

ANNUAL
REPORT 2022

Al-Arafah
Islami Bank Limited



INNOVATION INTEGRITY & SERVICE

SUSTAINABLE BANKING FOR A BETTER TOMORROW





Al-Arafah
Islami Bank Limited



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 28 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
Board of Directors' Report	41
Compliance on the Corporate Governance Code	73
Report of the Shariah Supervisory Committee	87
Implementation Status of Code of Integrity under National Integrity Strategy	89
Report of the Board Audit Committee	91
Activities of the Board Risk Management Committee in the year 2022	93
CEO and CFO's Declaration to the Board	94
Dividend Distribution Policy 2022	95
Disclosure of Unpaid or Unclaimed Dividend	96
Auditors' Report & Financial Statements for the year 2022	97
Disclosures on Risk Based Capital (Basel-III)	193
Auditors' Report on the Financial Statements of AIBL Capital Market Services Limited 2022	210
Auditors' Report on the Financial Statements of AIBL Capital Management Limited 2022	231
Branches of AIBL	247
Proxy Form	254



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)

HADITH ON INTEREST

- “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)





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

Alhajj Salim Rahman

Vice Chairman

Alhajj Abu Naser Md. Yeahea

Member

Alhajj Abdus Samad

Alhajj Mohammad Abdus Salam

Jb. Badiur Rahman

Alhajj Mahbubul Alam

Alhajj Nazmul Ahsan Khaled

Alhajj Abdul Malek Mollah

Hafez Alhajj Md. Enayet Ullah

Alhajj Ahamedul Hoque

Alhajj Niaz Ahmed

Alhajj Mohammed Eamadur Rahman

Alhajj Engr. Kh. Mesbahuddin Ahmed

Alhajj Liakat Ali Chowdhury

Alhajj Md. Anowar Hossain

Alhajj Nasir Uddin

(Nominee Director of China Builders & Machineries Ltd.)

Alhajj Md. Rafiqul Islam

Alhajj Anowar Hossain

Alhajj M. Kamaluddin Chowdhury

Alhajj Md. Abdul Hamid Miah

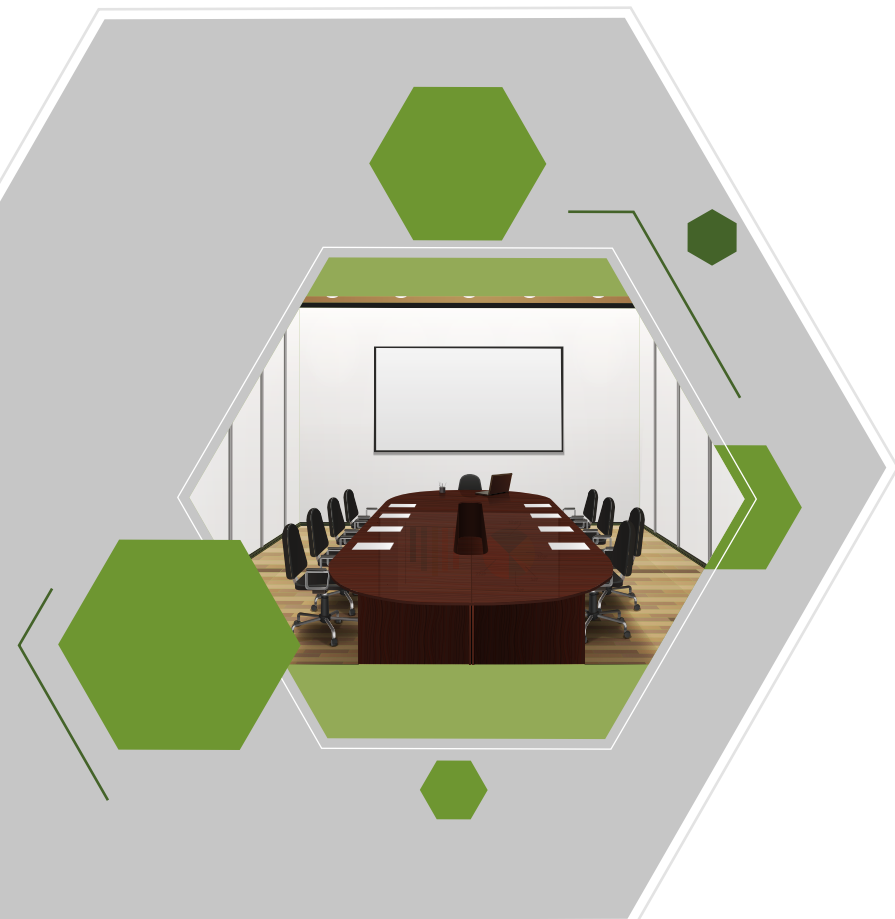
Ex-Officio Director

Managing Director & CEO

Jb. Farman R. Chowdhury

Company Secretary

Jb. Mohammed Nizam Uddin Bhuiyan





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. MesbahUddin Ahmed

Alhajj Liakat Ali Chowdhury

Alhajj Md. Anowar Hossain

Board Audit Committee (BAC)

Chairman

Alhajj Mahbul Alam

Member

Alhajj Nazmul Ahsan Khaled

Alhajj Mohammed Emadur Rahman

Alhajj Nasir Uddin

Alhajj M. Kamal Uddin Chowdhury

Risk Management Committee (RMC)

Chairman

Jb. Badiur Rahman

Member

Alhajj Abdul Malek Mollah

Alhajj Md. Rafiqul Islam

Alhajj Anwar Hossain

Alhajj Md. Abdul Hamid Miah

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

Additional Managing Director

S. M. Jaffar

Deputy Managing Director

Shabbir Ahmed

Md. Shafiqur Rahman

Syed Masodul Bari

Md. Mahmudur Rahman

Muhammod Nadim FCA

Abed Ahmed Khan

Md. Abdullah Al-Mamun

Mohammed Fazlur Rahman Chowdhury

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

Md. Soyeb Islam Chowdhury

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

Mir Md. Hassanul Zahed

Mohammad Kabir Hossain

Mohammad Rafiqul Islam

Senior Vice President

Md. Sharif Uddin Pramanik

Iqbal Hossain Ahmed

Md. Golam Sarwar

Md. Zakir Hossain Bhuiya

Md. Sanaullah

Md. Nizamul Hoque Chy.

Md. Yahya

Md. Showkat Islam

Md. Sharif Chowdhury

Kamal Hossain

Md. Zakir Hossain

Md. Abdur Rob

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. Jahangir Alam

Jalal Ahmad

Mohammad Nahid Hossain

Md. Abu Musha

Md. Kabir Ahamed

Mohammad Khurshid Alam

Mohammad Moniruzzaman

M. Amir Hossain

Vice President

Md. Abdur Rahim Sarder

Md. Mizanur Rahman

Md. Sultan Mahmud

C. G. M. Asaduzzaman

Md. Shah Jalal Sheikh

Masudur Rahman Khalifa

Ishtiaq Ahmed

Md. Habibullah Bahar (Susp.)

Md. Mainul Islam

Md. Asif Chowdhury

Ashraf Hossain

Jashim Ahmed Chy

Md. Azmal Hoque

Md. Abdul Mannan Akhand

S. M. Zabidul Haque

Md. Jahangir Alam

Touhid Siddique

Jahangir Alam

Md. Aminur Rahman

Md. Shafi Mahmood

Md. Ibrar

Md. Ashraful Haque

M. Shamsuddin Ahmed

Md. Towhidul Islam

A.F.M. Faisal Kabir

Md. Shahid Hossain

Md. Ataur Rahman

Mohammad Abu Baker Siddique

Md. Masudur Rahman

Ruhul Quddus

Mir Waies-Ur-Rahman

Saifuddin Ahmed

MANAGEMENT TEAM





MANAGEMENT TEAM

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. Yusuf Sharif
Md. Golam Quddus Talukder
Md. Abul Hossain Saju
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. Zahurul Islam Patwary
Md. Ali Farhad
Md. Mahbubur Rahman
Md. Ziaul Haque Malik
Md. Syful Islam
Md. Imran Miah
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 (Susp.)
Md. Mohiuddin Khan Azad
Md. Bashirul Islam
Khondoker Monirul Hoque
Mozammel Hoque Bhuiyan
Md. Sohrab Hossain
Md. Ershad Ali
Md. Abul Hasnat
Md. Leaquat Hossain Lalen
Saif Imam Bokhari
Md. Afif Bin Haque Shaikat

Assistant Vice President

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
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 Zulfiquer Ali Mahbub
Md. Masud Parves
Munshi Sanaur Rahman
Md. Bashir Uddin
Md. Anisul Islam Mahmud
A. K. M. Tusher
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



MANAGEMENT TEAM

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
 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
 Yasmin Aziz
 Nilufer Yesmin
 Mohammad Oli Ullah
 Md. 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. Mahbulul Alam
 Jalal Uddin
 Md. Abul Kalam Azad
 A. K. M. Arifur Rahman
 Ismail Hossain
 Md. Mahfujul Hoque
 Md. Nurul Huda
 Md. Ashraful 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 Kibria
 D. M. Jahangir Rabbani
 Sarder Md. Saklain
 Ruhul Amin
 Md. Suleman
 Md. Arifur Rahman
 Rubayet Ullah
 Md. Shazedul Islam
 Md. Rabiul Islam
 Muntasir Mahmud Chowdhury
 Md. Pearu
 Ashaduzzaman Babu
 M.M. Rafikul Islam
 Abdullah-Al-Fahim
 Mohammad Rezaul Karim
 Jehadul Islam Chowdhury
 Md. Asfaqur Rahman Khan
 Hafizur Rahman
 Gazi Mosthafizur Rahman
 Md. Abdul Mojib
 Md. Bahadur Ali



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 27th Annual General Meeting (AGM)

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	25,917.49 Million
Number of Branches	208
Deposit	394,045.83 Million
Investment	406,787.79 Million
Number of Employees	5,184
Number of Shareholders	17,186



As part of its Corporate Social Responsibility (CSR), the Bank donated 2 (Two) Lac Blankets to Hon'ble Prime Minister's Relief and Welfare Fund

CORPORATE INFORMATION

Auditors

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

HODA VASI CHOWDHURY & CO.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9, Karwan Bazar
Dhaka - 1215

Company Secretary

Mohammed Nizam Uddin Bhuiyan

Registered Office

Al-Arafah Tower
63, Purana Paltan, Dhaka -1000.
Tel: +88-02-44850005, PABX: 44850005-20
SWIFT : ALARBDDH

NOTICE OF THE 28th ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 28th Annual General Meeting (AGM) of the Shareholders of Al-Arafah Islami Bank Limited will be held on Wednesday the 16th August, 2023 at 11.30 AM virtually by using digital platform through the link <https://aibl.bdvirtualagm.com> (in pursuance with Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/91 dated 31 March, 2021) to transact the following businesses and to adopt necessary resolutions:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2022 along with the Reports of the Directors and the Auditors thereon.
2. To approve Dividend for the year ended December 31, 2022 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 2023 and to fix their remuneration.
5. To elect Directors.
6. To approve the appointment of Mr. Md. Abdul Hamid Miah as Independent Director for the 1st term w.e.f. 22.12.2022 to 21.12.2025.
7. To approve the appointment of Mr. Mahub Ahmed as Nominee Director of KDS Garments Industries Ltd.
8. Any other matter (if any) with the permission of the chair.

Special Business:

To change the registered name of the Bank as 'Al-Arafah Islami Bank PLC' instead of 'Al-Arafah Islami Bank Limited'.

