclosures:

Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions. Trading book consists of positions in financial instruments held with trading intent or in order to hedge other elements of the Trading Book. The portfolio of investment includes Government Treasury Bills and Bonds, Prize Bonds, Shares of listed Public Limited Companies etc. Bank always desires to invest in high yield areas and also has ensured maintenance or Statutory Liquidity Requirements (SLR) as fixed by Bangladesh Bank.
Methods used to measure Market Risk.	<p>Market risk is the possibility of losing assets in the balance sheet and off- balance sheet positions due to volatility in the market variables viz. interest rate, foreign exchange rate, reinvestment and price. The bank measures impact on profitability and impact on asset prices under market risk through Maturity GAP Analysis, Sensitivity Analysis, VAR, and Mark to Market and has adopted Standardized Measurement approach for measuring Market Risks under Basel-III.</p> <p>Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. The methodology to calculate capital requirement under Standardized Approach for each of these market risk categories is as follows:</p> <p>a) Capital charges for interest rate risk= Capital Charge for General Market Risk b) Capital charges for Equity Position Risk= Capital Charge for Specific Risk+ Capital Charge for General Market Risk c) Capital charges for Foreign Exchange Risk=Capital Charge for General Market Risk d) Capital charges for Commodity Position Risk=Capital Charge for General Market Risk</p>
Market Risk Management System:	The Bank has its own Market Risk Management System which includes Asset Liability Risk Management (ALM) and Foreign Exchange Risk Management under core risk management guidelines. The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.
Policies and processes for mitigating market risk:	Risk Management and reporting is based on parameters such as Duration, PV, Exposure and Gap Limits, VaRetc, in line with the global best practices. Risk Profiles are analyzed and mitigating strategies/ processes are suggested by the Asset Liability Committee (ALCO). Their effectiveness is monitored on an on-going basis.Forex Open Position limits (Day limit / Overnight limit), Deal-wise cut-loss limits, Stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out. Holding of equities is monitored regularly so that the investment remains within the limit as set by Bangladesh Bank. Asset liability management committee (ALCO) analyzes market and determines strategies to attain business goals. Reconciliation of foreign currency transactions.

b) Quantitative Disclosures:

The capital requirements for Market Risk:

(Figure In million)

	SOLO Basis	Consolidated Basis
Interest rate risk	-	-
Equity position risk	73.10	99.16
Foreign exchange risk	363.97	363.97
Commodity risk	-	-
Total	437.07	463.13

8) Operational risk:

a) Qualitative Disclosures:

i) Views of BOD on system to reduce operational Risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The way operational risk is managed has the potential to positively or negatively impact a bank's customers, its financial performance and reputation. The Bank has put in place Board approved governance and organizational structure with clearly defined roles and responsibilities to mitigate operational risk arising out of the Bank's business and operations.																				
ii) Performance gap of executives and staffs	<p>The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop corporate culture where employees can exert their highest involvement and commitment to work and organization with high ethical standards in order to build a congenial atmosphere.</p> <p>The bank believes that training and knowledge sharing is the best way to reduce knowledge gap. Therefore, it arranges trainings on a regular basis for its employees to develop their expertise. The bank offers competitive pay package to its employees based on performance and merit. It always tries to develop a culture where all employees can apply his/her talent and knowledge to work for the organization with high ethical standards in order to add more value to the company and for the economy.</p>																				
iii) Potential external events	No potential external events are expected to expose the Bank to significant operational risk																				
iv) Policies and Processes for mitigating operational risk:	<p>The Bank has adopted policies which deal with managing different Operational Risk. Bank strongly follows KYC norms for its customer dealings and other banking operations. The Internal Control and Compliance Division of the Bank, the inspection teams of Bangladesh Bank and External Auditors conduct inspection of different branches and divisions at Head Office of the Bank and submit reports presenting the findings of the inspections. Necessary control measures and corrective actions have been taken on the suggestions or observations made in these reports. In 2021 ICC Division conducted following No. of audit:</p> <table border="1" data-bbox="587 1035 1394 1150"> <thead> <tr> <th data-bbox="587 1035 1034 1073">Nature of Audit</th> <th data-bbox="1034 1035 1394 1073">No of Frequencies</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 1073 1034 1110">Compressive & Risk based Internal Audit Annually</td> <td data-bbox="1034 1073 1394 1110">184 branches i.e 100% as per Audit Plan</td> </tr> <tr> <td data-bbox="587 1110 1034 1150">Surprise Inspection</td> <td data-bbox="1034 1110 1394 1150">28 branches i.e 100% as per Audit Plan</td> </tr> </tbody> </table> <p>For audit purpose, we have segregated the branches into 05 (Five) risk categories as per level of Composite Risk by fixing of a reasonable Inherent Business & Control Risk Score. Risk gradation/ category of the branches is summarized below:</p> <table border="1" data-bbox="587 1255 1394 1535"> <thead> <tr> <th data-bbox="587 1255 1034 1293">Nature of Risk</th> <th data-bbox="1034 1255 1394 1293">No of Branches</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 1293 1034 1331">Extremely High Risk</td> <td data-bbox="1034 1293 1394 1331">7</td> </tr> <tr> <td data-bbox="587 1331 1034 1369">Very High Risk</td> <td data-bbox="1034 1331 1394 1369">27</td> </tr> <tr> <td data-bbox="587 1369 1034 1407">High Risk</td> <td data-bbox="1034 1369 1394 1407">86</td> </tr> <tr> <td data-bbox="587 1407 1034 1444">Medium Risk</td> <td data-bbox="1034 1407 1394 1444">60</td> </tr> <tr> <td data-bbox="587 1444 1034 1482">Low Risk</td> <td data-bbox="1034 1444 1394 1482">4</td> </tr> <tr> <td data-bbox="587 1482 1034 1520">Total</td> <td data-bbox="1034 1482 1394 1520">184</td> </tr> </tbody> </table>	Nature of Audit	No of Frequencies	Compressive & Risk based Internal Audit Annually	184 branches i.e 100% as per Audit Plan	Surprise Inspection	28 branches i.e 100% as per Audit Plan	Nature of Risk	No of Branches	Extremely High Risk	7	Very High Risk	27	High Risk	86	Medium Risk	60	Low Risk	4	Total	184
Nature of Audit	No of Frequencies																				
Compressive & Risk based Internal Audit Annually	184 branches i.e 100% as per Audit Plan																				
Surprise Inspection	28 branches i.e 100% as per Audit Plan																				
Nature of Risk	No of Branches																				
Extremely High Risk	7																				
Very High Risk	27																				
High Risk	86																				
Medium Risk	60																				
Low Risk	4																				
Total	184																				
v) Approach for calculating capital charge for operational risk	<p>The Bank follows the Basic Indicator Approach (BIA) in terms of BRPD Circular No. 18 dated 21 December 2014 Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). The BIA stipulates the capital charge for operational risk is a fixed percentage, denoted by (alpha) of average positive annual gross income of the Bank over the past three years. It also states that if the annual gross income for any year is negative or zero, that should be excluded from both the numerator and denominator when calculating the average gross income. The capital charge for operational risk is enumerated by applying the following formula:</p> $K = [(GI_1 + GI_2 + GI_3) / n]$																				

b) Quantitative Disclosures:

(Figure In million)

b) The capital requirements for operational risk (Basic Indicator Approach)

Year	Gross Income (GI)	Average GI	15% of Average GI
December-2021	14,305.55		
December-2020	13,275.60		
December-2019	14,044.41		
Total GI	41,574.99	13,875.19	2,081.27

9. Liquidity Ratio:

a) Qualitative Disclosures:

i) Views of BOD on system to reduce liquidity Risk	The Bank manages liquidity risk in accordance with its ALM Policy. This policy is framed as per regulatory guidelines and is approved by the Board of Directors. The ALM Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign with changes in the economic landscape. The ALCO of the Bank formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the ALM Policy.
ii) Methods used to measure Liquidity risk	<p>1) Liquidity risk is measured and monitored through two approaches-1) Time Bucket Analysis: Time Bucket Analysis involves comprehensive tracking of cash flow mismatches and is done through preparation of Structural liquidity statement on a regular basis. Appropriate tolerance levels/prudential limits have been stipulated for mismatches in different time buckets.</p> <p>2) Ratio Analysis: Under Ratio Analysis various balance sheet ratios are prescribed with appropriate limits. The compliance of ratios to the prescribed limits ensures that the Bank has managed its liquidity through appropriate diversification and kept it within the sustainable limit. The Bank also assess its short-term liquidity mismatches and reports the same in the short term dynamic liquidity report which represents the cash flow plans of various asset and liability generating units and seasonal variation of cash flow patterns of assets and liabilities of the bank over a period of 1-90 days.</p> <p>3) Liquidity Risk Management System : A liquidity risk management involves not only analyzing banks on and off balance sheet positions to forecast future cash flows but also how the funding requirement would be met. The later involves identifying the funding market the bank has access, understanding the nature of those markets, evaluating banks current and future use of the market and monitor signs of confidence erosion. Al-ArafahIslami Bank Limited has well organized liquidity risk management system as enumerated in ALM Policy which is approved by the Board. The Asset Liability Management Committee (ALCO) of the Bank monitors & manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis & management is conducted through coordination between various ALCO support groups residing in the functional areas of Balance Sheet Management, Treasury Front Office, Budget and Planning etc.</p>
iii) Liquidity Risk Management System	A liquidity risk management involves not only analyzing banks on and off balance sheet positions to forecast future cash flows but also how the funding requirement would be met. The later involves identifying the funding market the bank has access, Understanding the nature of those markets, evaluating banks current and future use of the market and monitor signs of confidence erosion. Al-ArafahIslami Bank Limited has well organized liquidity risk management system as enumerated in ALM Policy which is approved by the Board. The Asset Liability Management Committee (ALCO) of the Bank monitors & manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis & management is conducted through coordination between various ALCO support groups residing in the functional areas of Balance Sheet Management, Treasury Front Office, Budget and Planning etc.

iv) Policies and Processes for mitigating Liquidity risk	An effective liquidity risk management process should include systems to identify measure, monitor and control its liquidity exposures. To mitigate the liquidity risk, Management of our bank identifies and quantifies the primary sources of a bank's following risk in a timely manner. By proper identify of the sources, management understand both existing as well as future risk that the bank can be exposed to. Our Management always alert for new sources of liquidity risk at both the transaction and portfolio levels. Key elements of an effective risk management process include an efficient MIS to measure, monitor and control existing as well as future liquidity risks and reporting them to senior management and the board of directors.
--	---

b) Quantitative Disclosures:

(Figure In million)

Liquidity Coverage Ratio	101.86%
Net Stable Funding Ratio (NSFR)	119.77%
Stock of High quality liquid assets	45,991.90
Total net cash outflows over the next 30 calendar days	45,152.90
Available amount of stable funding	3,68,596.20
Required amount of stable funding	3,07,742.50

10. Leverage Ratio:

a) Qualitative Disclosures:

i) Views of BOD on system to reduce excessive leverage	Excessive leverage by banks is widely believed to have contributed to the global financial crisis. Thus Basel III rules have introduced leverage ratio as a non-risk-based backstop measure, to supplement risk-based capital requirements. Board of Directors of our Bank continuously is monitoring the exposure limit of lending, capital strength of our Bank in order to avoid building-up excessive on- and off-balance sheet leverage.
ii) Policies and processes for managing excessive on and off balance sheet leverage	Many regulators are considering raising the leverage ratio. This means that banks will have to keep more capital reserves. To increase capital reserves in order to meet higher leverage ratios requires selling assets to get cash or reducing lending. Higher leverage ratio can decrease the profitability of banks because it means banks can do less - profitable lending. However, increasing the leverage ratio means that banks have more capital reserves and can more easily survive a financial crisis. In view of the impact of leverage into the business, our bank management takes decision about future investment. Considering the financial strength, Bank also make Capital planning and business budget to go on a right way.
iii) Approach for calculating exposure	<p>The leverage ratio is a volume-based measure and is calculated as Basel III Tier I capital divided by total on and off-balance sheet exposures.</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> $\text{Leverage Ratio} = \frac{\text{Tier-1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

b) Quantitative Disclosures:

(Fig In Million)

	Solo	Consolidated
Leverage Ratio	5.84%	6.12%
On Balance Sheet Exposure	4,44,906.52 329,507.46	4,54,120.27
Off- Balance Sheet Exposure	25,522.86	25,522.86
Total Deduction	(514.70)	(514.70)
Total Exposure	4,69,914.69	4,79,128.43

11. Remuneration:

The following remuneration disclosures have been prepared in accordance with 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' provided by Bangladesh Bank. The prudential disclosures require that all banks meet the minimum requirements for public disclosure of qualitative and quantitative information of the remuneration practices. The qualitative remuneration disclosures are broader in scope and cover all the individuals included whereas the quantitative information relates to senior managers and material risk takers of the Al-ArafahIslami Bank Limited, for the financial year ended December 31, 2018.

a) Qualitative Disclosures:

	<p>a) Information relating to the bodies that oversee remuneration:</p> <p>Managing Director, MANCOM & Head of Human Resources division govern the remuneration related policies and practices in alignment of the banks' short & long term objectives. They play an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior Management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels. A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to all branches.</p> <p>A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p> <p>Risk Takers are senior employees who can take, or influence the taking of, material risk for Al-Arafah Islami Bank or for a material business unit:</p> <table border="0"> <tr> <td>Managing Director</td> <td>:</td> <td>01</td> </tr> <tr> <td>Deputy Managing Director</td> <td>:</td> <td>08</td> </tr> <tr> <td>Senior Executive Vice President</td> <td>:</td> <td>16</td> </tr> <tr> <td>Executive Vice President</td> <td>:</td> <td>09</td> </tr> <tr> <td>Senior Vice President</td> <td>:</td> <td>36</td> </tr> </table>	Managing Director	:	01	Deputy Managing Director	:	08	Senior Executive Vice President	:	16	Executive Vice President	:	09	Senior Vice President	:	36
Managing Director	:	01														
Deputy Managing Director	:	08														
Senior Executive Vice President	:	16														
Executive Vice President	:	09														
Senior Vice President	:	36														
	<p>b) Information relating to the design and structure of remuneration processes: Key features of remuneration policy:</p> <p>We target a fair human resources management by using a performance based system. Our salary policy is the same in all branches and service points for the beginner level. In addition, to drive further development of individual skill sets and competencies, speaking foreign languages is compensated. There is no incident of discrimination has been occurred in terms of remuneration provided to male and female employees.</p> <p>Al-Arafah Islami Bank compensation program focuses on individual short-term goals vis-a-vis long-term success and overall profitability of the Bank. Both our short-term annual incentive and long-term compensation plans promote our pay-for-performance philosophy, as well as our goal of having a meaningful amount of pay at-risk, and we believe both plans provide us a competitive advantage in talent acquiring and retaining.</p> <p>Objectives of remuneration policy:</p> <p>The overall objective of the Bank's remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long-term performance within established risk limits. Performance is judged, not only on what is achieved, but also on how it is achieved as well as alignment to the Bank's values.</p> <p>Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:</p> <p>The remuneration committee reviewed the firm's remuneration on 2018 and revised the remuneration by conducting a survey considering the following facts:</p>															

	<p>a. Oversee Banks remuneration position and revise the structure according to the Competitive market.</p> <p>b. Align compensation strategy with business strategy</p> <p>c. Determine the percentage of increment at each job grade</p> <p>d. Get acquainted with the economy inflation.</p> <p>Based on the survey, Bank changes the remuneration on COMPA-Ratio based of its existing employees.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee :</p> <p>Control function of internal control and compliance directly respond of Audit Committee of the Board and dotted report to the President and Managing Director. Credit Risk Officer report to President and Managing Director directly.</p>
	<p>c) Description of the ways in which current and future risks are taken into account in the remuneration processes.</p> <p>The Bank's remuneration practices are carefully managed takes into account the following key risks when implementing remuneration measures:</p> <ul style="list-style-type: none"> • Financial Risks • Compliance Risks <p>Risk and compliance requirements represent a gateway to whether an incentive bonus payment is made and the size of the payment. Despite, if the individual does not meet or only partially meets compliance requirements, no award or a reduced award may be made.</p>
	<p>d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:</p> <p>Employees' performance is appraised annually in line with the achieved objectives, which have a positive and direct impact in their pay package. So, individual's remuneration may vary according to their performance. The payment is dependent on the Board's discretion, taking into account the recent performance of the Bank.</p>
	<p>e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance:</p> <p>The Bank's remuneration system is designed to reward long-term as well as short-term performance, encourage retention and recognize special performance in the organization. The Bank provides reasonable remuneration for short-term performance besides for long-term performance the bank has some deferred payment options (i.e. incentive bonus, gratuity, superannuation etc.).In case of following situation remuneration can be adjusted before vesting:</p> <ul style="list-style-type: none"> • Disciplinary Action (at the discretion of Enquiry committee) • Resignation of the employee prior to the payment date. <p>At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action.</p>
	<p>f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms:</p> <p>A summary of Short-term and Long-term compensation plan are as follows: Total Compensation = Fixed Pay (Salary)+Variable Pay (Bonus)+Variable Pay (Long term incentive) Form of variable remuneration offered by Al-ArafahIslami Bank:</p> <p>Cash Form:</p> <p>Short-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Yearly Increment 2. Yearly fixed and incentive bonus 3. Car, fuel and car maintenance allowance for executives 4. Accelerated promotion/Special increment for especial assignments/ accomplishment; 5. Cash Risk allowance for cashier; 6. Charge allowance for Head of Branches 7. Leave Encashment.

	<p>Long-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Provident fund; 2. Gratuity; 3. Social Security&Benevolent(SSBF) fund 4. Staff House building Investment Scheme(SHBIS) reduce profit rate 5. Provident fund Quard(Investment) with zero profit rate 6. Yearly professional membership fees for professional certificates holder <p>Non-Cash Form:</p> <p>Short-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Accelerate promotion for top talents; 2. Study leave. <p>Long-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Foreign training award;
--	--

b) Quantitative Disclosures:

	<p>g) Number of meetings held by the main overseeing remuneration during the financial year and remuneration paid to its member :</p> <p>Meeting regarding overseeing the remuneration was held on as and when it required</p>
	<p>h) Number of employees having received a variable remuneration award during the financial year. - Nil Number and total amount of sign-on award made during the financial year. - Nil Number and total amount of severance payments made during the financial year. - Nil</p>
	<p>Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. - Nil Total amount of deferred remuneration paid out in the financial year: - Nil</p>
	<p>j) Breakdown of amount of remuneration awards for the financial year to show. Fixed and Variable: deferred and non-deferred different forms used (cash, shares, share linked instruments, other forms)- - Nil - All the remunerations are provided in the form of cash</p>
	<p>k) Quantitative Information about employees' exposure to implicit(e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. clawbacks or similar reversals or downward revaluation of awards) of deferred remuneration and retained remuneration: All the remunerations are provided in the form of cash</p> <p>i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. - Nil</p> <p>ii) Total amount of reductions during the financial year due to ex post explicit adjustments. - Nil</p> <p>iii) Total amount of reduction during the financial year due to ex post implicit adjustments - Nil</p>



Auditor's Report and Financial Statements of AIBL Capital Market Services Limited

for the year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AIBL Capital Market Services Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AIBL Capital Market Services Limited (the Company), which comprise the Statement of Financial Position as at 31 December, 2021 and Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at 31 December, 2021 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC), the Companies Act 1994 and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matter:

Initial application of IFRS-16 Leases came into effect in 1st January 2019. IFRS-16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short term leases and leases of low value assets.

However, the management of the company opted not to adopt the new standard in the current financial year leading to the understatement of the Assets and Liabilities, understatement of expense, overstatement of profit further references in note 8.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed them are outlined below:

Risk	Our response to the risk
<p>Investments: The investment of AIBL Capital Market Services Limited comprises of in investment in Margin investment, Investment in ICB Fund, investment in Dealer A/C, Investment in Share (BBSF), Investment in AIBL Capital Management Ltd & Investment in Intech Ltd.</p> <p>Investment in Margin, at the end of 31 December, 2021 are valued at BDT. 8,428,902,651 which has been decreased during the year by 1.59% compared to last year, and representing 71.35% of total assets.</p> <p>Investment in ICB Fund, at the year-end, are valued at BDT 244,586,355 which has been increased by 1.38% in comparison with last year, and representing 2.07% of total assets.</p> <p>Investments in Dealer A/C, at the end of 31 December, 2021 are valued at BDT. 113,110,338 which has been increased by 19.38% than what was in the last year, and representing 0.96% of total assets.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting and valuing their investment portfolio.</p> <p>Additionally, we performed the following:</p> <ul style="list-style-type: none"> • Our audit approach was a combination of test of internal control and substantive procedures. • We confirmed financial statement assertions regarding investment existence, completeness, right and obligation, valuation and allocation. • We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation the management of the company consistently applied policies. • Reviewed the carrying balance of the total outstanding margin Investment. • We tested the calculations of provision for negative equity, unrealized loss and checked the presentation and disclosure of investment in compliance with BSEC circular #SEC/CMRRCD/2009-193/196, dated- 28 December 2016, and circular# SEC/CMRRCD/2009-193/203 dated, 28 December 2017 and subsequent extension up to 2023 through press release on 16 July, 2020.

Investments in Share (BBSF), at the end of 31 December, 2021 are valued at BDT. 425,185,788 which has been increased by 100% than what was in the last year, and representing 3.60% of total assets.

Investments in Intech Ltd., at the end of 31 December, 2021 are valued at BDT. 1,500,000 which has been increased by 100% than what was in the last year, and representing .01% of total assets.

This was an area of focus for our audit and significant audit effort was directed.

Refer to the note no. 6 to the financial statements.

Investment Income:

Investment Income of BDT 148,918,120 is recognised in the Statement of Profit or Loss and Other Comprehensive Income of the Company for the year ended 31st December 2021. Investment Income has been decreased by 26.15% compared to last year due to the COVID-19 global pandemic situation. This was an area of focus for our audit and significant audit effort was directed. There is also a risk that income may be overstated due to errors or fraud through manipulation or this management bias. We focused-on area of significance of the Margin Profit Income, Profit from MSND in the financial statements.

Refer to the note no. 16 to the financial statements.

Our audit procedures included obtaining our understanding of the process of Margin Profit Income, Profit from MSND and ascertaining the balance. Additionally, we performed the following:

- We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers.
- Carried out cut-off testing to ensure the recognized in correct income was period.
- Reviewed the carrying balance of the total figure.
- Recalculated Profit charged during the year.
- We also tested journal entries recognised to income focusing on unusual or irregular transactions.
- Performed audit trial to understand the adequacy and the design of the investment income cycle.
- We obtained sufficient audit evidence to conclude that the inputs and methodologies used determination of income are within a for the reasonable range and that policies were consistently applied by the management of the company.

Other Matter

- a) The financial statements of AIBL Capital Management Limited for the year ended December 31, 2020 were audited by Syful Shamsul Alam & Co., Chartered Accountants; who expressed an unmodified opinion on those financial statements on 8th May 2021.
- b) There has been an outbreak of the global pandemic COVID-19 on 11 March 2020 which is a force majeure event, unique in nature and has divested the world and mankind. The surge of COVID-19 has negatively impacted almost all types of businesses across the world. During the year AIBL Capital Market Services Limited has taken margin investment provision facilities as per BSEC circular # SEC/CMRRCD/2009-193/196, dated 28 December 2016, and circular# SEC/CMRRCD/2009-193/203 dated, 28 December 2017 and subsequent extension up to 2023 through press release on 16 July, 2020. As the COVID-19 global pandemic situation had an unfavourable impact on the capital market trading, AIBL Capital Market Services Limited have been suffering a reduction in their investment income by 26% in the year 2021 than that of previous year.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor’s reports thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we will review the director’s report in the annual report for the year ended 31 December, 2021, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, Companies Act 1994, the Securities and Exchange Rules 1987, Financial Institution Act 1993 and other applicable laws and regulations as explained in note #2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Company’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report the following:

- i. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.

Place: Dhaka
03 April, 2022



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.

DVC: 2204031591AS693518

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2021

Particulars	Notes	Amount (In Taka)	
		31.12.2021	31.12.2020
ASSETS:			
Non - Current Assets:		9,602,934	10,176,166
Property, Plant & Equipment	4	6,690,525	6,879,749
Deferred Tax Assets	9.2	2,912,409	3,296,417
Current Assets:		11,801,894,278	11,368,168,979
Account Receivable	5	26,368,263	19,711,801
Investment	6	9,223,285,132	8,910,716,378
Investment in Share (DSE & CSE)	7	662,120,683	662,120,683
Advance, Deposits & Prepayment	8	12,458,265	10,579,975
Advance Income Tax	9	1,623,577,418	1,578,390,539
Cash and Cash Equivalent	10	254,084,517	186,649,603
Total Assets:		11,811,497,212	11,378,345,145
EQUITY AND LIABILITIES:			
Capital and Reserve:		4,263,725,825	4,165,588,705
Paid-up Capital	11	4,000,000,000	4,000,000,000
Retained Earning		263,725,825	165,588,705
		7,547,771,387	7,212,756,440
Borrowing from Bank	12	5,163,550,237	4,895,259,046
Accounts Payable	13	369,297,955	344,797,539
Provision for Investments	14	503,822,672	503,822,672
Provision for taxation	15	1,511,100,523	1,468,877,183
Total Equity and Liabilities:		11,811,497,212	11,378,345,145

The annexed notes 1 to 28 form an integral part of these financial statements.