The following special resolution is proposed to be passed with or without modification to adopt the change of the registered name of the Bank as 'Al-Arafah Islami Bank PLC' instead of 'Al-Arafah Islami Bank Limited' in accordance with the Companies Act, 1994 (up to 2nd Amendment 2020) and to amend the relevant clauses of the Memorandum of Association and Articles of Association of the Bank:

"RESOLVED THAT the proposal for changing the registered name of the Bank as 'Al-Arafah Islami Bank PLC' instead of 'Al-Arafah Islami Bank Limited' in accordance with the Companies Act, 1994 (up to 2nd Amendment 2020) and to effect the change in the registered name of the 'Al-Arafah Islami Bank PLC' the amendment of the relevant clauses of the Memorandum of Association and Articles of Association of the Bank be and are hereby approved, subject to approval of the Regulatory Authorities".

All Hon'ble Shareholders of the company are requested to participate in the AGM virtually by using above link well in time.

Date: Dhaka
July 10, 2023

By order of the Board



(Mohammed Nizam Uddin Bhuiyan)
Company Secretary
Phone: +8802-44850027

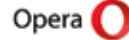
NOTES:

1. The Board of Directors has recommended for 12% Cash Dividend and 3% Stock Dividend (Bonus Share) from profit of the Bank as at the close of Business on 31 December, 2022.
2. Shareholders whose names appear in the Register of members as at the close of business on the "Record Date" i.e. 12th June, 2023 will be eligible to join the Annual General Meeting (AGM) and entitled to the dividend, as approved.
3. 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;
4. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification, the soft copies of the Annual Report 2022, will be sent to the email addresses of the shareholders available in the respective Beneficial Owner (BO) Accounts maintained with the Depository Participants (DPs) on the Record Date. The Annual Report 2022, will also be available at the bank's website www.aibl.com.bd.
5. 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 August 03, 2023 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.
6. 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 24 (twenty-four) 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 click on the link and provide their 16-digit Beneficiary Owners (BO) account number or 6-digit Folio number, name of shareholders, their number of shares and mobile no or email number.
7. The shareholders are requested to update their respective BO accounts with mailing address, email address, contact number, bank details and 12 digits Taxpayer Identification Number (e-TIN) through Depository Participant (DP).
8. The Shareholders are requested to login to the system prior to starting of the meeting at 11.30 am on August 16, 2023 Wednesday. 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 +88024485005-20, (Ext-212-215) visit website www.aibl.com.bd

N.B. As per BSEC Notification No. SEC/SRMI/2000-953/1950 dated 24th October, 2000 and Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013, No Gift/Gift Coupon/Gift Box/Food/Food Box etc. shall be given to the Shareholders at the 28th Annual General Meeting (AGM) of the Bank.

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

Supported Browser: Latest version of



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



28th AGM will be held on 16th August 2023 (Wednesday) at 11.30 A.M.

After Activation

Sign In

BO/Folio/Admin/Scrutinizer ID: *

Type your ID

Go



Login process activation on 15th August 2023 (Tuesday) at 5.30 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

Go

Sign In

BO/Folio/Admin/Scrutinizer ID: *

1201470000000001

Go

Login

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)

আপনার সম্মুখে / Live Streaming

AGM Live broadcast is coming soon ...

Watch on YouTube

শেয়ারহোল্ডারদের মোট উপস্থিতি
Total Attendance of Shareholders

উপস্থিত শেয়ারহোল্ডারদের মোট শেয়ার সংখ্যা
Total Shares of Attended Shareholders

আগেন্ডা নম্বর ০১ / Agenda #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.

Vote

I am in favor of passing this proposal

I am not in favor of passing this proposal

Vote

1041385269

Vote(%)

98.932

Vote

11241727

Vote(%)

1.068

প্রশ্ন এবং মন্তব্য / Questions and Comments

Name : Lt. Col. A. H.M. Saifur Rashid

Webcam on

Shareholders can do:

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

আপনার সম্মুখে / Agenda

Agenda #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.

Vote

I am in favor of passing this proposal

I am not in favor of passing this proposal

Vote

1548

Vote(%)

100.000

Vote

0

Vote(%)

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)

Submit

5 YEAR FINANCIAL HIGHLIGHTS

Figure in Million

Particulars	2018	2019	2020	2021	2022	Growth %
Income Statement						
Investment Income	24,956.81	28,811.65	26,331.28	23,446.01	25,221.42	7.57
Profit paid on Deposit	16,256.61	18,604.42	16,556.64	13,072.79	16,109.65	23.23
Net Investment Income	8,700.20	10,207.23	9,774.64	10,373.22	9,111.77	(12.16)
Non Investment Income	3,769.39	4,037.57	3,655.46	4,250.17	7,516.92	76.86
Non Investment Expenses	6,160.70	6,384.18	6,742.33	7,129.25	8,135.17	14.11
Net Non Investment Income	(2,391.31)	(2,346.61)	(3,086.87)	(2,879.08)	(618.25)	(78.53)
Profit Before Tax & Provision	6,308.89	7,860.62	6,687.77	7,494.14	8,493.52	13.34
Provision For Investment	2,177.98	2,867.66	1,887.90	2,655.58	3,229.51	21.61
Profit Before Tax	4,130.91	4,992.96	4,799.87	4,838.56	5,264.01	8.79
Provision For Tax (including Deferred Tax)	1,674.11	2,565.33	2,228.06	2,712.12	3,157.38	16.42
Profit After Tax	2,456.80	2,427.63	2,571.81	2,126.44	2,106.63	(0.93)
Balance Sheet						
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	-
Paid up Capital	10,440.22	10,649.02	10,649.02	10,649.02	10,649.02	-
Reserve Funds & Other Reserves	9,365.62	10,318.64	11,418.96	11,733.35	11,733.99	0.01
Shareholders' Equity (Capital & Reserve)	23,483.22	24,148.24	25,455.85	25,900.33	25,917.49	0.07
Deposits	266,205.48	297,241.81	326,023.41	353,287.97	394,045.83	11.54
Investment	261,874.13	288,486.02	308,620.66	336,890.72	406,787.79	20.75
Investment in Shares & Securities	12,214.67	16,170.52	21,563.67	30,156.14	36,946.92	22.52
Fixed Assets	4,494.61	4,351.93	5,833.88	5,470.27	5,144.43	(5.96)
Total Assets (Excluding off-balance sheet items)	338,465.30	381,051.81	418,298.65	462,687.05	534,756.11	15.58
Foreign Exchange Business						
Import Business	168,573.80	171,611.70	169,378.90	261,566.10	300,430.90	14.86
Export Business	114,481.90	108,967.10	104,939.40	135,786.90	181,070.20	33.35
Guarantee Business	7,096.02	8,274.25	10,511.21	13,673.41	17,155.97	25.47
Inward Foreign Remittance	36,917.20	37,713.40	43,807.00	52,662.10	88,531.70	68.11
Capital Measures						
Core Capital (Tier-I)	22,379.93	22,817.41	23,930.89	29,301.30	29,640.35	1.16
Supplementary Capital (Tier-II)	10,078.56	9,735.77	15,327.20	14,359.58	14,916.76	3.88
Tier-I Capital Ratio	10.12	10.22	9.59	10.37	9.43	(0.95)
Tier-II Capital Ratio	4.56	4.36	6.14	5.08	4.75	(0.34)
Total Capital	32,458.49	32,553.18	39,258.09	43,660.88	44,557.11	2.05
Total Capital Ratio	14.68	14.58	15.74	15.46	14.17	(1.28)
Investment Quality						
Volume of Non-Performing investment	12,690.72	14,100.41	11,769.58	16,566.84	22,437.37	35.44
% of NPLs to Total Investment	4.79	4.82	3.80	4.81	5.41	12.47
Provision for Unclassified Investment	1,891.00	2,157.28	2,787.10	3,084.10	3,372.47	9.35
Provision for Classified Investment	3,946.09	6,022.02	6,436.96	8,173.23	10,973.86	28.10
Provision for Off Balance sheet Exposures	689.80	778.50	935.50	1,093.40	1,221.13	11.68
Share Information						
Number of Shares Outstanding	1,044,021,750	1,064,902,185	1,064,902,185	1,064,902,185	1,064,902,185	-
Earning per Share (Taka)	2.35	2.28	2.41	1.96	1.95	(0.01)
Book Value per Share (Taka)	20.80	21.13	22.35	22.73	22.75	0.02
Market Price per Share (Taka)	19.90	17.20	22.20	26.60	23.60	(3.00)
Price Earning Ratio (Times)	8.48	7.56	9.22	13.57	12.10	(1.47)
Price Equity Ratio (Times)	0.96	0.81	0.99	1.17	1.04	(0.13)
Dividend per Share						
Cash Dividend (%)	15.00	13.00	15.00	15.00	12.00	(3.00)
Bonus Share	2.00	-	-	-	3.00	3.00
Operating Performance Ratio						
Net Profit Margin%	3.42	3.73	3.45	3.26	2.11	(1.15)
Investment /Deposit Ratio	89.87	88.93	86.92	87.57	90.25	2.68
Return on Equity (ROE)%	10.46	10.05	10.10	8.21	8.13	(0.08)
Return on Assets (ROA)%	0.73	0.64	0.61	0.46	0.39	(0.07)
Cost of fund %	8.70	9.02	7.50	6.00	6.46	0.46
Cost /Income ratio in operating business (%)	49.41	44.82	50.20	48.75	48.92	0.17
Other Information						
Number of Branches	168	182	184	201	208	3.48
Number of Employees	3,682	3,795	3,866	4,247	5,184	22.06
Number of Shareholders	25,793	24,276	22,142	19,146	17,186	(10.24)



Al-Arafah Islami Bank Ltd. (AIBL) has donated Taka 4 (Four) crore to Ashrayan-2 Project, a Bangladesh government development project under the Prime Minister's Office tasked with constructing homes for homeless.

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 2022, total value added by AIBL was BDT 11,182.20 million as against BDT 10,258.24 million in 2021. Bank's direct contribution to the economy was BDT 3,157.38 million in the form of corporate income tax. The Bank distributed BDT 5,486.10 million for its total 5,184 officials in 2022 as against that of BDT 4,777.33 million for 4,247 in 2021.

At the end of 2022, the Bank mobilized total deposits of BDT 394,045.83 million and aided the economy in meeting its growth target by deploying BDT 435,000.00 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.



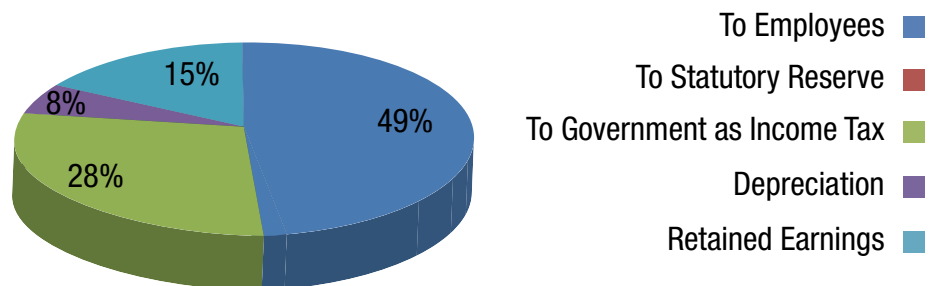
VALUE ADDED STATEMENT

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	2022	2021
Income from Banking Service	32,738.34	27,696.18
Cost of Services & Supplies	(18,326.63)	(14,782.36)
Value added by Banking Services	14,411.71	12,913.82
Provision for Investment & Off balance Sheet Items	(3,229.51)	(2,655.58)
Total Value Addition	11,182.20	10,258.24
Value Distributed		
To Employees	5,486.10	4,777.33
To Statutory Reserve	0.00	314.39
To Government as Income Tax	3,157.38	2,712.12
Depreciation	875.89	765.81
Retained Earnings	1,662.83	1,688.59
Total Value Distributed	11,182.20	10,258.24

Distribution of Value of Addition



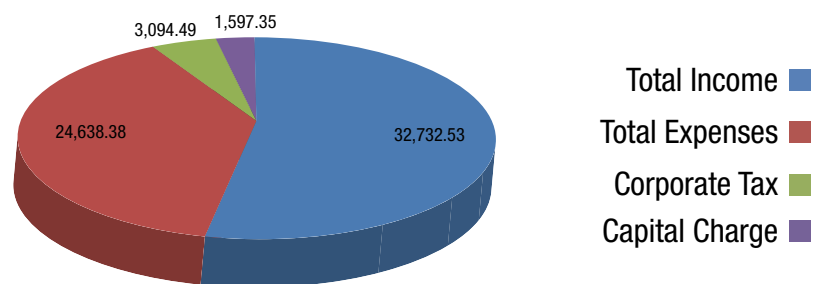


ECONOMIC VALUE-ADDED STATEMENT

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 3,738.79 million as on 31 December 2022 as against that of BDT 3,184.67 million in 2021.

(BDT in million)

Particulars	2022	2021
Shareholders' Equity	25,917.49	25,900.33
Total Income	32,738.34	27,696.18
Total Expenses	24,244.82	20,202.04
Corporate Tax	3,157.38	2,712.12
Capital charge	1,597.35	1,597.35
Economic Value Addition	3,738.79	3,184.67



*Capital Charge=Paid up capital x Percentage of Dividend



Al-Arafah Islami Bank Ltd. (AIBL) has donated Taka 10 (Ten) crore to Prime Minister's Relief and Welfare Fund for Flood Affected People

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.

(BDT in million)

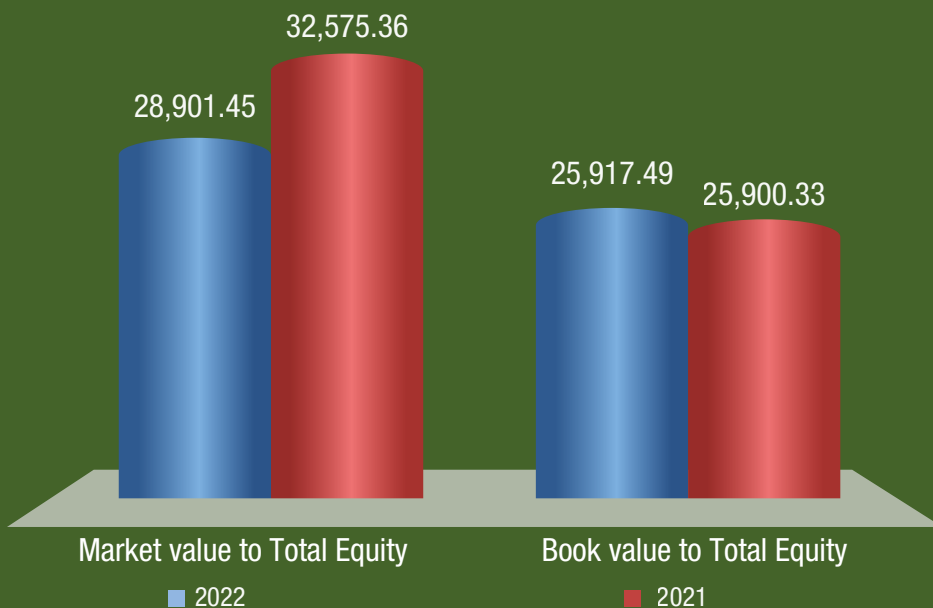
Particulars	2022	2021
Market Value of Total Equity	28,901.45	32,575.36
Book Value of Total Equity	25,917.49	25,900.33
Market Value Addition	2,983.96	6,675.03



AIBL has opened 207th branch at Khulshi, Chattogram on Thursday, 15 December 2022. President of Chittagong Metropolitan Chamber of Commerce & Industries and Chairman of K.D.S. Group Alhajj Khalilur Rahman, Chairman of the Bank Alhaj Salim Rahman and Directors of the Board were 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 23.60 (26.60)*

* 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.

By the grace of Almighty Allah (SWT) AIBL closed the year 2022 successfully, with a clear focus on our customers and shareholders. Through ongoing investments in technology and with the introduction of new areas of the business, we further strengthened the Bank's ability to serve customers' changing needs. We continued to support the process of economic recovery and promote a more sustainable and inclusive future. Consequently, we have been able to successfully deliver a substantial dividend to shareholders and further strengthen our financial and capital positions.

With the completion of the Padma Bridge, the Dhaka Metro Rail and complete electrification, last year was always supposed to be a celebration year of Bangladesh's economic advancement. In the first quarter of the year, it seemed like things were going in that direction. Exports were booming like never before, remittance inflow was on the rise but the Russian invasion of Ukraine took place right at a time when the country's economy started to recover from the fallout caused by more than two years of devastating Covid-19 pandemic. The escalating conflict had shocked the world and Bangladesh was no exception. Financial sanctions and supply interruptions presented significant economic challenges. Bangladesh has already felt the heat of the Russia-Ukraine war in many ways. If the war continues for a longer period this year, the impact will definitely intensify on a massive scale. The impact was already being seen through a decline in exports and an increase in import costs. Bangladesh, an oil-importing nation, is already under strain due to many factors. The chain impact of rising oil prices was felt through an increase in the cost of gas, fertilizer, and other necessities.

It should be kept in mind that the impact of the war will continue for some time and even after it is over; it will take much more time for the economy to recover from the damages. Therefore, the country will still be feeling the impact of the crisis for a longer period and that is why we should be prepared for facing all the odds. Apart from the Russia-Ukraine war issue, structural weakness in supervision, regulation and governance along with high NPLs and excess limit of high-cost deposit have become matters of concern recently. Inflation has also been a threatening issue this year as it will torment the lower and lower-middle income population, who are likely to lose a big chunk of their savings and also have less purchasing power. Infrastructural projects such as the Padma Bridge, Dhaka's metro and new railways will add efficiency and productivity to the economy but this gain will be eroded by rising inflation and if we fail to contain it.

The end of 2022 brought a number of financial and economic catastrophes that put Bangladesh's economy in need of new opportunities to recover. The several crises that had been postponed throughout the year included high inflation both domestically and globally, the protracted Russia-Ukraine war, turbulence on the foreign exchange market, difficulties with post-COVID economic reform and a new COVID outbreak in China. As a result, the country's economy is seeing a downturn in GDP growth. The finance ministry reduced the GDP growth rate for the fiscal year 2022–2023 from 7.5% to 6.5% at the end of December 2022 after taking into account various economic factors.

The combined effects of all these crises have negatively impacted the development of Bangladesh's banking industry and present a variety of challenges for the year 2023 including a liquidity crisis, shrinking spread and the resulting degradation of income, a slowdown in export-import activity brought on by the foreign exchange crisis, an increase in non-performing loans, increased pressure to maintain provisions and minimum capital requirements, a sluggish credit growth and an increase in trade-based money laundering. The banking sector is a highly leveraged and risk-averse industry with challenges in generating genuine profit for sustainable growth. Currently, banks face challenges in reducing their ROA (Return on Asset) and ROE (Return on equity) due to increasing non-performing loans (NPL) and decreasing credit growth. The banking sector as a whole is still heavily burdened with the legacy of defaulted loans and investments. To keep the situation under control various liberal policy measures including disbursement of stimulus fund were introduced. These steps, no doubt, have detained the further increase of NPLs but the real threat of toxic assets still remains. NPL hinders earnings generation and overall profit while deteriorating asset quality affects ROA. To improve regulatory requirements, banks should release interest rate caps for all lending types, allowing flexibility in rates for lending and deposit. This will reduce liquidity crises, increase spread, and improve regulatory requirements for ADR, CRR, and SLR. This will also widen banks' lending capacity, increase earnings, ROA, ROE, and fill provision gaps and capital inadequacy. Rising interest rates are an effective tool to reduce inflation. Given all the odds I would still say AIBL has performed reasonably well during the year 2022. And as 2023 is going to be even more challenging for us, we do not have the luxury to sit back and relax. We need to keep working tirelessly with twice the motivation and spirit putting all our best efforts for the sustainable growth of the bank.

Overall Performance

By the grace of Almighty Allah (SWT) Al-ArafahIslami Bank has overcome the challenges of 2022 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. 8380.02 million during the year. The return on equity recorded at 8.13% while earnings per share (EPS) stood at Tk. 1.90.

Total assets of the Bank rose to Tk. 534,756.11 million during the year showing a growth of 15.58% over the previous year.

Deposit & Borrowing of the Bank stood at Tk. 443368.18 million registering an increase by Tk. 62482.93 million during 2022 with a growth rate of 16.40%.

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 20.51% during the year.

Overdue investments stood at Tk. 16786.42 million as on 31st December 2022 as against Tk. 3993.40 million as of December, 31 last year. Total overdue increased by Tk. 12793.02 million during the year 2022 bringing the same to 4.04% of our total investment as against 1.16% 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 increased by Tk. 1308.20 million from Tk. 21380.10 million to Tk. 22688.30 million (Term investments by Tk. 9528.60 million plus Continuous and Demand investments by Tk. 13159.70 million) which was 5.47% of total Investment. Recovery against rescheduled investment during the year 2022 was Tk. 3490.60 million.

Classified investments increased by Tk. 5870.53 million in 2022 from Tk. 16566.84 million to Tk. 22437.37 million representing 5.41% of total investment as against 4.81% in the previous year. During the year 2022, recovery & regularization against classified investment stood at Tk. 1696.47 million while recovery against written off investments stood at Tk. 122.02 million recording a total recovery of Tk.5309.09 million which includes a recovery Tk. 3490.60 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 96.51% 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 2022 the company earned Operating Profit of Tk. 104.87 million (before provision for investment and taxation) with Earnings per Share (EPS) of Tk.0.19.

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 2022 the company earned Operating Profit of Tk. 8.62 million (before provision for investment and taxation) with Earnings per Share (EPS) of Tk.0.1027.

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 thanks our Managing Director and the Senior Executive Team for their steady and prudent leadership throughout 2022. Most importantly, we want to recognize the determination and hard work of our AIBL colleagues who work wholeheartedly working each day with dedication and utmost care. We extend our appreciation to our shareholders for their ongoing support and thank our customers for giving us 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 to justify your support and trust. May Allah SWT bestow all His boundless blessings upon all of us.

Ma-assalam

Sincerely,



Alhaji Salim Rahman

Chairman

Date: 16 August 2023



MANAGING DIRECTOR'S ADDRESS

Dear Respected Shareholders

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu

Bismillahir Rahmanir Rahim.

To begin with, I must express my deepest gratitude to Allah (SWT) for keeping us safe and alive during dreadful COVID pandemic, disastrous Russia-Ukraine war, high inflation and various awful hazards and natural calamities. With all HIS blessings AIBL has been successfully able to sail through another year. In terms of highlight, last year was all about resilience and strength. Throughout the year, the world experienced a storm of supply chain disruptions, high inflation, unemployment and war. I am greatly thankful to Allah (SWT) for helping us survive in 2022 and finishing the year in a fairly good position.

As we close 2022, AIBL remains strong and well positioned for the future. I sincerely thank Allah (SWT) for giving us the strength to face the adversity with proper focus and courage. We have worked tirelessly to execute our strategies and support the millions of families and businesses that have placed their trust in us. Given the disruptive situations, I think AIBL's performance is commendable. My colleagues have not only contributed against all odds during this prolonged period of uncertainty but also identified new opportunities to achieve sustainable and inclusive growth and contributed significantly to the economic recovery.

We all know that the global geopolitical environment in 2022 had been more challenging than what it was in 2021. As a result, there was a loss of momentum in both the global economy as well as in the economy of Bangladesh. This was primarily driven by the continuing impact of COVID-19 pandemic. The turmoil was eventually further aggravated by the new wave of pandemic and consequent containment measures in many parts of the world and needless to say, by the Russia-Ukraine war. It triggered a massive shock to the global economy. Due to the war, as I have mentioned before the supply chain

was seriously disrupted. It increased the food and energy cost which eventually led to global inflation. Therefore, the immediate global implication of the war was higher inflation, lower growth and disruption to financial markets as deeper sanctions were imposed. In short, the war disrupted global trade that was still recovering from the shock of pandemic and will take time to come back to normalcy.