Director


Director


Managing Director


Company Secretary

Place: Dhaka
03 April, 2022


Khan Wahab Shafique Rahman & Co.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC: 2204031591AS693518

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended December 31, 2021

Particulars	Notes	Amount (In Taka)	
		Jan-Dec'2021	Jan-Dec'2020
Investment Income	16	148,918,120	201,661,411
Profit paid on Borrowing	17	(203,583,939)	(217,663,387)
Net Investment Income		(54,665,819)	(16,001,976)
Income from Commission, Exchange & Others:			
Brokerage Commission	18	289,411,279	119,953,683
Documentation & Maintenance Fess	19	5,124,250	4,609,964
Other Operating Income	20	56,132,730	34,015,544
		350,668,259	158,579,191
Total operating Income (A)		296,002,440	142,577,215
Hawla, Laga & CDBL Charges	21	36,952,367	16,715,393
Salary allowances & Contribution to P.F	22	68,679,573	65,349,066
Rents, Taxes, Insurance, Lighting etc.	23	20,674,182	19,742,876
Honorarium & Meeting Expense	24	3,665,000	3,280,000
Law Charges		5,718	828
Postage, Telegram, Telephone & Stamps etc	25	89,706	317,218
Depreciation, Amortization & Repairs to Properties	26	4,414,224	3,951,074
Stationary, Printing, Advertisement etc.		1,401,253	737,312
Other Expenses	27	19,375,949	11,837,028
Total operating expenses (B)		155,257,972	121,930,795
Profit/(loss) before provision and Tax C = (A - B)		140,744,468	20,646,420
Provision for Investment		-	-
Provision for Taxation		42,223,340	3,927,898
Deferred Tax (Income)/Expense	9.2	384,008	319,002
Net Profit after Tax		98,137,120	16,399,520
Retained Earning Brought forward		165,588,705	149,189,185
Retained earning Carried forward		263,725,825	165,588,705
Earning per Share (EPS)		0.245	0.041

The annexed notes 1 to 28 form an integral part of these financial statements.


Director


Director


Managing Director


Company Secretary

Place: Dhaka
03 April, 2022



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC: 2204031591AS693518

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2021

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2021	4,000,000,000	165,588,705	4,165,588,705
Net profit for the Period	-	98,137,120	98,137,120
Balance as at December 31, 2021	4,000,000,000	263,725,825	4,263,725,825

STATEMENT OF CHANGES IN EQUITY

As at December 31, 2020

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2020	4,000,000,000	149,189,185	4,149,189,185
Net profit for the Period	-	16,399,520	16,399,520
Balance as at December 31, 2020	4,000,000,000	165,588,705	4,165,588,705

The annexed notes 1 to 28 form an integral part of these financial statements.



Director



Director



Managing Director



Company Secretary

Place: Dhaka
03 April, 2022



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC: 2204031591AS693518

STATEMENT OF CASH FLOWS

For the period ended 31 December, 2021

Particulars	Amount (In Taka)	
	Jan-Dec'2021	Jan-Dec'2020
Cash flows from operating activities		
Investment income receipt in Cash	148,918,120	201,661,422
Profit paid on deposits and borrowing	(203,583,939)	(217,663,387)
Commission received in cash	289,411,279	119,953,683
Cash payments to employees	(68,679,573)	(65,349,077)
Cash payments to suppliers	(1,401,253)	(737,312)
Received from other operating activities (item-wise)	61,256,980	38,625,508
Paid for other operating activities (item-wise)	(82,336,237)	(52,755,224)
Advance income tax paid	(45,186,879)	(19,053,613)
Operating profit before changes in operating assets and liabilities	98,398,498	4,682,000
Changing in Operating assets & liabilities		
Increase/Decrease Investment	(312,568,754)	(225,208,373)
Increase/Decrease of Accounts receivable	(6,656,462)	53,593,321
Increase/Decrease of Borrowing	268,291,191	(25,642,665)
Increase/Decrease of Accounts payable	24,500,416	190,916,852
Increase/Decrease of other assets (item-wise)	(1,878,290)	5,562,728
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	(28,311,899)	(778,137)
A. Net Cash from operating activities	70,086,599	3,903,863
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,651,685)	(1,224,343)
B. Net cash flows from investing activities	(2,651,685)	(1,224,343)
Cash flows from financing activities		
Increase in Share Capital	-	-
Interim Dividend Paid	-	-
C. Net cash flows from financing activities	-	-
D. Net increase in cash and cash equivalent (A+B+C)	67,434,914	2,679,520
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent D+E	67,434,914	2,679,520
G. Cash & Cash Equivalents at the beginning of the period	186,649,603	183,970,083
H. Cash & Cash Equivalents at the end of the period	254,084,517	186,649,603

The annexed notes 1 to 28 form an integral part of these financial statements.


Director


Director


Managing Director


Company Secretary

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2021

1.00 Reporting entity

1.01 Company Profile

The Company is incorporated under the Companies Act 1994 as a public limited company by share namely AIBL Capital Market Services Limited on 21st September 2010. The company was entitled to commence the business also from 21st September 2010. The Company is a subsidiary company of Al-Arafah Islami Bank Limited.

1.02 Address of Registered Office and Principal Place of Business

The principal place of business is the Registered Office at Peoples Insurance Bhaban (4th floor), 36 Dilkusha C/A, Dhaka-1000.

1.03 Nature of Business Activities

The main objective of the company is to act as a member of Dhaka Stock Exchange and Chittagong Stock Exchange to carry on the business of broker, or dealers in stocks, shares and secure commercial papers, bonds, debentures stock, foreign currencies, treasury bills and/or any instruments. The company has eight branches in Bangladesh.

2.00 Basis for preparation of financial statements

2.01 Components of financial statements:

According to International Accounting Standards (IAS)-1, as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i. Statement of Financial Position
- ii. Statement of Profit or Loss and Other Comprehensive Income
- iii. Statement of Changes in Equity
- iv. Statement of Cash Flows
- v. Notes, comprising a summary of significant accounting policies and other explanatory information.
- vi. Comparative Figures.

2.02 Statement of Compliance

The financial statements of AIBL Capital Market Services Limited have been prepared in accordance with the DFIM circular No. 11 dated 23 December 2009 and requirement of the Financial Institution Act 1993, the Companies Act 1994, the Security and Exchange Commission (Amendment) Act 2012, the listing rules of Dhaka Stock and Chittagong Stock Exchange, guideline from BB, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and other applicable laws and regulations. In case of any rules and regulations issued by Bangladesh Securities and Exchange Commission differs from those of other regulatory authorities, the rules and regulations issued by Bangladesh Securities and Exchange Commission shall prevail.

The following IAS' are applicable to the financial statements under review:

IAS-1	Presentation of Financial Statements	Complied
IAS-7	Cash Flow Statements	Complied
IAS-8	Accounting policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Balance Sheet Date	Complied
IAS-12	Income Taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-19	Employee Benefit	Complied
IAS-23	Borrowing Costs	Complied
IAS-24	Related Party Disclosures	Complied
IAS-32	Financial instrument: Presentation	Complied
IAS-33	Earnings per Share	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied
IFRS-9	Financial instrument	Complied
IFRS-15	Revenue from Contracts with Customers	Complied
IFRS-16	Leases	Non-Complied

2.03 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on “Historical Cost” convention, which is one of the most commonly adopted base provided in “the framework for the preparation and presentation of financial statements” issued by the International Accounting Standards Board (IASB).

2.04 Reporting Currency and Level of Precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded-off to the nearest Taka.

2.05 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.06 Going Concern

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.07 Materiality and aggregation

Each material item as considered significant by management, has been presented separately in financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.08 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, AIBL Capital Market Services Limited applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

2.09 Contingent asset and contingent liability

The Company does not recognize any Contingent Asset and Contingent Liability, but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from the past events and whose existence will be confirmed by the occurrence of uncertain future events beyond the control of the Company or a present obligation that is not recognized because of outflow of resources is not likely or obligation cannot be measured reliably.

2.10 Books of account

The Company maintains its books of account for main business in Electronic Form through soft automation.

2.11 Reporting period

The financial period of the Company has been determined to be from 1 January to 31 December each period. These financial statements cover the period from 01 January 2021 to 31 December 2021.

2.12 Events after balance sheet date (IAS-10)

Events after the reporting period, dividend declared after the reporting period should not be classified as a liability at the reporting period as the proposed dividend does not represent an Obligation under IAS-37: Provision, Contingent Liabilities and Contingent Assets. Where necessary, all the material events after the reporting period is considered and appropriate adjustments /disclosures is made in the financial statements in accordance with IAS 10 - Events After Balance Sheet Date.

2.13 Comparative figures of financial statements

Comparative information has been disclosed in respect of the period ended 31 December 2021 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements.

3.00 Principal Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Recognition and measurement (PPE)

Items of property, plant and equipment are measured initially at cost and subsequently at cost less accumulated depreciation in compliance with International Accounting Standard (IAS) 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any direct cost for bringing the asset to its working condition for its intended use. Expenditures incurred after the assets have been put into use, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. Software and all upgradation/enhancement are generally capitalised.

3.02 Property, Plant and Equipment (PPE) and depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged on the cost of Property, Plant and Equipment in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with IAS-16. No depreciation is charged for disposal and addition during the year.

Depreciation is recognized in Statement of Profit or Loss and Other Comprehensive Income on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment. The rates of depreciation used to write off the amount of assets are as follows:

Interior Decoration	10%
Computer Accessories	20%
Online Hardware	20%
Motor Car	20%
Furniture & Fixture - Steel	10%
Office Equipment	20%
Furniture Fixture - Wood	10%
Computer	20%
Online Software	20%

3.03 Disposal of PPE

Gains and losses on disposal of an item of property, plant and equipment are to be determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment disposed off and are recognized net with "Other Non-Operational Income" in the statement of profit or loss and other comprehensive income

3.04 Impairment of PPE

The carrying amounts of PPE are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognized in Statement of Profit or Loss and Other Comprehensive Income if the carrying amount of an asset exceeds its estimated recoverable amount. However, no such condition that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

3.05 Investment in security

Investment in security are classified broadly in two categories and accounted under as follows:

I) Investment in listed securities:

Investment in listed security is carried at the lower of cost or market value in accordance with IAS-39; accordingly for investment, adequate provision is being made at the end of each calendar year considering each individual investment (where cost is less than market price). Unrealized gain or loss is not recognized in the Statement of other Comprehensive Income.

II) Margin Investment:

AIBL Capital Market Service Limited extended margin loan to the portfolio investors at an agreed ratio (between investor deposit and loan amount) of purchases securities against the respective investor account. The investors are to maintain the margin as per set rules and regulation. The margin is monitored on daily basis as it changes due to change in market price of share.

If the margin falls below the minimum requirement, the investor are required to deposit additional fund to maintain the margin as per rules or otherwise the securities be sold to bring the margin to the required level but it was not possible to maintain under present capital market scenario.

3.06 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or expenses. Deposits are measured at present value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of comprehensive income.

3.07 Cash & Cash equivalent

Cash and cash equivalent includes cash in hand, cash at bank and fixed deposits which are held and are available for use by the company without any restriction. There is insignificant risk of change in the value of the above items.

3.08 Corporate Tax

I) Current tax:

Income tax expense is recognized in Statement of Profit or Loss and Other Comprehensive Income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable corporate tax rate is 30% as per the Finance Act 2021 for the Company.

II) Deferred tax:

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset/liabilities is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets/liabilities is reviewed at each reporting date and are reduced to the extent that it is probable that the related tax benefit will be realized.

III) Tax exposures:

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.09 Provision on expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligations and reliable estimate of the amount can be measured.

3.10 Revenue Recognition

As per International Financial Reporting Standard (IFRS) 15: Revenue, revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

I) Income from margin Investment:

Income from margin Investment is recognized on accrual basis. Such income is calculated considering daily margin Investment balance respective parties. Income is recognized on monthly rest. Interest charged to margin Investment that results to negative equity is not probable that the economic benefit associated with that portion will not flow to the company. So, "IFRS-16 : Revenue" this is not recognized in income.

II) Income from gain on sale of securities:

Capital gain or loss on disposal of security listed in the stock exchange is recorded on realized basis i.e. only when the securities are sold in the market. Unrealized capital gain or losses are not accounted for in the Statement of other Comprehensive Income.

3.11 Earnings Per Share (EPS)

Earnings Per Share (EPS) is calculated by dividing total earnings available for ordinary shareholders by weighted average number of shares outstanding for the year.

3.12 Statement of Cash Flows

Cash Flow Statement is prepared in accordance with IAS-7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.13 Financial risk management

The company has provided in separate notes the information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risks and the company's management of capital.

- Credit risk
- Liquidity risk
- Market risk

3.14 Related Party Disclosure

The company in the normal course of operation has entered into transactions with others entities that fall within the definition of related party transaction under IAS-24 "Related Party Disclosure". The company believes that the effect and term of these related party transactions are not significantly different from those that could have been obtained from third parties. The significant related party transactions during the year are disclosed in Annexure-B.

3.15 Date of authorisation for issue of the financial statements

On 25th April 2022, the Board of Directors reviewed the financial statements and authorised them for issue.

3.16 Effect of COVID-19 Pandemic during the year

There has been an outbreak of the global pandemic COVID-19 on 11 March 2020 which is a force majeure event, unique in nature and has divested the world and mankind. The surge of COVID-19 has negatively impacted almost all types of businesses across the world. During the year AIBL Capital Market Services Limited has taken margin investment provision facilities as per BSEC circular # SEC/CMRRCD/2009-193/196, dated 28 December 2016, and circular # SEC/CMRRCD/2009-193/203 dated, 28 December 2017 and subsequent extension up to 2023 through a press release on 16 July 2020. As the COVID-19 global pandemic situation had an unfavourable impact on the capital market trading. AIBL Capital Market Services Limited has also suffered a lot due to the pandemic situation in the year 2021.

		Amount (In Taka)	
		31.12.2021	31.12.2020
4.00	Property, Plant & Equipment:		
	a) Tangible Asset		
	Interior Decoration	17,001,228	16,689,936
	Computer accessories	1,615,279	1,223,174
	Online Hardware	2,946,884	2,946,884
	Motor Car	18,062,939	18,062,939
	Furniture & fixture - steel	698,547	451,400
	Office equipment	11,367,347	11,254,696
	Computer	5,907,045	4,628,895
	Furniture & fixture - wood	3,349,558	3,261,018
	Less : Accumulated Depreciation	54,480,102	51,954,194
		6,468,725	6,564,748
	b) Intangible Assets		
	Online Software	221,800	315,001
		221,800	315,001
	Less : Accumulated Depreciation		
	Total (a+b)	6,690,525	6,879,749
	Details have been shown in Annexure-"A"		
5.00	Accounts Receivable:		
	Receivable from DSE	23,346,303	1,583,612
	Receivable from CSE	-	12,065,947
	Dividend Receivable	3,021,960	6,062,242
		26,368,263	19,711,801
6.00	Investments:		
	Margin Investment	8,428,902,651	8,564,718,212
	Investment ICB Fund	244,586,355	241,252,108
	Investment in Dealer A/C	113,110,338	94,746,058
	Investment in Share (BBSF)	425,185,788	-
	Investment In AIBL Capital Management Ltd.	10,000,000	10,000,000
	Investment In Intech Ltd.	1,500,000	-
		9,223,285,132	8,910,716,378
7.00	Investment in Share (DSE & CSE):		
	Investment in Share (DSE)	487,120,683	487,120,683
	Investment in Share (CSE)	175,000,000	175,000,000
		662,120,683	662,120,683
	Investment in Shares of Dhaka & Chittagong Stock Exchange Limited as shown above is based on acquisition cost from the parent company Al-Arafah Islami Bank Limited, face vale of which was Tk. 2,000 (Two thousand) and Tk. 300,000 (Three lac) per share respectively. After Demutualization, DSE allotted 5,411,329 number of ordinary shares (of which 2,525,288 shares blocked with DSE Demutualization Blocked Account) and CSE also allotted 4,287,330 number of ordinary shares (of which 2,572,398 shares are blocked with CSE) at face value of Tk. 10/- each.		
8.00	Advance, Deposit & Prepayments:		
	Advance against Office Space at Nikunja, Dhaka.	-	100,000
	Advance against Office Space Head Office.	3,079,380	855,420
	Advance against Office Space Gulshan(old).	344,080	344,080
	Advance rent Gulshan Br.(New)	557,342	807,338
	Advance Rent Khulna	1,055,460	2,069,760
	Advance Rent Uttara Br.	1,968,930	1,968,930

Advance Rent Barisal Br.		900,849	930,849
Advance Rent Dhanmondi Br.		131,009	1,154,009
Advance Rent Sylhet Br.		669,438	-
Advance Rent B. Baria		41,931	209,655
Advance Rent Khatungonj		205,908	446,176
Advance Against Petty Cash		3,503,938	1,693,758
		12,458,265	10,579,975
9.00 Advance Income Tax:			
Opening Balance		1,578,390,539	1,559,336,926
Tax deducted at source DSE		43,154,710	17,162,761
Tax deducted at source CSE		535,759	399,465
TDS against Dividend		1,489,573	1,028,428
Tax deducted at source Bank		6,837	462,959
Tax paid for previous year		-	-
		1,623,577,418	1,578,390,539
		1,623,577,418	1,578,390,539
9.01			
Tax paid 2020 through Chalan & Source		19,053,613	19,053,613
Tax paid 2019 through Chalan & Source		18,188,219	18,188,219
Tax paid 2018 through Chalan & Source		24,176,626	24,176,626
Tax paid 2017 through Chalan & Source		80,447,999	80,447,999
Tax paid 2016 through Chalan & Source		414,413,240	414,413,240
Tax paid 2015 Through Challan & Source		415,952,141	415,952,141
Tax paid 2014 through challan & Source		306,367,030	306,367,030
Tax paid 2013 through challan & Source		299,791,671	299,791,671
		1,578,390,539	1,578,390,539
		1,578,390,539	1,578,390,539
9.02 Deferred Tax Assets			
Opening Balance		3,296,417	3,615,419
Addition During the year		(384,008)	(319,002)
		2,912,409	3,296,417
Adjustment during the year		-	-
		2,912,409	3,296,417
10.00 Cash and Cash equivalent:			
Al-Arafah Islami Bank Limited	Note-10.01	254,078,915	186,642,621
Shajalal Islami Bank Limited		5,602	6,982
		254,084,517	186,649,603
10.01 Balance at Bank:			
Al-Arafah Islami Bank Limited, Motijheel Br. Dhaka (2693)		17,684	17,292
AIBL Capital Market Services Limited Cons.customers Ac AIBL, Motijheel Br. (0021220002927)		243,916,674	162,665,106
AIBL Capital Market Services Limited. Corporate Ac AIBL, Motijheel br. (0021220002936)		1,789,813	1,003,149
AIBL Capital Market Services Ltd. Dividend A/C AIBL, Motijheel Br. (0021120583328)		491,308	483,159
AIBL Capital Market Services Limited, Dhanmondi		-	1,950,000
AIBL Capital Market Services Limited, Union Bank Gulshan br.		8,745	-
AIBL Capital Market Services Limited, Khatunginj		1,910,000	2,724,000

AIBL Capital Market Services Ltd. Public App. A/C AIBL Motijheel Br. (0021220004506)	444,870	14,542,957
AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003278)	2,587,213	1,943,762
AIBL Capital Market Services Limited, ICB Pronodona Scheme 2 AIBL, Motijheel Br (0021220009614)	88,183	185,090
BBSF Investment Account, AIBL, Motijheel Br.(10222)	2,324,680	-
AIBL Capital Market Services Limited, B. Baria	500	528,000
AIBL Capital Market Services Limited, Barishal	233,000	
AIBL Capital Market Services Limited, Uttara	-	400,000
AIBL Capital Market Services Limited SIBL, Principal Br.(0021330451189)	209,245	106
AIBL Capital Market Services Limited Khulna	57,000	200,000
	254,078,915	186,642,621

11.00 Share Capital:

11.01 Authorised Capital:

The authorised Capital of the Company is 100,00,00,000 Ordinary Share of TK. 10 each.

10,000,000,000 **10,000,000,000**

11.02 Issued, Subscribed and fully Paid-up Capital:

Issued, Subscribed and fully Paid-up Capital is 40,00,00,000 share of TK. 10 each.

4,000,000,000 **4,000,000,000**

11.03 Share Holding Position: As at 31 December, 2021

Name of the Share Holder	% of Share holdings	No. of Shares	Amount (In Taka)
Al-Arafah Islami Bank Limited	60.50%	242,000,000	2,420,000,000
KDS Garment industries Ltd.	5.00%	20,000,000	200,000,000
Alhaj Abu Naser Mohammad Yeahea	4.50%	18,000,000	180,000,000
Alhaj Kazi Md. Mofizur Rahman	2.00%	8,000,000	80,000,000
Badshah Meah	1.75%	7,000,000	70,000,000
Alhaj Eng. Kh. Mesbahuddin Ahmed	1.75%	7,000,000	70,000,000
Alhaj Abus Salam	1.50%	6,000,000	60,000,000
Mohammed Mahtabur Rahman	1.50%	6,000,000	60,000,000
Islamic Commercial Insurance Co. Ltd.	1.25%	5,000,000	50,000,000
Mohammed Haroon	1.00%	4,000,000	40,000,000
Norrish Poultry and Hatchery Ltd.	1.00%	4,000,000	40,000,000
P & I International Limited	1.00%	4,000,000	40,000,000
Niaz Ahmed	0.75%	3,000,000	30,000,000
Mohammed Emadur Rahman	0.75%	3,000,000	30,000,000
Mohammed Oliur Rahman	0.75%	3,000,000	30,000,000
Badiur Rahman	0.63%	2,500,000	25,000,000
China Builders and Machinaries Ltd.	0.63%	2,500,000	25,000,000
KYCR Coils Industries Ltd.	0.50%	2,000,000	20,000,000
Alhaj Abdul Malek Mollah	0.50%	2,000,000	20,000,000
Bangladesh Ship Brake Limited	0.50%	2,000,000	20,000,000
Alhaj Nazmul Ahsan Khaled	0.50%	2,000,000	20,000,000
Alhaj Abdus Samad	0.50%	2,000,000	20,000,000
Md. Ashik Hossain	0.50%	2,000,000	20,000,000
Farid Ahmed	0.50%	2,000,000	20,000,000
A S M Mainuddin Monem	0.50%	2,000,000	20,000,000
Kazi Abu Kauser	0.50%	2,000,000	20,000,000
Mollah Mahmood Malek	0.50%	2,000,000	20,000,000

Galco Steel Bangladesh Ltd.	0.50%	2,000,000	20,000,000
Faisal Ahmed	0.50%	2,000,000	20,000,000
Kh Sakib Ahmed	0.50%	2,000,000	20,000,000
Md. Liakat Ali Chowdhury	0.25%	1,000,000	10,000,000
Ahmedul Haque	0.25%	1,000,000	10,000,000
Sarker Mohammad Shameem Iqbal	0.25%	1,000,000	10,000,000
Master Abul Kashem	0.25%	1,000,000	10,000,000
Naba knit Composite Limited	0.25%	1,000,000	10,000,000
Jainul Abedin Jamal	0.25%	1,000,000	10,000,000
Kamal Uddin	0.25%	1,000,000	10,000,000
N.Nasir Uddin	0.25%	1,000,000	10,000,000
Majbura Begum	0.25%	1,000,000	10,000,000
Asma Begum	0.25%	1,000,000	10,000,000
Afroza Sultana	0.25%	1,000,000	10,000,000
Shajjad Mustafa	0.25%	1,000,000	10,000,000
Azad Mustafa	0.25%	1,000,000	10,000,000
Farhana Irin	0.25%	1,000,000	10,000,000
Tanveer Nawaz	0.25%	1,000,000	10,000,000
Sk. Md. Samiul Islam	0.25%	1,000,000	10,000,000
Mohammad Jahangir	0.25%	1,000,000	10,000,000
Mollah Mazharul Malek	0.25%	1,000,000	10,000,000
Mohammed Oheidul Alam	0.25%	1,000,000	10,000,000
Sahana Ferdous	0.25%	1,000,000	10,000,000
Md.Nurul Hoque	0.25%	1,000,000	10,000,000
Mrs. Shamsun Nahar Begum	0.25%	1,000,000	10,000,000
Md. Rafiqul Islam	0.25%	1,000,000	10,000,000
Mohammad Fazlur Rahman	0.25%	1,000,000	10,000,000
Anower Hossain	0.25%	1,000,000	10,000,000
Akram Hussain	0.25%	1,000,000	10,000,000
Miss Ruksana Mumtaz Hussain	0.25%	1,000,000	10,000,000
Akhter Hussain	0.25%	1,000,000	10,000,000
Akbar Hossain	0.25%	1,000,000	10,000,000
TOTAL	100.00%	400,000,000	4,000,000,000

12.00 Borrowing from Bank:

Borrowing from Al-Arafah Islami Bank Limited Motijheel	3,397,899,998	3,399,100,000
Borrowing from Union Bank Ltd.	800,000,000	800,000,000
Borrowing from SIBL	497,700,000	471,690,598
BBSF Investment	400,000,000	-
ICB pronodona Scheme 2	67,950,239	164,468,448
Borrowing from HaJJ Finance	-	60,000,000
	5,163,550,237	4,895,259,046

13.00 Accounts Payable :

Profit Payable for SIBL	20,656,125	94,280,088
Profit Payable for AIBL Motijheel Br.	30,991,674	36,660,432
Profit Payable for UNION Bank	45,727,128	30,238,239
Profit Payable for HAJJ Finance	-	-
Profit Payable for BBSF Investment	14,845,020	-
Profit Payable for ICB Pronodona Scheme 2	1,829,029	4,770,895
VAT, Salary Tax & AIT Payable	581,621	323,978

Payable to DSE	4,050,560	27,063,524
Payable to CSE	130,827	2,111,111
Clients Payable	206,857,023	121,975,534
Accrued exp	155,310	105,310
Audit Fees	-	50,000
Dividend adjustment clients	469,836	458,689
Security Money	100,367	117,539
IPO Application Process Account	42,903,435	26,642,200
	369,297,955	344,797,539
14.00 Provision for Investment:		
Openig Balance	503,822,672	503,822,672
Add : Provision for Investment	-	-
Closing Balance	503,822,672	503,822,672
15.00 Provision for Taxation :		
Openig Balance	1,468,877,183	1,464,949,285
Add: Income tax provision during the year	42,223,340	3,927,898
Closing Balance	1,511,100,523	1,468,877,183
16.00 Investment Income		
Margin Profit income	148,849,355	197,031,463
Profit on MSND	68,765	4,629,948
	148,918,120	201,661,411
17.00 Profit paid on Borrowing :		
SIBL	67,922,853	62,255,188
Union Bank ltd	74,013,889	103,078,703
AIBL Motijheel Branch	34,931,242	35,037,486
BBSF Investment	14,845,020	-
HaJJ Finance	6,844,832	9,400,583
ICB Pronodona Scheme 2	5,026,103	7,891,427
	203,583,939	217,663,387
18.00 Brokerage commission		
DSE	285,776,504	117,257,603
CSE	3,634,775	2,696,080
	289,411,279	119,953,683
19.00 Documentation & Maintenance Fess		
BO Documentation and Maintenance fees	5,032,250	4,540,964
Margin documentation fees	92,000	69,000
	5,124,250	4,609,964
20.00 Other Operating Income		
CDBL Income	1,003,549	445,521
Cheque dishonour Charge	141,000	70,000
Dividend income	4,837,107	5,895,364
IPO Process Income	274,265	111,040
Realized Capital gain	49,872,429	27,488,247
Others	4,380	5,372
	56,132,730	34,015,544