Bangladesh on the other hand, even during the elevated global uncertainty showed much resilience and recorded a considerable growth and development. It made a rapid recovery from the COVID-19 pandemic supported by prudent macro-economic policies. But Bangladesh's robust economic recovery from the pandemic has been greatly interrupted by Russia's war in Ukraine. The economy now faces numerous challenges associated with global economic uncertainty, rising inflationary pressure, energy shortages, balance of payment deficit, revenue shortfall, decline in Forex reserve and a sharp depreciation of Taka against US dollar. Despite all odds Bangladesh still projects to grow at around 5% plus during the current fiscal year.

The economic development of Bangladesh is heavily reliant on the banking industry, yet it faces numerous hurdles, including liquidity issues, capital shortages, non-performing loans, import restrictions due to acute foreign currency shortage and so on. Like 2022 banks are expected to face challenges in 2023 as well. The most talked about crisis that evolved in the last quarter of the year 2022 was scarcity of foreign currency and drop of national foreign currency reserve created mainly from long lasting Russia-Ukraine war and worldwide inflationary pressure. Our government has discouraged different imports especially luxurious and less important products to deal with that crisis which is still continuing. Exchange rate of the US greenback has reached the highest level in all time. Trade based money laundering has paved away within this crisis, which in turn multiplies the crisis further. All in all, for 2023, the banking sector and the rapidly evolving macro-economic environment are expected to be relatively unsmooth. This will crystallize challenges that the Bank Management will need to navigate.

Bangladesh's policymakers have taken various measures to tackle the current economic situation, such as prioritizing infrastructure projects and postponing implementation of projects that can be waited. The central bank has also taken measures to save the forex reserve, such as increasing the margin of letters of credit and mandatory reporting of foreign exchange transactions.

I am confident that our on-going commitment to governance will ensure that we continue to be well placed to deal with such challenges. We are hopeful that our growth will accelerate over time as inflationary pressure eases, external conditions improve, reform implementations gain momentum. We are hopeful that our balance of payment will soon return to surplus as import growth moderates, export accelerates and remittance inflow rises.

During the pandemic in previous years, we extended number of additional investments, payment deferrals and helped deliver government's stimulus programs. The pandemic also reinforced the need to accelerate efforts to create a more inclusive environment and workforce. As a result, we launched a strategic department called ARDP which aimed at enabling the unbanked, under banked, remote and indigenous communities to access finance. The department has worked significantly so far showing impressive results. We have now

emphasized on Retail Banking as well to increase inclusive banking network which has been uncared for so far while some other banks have gone a long way doing business through this segment. Retail Banking has the potentiality to be a game changer in the future in terms of doing business and we have already appointed enough manpower to make the department efficient and robust. We are committed to enhance and flourish more in Agent Banking digging deeper and moving further in the remote areas as well as in the town areas where branch banking has not reached yet. Currently our agent outlets are working admirably and tirelessly collecting deposits, disbursing investments and gathering foreign remittance and thus contributing on the overall growth of the bank. We have also focused on strengthening Anti Money Laundering Monitoring activities. Besides, with the demand of time, we are continuously adopting to newer and newer cutting-edge technology as well to add value for our customers. For example, currently, we are working in establishing e-KYC as per the policy of the Bangladesh Bank which will help account opening process get faster and smoother. We are continuously keeping our focus on deposit mobilization for the bank to remain in a strong position for disbursing investment. Besides collecting deposits, our target is to avert income leakage, recovering NPLs as well as disbursing small investments. Actually, I believe that we dream, Allah (SWT) fulfils.

Now let me provide a picture in details how our bank has performed during the year 2022.

Overall Banking Scenario

Banks' Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 1,789,110million representing 12.69% point to point growth from Tk. 15,882,540million as on 31 December 2022 to Tk.14,093,430 million as on 31 December 2021.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at Tk. 4,099,490million during the year 2022 as against Tk. 3,931,110million in the previous year 2021and it increased by Tk.1,68,380million registering a growth of 4.28%in 2022. The share of Islamic Banks' deposits as of 31December 2022 stood at 25.81% as compared to at27.89% on 31 December 2021.

Banks' Advances /Investment: Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,200,040 million representing 9.47%point to point growth from Tk. 12,675,610 million as on 31 December 2021 to Tk.13,875,650million as on 31 December 2022.

Islamic Banks' Investments: All Islamic Banks' Investments stood at Tk4,052,020 million during the year 2022 as against Tk. 3,534,480million in the previous year 2021 and the Investment increased by Tk 5,17,540 million registering a growth of 14.64% in 2022. The share of Islamic Banks' Investments as of 31 December 2022 stood at 29.20% as compared to 27.88% on 31 December 2021.

Operating Profit: Despite a tough start of the year 2022 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 the 6th position in 2022. 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.443,368.18 million recording 101.92% achievement of the Target of Tk.435,000.00 million as on 31st December 2022 as against Tk.380,885.25 million at 31st December 2021. The Deposits and Borrowings increased by Tk.62,482.93 million registering a growth of 16.40% in 2022 as against national growth of 12.69%. Our deposit target for the year 2023 has been fixed at Tk.485,000.00 million expecting growth of 9.39%.

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 2022&2021 are appended below:

Particulars	2022	2021
Yield on Investment	6.29%	6.50%
Cost of Deposit & Borrowings	4.36%	4.02%
Spread	1.93%	2.48%
Cost of Administration	2.10%	1.98%
Cost of Fund	6.46%	6.00%
Non- Funded Income	2.24%	1.29%
Net Spread	2.07%	1.79%

Deposit Mix

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

Deposit Mix	Achievement 2022	Achievement 2021
Cost Free Deposit	14.92%	11.49%
Low cost	28.00%	30.05%
High Cost	57.08%	58.46%
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 2023 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, Bakhraabad Gas, Mosques, Madrasahs etc.

Investments

Total Investments of the bank stood at Tk.415,073.12 million recording 104.29 % achievement of the Target of Tk.398,000.00 million as on 31st December 2022 as against Tk.344,431.81 million on the same day of 2021. The investments increased by Tk.70,641.31 million recording a 20.51% growth in 2022 as against national growth of 9.47%. The target for investment for the year 2023 has been fixed at Tk.455,000.00 million with anticipated growth of 9.62%.

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 Retail, 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 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.8,380.02 million during the year 2022. The operating profit of the Bank during the year 2021 was Tk7,345.89 million and thus the Bank attained growth of 14.08% 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 2023 has been fixed at Tk 8,300.00 million which equals a growth of approximately 3.93% 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 non performing 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 27 AD Branches through which we have handled total foreign exchange business of Tk. 570,032.80 million during the year 2022 as against the Target of Tk. 530,000.00 million. Our Foreign Exchange business has increased by Tk.120,017.70 million recording a growth of 26.67%. Target of International Trade for the year 2023 has been fixed at Tk. 700,000.00 million with 22.80% growth.

Import Business

Total import business of the bank for the year 2022 stood at Tk. 300,430.90 million as against Tk.261,566.10 million in the previous year. We recorded a 14.86% growth in import business in 2022 over 2021. Target for Import business for the year 2023 has been fixed at Tk. 350,000 million with an expected growth of 16.50%.

Export Business

Total Export business of the bank for the year 2022 stood at Tk. 181,070.20 million as against Tk. 135,786.90 million in year 2021 and thus recorded a growth of 33.35% over previous year. Our target for Export business for the year 2023 has been fixed at Tk.250,000 million with an expected growth of 38.00%.

Remittance

Total remittance of the bank stood at Tk. 88,531.17 million during the year 2022 as against Tk. 52,662.10 million, in the previous year. Our

remittance business recorded 68.11% growth in 2022 over 2021. Target for Remittance business for the year 2023 has been fixed at Tk. 100,000 million and thus expecting a growth of 12.95%.

Treasury Operations:

Ukraine-Russia war and subsequent geo-political tension over the world reining global production, supply chain disruption, commodity price up that affected 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 focuses 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 2022 they have performed 3595 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 4,644.19 million from cross currency deals, exchange gains & FC funding. In 2022, Treasury Back Office (TBO) team has handled 119,702 Nos FX transactions with turnover of USD 20.10 bio. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. TBO had relentlessly driven its 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. The bank participated BGIB and BGIS (Sukuk) issued by Bangladesh Bank for maintaining SLR of the Bank.

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.

2022 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 2022. 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 2022 BDT moved against USD from Tk. 86.00 to Tk.103.297 resulting appreciation of almost 20.11% 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. Due to Ukraine-Russia war, US-China trade war and to retain export earnings, BDT may be under pressure for further devaluing.

Moratorium in investment repayment, injecting money by B. Bank through repo may dampen money market round the year. As a result of flat deposit investment growth banks may face upward operating cost and narrow spread. 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.21 (Million USD)	Dec.22 (Million USD)	Growth
Total Assets	250.00	248.46	-0.62%
UPAS	231.88	222.60	-4.00%
MDBFC	14.71	17.58	19.51%
HPSM Machinery	2.38	6.57	176.05%
Placement from Parent Bank	94.56	99.03	4.73%
Borrowing from Overseas Banks	154.41	147.72	-4.33%
Net Operating Income	1.00	1.71	71.00%

Foreign Remittance Division:

Foreign Remittance Division is one of the most important 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 25 (twenty-five) Remittance Arrangements with different exchange houses in abroad and local banks. AIBL received Remittance Award from "Centre for Non-Resident Bangladeshi (NRB)" as one of the Top-10 Banks for procuring the highest remittance in 2021 and 2022.

1. Remittance Achievement:

Total remittance of the bank stood at Tk. 8,853.17 crore during the year 2022 as against Tk. 5,266.21 crore, Tk. 4,380.70 crore in the previous year 2021 and 2020 respectively. Our remittance increased by Tk. 3,586.96 crore i.e., 68.11% in 2022 as compared to increases of Tk. 885.51 crore i.e. 20.21% in 2021 and Tk. 609.36 crore i.e. 16.16% in 2020 respectively. Target for Remittance business for the year 2023 has been fixed at Tk. 10,000.00 crore expecting growth 13%.

Performance of Foreign Inward Remittance -From 2018 to 2022:

Year	Remittance		No. of Tr.	Target (In Crore)	Achievement (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2018	3,691.72	441.22	684,045	3,000	123%	78.32
2019	3,771.34	446.45	698,640	5,000	75%	2.16
2020	4,380.70	516.19	693,537	4,250	103%	16.16
2021	5,266.21	618.68	827,851	5,400	97.52%	20.21
2022	8,853.17	876.62	12,31,132	6,350	139.42%	68.11

The Branches & Agent Banking Outlets of AIBL have procured foreign remittance BDT 4,770.04 crore in 2022 which is more than 30.55% of the previous year 2021 and disbursement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 4,083.13 crore in 2022 which is more than 153.22% of the previous year 2021.

2. Remittance Drawing Arrangement:

We have executed 03 (three) new remittance drawing arrangements with different exchange houses in UAE, UK & Switzerland in 2022 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 Agent banking outlets have been disbursing foreign remittance under the support of Foreign Remittance Division. Remittance achieved through Agent Banking Outlets during 2022 was BDT 1,767.79 crore which was 23.89% of total remittance.

4. Marketing & Promotional Activities:

With a view to increase transaction of Western Union, we executed promotional campaigns in Ramadan 2022, where every customer of Western Union was given umbrella during this campaign. In order to increase remittance volume, the division has a plan to launch more promotional campaigns in 2023.

Overseas Banking Division:

Overseas Banking Division has been managing the relationship with foreign correspondent banks. During the year, 11 RMA (Relationship Management Application) with global banks representing from Asia, Middle East, and Europe were established to facilitate international trade. Currently, the Bank has relationships with over 343 banks/branches worldwide in more than 55 countries.

The Bank has maintained Nostro Accounts in all major currencies viz. USD, EUR, GBP, JPY, CHF, SAR, AED and CNY for smooth settlement of treasury, remittance and trade transactions with the satisfaction of international banks. At the end of 2022, the Bank maintained 35 Nostro Accounts with 22 Banks.

The Bank has managed to arrange credit line for import trade. Despite challenging global situation, our trusted Foreign Correspondents continued to support for import of essential items. Bank facilitated import of Fertilizers, one of the most essential items under special credit limit through foreign correspondents. Division also created credit line with USDA to support import of US origin agricultural commodities and took initiative to expand relationship with other multilateral agencies.

The Bank has been conducting International Trade through centralized mode of operation following Central Bank's guidelines and international best practice managed by a team of well-experienced and professionally certified officials. All necessary compliance frameworks are in place including SWIFT integrated with Core Banking Software and Sanction Screening Tools backed by SWIFT Corp Ltd. The Bank subscribes and collect Credit Reports from renowned sources like D&B, Credit Safe etc. and also subscribes Vessel tracking from Lloyd's List Intelligence. The Bank has adopted guidelines and other effective tools to prevent Trade Based Money Laundering and has strengthened compliance culture.

Asset Quality

Overdue investments stood at Tk. 16786.42 million as on 31st December 2022 as against Tk. 3993.40 million as of December, 31 last year. Total overdue increased by Tk. 12793.02 million during the year 2022 bringing the same to 4.04% of our total investment as against 1.16% 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 increased by Tk. 1308.20 million from Tk. 21380.10 million to Tk. 22688.30 million (Term investments by Tk. 9528.60 million plus Continuous and Demand investments by Tk. 13159.70 million) which was 5.47% of total Investment. Recovery against rescheduled investment during the year 2022 was Tk. 3490.60 million.

Classified investments increased by Tk. 5870.53 million in 2022 from Tk. 16566.84 million to Tk. 22437.37 million representing 5.41% of total investment as against 4.81% in the previous year. During the year 2022, recovery & regularization against classified investment stood at Tk. 1696.47 million while recovery against written off investments stood at Tk. 122.02 million recording a total recovery of Tk. 5309.09 million which includes a recovery Tk. 3490.60 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 5,640.68 million from Commission Income during the year 2022 as against Tk.3,299.11 million during 2021. The target for our ancillary business during the year 2023 has been fixed at Tk. 4,950.00 million with an anticipated growth of -12.24%.

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 31.12.2022 our Eligible Capital (Solo Basis) stood at Tk.41,225.45 million as against Tk. 41,192.90 million in December 2021, 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-0.32 % in 2022, 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.314,367.42 million (Consolidated Basis) and Tk.304,760 million (Solo Basis) recording a Capital Adequacy Ratio (CAR) of 14.17% (Consolidated Basis) and 13.53% (Solo Basis) in December 2022 as against 13.55 % in 2021, 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 2015 AIBL issued Mudaraba Subordinated Bond for Tk. 3,000.00 million, in the year 2018 for Tk. 5,000.00 million, in the year 2020 for Tk. 5,000.00 million and in the year 2022 for Tk. 3,100 out of Tk. 5000 that meet the qualifying criteria for Tier- 2 Capital as per annex 4 of Basel III Guidelines.

Money Laundering and Terrorist Financing Prevention

Ever since the first day of operation AIBL has been extremely cautious about compliance. Because it knows that a simple non-compliance can inflict a huge cost on the bank just like any other institution. Rather for banks the cost of non-compliance is much higher. If this non-compliance is pertaining to the crime like money laundering, the burdens know no bounds. Therefore, in order protect its reputational risks and improve AIBL's vision and value, AIBL always adheres to both internal policies and procedures along with Bangladesh Bank's circulars and governmental laws. Not only that, AIBL is always keen to improve its compliance net and make it a contemporary one. In line with this, AIBL is on the verge of implementing a state of the art automated AML monitoring tool to bring peace of mind for the bank

officials and the bank as a whole. The main area of focus remained in the fight against money laundering and terrorist financing and supporting effective implementation of the monitoring tools across the bank through training and capacity building. The tool, inter alia, will ease the process of KYC, CDD, EDD, name screening, transaction screening, transaction monitoring, suspicious activity reporting and so on. No denying the fact, it will definitely give an edge over its peers and help us stabilizing the reputation of the bank in the international arena.

We, at banks, face fresh and newer challenges every day, since fraudsters target the weaknesses (if any) in the system. Therefore, it is an ever-vigilant process. Our new tool will help us in doing so by improving searches with technology, having regular cross communication with different agencies, using data analytics to find patterns and standardizing our system and structuring training. We strongly believe that by integrating due diligence and technology with people training and a robust partnership with different agencies, we can more effectively combat the increasingly sophisticated money launderers in the country and beyond and help prevent criminal activities. In a nutshell, we are committed to be on the lookout for money launderers. We remain watchful of the risks of virtual currencies, on-line betting, innovative financial services, de-risking tax evasion and risks associated with the COVID-19 pandemic, non-public data, 3rd party risk, TBML risks and so on. We are particularly critical on unnecessarily complicated and critical supply chain, establish companies unexpectedly changing to an entirely unrelated sector and consistent and significant cash payment along with unexplained 3rd party payments. Our pledge is not to let the criminals use us for their benefits and simultaneously keep us trouble free.

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 as-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 2022, 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 2022, a total of 208 branches (which includes 7 new branches as well) was inspected under the Shariah Supervisory Secretariat by the Shariah Secretary & Muraquibs. As per their report, investment Income of Tk. 6.78 million of 208 Branches and Head Office IBW (Treasury) 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 700 Agent Banking outlets through 485 Agents as on December 2022 with a view to bringing the un-banked population under banking services. As on December 2022, total accounts of Agent Banking are 7,03,510. We have already covered 265 Upazillas under 56 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. 37,278.32 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 31-12-2022)

Taka in Million

Particular	December 2021	December 2022	Growth
Total Number of Outlet	571	700	22.59%
Total Number of Agent	397	485	22.17%
Number of Rural Outlet	502	615	22.51%
Number of Urban Outlet	69	85	23.19%
% of Rural Outlets Among Total Outlets	88%	88%	0.00%
Number of Covered Upazilla	227	248	9.25%
Number of Covered District	55	57	3.64%
% of Area Coverage Among 64 Districts	86%	89%	3.49%
Number of Accounts	502855	703510	39.90%
Number of Male Customer	270770	371042	37.03%
Number of Female Customer	232085	332468	43.25%

% of Female Customer	46%	47%	2.17%
Deposit of Agent Banking	31016.82	37278.37	20.19%
Cost Free Deposit	1156.63	1401.81	21.20%
Low Cost Deposit	11477.94	14497.24	26.31%
High Cost Deposit	18382.25	21379.32	16.30%
% of Cost-Free & Low-Cost Deposit	41%	43%	4.88%
Number of Foreign Remittance	235580	283774	20.46%
Amount of Foreign Remittance	14268.71	18323.83	28.42%
Number of Utility Bills Collection	6030907	7789644	29.16%
Amount of Utility Bills Collection	4079.04	5582.52	36.86%
Investment in Outlet Area Through Branch	1657.64	3775.83	127.79%

Retail Banking

AIBL Retail Banking Division aims to uphold a strong and superior customer experience by offering exceptional value to clients through utilizing customer data insights to create personalized experiences, improved customer satisfaction, innovative products, and value propositions. This Division plays important role in business growth through high growth business model, innovative customer proposition, faster customer on boarding, frictionless customer experience, wider distribution network & bulk acquisition, risk-efficient diversified investment portfolio and sustainable deposit portfolio.

Al-Arafah Islami Bank Limited has been expanding its Retail Banking portfolio by forming a centralized Retail Banking Division to provide one-stop Retail Banking services to customers. Our focus on enhancing customer relationships and driving business growth by utilizing our established expertise in securing new clients and enhancing relationships with existing ones has been a key priority for us. To achieve these goals, we have taken a comprehensive approach by implementing a range of strategies that have been designed to have a significant impact. Retail banking division has been strengthened through the creation of core units, which have allowed us to increase our capacity and better serve our customers. To deepen our relationship with our retail clients, we have assigned branch-specific retail relationship managers who are dedicated to providing personalized services and support. We have also been proactive in conducting training and development programs, both physical and digital, across the country. This has ensured that our employees are equipped with the knowledge and skills required to deliver superior customer service.

To further increase awareness of our brand and position ourselves as a leading Retail Islamic Financial Service Provider, we have undertaken several promotional and branding activities. These efforts have been designed to reach a wide audience and effectively communicate the value that we bring to our clients. Our commitment to expanding our retail business and improving customer relationships is unwavering. We believe that by taking a comprehensive approach, we will continue to drive sustainable growth and maintain our position as a leading provider of Islamic Financial Services.

Retail Banking Highlights:

- Retail investment disbursement recorded a 101% increase in disbursements in the year 2022. Home investment was the driving force behind this disbursement, representing 76% of the total retail investment disbursements in 2022.
- Retail Investment GL grew by 44% from 2021. This represents the highest growth rate for Retail Investment GL in recent years, as recorded in 2022.
- Auto Investment GL saw a substantial increase of 88% in 2022 compared to the previous year. Additionally, the Auto Investment disbursements recorded a significant growth of 401% from 2021.

In the coming years, AIBL Retail Banking will place a continued emphasis on customer engagement as a key driver of growth. Our focus will be on strengthening relationships with our clients, and to do so, we will actively seek to understand their needs and preferences. With this insight, we will provide tailored experiences that meet their unique requirements and exceed their expectations. Through this approach, we aim to retain our existing customers, as well as to attract new ones who appreciate our commitment to their satisfaction. Furthermore, to enhance our retail clients' digital banking experience, we will be prioritizing frictionless digital retail customer on boarding and a seamless digital retail banking experience for our retail customers.

Al-Arafah Rural Development program (ARDP)

A stronger and larger rural economy is crucial for employment generation and poverty alleviation because this tends to reduce inequality and helps us achieving the desired sustainable development. Realizing the fact AIBL launched its Grameen Small Investment Scheme (GSIS) in 2008. But with the passage of time as the importance of rural economy grew more and more AIBL thought of reinforcing its presence into the sector. Therefore, in order to be more vibrant and visible in the process of improving the life standard of the rural population AIBL launched a new program (encompassing old GSIS) under the banner called "AL-ARAFAH RURAL DEVELOPMENT PROGRAM or ARDP" in late 2020. We anticipate that through ARDP we will be able to enhance our CMSME activities and take AIBL to the remotest corners of the country.

SL No	Subject/Particulars	December 2021	December 2022	Growth
1	Number of Member	57,340	75,337	17,997
2	Number of Investment Client	50,839	63,227	12,388
3	Number of MSD Account	155,971	213,584	57,613
4	Number of SSP Account	40,744	59,037	18,293
5	Total Number of Account	196,715	272,621	75,906
6	Disbursement	155.84	355.61	199.77
7	Outstanding	129.65	257.85	128.20
8	Percentage of Recovery	90%	95%	5%
9	Deposit Amount MSD A/C	57.84	76.62	18.78
10	Deposit Amount SSP A/C	91.62	120.17	28.55
11	Deposit Amount Welfare fund	19.26	24.06	4.80
12	Total Deposit	168.72	220.85	52.13
13	Profit/Loss	1.85	6.17	4.32

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. CMSMEs occupied a unique position in the economy of Bangladesh. Here, the CMSMEs 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 labor 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

Description	Figure in Million	
	2022	2021
Total CMSME Portfolio	131595	110641
% of CMSME Portfolio to Total Portfolio	31.70%	32.12%
Target of CMSME Investment	80000	70000
Total CMSME Disbursement	77205.07	65984.19
% of Achievement	96.51%	94.26%

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	6622.44
Amount of Disbursement to Women Entrepreneurs	4840.11

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. CMSME Stimulus Scheme 2022-23 (3rd Phase):

Bangladesh Bank has set 9500Million Taka disbursement target for AIBL. About 4750Million Taka of this scheme will be obtained under refinance and the remaining 4750Million Taka will be financed from AIBL own funds where the Stimulus Profit rate for the customers is 4% and 5% profit incentives provided by Bangladesh Bank.