21.00 Hawla, Laga & CDBL Charges		
Laga charge DSE	21,372,909	8,908,945
Laga charge CSE	246,449	-
CDBL Charges	15,333,009	7,806,448
	36,952,367	16,715,393
22.00 Salary allowances & Contribution to P.F		
Salary allowances & Contribution to P.F	67,265,998	63,690,174
Wages	856,550	1,061,163
Security Services	557,025	597,729
	68,679,573	65,349,066
23.00 Rents, Taxes, Insurance, Electricity etc.		
Rent	18,376,832	17,671,591
Insurance	33,575	75,903
Electricity bill	2,263,775	1,995,382
	20,674,182	19,742,876
24.00 Honorarium & Meeting Expense		
Meeting & Honorarium	3,665,000	3,280,000
	3,665,000	3,280,000
25.00 Postage, Telegram, Telephone & Stamps etc.		
Postage, Telegram, Telephone & Mobile	64,593	310,680
Stamps	18,750	1,200
Photocopy	6,363	5,338
	89,706	317,218
26.00 Depreciation & Repairs to Properties		
Depreciation	2,840,909	3,089,194
Repair & Maintenance	1,573,315	861,880
	4,414,224	3,951,074
27.00 Other Expenses		
Computer Charge	264,135	6,500
Bank Charge	701,539	188,336
Petroleum Oil, Lubricant & WASA/ Gas.	1,134,953	733,612
Entertainment	1,585,671	697,114
Bonus & Incentive	5,252,161	5,138,602
Donation	20,000	-
Registration	16,585	150,000
Travelling, conveyance, Transportation & Saturday Allowance	827,961	144,715
Internet & Online Charge	2,306,600	2,210,343
Employees welfare exp.	386,713	-
Audit Fees	50,000	50,000
Utilities bill	533,140	215,640
Vat	11,100	3,600
Miscellaneous (Note-27.01)	6,285,391	2,298,566
	19,375,949	11,837,028

27.01 Miscellaneous

Subscription Renewal	764,916	589,346
Newspaper	64,709	86,629
Training & AR Licencce Fee	17,200	-
Mandetary Leave	-	344,625
Business Development Exp.	-	223,000
Agent commission	5,127,413	743,530
Upkeep, wasing & cleaning	28,870	24,320
Miscellanous	64,022	32,816
Investors Protection	51,711	-
Closing Allowances	-	9,000
EID Garcia	51,550	15,300
Bank Guarantee	115,000	230,000
	6,285,391	2,298,566

28.00 We submitted monthly report to DSE namely "Input Template" for calculating "Net Capital Balance" and "Aggregate Indebtedness Ratio" for the December, 2021 based on our provisional accounts. Therefore, those figures were not matched in some cases with final financial statements for the year ended 31 December, 2021.

AIBL Capital Market Services Ltd.
FIXED ASSETS SCHEDULE

As at December 31, 2021

Particular	Cost				Rate %	Depreciation				Written Down Value as on December 31, 2021	
	Balance as on January 1, 2021	Addition during the Year	Disposal/ Adjustment	Balance as on December 31, 2021		Balance as on January 1, 2021	Charge during the Year	Adjustment	Balance as on December 31, 2021		
Tangible Asset											
Interior Decoration	16,689,936	311,292	-	17,001,228	10%	11,197,341	1,668,994	-	12,866,335		4,134,893
Computer Accessories	1,223,174	392,105	-	1,615,279	20%	1,223,173	-	-	1,223,173		392,106
Online Hardware	2,946,884	-	-	2,946,884	20%	2,946,883	-	-	2,946,883		1
Motor Car	18,062,939	-	-	18,062,939	20%	18,062,938	-	-	18,062,938		1
Furniture & Fixture - Steel	451,400	247,147	-	698,547	10%	271,642	45,140	-	316,782		381,765
Office Equipment	11,254,696	112,651	-	11,367,347	20%	10,977,825	276,871	-	11,254,696		112,651
Computer	4,628,895	1,278,150	-	5,907,045	20%	4,420,094	208,801	-	4,628,895		1,278,150
Furniture & Fixture - Wood	3,261,018	88,540	-	3,349,558	10%	2,854,298	326,102	-	3,180,400		169,158
	58,518,942	2,429,885	-	60,948,827		51,954,194	2,525,908	-	54,480,102		6,468,725
Intangible Assets											
Online Software	1,948,093	221,800	-	2,169,893	20%	1,633,092	315,001.0	-	1,948,093		221,800
	1,948,093	221,800	-	2,169,893		1,633,092	315,001.0	-	1,948,093		221,800
Total	60,467,035	2,651,685	-	63,118,720		53,587,286	2,840,909	-	56,428,195		6,690,525



Auditor's Report and Financial Statements of AIBL Capital Management Limited

for the year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al-Arafah Islami Bank Capital Management Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "Al-Arafah Islami Bank Capital Management Limited" which comprise the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of "Al-Arafah Islami Bank Capital Management Limited" as at 31 December 2021 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the Financial Statements in jurisdictions and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of AIBL Capital Management Limited for the year ended December 31, 2020 were audited by HUSSAIN FARHAD & CO., Chartered Accountants; who expressed an unmodified opinion on those financial statements on 25th April, 2021.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause found the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Place: Dhaka
31 March, 2022



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.

DVC: 2204031591AS693518

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

Particulars	Notes	Amount in Taka	
		31.12.2021	31.12.2020
ASSETS:			
Non - Current Assets		512,402	124,754
Property, Plant & Equipment	4.00	512,402	124,754
Current Assets:		565,813,517	557,303,603
Cash and Bank Balance	5.00	14,114,828	18,478,730
Account Recivable	6.00	3,523,589	17,355,273
Investment	7.00	531,737,175	277,127,650
Advance Income Tax	8.00	16,287,719	15,231,050
Balance with AIBL CMSL		150,207	229,110,900
Total Assets		566,325,919	557,428,357
EQUITY AND LIABILITIES:			
Capital and Reserve		521,114,411	516,165,743
Paid Up Capital	9.02	500,000,000	500,000,000
Retained Earning	10.00	21,114,411	16,165,743
Current Liabilities		45,211,508	41,262,614
Accounts Payable	11.00	2,300,797	911,136
Provision for Taxation	18.00	27,338,379	24,779,146
Provision for Investment	19.00	15,572,332	15,572,332
Total Equity and Liabilities		566,325,919	557,428,357
NAV		10.42	10.32

The annexed notes from an integral part of these financial statements.



Director



Director



CEO

Sign subject to our separate report of even date annexed.

Dated, Dhaka
31st March 2022



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC: 2203311591AS489888

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December, 2021

Particulars	Notes	Amount in Taka	
		2021	2020
Investment Income	12.00	618,117	6,945,439
Net Investment Income		618,117	6,945,439
Operating Income	13.00	21,217,689	4,971,891
Total operating Income (A)		21,835,806	11,917,330
Salary allowances & Contribution to P.F	14.00	9,957,630	4,675,746
Board Meeting Expense		325,600	161,195
Postage, Telegram, Telephone & Stamps etc	15.00	87,431	37,730
Audit fees		57,500	57,500
Stationery, Printing, Advertisement etc.	16.00	160,734	37,921
Depreciation, Amortization & Repairs to Properties	4.00	229,129	125,479
Other Expenses	17.00	3,509,881	795,260
Total operating expenses (B)		14,327,905	5,890,831
Profit/(loss) before provision and Tax C = (A - B)		7,507,901	6,026,499
Provision for Taxation	18.01	2,559,233	1,408,644
Provision for Investment	19.00	-	-
Net Profit after Tax & Provision		4,948,668	4,617,855
Retained earning Carried forward		4,948,668	4,617,855
Earning per Share (EPS)		0.099	0.092

The annexed notes from an integral part of these financial statements



Director



Director



CEO

Sign subject to our separate report of even date annexed.

Dated, Dhaka
31st March 2022



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC: 2203311591AS489888

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December, 2021

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2021	500,000,000	16,165,743	516,165,743
Net Profit for the period	-	4,948,668	4,948,668
Balance as at 31 December ,2021	500,000,000	21,114,411	521,114,411

For the period ended 31 December, 2020

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2020	500,000,000	11,547,887	511,547,887
Net Profit for the period	-	4,617,855	4,617,855
Balance as at 31 December , 2020	500,000,000	16,165,743	516,165,743



Director



Director



CEO

Sign subject to our separate report of even date annexed.

Dated, Dhaka
31st March 2022



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Faruk Ahmed FCA

Partner

Enrolment No.: 1591

Firm's Registration No.: 11970 E.P.

DVC: 2203311591AS489888

STATEMENT OF CASH FLOWS

For the period ended 31 December, 2021

Particulars	Amount in Taka	
	2021	2020
Cash flows from operating activities		
Investment income receipt in Cash	618,117	6,945,439
Profit paid on deposits and borrowing	-	-
Dividend Received	-	-
Fees & Commission received in cash	-	-
Cash payments to employees	(9,957,630)	(4,675,746)
Cash payments to suppliers	-	-
Received from other operating activities (item-wise)	21,217,689	4,971,891
Paid for other operating activities (item-wise)	(4,141,146)	(1,089,606)
Paid for Preliminary Expenses	-	-
Advance income tax paid	(1,056,669)	(1,063,391)
Operating profit before changes in operating assets and liabilities	6,680,362	5,088,587
Changing in Operating assets & liabilities		
Increase/Decrease Investment	(254,609,525)	(31,336,369)
Increase/Decrease of Accounts receivable	13,831,683	(6,592,460)
Increase/Decrease of Borrowing	-	-
Increase/Decrease of Borrowing (MTDR Quard)	-	-
Increase/Decrease of Accounts payable	1,389,661	533,389
Increase/Decrease of other assets (item-wise)	228,960,693	40,197,637
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	(10,427,487)	2,802,198
A. Net Cash from operating activities	(3,747,126)	7,890,784
Cash flows from investing activities:		
Purchase of property, plant and equipment	(616,777)	0
B. Net cash flows from investing activities	(616,777)	0
Cash flows from financing activities		
Increase in Share Capital	-	-
C. Net cash flows from financing activities	-	-
D. Net increase in cash and cash equivalent (A+B+C)	(4,363,903)	7,890,784
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent (D+E)	(4,363,903)	7,890,784
G. Cash & Cash Equivalents at the beginning of the year	18,478,730	10,587,946
H. Cash & Cash Equivalents at the end of the year	14,114,828	18,478,730
Net Operating Cash Flow per Share	(0.075)	0.158

The annexed notes from an integral part of these financial statements


Director


Director


CEO

Sign subject to our separate report of even date annexed.

Dated, Dhaka
31st March 2022



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Faruk Ahmed FCA
Partner
Enrolment No.: 1591
Firm's Registration No.: 11970 E.P.
DVC: 2203311591AS489888

AIBL Capital Management Limited
NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended 31 December, 2021

1.00 Significant Accounting Policies and other materials information

1.01 Legal Form of the Enterprise:

The Company has been incorporated under the Companies Act (Act XVIII) of 1994 as a private limited company namely AIBL Capital Management Limited on 25th October 2011. The Company was issued Certificate of Commencement of Business on 25th October, 2011. The Company is a subsidiary company of Al- Arafah Islami Bank Limited.

1.02 Address of Registered Office and Principal Place of Business:

The principal place of business is the Registered Office at Level-15, 'Al-Arafah Tower' 63, Purana Paltan, Dhaka -1000.

1.03 Nature of Business Activities:

AIBL Capital Management Ltd. is a full-fledged merchant bank licensed by Bangladesh Securities & Exchange Commission (BSEC). The main objective of the company is to carry out the activities of a full-fledged merchant banker such as Issue Management, Portfolio Management, Underwriting and Corporate Advisory services etc. as per Securities Exchange Commission (Merchant Banker and Portfolio Manager) Regulation, 1996.

2.00 Basis for preparation of financial statements:

2.01 Statement of Compliance:

The financial statements of AIBL Capital Management Limited have been prepared in accordance with the DFIM Circular no 11 dated 23rd December 2009 and requirement of the Companies Act, 1994, the Security Exchange Rules 1987, Guidelines from Bangladesh Bank, International Accounting Standard (IAS), and International Financial Reporting Standards (IFRS) and other applicable laws and regulations of Bangladesh Securities & Exchange Commission.

2.02 Measurement bases used in preparing the Financial Statements:

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Board (IASB).

2.03 Going Concern:

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.04 Reporting Period:

The financial statements cover the period from 01 January 2021 to 31 December 2021.