2. Pre-finance Scheme Against CMSME investment (2022-23):

Bangladesh Bank has set 8800 Million Taka disbursement target for AIBL. This scheme was formerly enrolled as refinance scheme but now it is converted to Pre-finance scheme by Bangladesh Bank where the profit rate for the customers is 7% and Bangladesh Bank will be financed the fund at 2% profit rate.

3. Women Entrepreneur Refinance Scheme

Under this Refinance scheme for women entrepreneur AIBL is providing investment opportunities up to 5 Million at 5% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

4. Agriculture Stimulus Scheme 2021-22

Under this Stimulus scheme AIBL has achieved 100% target of 535 Million Investment at 4% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

5. Concessional Profit at 4% Scheme 2022-23

Under this Refinance scheme Bangladesh Bank set the target of 34.8 million where the profit rate for the customers is 4% and Bangladesh Bank will be financed the fund at 0.50% profit rate.

6. 'GhorePhera' Refinance Scheme

Under this Refinance scheme Bangladesh Bank set the target of 80 Million where the profit rate for the customers is 6% and Bangladesh Bank will be financed the fund at 0.50% profit rate. Profit Spread for AIBL will be 5.50%.

7. 10/50/100 Tk Account Holders' Refinance Scheme

Under this Refinance scheme Bangladesh Bank set the target of 100 million where the profit rate for the customers is 7% and Bangladesh Bank will be financed the fund at 1% profit rate. Profit Spread for AIBL will be 6%.

8. Refinance Scheme to increase Wheat, Maize Production (2022-23)

Under this Refinance scheme AIBL has already achieved 100% target of 30 million Investments at 4% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

9. Start-up Fund Refinance Scheme

A fund was formed to invest in the Start-up enterprises and businesses. A fund of 48.70 Million was accumulated from where 9.70 Million have disbursed.

10. Credit Guarantee Scheme

From Bangladesh Bank Credit Guarantee Department (CGD) AIBL has enrolled 10 Million Credit Guarantee Scheme against the investment of 10/50/100 Tk. Account Holders' Refinance Scheme.

The Achievement of 2022-2023 is as follows:

(Figure In Millions)

Sector wise Agricultural Disbursement	Current Fiscal Year Disbursement July-22 to Dec-22 (2022-2023)	Accumulated Outstanding (31/12/2022)
a) Crops	364.20	391.35
b) Fisheries	709.00	1029.51
c) Crop Storage	305.00	531.76
b) Livestock Development	1422.50	1743.48
d) Poverty Alleviation	9.47	50.13
a) Irrigation Tools	106.50	178.01
e) Agricultural Tools	117.00	251.78
g) Others	368.50	573.60
Grand Total	3402.17	4749.62

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2022. In response to the gradual 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 71 news items of the Bank were broadcasted in 1480 news coverage through 21 different TV Channels during the year 2022. 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 total 17 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 11 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 like Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, and Fair of Chittagong Metropolitan Chamber of Commerce & Industry and so on. These activities tightened the relationship with clients and uplifted Bank's image by manifold.

Our presence in the print media also was bold as we had 2220 Press Release items published in more than 60 different leading Newspapers and Medias throughout the year. Besides, more than 850 advertisements were published in 115 different publications during that year.

This year the Bank went into Electronic Media vastly. Besides, promotions in social Medias we have put utmost focus on Digital Media via Online Portals, Facebook, YouTube etc.

Moreover, during the adverse circumstances, Bank made its promotion through client service more effective and efficient in 2022. 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 2022

SL	Branding Details	Frequency During 2022
1	TV News Items	71 events 1480 coverage
2	TV Channel Coverage	21 channels
3	TV Branding (throughout the year)	7 channels
4	TV Branding during Ramadan	17 programs 11 channels
5	PR Published	2220 times
6	Print media covered	60 media
7	Promotional Advertising	850 advertisements
8	Publications used	115 publications

Information Technology

Gone are the days when there used to be a debate on the prospective of investment in IT sector. Today we just cannot think of making a single step without IT. Implementation and use of information technologies has been the key to ensure business efficiency. Banking environment has become hugely competitive today. To be able to survive and grow in the changing market environment banks are going for the latest technologies which is perceived as an enabling resource. Our ICT division is increasingly moving from a back-office function to a prime assistant in increasing the value of the bank over time.

Beside Core Banking System (CBS) we are also using following 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 Gateway 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. Around 4.00 lac AIBL card holders including Debit Cards, Credit Cards, Instant Cards, Pre-Paid Cards and Hajj Cards are using AIBL own 212 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 is a positive marketing tool. We are issuing travel card in foreign currency that does not require any bank account and could

be used for overseas transaction at the time of travelling. We have Instant Card for account holders which are 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 have started issuing contactless card with more security for our customers. 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 Secure Code". 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. manages all the affairs related to Green banking, Sustainable Finance and Corporate Social Responsibility. As economy grows because of industrialization, it also causes to damage environment (i.e., carbon emission, air, and water and soil pollution) as well as society. Banks play a major role in economic activity through financing businesses. So, in this case, banks can conduct responsibly through its proper financing policy, risk management policy and other environment friendly and social works. From this perspective, as a Bank, AIBL has performed the following activities through this Unit:

Green Banking

a. In-house Activities:

Under Green Office Guide, we implemented the following things:

- (i) Newly installed automatic sensor light bulbs in office building helps to reduce power consumption.
 - (ii) Most of our communication with branches, higher authority, Board of Directors and even Annual General meeting were arranged through online platform which reduced use of paper, printer and ink.
 - (iii) 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:
- (iv) We provide e-statement and transaction notification to all our account holders through email/sms.

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

All of the above activities have played a great role in reducing carbon emission, environmental degradation and parallels in saving and utilizing all of our resources properly.

c. ESRM (Environment and Social Risk Management):

We have done Environmental and Social Risk Rating (ESRR) of all our investment proposals and also incorporated appropriate mitigation measures if required under ESRM as per instruction of Bangladesh Bank. Scheduled monitoring and inspections have also been done time to time.

d. Green and Sustainable Finance:

We have a Sustainable Finance Policy introduced in 2021. We can finance in 68 green products and other sustainable linked products as per this policy. AIBL has financed in diversified Green areas like LED Bulb/Tube Assembly Plant, ETP Construction, Recycling Plastic and Paper Waste, Green Brick Manufacturing and Green Establishment (i.e. Green Industry, Building) etc. In the last quarter of 2022 total Green Finance disbursement was BDT 2940.00 million. This is contributing greatly to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general.

As these are very much associated with Sustainable Development Goal, Bangladesh Bank has also formed several funds to facilitate refinance in green products/projects/initiatives at lower rate of return. We have signed following agreement under these funds 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) 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.
- iii) 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.

On the other hand, we have also achieved commendable progress in sustainable finance. The most significant issue is that AIBL has been recognized as one of the most sustainable banks in Bangladesh

in 2022. In the last quarter of this year our sustainable finance is BDT 11,108.12 million. To take this more ahead, recently we signed agreement with Bangladesh Bank titled as follows:

iv) Green Transformation Fund (GTF) in Local Currency (Taka):

It is a fund of BDT 5000 crore formed by Bangladesh from its own source. Our export oriented and manufacturing industries can avail term financing easily under this fund to import/buy Green/environment friendly capital machineries at lower rate of return.

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

As part of CSR, AIBL always gives priority to any emergency of the country /society /institution /individual. In 2022 AIBL has done some mentionable CSR activities such as:

- Donation of BDT 10.00 crore to Prime Minister's Relief Fund due to flood and cold wave.
- AIBL has donated Tk. 10.00 Lac to prize giving ceremony of National Hifzul Quran Recitation Competition in 2022 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 2022 our total expenditure in CSR is BDT 287.3 million which is shown sector wise in the table below:

(Amount in Million BDT)

SI No.	Particulars	CSR in 2021	CSR in 2022
1	Health	87.10	50.80
2	Education	6.50	58.80
3	Disaster Management	0.00	35.70
4	Cultural Activities	0.00	22.00
5	Environmental Protection	56.00	20.00
6	Others	0.00	100.00
	Total	149.60	287.30

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. Under this program each year we invite application from the students. Till 2022 this program covers 2 batches as follows:

Number of Students	Present institute of study	Total Scholarship (BDT in Millions)
390	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.	22.10

For 2020 we already have prepared final selected list of candidates applied for this scholarship. Again, we are also going to publish our next circular for the year 2021 & 2022 inviting application under AIBL Education Scholarship Program.

AIBL Foundation

Al-Arafah Islami Bank Ltd. has also fulfilled its corporate social responsibility towards people and different institution through its foundation. AIBL foundation is operating the following institution:

- Al-Arafah Islami Bank Ltd. Foundation Kidney Dialysis Center, Chattogram.
- Al-Arafah Islamic International School and College, Hazaribagh, Dhaka.
- Al-Arafah Tahfizul Quran Madrasa, Hazaribagh, Dhaka.
- Al-Arafah Islami Bank Foundation Hospital, Chattogram. (Under construction)

Besides, it also has a future plan to establish another extension of Al-Arafah Islami Bank Foundation Hospital at Hazaribagh, Dhaka.

All of the above are established with the motive to provide quality service to poor /less income people of the society.

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 984 employees in different categories/ranks joined our fleet during the year 2022 raising our total employees to 5,184 which includes 349 Executives as on 31.12.2022.

We have nominated 126 employees in different outside training courses viz. BIBM, BBTA, BAB etc in 2022 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.

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 finance 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 2022:

AIBTRI conducted a total number of 127 Training Courses/Workshops/ EDPs and Outreach Training Programs where 8289 participants attended during the period from January to December, 2022. AIBTRI conducted a total of 15 (Fifteen) courses and 112 (One hundred twelve) workshops which includes 44 (Forty-four) outreach training programs (OTP) and 2 (Two) EDPs during the year 2022.

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 2021
Date of Rating	:	18 July 2022
Validity	:	17 July 2022
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2022	AA	ST-2	Stable
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

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 2023, 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 sustainable 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 our shareholders, our customers, my Board of Directors, Bangladesh Bank and last but not the least my AIBL colleagues for their sincere and tremendous efforts, continued support and trust in AIBL.


(Farman R. Chowdhury)
Managing Director
Date: 16 August 2023



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 28th 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 2022.

Economy Analyses

World Economy Outlook

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

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. Despite the ongoing adverse situation, Bangladesh showed an overall GDP growth for FY 2022 which stood at 7.25% (estimated), up from 6.94% in 2021. Where Export receipts grew by 33.45% to stand at USD49.25 billion. On the other hand, import payments rose by 35.95% to USD 82.50 billion in FY 2022. Workers remittance inflow significantly declined by 15.12% to USD 21.03 billion. Foreign exchange reserve stood at USD 41.83 billion in FY 2022 due to pressure on forex reserve for importing goods, especially fuel at a higher price. Private sector credit growth during FY 2022 was so impressive throughout the year and ended the year at 13.66%, which was an increase compared to last year's growth of 8.35%. The deposit growth stood at 9.19% in FY

2022, compared to 14.02% last year. Non-performing investments in the country's banking system stood at BDT 1,252.58 billion in FY 2022, despite a relaxed loan classification policy adopted by the Bangladesh Bank. The industry CL ratio stood at 9.0% in FY 2022, in contrast to 7.9% in FY 2021.