2.05 Financial and Presentation Currency:

- a) The financial statements are presented in Bangladesh Taka (BDT) currency, which is both functional currency and presentation currency of the company.
- b) Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.
- c) Figures relating to previous year have been rearranged wherever considered necessary to confirm with current year's presentation.

2.06 Property, Plant, equipment and depreciation:

Property, Plant & equipment are stated at cost less accumulated depreciation. Depreciation is charged on the cost of fixed assets in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with IAS-16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciations is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

Office Equipment	20%
Computer	20%
Online Software	20%

2.07 Related Party Disclosure:

The company in the normal course of operation has entered into transactions with others entities that fall within the definition of related party transaction under IAS-24 "Related Party Disclosure". The company believes that the effect and term of these related party transactions are not significantly different from those that could have been obtained from third parties. The significant related party transactions during the year are disclosed in Schedule-C.

2.08 Components of financial statements:

According to International Accounting Standard (IAS)-1, "presentation of financial statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position
- ii) Statement of Profit or Loss and Other Comprehensive Income
- iii) Statement of Changes in Equity
- iv) Statement of Cash Flows
- v) Notes, comprising a summary of significant accounting policies and other explanatory information

3.00 Principal Accounting Policies:

3.01 Cash flow Statement:

Cash Flow Statement is prepared in accordance with IAS -7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.02 Revenue Recognition:

Income is recognized on accrual basis, such income is calculated considering daily margin loan balance of the respective parties. Income is recognized as per IFRS-15.

3.03 Event after balance sheet dated: IAS-10:

Events after the reporting period, dividend declared after the reporting period should not be classified as a liability at the reporting period as the proposed dividend does not represent an Obligation under IAS-37 Provision Contingent Liabilities and Contingent Assets.

3.04 Cash & Cash Equivalent:

Cash and cash equivalents includes cash in hand, cash at bank and fixed deposits which are held and are available for use by the company without any restriction. There is insignificant risk of change in the value of the above items.

3.05 Provision on expenses:

Provision for expenses is recognized when the company has a present obligation as a result of a Past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligations and reliable estimate of the amount can be measured.

3.06 Provision for Taxation:

Provision for current income tax is made on the tax base profit of the company with consideration of taxable add-back of income and allowances and disallowances of expenditures in compliance of IAS-12 "Income Tax"

3.07 Investment in Shares & Securities:

Investment in quoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. However, adequate provision has made if market value consider as down trend of the reported cost but no unrealized gain in recognized in the profit and loss account.

% of Share Holding

98.00%

2.00%

Particulars	Amount in Taka	
	31.12.2021	31.12.2020
4.00 Property, Plant & Equipment		
Opening balance	1,342,372	1,342,372
Add: Additions	616,777	-
Closing balance (A)	1,959,149	1,342,372
Depreciation :		
Opening balance	1,217,618	1,092,139
Add: Charge for the year	229,129	125,479
Closing balance (B)	1,446,748	1,217,618
Written down value (A-B)	512,402	124,754
Details have been shown in Schedule-A		
5.00 Cash at Bank		
AIBL Capital Management Ltd. (Corporate A/C)	4,256,768	13,773,268
AIBL Capital Management Ltd. (Customers Portfolio A/C)	9,858,060	4,705,463
	14,114,828	18,478,730
6.00 Accounts Recivable		
Recivable from Panel Broker	6,091	-
Divident Recivable	3,144,183	1,300,344
Profit on MTDR	-	16,054,929
AIBL Asset Management Ltd.	373,315	-
	3,523,589	17,355,273
7.00 Investment		
Margin Investment	1,989,853	3,384,154
Investment in Shares & Securities (schedule-B)	517,010,792	163,755,496
Investment in Placement Share	-	9,988,000
IPO FPM Bidding and Subscription	10,683,930	-
Investment in Al-Arafah Islami Bank Ltd. for MTDR	-	100,000,000
Investment in Car	2,052,600	-
	531,737,175	277,127,650
8.00 Advance Tax		
Opening balance	15,231,050	14,167,659
Add: Additions	1,056,669	1,063,391
Closing Balance	16,287,719	15,231,050
9.00 Share Capital		
9.01 Authorised Capital		
The authorised Capital of the Company is 20,00,00,000 Ordinary Share of TK. 10 each.	2,000,000,000	2,000,000,000
9.02 Issued, Subscribed and fully Paid-up Capital		
Issued, Subscribed and fully Paid-up Capital is 5,00,00,000 share of TK. 10 each.	500,000,000	500,000,000
	500,000,000	500,000,000
Share Holding Position :		
Name of the Share Holder	Amount in Tk.	Amount in Tk.
Al-Arafah Islami Bank Limited	490,000,000	490,000,000

Particulars	Amount in Taka	
	31.12.2021	31.12.2020
AIBL Capital Market services Limited	10,000,000	10,000,000
10.00 Retained Earnings:		
Opening balance	16,165,743	11,547,887
Add: Net profit for the year	4,948,668	4,617,855
Add. Adjust from Provision for Investment	-	-
Closing balance	21,114,411	16,165,743
11.00 Accounts Payable		
Al-Arafah Islami Bank Ltd. For Bata Shoe Dividend wrongly credited amount	-	42,338
Audit fees	57,500	57,500
Client Deposit	2,222,104	811,298
Agent Commission	21,193	-
	2,300,797	911,136
12.00 Investment Income		
Profit from Cash at Bank	-	107,676
Margin Profit Income	182,955	40,737
Service Charge Income	2,000	-
Profit on MTDR	433,162	6,797,026
	618,117	6,945,439
13.00 Operating Income		
Capital Gain	15,767,483	2,598,799
Dividend Income	4,695,843	2,345,307
Commission Income	484,267	-
IPO Process income	380.00	-
Issue Manager Commission income	100,000	-
BO Documentation	44,500	1,000
Cheque Dishonour Charge	-	2,000
BO Closing	-	1,124
CDBL for yearly rebates & Charge Income	120,415	24,261
BO Maintenance, Renewal Fee	2,800	1,400
	21,217,689	4,971,891
14.00 Salary Allowances & Contribution to P.F. & B.F.		
Salary and Allowance	8,087,245	4,169,364
Leave Encashment	169,310	159,120
Mandatory Leave Allowance	71,050	-
Bangla Noboborsho Bonus	43,174	32,832
Incentive & Festival Bonus	835,855	314,430
Car Allowance	750,996	-
	9,957,630	4,675,746
15.00 Postage, Telegram, Telephone, Mobile & Stamps etc.		
Postage, Telegram, Telephone, Mobile & Stamps etc.	87,431	37,730
	87,431	37,730
16.00 Stationery, Printing, Advertisement etc.		
Advertisement Exp.	-	-
Printing & Stationary	160,734	37,921

Particulars	Amount in Taka	
	31.12.2021	31.12.2020
	160,734	37,921
17.00 Other Expenses		
BSEC Annual Fees	287,500	-
BMBA Membership & Annual fees Fees	100,000	100,000
Subscription, Renewal Fees	18,540	19,180
RJSC return file & other exp	63,789	-
Entertainment	867,629	26,605
BSEC Road Show	1,004,000	-
Local Conveyance	54,050	12,300
Newspaper, Journal, Periodicals & Books	-	1,506
Car Registration	263,492	-
EID Gracia	4,500	2,000
Bank Charges & Fees	55,706	18,706
Saturday Allowances	800	-
Repair & Maintenance	50,835	1,600
Wages	90,000	157,500
Crockeris	14,400	-
Internet and CDBL wan connectivity charges	163,388	180,362
CDBL Charge	178,252	27,501
IPO Bidding fee.	35,000	-
Company secretariat Honorarium	240,000	240,000
Closing Allowance	18,000	8,000
	3,509,881	795,260
18.00 Provision for Tax		
Opening Balance	24,779,146	23,370,502
Add: Income tax povision during the year	2,559,233	1,408,644
Closing Balance	27,338,379	24,779,146
18.01 Provision for Current Tax :		
Operating Profit	7,526,025	6,026,499
Less: Gain on Sale of Securities	15,767,483	2,598,799
Less: Divident Income	4,695,843	2,345,307
Less: Profit on MTDR	433,162	6,797,026
Total Business Income	(13,370,463)	(5,714,633)
Income Tax of @ 37.50% on estimated Business Income	-	-
Add: Gain on Sale of Securities (10%)	1,576,748	259,880
Add: Divident Income (20%)	939,169	469,061
Add: Profit on MTDR (10%)	43,316	679,703
	2,559,233	1,408,644
19.00 Provision for Investment:		
Opening balance	15,572,332	15,572,332
Addition of Provision for the year	-	-
Less: Adjust from Provision for Investment	-	-
Closing balance	15,572,332	15,572,332
Provision for Investment :		
A) Provision due against un-realized loss as on 31-12-2017	.	.
B) Provision made on 31-12-2017		

PROPERTY, PLANT & EQUIPMENT

as on 31 December, 2021

Schedule-A

Particular	Cost				Rate	Depreciation			Written Down Value as at 31 December 2021 Taka	Written Down Value as at 31 December, 2020 Taka
	Opening Balance 01-01-2021 Taka	Addition during the year Taka	Disposal during the year Taka	Balance as at 31 December 2021 Taka		Charge for the year Taka	Adjustment during the year Taka	Balance as at 31 December 2021 Taka		
Fixed assets										
Office Equipment	528,869	250,312	-	779,181	20%	155,836	-	559,954	219,227	124,751
Computer	345,728	366,465	-	712,193	20%	73,293	-	419,020	293,173	1
MB Operationg Software	467,775	-	-	467,775	20%	-	-	467,774	1	1
Total	1,342,372	616,777	-	1,959,149		229,129	-	1,446,747	512,402	124,754

INVESTMENT IN SHARES & SECURITIES

Stock at hand as on 31 December, 2021

Schedule- B

SL	Name of Company	No. of Shares	Amount (at cost)	Market Rate	Market Amount
1	ADNTEL	150,000	10,598,632.06	52.40	7,860,000.00
2	BSCABLES	105,000	7,995,137.36	55.90	5,869,500.00
3	BEXIMCO	68,000	11,745,920.19	148.40	10,091,200.00
4	BXPHERMA	598,800	131,444,909.27	192.70	115,388,760.00
5	DAFODILCO	1,403,753	93,149,126.65	70.90	99,526,087.70
6	DESCO	1,194,033	75,176,318.02	35.50	42,388,171.50
7	EPGL	238,350	10,010,700.00	39.60	9,438,660.00
8	FAREASTLIF	1,030,707	83,827,400.32	53.70	55,348,965.90
9	FUWANGCER	100,000	2,699,662.18	16.20	1,620,000.00
10	GENNEXT	966,221	13,024,659.61	5.80	5,604,081.80
11	ICBAMCLC1U	1,303,050	12,992,084.50	10.00	13,030,500.00
12	INDEXAGRO	87,500	11,663,870.10	122.20	10,692,500.00
13	POWERGRID	60,000	4,164,803.18	59.60	3,576,000.00
14	RINGSHINE	462	3,975.51	9.60	4,435.20
15	RSRMSTEEL	55,000	3,661,128.58	23.10	1,270,500.00
16	SAIFPOWER	684,000	31,685,342.40	38.30	26,197,200.00
17	SQURPHARM	55,000	13,167,122.50	214.30	11,786,500.00
			517,010,792		419,693,062

SCHEDULE OF RELATED PARTY TRANSACTIONS

For The year and as at 31 December, 2021

Schedule-C

Name of the Party	Relationship	Nature of Transaction	Receivables (Payables)		Assets/(Liabilities) Expenses/(Income)		Receivables (Payables)	
			Opening Balance as at 01 January		Transaction Value during the year		Outstanding Balance as at 31 December	
			2021	2020	2021	2020	2021	2020
Al-Arafah Islami Bank Limited (AIBL)	Parent Company	Bank Transaction:						
		A/C-0021220003350	13,773,268	6,357,883			4,277,960	13,773,268
		Credit / Deposit/			207,825,205	14,762,085		
		Debit / Withdraw			(217,320,512)	(7,346,701)		
		Bank Transaction:						
		A/C-0021020054796	4,705,463	4,230,063			9,858,060	4,705,463
		Credit / Deposit/			202,170,377	8,254,394		
		Debit / Withdraw			(197,017,780)	(7,778,994)		
		Investment in Al-Arafah Islami Bank Ltd. For MTDR	100,000,000	100,000,000	(100,000,000)	-	-	100,000,000
		MTDR Profit	15,093,514	9,257,902	(15,526,676)	(5,835,611)	-	15,093,514
		Office Rent	The AIBL Capital Management Limited uses it's parent company's building as its office for which no rent is paid to it's parent company.					
AIBL Capital Market Services Limited	Sister Concern	Own Portfolio:						
		Ledger balance	229,110,900	269,308,536			158,719	229,110,900
		Investment at cost	163,755,496	132,159,510			458,421,943	163,755,496
		Buy			536,727,420	191,094,028		
		Sale			477,964,024	29,937,317		
		Commission						

BRANCHES OF AIBL

DHAKA DIVISION

Abdullahpur SME Branch

Minnat Plaza, Abdullahpur Bazar
Abdullahpur, Keranigonj, Dhaka-1311
01811487862

Alenga Branch

Alenga Bus Stand, Alenga
Kalihati, Tangail.
01911035196

Amin Bazar Branch

MA Hossain Tower, Amin Bazar
Savar, Dhaka - 1348
9034411-2, 01841123004

Araihazar Branch

Bhai Bhai Hazi Super Market
H # 337 Main Road, Araihazar, Narayangonj
01711909072.