We are going through a period of third world war proneness as the Russia-Ukraine war has escalated further for about one year. It has become catastrophic for the people of third world countries like us as the global economy recovery process further hampers and worsens than before, which was hammered by the COVID-19 pandemic in the past 2 years. As we are recovering from the worse COVID-19 pandemic, we are hoping to stabilize our economy and social activity by recovering the losses and destruction caused by the pandemic. But the outbreak of war between Russia and Ukraine made the situation even worse than before, causing a global disaster. In this event, we must remain watchful and alert to absorb and mitigate the effects of this unwanted war. As one of the highest oil, natural gas, and grain exporter nations, sanctions on Russia have resulted in a significant price hike of energy, grain, and other daily commodities, which has put huge pressure on the economy in Bangladesh, particularly on the forex reserve, as we are relying on the import of most of the raw materials for industries and energy for the power sector. At the same time, negative growth in foreign remittances ultimately decreases the net foreign exchange reserve in the country. This higher price further exacerbates the cost of living, which is affecting the people of third world countries like Bangladesh.

However, a series of initiatives and necessary policy support extended by the Central Bank have helped insulate the economy from the worst effects of multiple overlapping crises. It is mentionable that in the last decade our overall economy has gone through stable growth of an average 6.5%, which is supposed to move toward a lower middle income country status in 2024. Due to the COVID-19 outbreak and later war in Ukraine related economic instability issue, its been extended to 2026 later on.

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. Islamic 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. 1,789,110 million representing 12.69% point to point growth from Tk. 15,882,540 million as on 31 December 2022 to Tk. 14,093,430 million as on 31 December 2021.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at Tk. 4,099,490 million during the year 2022 as against Tk. 3,931,110 million in the previous year 2021 and it increased by Tk. 1,68,380 million registering a growth of 4.28% in 2022. The share of Islamic Banks' deposits as of 31 December 2022 stood at 25.81% as compared to at 27.89% on 31 December 2021.

Banks' Advances /Investment: Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,200,040 million representing 9.47% point to point growth from Tk. 12,675,610 million as on 31 December 2021 to Tk. 13,875,650 million as on 31 December 2022.

Islamic Banks' Investments: All Islamic Banks' Investments stood at Tk 4,052,020 million during the year 2022 as against Tk. 3,534,480 million in the previous year 2021 and the Investment increased by Tk 5,17,540 million registering a growth of 14.64% in 2022. The share of Islamic Banks' Investments as of 31 December 2022 stood at 29.20% as compared to 27.88% on 31 December 2021.

Operating Profit: Despite a tough start of the year 2022 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 6th position in 2022 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 31.12.2022.

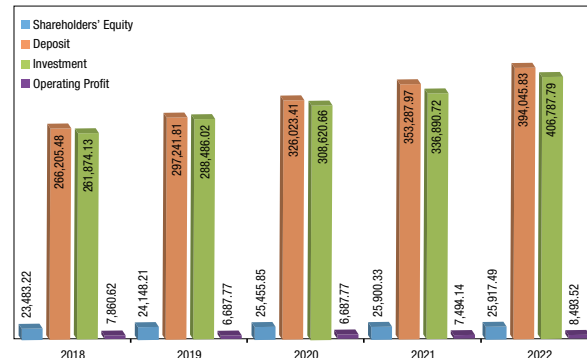
Renowned Islamic Scholars and pious businessmen of the country are the sponsors of the Bank. 100% of paid up capital is being owned by local shareholders.

The equity of the bank has stood at Tk. 26,290.05 million as on 31 December 2022, the manpower was 5,184 and the number of shareholders was 17,186. 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 208 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

(In Million Taka)



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 patronizes by the Bank are such examples.

Activities of Shariah Supervisory committee for the year 2022

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 Islami Shariah i.e. Qur'an, Sunnah, Ijma and Ijtihad.

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 2022 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.

Muraqibs 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 9.72 million as doubtful income of the branches of the Bank. Besides, after analyzing balance sheet, the Supervisory committee identified Tk. 662.36 million as compensation realized in different branches and Tk. 6.27 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 2022 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 2022, 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 (10,000million) 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 2022 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 104.87 million with Earning per Share (EPS) Tk. 0.19.

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 2022 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 8.62 Million with Earning per Share (EPS) Tk. 0.1027.

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 2022 was USD 222.59 million under MDB FC was USD 17.58 million HPSM FC (Machinery) 6.57 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 27.80 highest in 2022. The market trend of our bank's share in Dhaka Stock Exchange from January 2022 to December 2022 is stated in the list:

Position in the Stock Market in the list:

Month	Opening	High	Low	Closing
January	26.60	27.80	26.50	26.90
February	26.90	27.20	26.50	26.50
March	26.50	27.00	26.40	26.70
April	26.70	26.90	26.10	26.30
May	26.30	26.70	25.70	26.60

June	26.60	27.00	24.20	25.60
July	25.60	25.60	23.20	23.60
August	23.60	26.80	23.60	23.80
September	23.80	24.20	23.60	23.60
October	23.60	24.90	23.60	24.30
November	24.30	24.40	23.60	23.60
December	23.60	23.90	23.60	23.60

Progress Analysis

At the end of 2022, the number of depositors stood at 2,943,179 and the accumulated deposit was Tk. 394,045.83 million. The total number of investors stood at 194,035 and total investment extended to them was Tk 406,787.79 million. During the year 2022 the total income was Tk. 32,738.34 million and total expenditure was Tk. 24,244.82 million. At the end of the year the profit before tax and provision stood Tk. 8,493.52 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. 43,660.88 million to Tk. 44,551.49 million (Consolidated Basis) and Tk.41,358.68 million to Tk. 41,225.45 million (Solo Basis). Outstanding balance of AIBL Mudaraba Subordinated Bond Tk. 1,1010 million as at 31st December 2022.

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 which is fully redeemed , in the year 2018 for Tk. 5,000.00 million , in the year 2020 for Tk. 5,000.00 million and in the year 2022 for Tk. 3,001 million out of 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 2022.The total reserve fund has stood at Tk.11,733.99 million in the current year against Tk. 11,733.35 million at 31st December2021. 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.

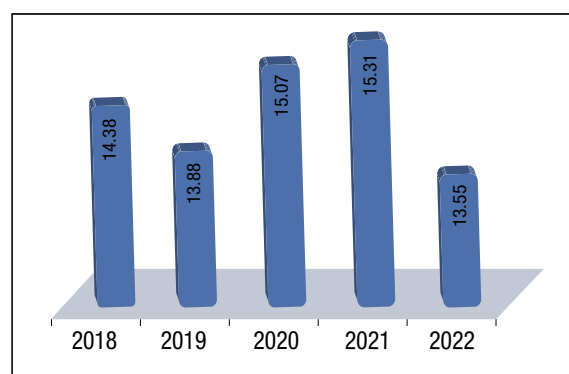
The Consolidated and Solo Basis capital adequacy ratio of the Bank as on 31.12.2022 are appended below:

Consolidated Basis

Tk. in million

a) Core Capital (Tier-I)	2022	2021
Paid up Capital	10,649.02	10,649.02
Statutory Reserve	10,649.02	10,649.02
Retained Earnings	1841.05	1823.37
AIBL Perpetual Bond	5000.00	5000.00
Non Controlling Interest	1693.43	1694.59
Total	29816.00	29816.00
Less Good will and other Intangible assets	192.17	514.70
Total Core Capital	29,640.35	29,301.30
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	5,008.96	4,759.58
Assets Revaluation Reserve	542.49	542.17
AIBL Sub Ordinate Bond	1,1010.00	9600
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.49)	(542.17)
Less: Excess Amount over Maximum Limit of T-2	1102.20	0.00
Total Supplementary Capital	14,916.76	14,359.58
Total Capital (a+b)	44,557.11	43,660.88
c) Capital Adequacy Ratio	14.17%	15.46%

Capital Adequacy Ratio As%

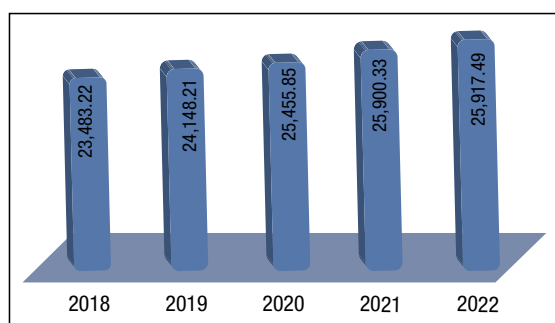


Solo Basis

a) Core Capital (Tier-I)	2022	2021
Paid up Capital	10,649.02	10,649.02
Statutory Reserve	10,649.02	10,649.02
Retained Earnings	1,657.72	1,643.13
AI BL Perpetual Bond	5000.00	5000.00
Total	27,955.76	27,941.17
Less Good will and other Intangible assets	192.17	514.70
Total Core Capital	27,763.59	27,426.47
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	5008.96	4759.58
Assets Revaluation Reserve	542.49	542.17
AI BL Sub Ordinate Bond	11,010.00	9600.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.49)	(542.17)
Less: Excess Amount over Maximum Limit of T-2	2557.10	427.37
Total Supplementary Capital	13,461.86	13,932.21
Total Capital (a+b)	41,225.46	41,358.68
c) Capital Adequacy Ratio	13.53	15.31

Shareholders' Equity

(In Million Taka)

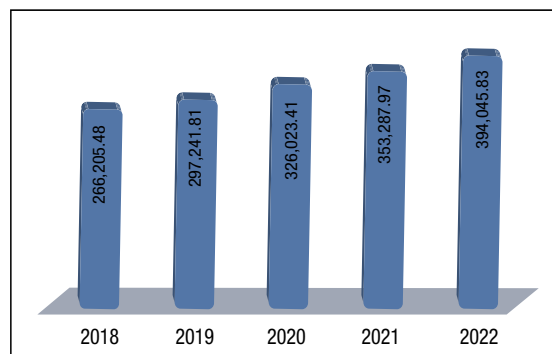


Deposits

The total deposit of the bank was Tk. 394,045.83 million at 31st December 2022 as against Tk. 353,287.97 million at 31st December 2021 a growth of 11.54 % of which Tk 8,051.03 million was bank deposit and Tk. 385,994.80 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.

Deposit Growth

(In Million Taka)



The mix deposit of the bank on December 31, 2022 was as follows:

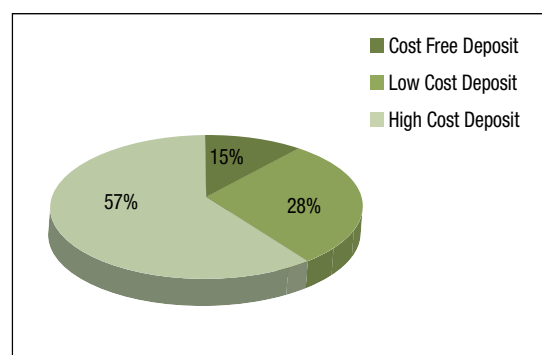
Deposit Mix

Products	Taka in Million
a) Al Wadia Current Account	58,456.93
b) Mudaraba Savings Deposit	69,141.33
c) Other Mudaraba Deposit	68,952.56
d) Mudaraba Term Deposit	193,084.57
e) Bills Payable	4,410.44
Total	394,045.83

Deposit Mix (%)

Products	Taka in Million	% of Total
a) Cost Free deposit	58,791.64	14.92%
b) Low Cost Deposit	110,332.83	28.00%
c) High Cost Deposit	224,921.36	57.08%
Total	394,045.83	100.00%

Deposit Mix as %



Various deposit product of the Bank in 2022:

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.	(a) Al-Arafah Savings Bond (3 Years)
10.	(b) Al-Arafah Savings Bond (5 Years)
11.	(c) 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 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 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 semi-annually. 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 semiannually 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 meantime 100% of the Bond amount has redeemed at the end of 31st December 2022. 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 semiannual 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 meantime 40% of the Bond amount was redeemed at the end of 31st December 2022. 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.