Ati Bazar Branch

Manik Plaza, Ati Bazar
Keranigonj, Dhaka-1312
01833-330274

Azampur Branch

272 Shah Kabir Majar Road
Azampur, Chalaban, Daxminkhan, Dhaka
48954592-3, 01817143928

Baligaon Branch

Bismillah Plaza, Baligaon Bazar Tongibari
Munshigonj.
01819151630

Banani Branch (AD)

16, Kamal Ataturk Avn
Banani, Dhaka 9822250
Fax- 9822357, 01819255587

Bandar SME Branch

555/1, Wilson Road, Bandar Bazar
Narayanganj 766-1317-8
01826-180327

Barmi Branch

Shahjahan Fakir Bhaban
Barmi Bazar, Sreepur, Gazipur
01847054694

Bashundhara Branch

H # 262-263, Block - B
Bashundhara R/A, Dhaka
01841226660

Bhagyakul Branch

A Rashid Tower, Balasur Chowrasta
Sreenagar, Munshigonj
01841226671

Banglamotor Branch

Rupayan Trade Center; H # 114
Kazi Nazrul Islam Avenue, Ramna, Dhaka.
01793592994

Bhairab Branch

Munshi Bhaban, Kolapatty Mor
Bhairab, Kishorgonj
9471178, 01817-032726

Bhelanagar Branch

R. I. Shopping Complex (1st floor)
Bhelanagar, Narshingdi
9452295, 01811-487868

Daxminkhan Branch

L.K. Plaza, Daxminkhan Bazar,
Daxminkhan, Dhaka-1230
8999042, 01817032728

Dhanmondi Branch (AD)

H#54/1, R#4/A,
Dhanmondi, Dhaka
01841131231

Dilkusha Branch (AD)

63, Dilkusha C/A
Dhaka-1000
01766677411

Faridpur Branch

15/75, Mujib Sarak, Nilutuli
Faridpur 0631-65366
01864554466

Fulbaria Branch

Haji Joynal Abedin Sarker Plaza
Fulbaria, Kaliakoir, Gazipur
01847054692

Gawsia Branch

Bhai Bhai Complex
Rupgonj, Narayanganj
01791418011

Gazipur Branch

Holding # K-280, BIDD Road
Gazipur 4926-1102, 4926-1140
01811-448051

Gulshan Branch (AD)

South Bridge Squire
52 Gulshan Avenue, Dhaka-1212
9863236, 01814652647

Gulshan Link Road Branch

H # 204/B, Tejgaon
Gulshan Link Road, Dhaka
01711351761

Hazaribagh Branch

149, Hazaribagh bazar
Dhaka-1209
9611758-9, 01819-255297

Head Office Corporate Branch (AD)

Al-Arafah Tower (1st & 2nd Floor)
63, Purana Paltan (Daynik Bangla Mor)
Dhaka-1000
02-44 85 00 01(D), 01811409593

Hemayetpur Branch

Asha Plaza (1st Floor), Hemayetpur Bus Stand
Hemayetpur, Savar, Dhaka
01811-448052

Islampur Branch

29-31, Islampur Road
Dhaka-1100
57393800, 57393754, 01841226653

Jatrabari Branch (AD)

6 S.F. Sharak, West Jatrabari
Dhaka-1204
7554510, 7554477, 01847054693

Jamgora Branch

Mollah Tower, Chhaitola Bus Stand
Jamgora, Ashulia, Dhaka
01889171075)

Joydebpur Chowrasta Branch

Chandona Chowrasta
Joydebpur, Gazipur-1700
49263958, 01912000458

Kalatia SME Branch

Kabir Bazar, Kalatia Bazar
Keranigonj, Dhaka
7769157, 01760-938299

Kaliakoir Branch

College Road, Kaliakoir Bazar
Kaliakoir Gazipur; 01716342805

Kaligonj Branch

Twin Tower Market
Aganagar, Kaligonj, Keranigonj Dhaka
01819677740

Kamrangirchar Branch

Hazi Kamal Super Market
Kamrangirchar, Dhaka-1211
55160200, 01825928909

Kapasia Branch

Kapasia Bazar, Kapasia, Gazipu
029209393, 01671973077

Kathgora Bazar Branch

Sarkar Plaza, Kathgora Bazar
Ashulia, Dhaka-1341
7792573, 01972582013

Kazirhat Branch

Mosjid Market, Kazirhat
Jajira Shariatpur-8010
01717527797

Kawranbazar Branch

Dhaka Trade Centre
99, Kazi Nazrul Islam Avenue
Kawran Bazar, Tejgaon, Dhaka-1215
9135309, 01748414849

Keranigonj Branch

Haridia Shopping Complex, Kadamtoli
Keranigonj, Dhaka-1310
7763100, 01956587196

Khilkhet Branch

B-34/Ka, Khilkhet Super Market
Khilkhet, Dhaka-1229
58950051, 01937777077

Konapara Branch

958, Konapara Bazar
Demra, Dhaka
01811-409592

Louhajang Branch

Dowlat Khan Complex
Louhajang, Munshiganj
01711733734

Madhabdi Branch

691-694 Madhabdi Bazar, Narshingdi
9446005, 01711-613484

Manda Branch

152 South Manda, Dhaka-1214
7277772, 7277388, 01811-458743

Manikgonj Branch

Shwargo Tower, H # 129, Shahid Rafiq Sarak
Manikgonj Sadar, Manikgonj
01716068686

Mirpur Branch

3/A, Darus-Salam Road
Mirpur-1, Dhaka-1216
9008123, 9010623, 01811-449493

Mirpur-10 Golchattar Branch

9/1 Adarsha School Market
Mirpur-10, Dhaka-1216
9011766, 01811487861

Mograpara Branch

Mograpar Bazar
Sonargaon, Narayangonj
01833954353

Mohakhali Branch

Arzed Chember
13 Mohakhali C/A, Dhaka-1212
9852243, 9852259, 01811417659

Mohammadpur Krishi Market Branch

32/8(Ka), T.M. Road
Mohammadpur, Dhaka-1207
9142732, 01814652446

Mostafapur Branch

Saim Super Market
Mostafapur Bus Stand Madaripur
0661-61206-7, 01714067411

Motijheel Branch (AD)

161, Motijheel C/A, Dhaka-1000
9569350 (D), 01811413963

Motijheel Corporate Branch (AD)

125, Motijheel C/A, Dhaka-1000
9563884, 01811417660

Moulvibazar Branch (AD)

130, Chawk Mogoltuly
Moulvibazar, Dhaka-1211
57311989, 01819-211828

Mouchak Branch

76 D.I.T. Road
Malibagh, Dhaka-1217
9339006, 01819556379

Nandipara Branch

Akkel Ali Shopping Complex
Nandipara Bazar, Dhaka
7811053, 01819457729

Narayangonj Branch (AD)

71, B.B. Road, Narayangonj
7645821, 01811487867

Natun Bazar Baridhara Branch

1209 Madani Avenue
Natun Bazar Dhaka
01911711950

Nawabpur Road Branch (AD)

85/87, Nawabpur Road
Dhaka-1100
01787-697347

Nayapur Branch

Nayapur Shopping Center
Nayapur Bazar Narayangonj
01811-487863

New Elephant Road Branch (AD)

91, New Elephant Road
Dhaka-1205
9665323-4, 01819238220

New Market Branch

Kazi Mansion 2/1 Elephant Road
New Market, Dhaka
01716256929

North South Road Branch (AD)

96, Nazrul Islam Sharoni
Bongshal, Dhaka-1100
9580875, 01811410075

Pagla Branch

Alhaji Afser Karim Bhaban
Pagla, Narayangonj
47696133, 01819-253591

Pallabi Branch

Plot # 81, Block # A, Section # 12
Pallabi, Mirpur Dhaka
9023611, 9023511

Panchdona SME Branch

Hira Plaza, Panchdona Chowrasta
Narshingdi
029446452-3, 01619556567

Panthapath Branch

F R Tower, 8/C Shukrabad
Panthapath, Dhaka-1207
9138682, 01833330271

Progati Sharani Branch (AD)

Ga-133/3 Progati Sharani
Dhaka 9863317, 01713-204935

Rampal Branch

Mujibur Rahman Super Market (1st floor)
Shipahipara, Rampal, Munshigonj
7611855, 01716753106

Rampura Branch

5/1, Pashchim Chowdhury Para
D.I.T. Road, Rampura Dhaka-1219
9361356, 01819157536

Rajbari Branch

F. N. Tower H # 256, Main Road
Rajbari Sadar, Rajbari
01712652099

Ruhitpur Branch

Sun Plaza Market, Ruhitpur Bazar
Keranigonj Dhaka
7766882-3, 01811418222

Shantinagar Branch

Sun Tower, Chamelibagh
Shantinagar Dhaka
01688192625

Signboard Branch

Signboard, Fatulla, Narayangonj
01712032254

Shokhipur Branch

Shokhipur Bazar, Kachua Road
Shokhipur Tangail
01758039606

Shyamoli Branch

13/1 Ring Road, Shyamoli
Dhaka-1207
9136517, 01718711511

Sonargaon Janapath Road Branch

Plot#30, Sector#11, Sonargaon Janapath road
Uttara, Dhaka-1230
01937100100

South Jatrabari Branch

314-A/4 South Jatrabari
Dhaka-1204
7545161, 01811418204

Tangail Branch

77-78, Victoria Road, Tangail
092161435, 01819-556372

Tekerhat Branch

H # 975, Tekerhat Bazar
Rajoir, Madaripur
01726408722

Tongi Branch

Holding # 8, Charag Ali Market
Tongi, Gazipur
01711642356

Tejgaon Branch

Famroze Tower, 159/D
Tejgaon I/A, Dhaka
01716313337

Uttara Model Town Branch (AD)

H#13 R # 14/A, S-4, Uttara
Dhaka-1230
58950583, 01819-261382

VIP Road Branch (AD)

50/1, Inner Cercular (VIP) Road, Dhaka-1000
9345871-2, 01833330272

MYMENSINGH DIVISION**Jamalpur Branch**

1419-00 Medical Road
Jamalpur Sadar, Jamaplur
01912000458

Mymensingh Branch

70, Choto Bazar, Mymensingh 091-66714
01819261297

Masterbari Branch

Masterbari, Bhaluka, Mymensingh.
01713572333

Netrokona Branch

274, Choto Bazar,
Netrokona. 0951-615 48, 0951-615 49
01777754849

CHATTOGRAM DIVISION**Agrabad Branch (AD)**

96, Agrabad C/A
Chattogram 031-713372-3

Akhaura SME Branch

S. R. Complex (1st floor) Sarak Bazar
Akhaura, B.Barua 08522-56155
01740-619012

Aman Bazar Branch

Amanat Sha Palza (1st Floor)
Hathazari Road, Chattogram 031-2580870-1
01811418371

Andarkilla Branch

Zia Haban, 813/1451 Nazir Ahmed Chowdhury Road
Andarkilla, Chattogram
01817210879

Anwara Branch

Chaturi Bazar, Anwara
Chattogram 01841226659

Ashugonj Branch

Jalal Khar Building
Ashugonj Bazar, Brahmanbaria
01747296951

Azadi Bazar Branch

Jamey Masjid Market, Azadi Bazar
Fatikchhari, Chattogram.
016 29 40 89 98

Bandartila Branch

2638, Airport Road, Ba. Naw. Ja. Isha khan
EPZ, Chattogram, 031 74 03 83

Barura Branch

Madina Market, Hospital Road
Barura, Cumilla
0802752305-6, 01847-054695

Bashurhat SME Branch

34, Main Road
Bashurhat, Noakhali
0322-356070, 01811-448041

Bahaddar Hat Branch

H # 4592 Shah Amanat Concreeted Road
Bahaddarhat, Chattogram
01720150975

Bhatiary Branch

Bhatiary Station, Sitakunda
Chattogram
01877185532

Bizra Bazar Branch

Bizra Bazar
Laksham, Cumilla
01710635790

Boalkhali Branch

Well Foyez Center (1st Floor)
Gumdoni, Fultali
Boalkhali, Chattogram
01817751748

Brahmanbaria Branch

Mosjid Road, Bhuiyan Mansion
Brahmanbaria Sadar
0851-59330, 01827-563888

Chambol Branch

Chambol, Bashkhali, Chattogram
01841226670

Chandina Branch

Ahmed Ali Complex
Chandina, Cumilla
01716387752

Chawkbazar Branch

Shajada Market (1st Floor)
178/182 College Road, Chawkbazar
Chattogram
031-2853784-5, 01811458741

Chowmuhani Branch

857,858 Hazipur, Feni Road, Noakhali
0321-51000

Companigonj Branch

Companigonj Bazar, Muradnagar,
Cumilla-3542
08026-59076, 01712235569

Cox's Bazar Branch

902, Saiket Tower, East Bazarghata
Cox's Bazar 0341-51081-2
01819-320289

Cumilla Branch

257,240, Monoharpur, Kotwali
Cumilla-3500
081-64546, 01711-431174

Dohazari Branch

Dohazari Bazar
Chandanish, Chattogram
01862888193

Eidgoan Branch

Eidgaon Bazar, Cox's Bazar Sadar
Cox's Bazar
01839656396

Feni Branch

33-34 S.S.K Road
Feni 0331-63548-9
01811-418216

Firingi Bazar Branch

H # 211, 220, Kobi Nazrul Islam Sarak
Chattogram
01841123008

Gallai Branch

Abeda Noor Foundation Complex
Gallai Chandina, Cumilla
01886219672

Gohira Branch

Gohira Digri College Market
Raujan, Chattogram
01847310192

Gouripur Branch

Maa Complex (1st Floor)
Gouripur Bazar, Daudkandi, Cumilla.
01811418206

Hathazari Branch

Salamatullah Bhaban, Kachari Road
Hathazari Bazar Chattogram, 031-2601679
01811-408492

Hajigonj Branch

Hajigonj Tower, 762 Hajigonj,
Chandpur 0842-475145-6

Halishahar Branch

Holding: 1655, Port Connecting Road
Halishahar, Chattogram, 031-715662-3
01833-149150

Hatiya Branch

Moulvi Shafiullah Super Market
H # 1510, Main Road, Hatiya, Noakhali
01720630088

Jamalkhan Branch

84/A Jamalkhan, Chattogram
01712836797

Jubilee Road Branch (AD)

221, Jubilee Road, Chattogram 031-637680
01819-315480

Kadamtoli Branch

376, D. T. Road
Kadamtali, Chattogram
031-2522835, 031-2522861-2, 01847114430

Karnafuly Branch

Anowar City, Charpaharghata
Karnafuly, Chattogram
01886330315

Khatungonj Branch (AD)

Khatungonj Trade Center
1625/1351 Ramjoy Mohajon Lane
P. O. Goli, Khatungonj, Chattogram
01819-315481

Kutibazar Branch

Siraj Plaza, Kutibazar
Kasba B.Baria
01768722151

Lakshmipur Branch

Akota Super Market, 1310-12 Bazar Main Road
Lakshmipur Sadar, Lakshmipur
0381-62290, 01720561020

Laksham Branch

H # 639, Bank Road, Laksham, Cumilla.
01844584333

Lichubagan Branch

Toiyabia Complex, Lichubagan
Rangunia, Chattogram
0184782968

Matiranga Branch

B. Nawab Shopping Complex
196, Matiranga Bazar, Matiranga, Khagrachhari
01819175952

Muradpur Branch

Islam Tower, 59, CDA Avenue
Muradpur, Panchlaish, Chattogram
031-657966, 01965-881111

Nabinagar Branch

Nabin Super Market, Sadar Road
Nabinagar, Brahmanbaria
0852575504, 01766-678445

Nangalkot Branch

H – 50, College Road
Nangalkot, Cumilla
01712796757, 0803366471-2

O.R. Nizam Road Branch

Rumana Heights, 1062/A
O.R. Nizam Road, Panchlaish, Chattogram.
01819-345030

Padua Bazar Branch

Seven Star Shopping Complex
Padua Bazar, Lohagara, Chattogram
01833-175500

Pahartali Branch

S. S. Tower, H # 6103/6882
Sagorika Road, Pahartali Chattogram
01919297699

Patiya Branch

H # 2329 Awami Super Market
Patiya Upazilla Sadar, Chattogram
01880003045

Patherhat Branch

Patherhat, Rauzan
Chattogram-4346
031-671150, 01811-424739

Pekua Branch

Pekua Baza, Cox's Bazar
01855885557

Rahimanagar Branch

Rahimanagar Bazar
Kachua, Chandpur
01811-487870

Rangamati Branch

Kalpotoru Holyday Int. Ltd.
Banarupa, Rangamati Sadar, Rangamati
01792253088

Shantirhat Branch

Mir Super Market, Shantirhat, Chattogram.
01847114428

Shiberhat Branch

Idris Complex (1st Floor) Shiberhat
Sandwip, Chattogram
01847114428, 01796399377

Sitakunda Branch

H # 518, Kabir Plaza, D. T. Road
Sitakunda, Chattogram
01711306700

Station Road Branch

108, Station Road, Chattogram
01814651011

Tantarbazar SME Branch

Haji Lal Mia Market, Tantar Bazar Akhaura
Brahmanbaria
01743-244344

Teknaf Branch

Al-Jamia Market
Teknaf, Cox's Bazar
034-2675120, 034-2675121, 01833-112924

SYLHET DIVISION**Amborkhana Branch**

4877, 4874 Amborkhana, Sylhet
01777-767929

Beanibazar Branch

825, South Beani Bazar, Sylhet
08223-56114-5, 01713-409987

Laldighirpar Branch (AD)

Reasot Tower, 1795 Laldighirpar, Sylhet.
01819-550426

Madhabpur SME Branch

H-0006-000 Kalibari Road, W-07
Madhabpur Hobigonj
0832-756352, 01926-697968

Moulvibazar Branch

73 Farhad Plaza, Dhaka-Sylhet Highway, Moulvibazar
0861-54106-7, 01714-000907

Sreemangal Branch

1450 Central Road, Sreemangal, Moulvibazar
08626-71242, 01711431173

Shahjalal Upashahar Branch

H # 0706-00 R # 35 B # D
Shahjalal Upashahar, Sylhet
01712487493

Zindabazar Branch

Jalalabad House
Zindabazar, Sylhet
0821-722078-9, 01711-431175

KHULNA DIVISION**Benapole Branch**

283, 284, Benapole Bazar
Jashore
04228-75686, 01711-431176

Chuadanga Branch

Molla Tower-2, Hotel Royal Blue (1st Floor)
Shahid Alaul Islam Khokon Sarak (VJ School Road)
Chuadanga
0761-81146-7

Chuknagar Branch

Chuknagar Bazar
Dumoria, Khulna
01750-024499

Doulatpur Branch

Upper Jeshore Road
Doulatpur, Khulna
01710685025

Gallamari Branch

219/1, Sher-E-Bangla Road
Gallamari, Khulna
041-2832181, 01830886633

Jashore Branch

27, M.K. Road, Jashore
0421-68571, 01711-431060

Jhaudanga Branch

Zaman Market, Jhaudanga Bazar, Satkhira.
01751751357

Jhinaidaha Branch

33, Sher-E-Bangla Sarak
Jhinaidaha Sadar, Jhinaidaha.
01911929293

Khulna Branch (AD)

4, Sir Iqbal Road, Khulna
041-721249, 01765-063340

Kushtia Branch

147, N. S. Road
Harun Market (Infront of Sadar Thana), Kushtia.
07172262, 01799368224

Kolaroa Branch

H # 5839, Kolaroa Bazar
Kolaroa, Satkhira
01718383840

Magura Branch

S.M Plaza (1st Floor)
177, M.R Road, (College Road), Magura
0488-510 70

Mongla Branch

19/A, Mongla Port I/A
Mongla, Bagerhat
04662-75105-6, 01738-933588

Monirampur Branch

G. N. Super Market, H. # 03-005-0134
Monirampur Bazar Main Road
Monirampur, Jashore
04227-783 60

Nolta Branch

Nolta Sharif Super Marke
Nolta Kaligonj, Satkhira
01732569143

Satkhira Branch

466, Bara Bazar Sarak, Satkhira
0471-63606, 01712-514660

Sharankhola Branch

Panch Rasta Mor, Rayenda Bazar
Sharankhola, Bagerhat
01953359768

Shyamnagar Branch

J. C. Complex, Shyamnagar Main Road
Shyamnagar, Satkhira
01980746172

BARISHAL DIVISION**Alipur Branch**

Alipur Bazar, Kalapara, Patuakhali
044-2856234-5, 01755906755

Banaripara Branch

Haji Sobhan Market, Falpatti Road
Banaripara, Barishal
0433-25 62 90 (D), 0433-25 62 91, 017 15 63 29 60

Barguna Branch

Holding # 075, Sadar Road, Borguna
044 85 13 39-40, 017 27 42 19 43

Barishal Branch

442 K. B. Hemayetuddin Road, Barishal
0431-64476, 01727379119

Bhandaria Branch

Salah Al-Zubayer Market (1st Floor)
Kapuriapatty Bhandaria, Pirojpur
0462-356469, 01726-265060

Bhola Branch

Jahangir Plaza, Sadar Road, Bhola
0491-61244-5, 01796863911

Jhalakathi Branch

68, Monoharipatti Road, Jhalakathi
0498-62808, 01754-015565
Fax : 0498-62807

Mathbaria Branch

407 Kapuriapatty, Mathbaria, Pirojpur
04625-75374, Fax - 04625-75373

Patharghata Branch

2/1 Hospital Road
Patharghata, Barguna
017 16 70 65 76

Patuakhali Branch

95/1, Sadar Road
Patuakhali Sadar, Patuakhali
0441-639 55-6, 01793205621

Pirojpur Branch

H # 420 Lawer's Plaza
Post Office Road, Pirojpur
01811418209

RAJSHAHI DIVISION**Bogura Branch (AD)**

Talukder Mansion
H # 60/70 Barogola Bogura-5800
051-69994-5, 01713-203754

Chapainawabganj Branch

Teacher's Plaza (1st Floor)
42/14, Baten Khar More
Chapainawabganj Sadar, Chapainawabganj
0781-515 45 (D), 0781-515 46, 017 28 50 40 26

Mohadevpur Branch

Plot No. 245, Mohadevpur, Noagaon
07426-75136, 01711-425675

Natore Branch

Holding #0363-01, Kanaikhali
Natore Sadar, Natore
0771-61533-4, 01811417662

Pabna Branch

Plot#355, Sonapotti, Pabna
0731-62047, 01765700080

Rajshahi Branch (AD)

239,248 Shaheb Bazar
Boalia, Rajshahi
0721-775171, 01727-179771

Shahjadpur Branch

Chowdhury Plaza
Dariapur Bazar Shahjadpur, Sirajgonj
07527-64052, 07527-64053, 01762-331990, 01557-718828

Sherpur Branch

Dhunat More, Sherpur, Bogura
0502977185-6, 017283303 31

RANGPUR DIVISION**Badargonj SME Branch**

Upazila Road, Badargonj, Rangpur
05222-56573-4, 01761-730189

Dinajpur Branch

333, Nimtola, Dinajpur
01718219226

Lalmonirhat Branch

Shahan Shopping Complex
Kalibari Mor, Puran Bazar, Lalmonirhat
01767423226.

Palashbari Branch

Rabbi Super Market (1st Floor)
Bogura-Rangpur Highway
Palashbari, Gaibandha
01819559413

Rangpur Branch

15, Central Road, Payrachattar, Rangpur
0521-55830

Saidpur Branch (AD)

Shahed Dr. Zikrul Haque Road
Saidpur, Nilphamari
05526-72804, 01716-236334

Thakurgaon Branch

M. H. Tower, H # 37
Bangabandhu Road, Chowrasta
Thakurgaon Sadar, Thakurgaon.
01911747435



আল-আরাফাহ ইসলামী ব্যাংক লিমিটেড
Al-Arafah Islami Bank Limited

সর্বদাই শরিয়াহ

Head Office: 63, Purana Paltan, Dhaka-1000

PROXY FORM

I/We.....of (address).....
.....being a shareholder(s) of Al-Arafah Islam Bank Limited
do hereby appoint Mr/Mrs.
of (address)
as my/our proxy on my/our behalf to attend and vote for me/us at the 27th Annual General Meeting (AGM) to be held on Monday the 11th August, 2022 at 11.30 a.m. through Digital Platform (link <https://aibl.bdvirtualagm.com>) at any adjournment thereof.

Signed this in my/our presence on day of 2022

Signature of the Shareholder



Signature of the Proxy

Folio No.

BO/A/C No.

No. of Shares held on Record Date (i.c. June 08, 2022)

Notes:

- 1. This Form of Proxy duly signed (as recorded with the bank), stamped and completed must be submitted to the Registered office or Share Department Al-Arafah Towar, Level- 4, 63 Purana Paltan, Dhaka -1000 of the Company at least 48 (Forty eight) hours before the AGM.



আল-আরাফাহ ইসলামী ব্যাংক লিমিটেড
Al-Arafah Islami Bank Limited

সর্বদাই শরিয়াহ

Head Office: 63, Purana Paltan, Dhaka-1000

ATTENDANCE SLIP

I do hereby record my attendance of the 27th Annual General Meeting (AGM) of the Company to be held on **Thursday the 11th August 2022 at 11.30 a.m.** respectively through Digital Platform.

Name of the Shareholder/Proxy (in Block Letter)

No. of Shares held on Record Date (i.c. June 08, 2022)

Folio No. BO A/C No.

Signature Verified by

Signature of the Shareholder/Proxy

Authorized Signature of the the Bank



Al-Arafah
Islami Bank Limited

aibl
আল-আরাফাহ ইসলামী ব্যাংক লিমিটেড
Al-Arafah Islami Bank Limited
স্বচ্ছতা শিরোনাম

Al-Arafah Tower, 63 Purana Paltan, Dhaka-1000
PABX: +88-02-44850005 (Hunting); Fax: +88-02-44850063
E-mail: info@aibl.com; Web: www.aibl.com; [f/aibl.com](https://www.facebook.com/aibl.com)