AIBL 4th Mudaraba Subordinated Bond' of Tk. 5,000.00 million:

AIBL 4th Mudaraba Subordinated Bond' of Tk. 3,010.00 million issued out of 5,000.00 million in 2022. 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 UCB Investment Limited and Prime Bank Investment Limited is the lead arranger of this issue and First Security Islami Capital & Investment Limited Limited is the trustee.

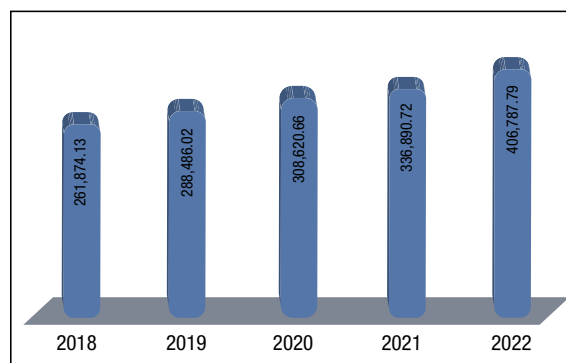
The details of Implementation Schedule of Mudaraba Subordinated Bond are stated as under:

Instrument Name	Particulars	Amount in Million BDT
AIBL Mudaraba Subordinated Bond	100% of the Bond amount has redeemed at the end of 31 st December 2022	
AIBL 2nd 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/-
AIBL 4th 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	1,501/-

Investment

The investment of the bank has stood at Tk. 406,787.79 million as on 31st December 2022 as against Tk. 336,890.72 (Net off PR) million in the previous year showing an increased by 20.75%. 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 5.41% in our bank as on 31 December 2022.

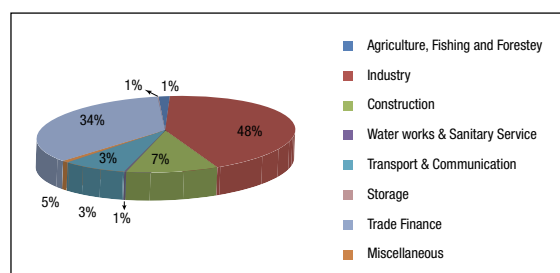
Investment Growth (In Million Taka)



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 2022

Sectors	Taka in million
Agriculture, Fishing and Forestry	4,729.62
Industry	199,256.00
Construction	29,625.60
Water works & Sanitary Service	3,259.60
Transport & communication	12,988.13
Storage	21,659.06
Trade Finance	140,055.33
Miscellaneous	4,102.30
Total (Including Profit Receivable)	415,675.64
Less Unearned Profit on Investment	8,887.84
Total	406,787.80



Income

Investment income: The investment income was Tk. 25,221.42 million during the year 2022 which was growth of 7.57% over the previous year. Investment income is 77.04% of the total income of Tk. 32,738.34 million.

Income from other than investment: The bank has earned Tk. 7,516.92 commission income, exchange income, locker rent etc. in the current year which is 22.96% of the total income. It indicates 76.86% growth over the year 2021.

Expenditure

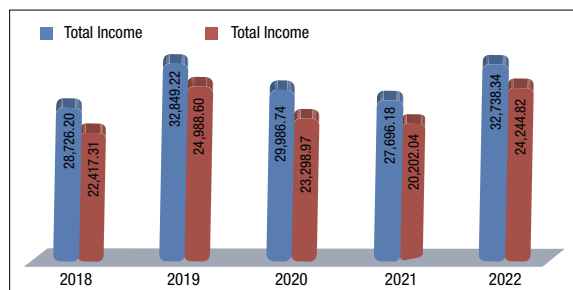
Profit paid to depositors:

The Bank has paid the depositors Tk. 16,109.65 million which is 63.87% of the investment income and 66.45% of the total expenditure for the year 2022. It was 23.23% growth over the year 2021.

Administrative and Other Expenses:

The administrative and other expenses were Tk. 8,135.17 million during the year showing 14.11% growth over the year 2021. It is 33.55% of the total expenditure.

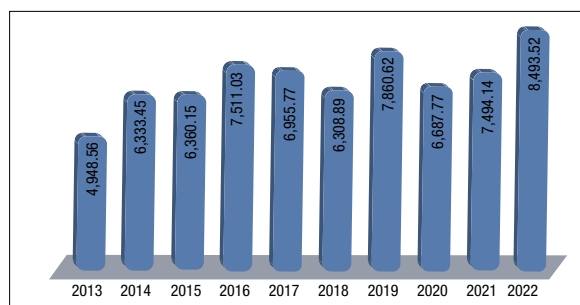
Total Income & Expenditure (In Million Taka)



Operating Profit

The bank earned operating profit of Tk. 8,493.52 million during the year 2022. The operating profit of the Bank during the year 2021 was Tk. 7,494.14 million and thus the Bank attained growth of 13.34% in respect of operating profit. The provision for income tax for the year amounted to Tk. 3,157.38 million and divisible profit available for appropriation amounted to Tk. 1,662.83 million.

Operating Profit (In Million Taka)



International Banking Wing (IBW)

International Trade

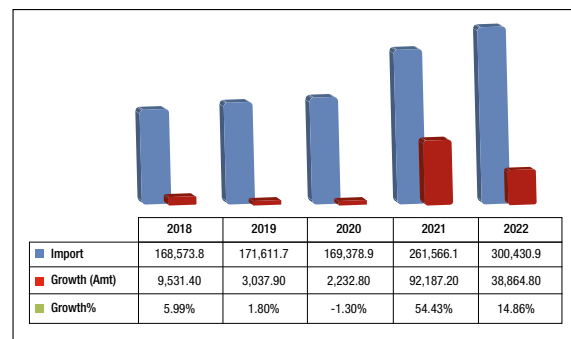
We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 27 AD Branches through which we have handled total foreign exchange business of Tk. 570,032.80 million during the year 2022 as against the Target

of Tk. 530,000.00 million. Our Foreign Exchange business has increased by Tk.120,017.70 million recording a growth of 26.67%. Target of International Trade for the year 2023 has been fixed at Tk. 700,000.00 million with 22.80% growth.

Import Business

Total import business of the bank stood at Tk. 300,430.90 million during the year 2022 as against Tk. 261,566.10 million, Tk. 169,378.90 million and Tk. 171,611.70 million in the previous year 2021, 2020 and 2019 respectively. We recorded a 14.86% growth in import business in 2022 over 2021. Target for Import business for the year 2023 has been fixed at Tk. 350,000 million with an expected growth of 16.50%.

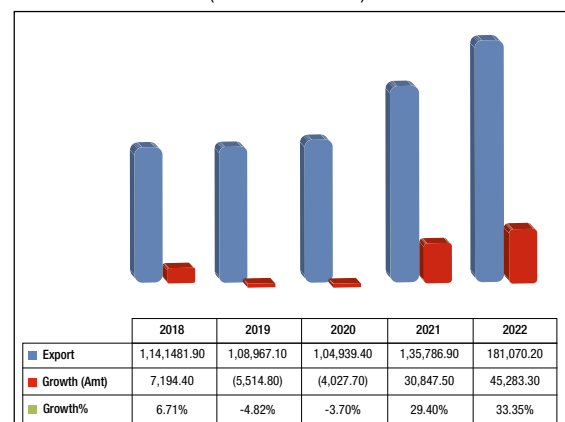
Import Business Growth (In Million Taka)



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%.

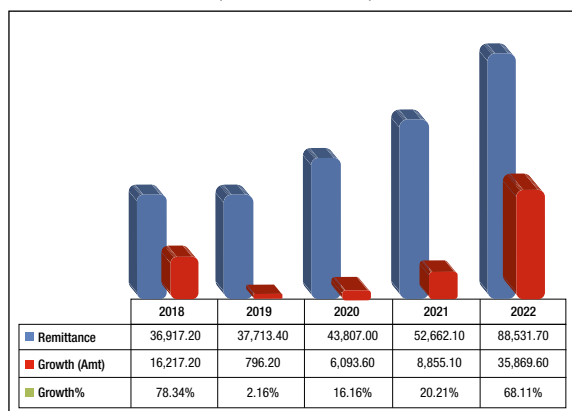
Export Business Growth (In Million Taka)



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%.

Remittance Business Growth (In Million Taka)



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

Treasury Operations:

Ukraine-Russia war and subsequent geo-political tension over the world reining global production, supply chain disruption, commodity price up affected 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.

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Treasury Outlook of 2022

In 2022 BDT moved against USD from Tk. 86.00 to Tk.103.297 resulting appreciation of almost 20.11% 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. Due to Ukraine-Russia war, US-China trade war and to retain export earnings, BDT may be under pressure for further devalue.

Moratorium in investment repayment, injecting money by B. Bank through repo may dampen money market round the year. As a result of flat deposit investment growth banks may face upward operating cost and narrow spread. 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.21 (Million USD)	Dec.22 (Million USD)	Growth
Total Assets	250.00	248.46	-0.62%
UPAS	231.88	222.60	-4.00%
MDBFC	14.71	17.58	19.51%
HPSM Machinery	2.38	6.57	176.05%
Placement from Parent Bank	94.56	99.03	4.73%
Borrowing from Overseas Banks	154.41	147.72	-4.33%
Net Operating Income	1.00	1.71	71.00%

Foreign Remittance Division:

Foreign Remittance Division is one of the most important 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 up-holds 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 25 (twenty five) Remittance Arrangements with different exchange houses in abroad and local banks. AIBL received Remittance Award from "Centre for Non-Resident Bangladeshi (NRB)" as one of the Top-10 Banks for procuring the highest remittance in 2021 and 2022.

1. Remittance Achievement:

Total remittance of the bank stood at Tk. 8,853.17 crore during the year 2022 as against Tk. 5,266.21 crore, Tk. 4,380.70 crore in the previous year 2021 and 2020 respectively. Our remittance increased by Tk. 3,586.96 crore i.e. 68.11% in 2022 as compared to increases of Tk. 885.51 crore i.e. 20.21% in 2021 and Tk. 609.36 crore i.e. 16.16% in 2020 respectively. Target for Remittance business for the year 2023 has been fixed at Tk. 10,000.00 crore expecting growth 13%.

Performance of Foreign Inward Remittance -From 2018 to 2022:

Year	Remittance		No. of Tr.	Target (In Crore)	Achievement (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2018	3,691.72	441.22	684,045	3,000	123%	78.32
2019	3,771.34	446.45	698,640	5,000	75%	2.16
2020	4,380.70	516.19	693,537	4,250	103%	16.16
2021	5,266.21	618.68	827,851	5,400	97.52%	20.21
2022	8,853.17	876.62	12,31,132	6,350	139.42%	68.11

The Branches & Agent Banking Outlets of AIBL have procured foreign remittance BDT 4,770.04 crore in 2022 which is more than 30.55% of the previous year 2021 and disbursement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 4,083.13 crore in 2022 which is more than 153.22% of the previous year 2021.

2. Remittance Drawing Arrangement:

We have executed 03 (three) new remittance drawing arrangements with different exchange houses in UAE, UK & Switzerland in 2022

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 2022 was BDT 1,767.79 crore which was 23.89% of total remittance.

4. Marketing & Promotional Activities:

With a view to increase transaction of Western Union, we executed promotional campaigns in Ramadan 2022, where every customer of Western Union was given umbrella during this campaign. In order to increase remittance volume, the division has a plan to launch more promotional campaigns in 2023.

Overseas Banking Division:

Overseas Banking Division has been managing the relationship with foreign correspondent banks. During the year, 11 RMA (Relationship Management Application) with global banks representing from Asia, Middle East, and Europe were established to facilitate international trade. Currently, the Bank has relationships with over 343 banks/branches worldwide in more than 55 countries.

The Bank has maintained Nostro Accounts in all major currencies viz. USD, EUR, GBP, JPY, CHF, SAR, AED and CNY for smooth settlement of treasury, remittance and trade transactions with the satisfaction of international banks. At the end of 2022, the Bank maintained 35 Nostro Accounts with 22 Banks.

The Bank has managed to arrange credit line for import trade. Despite challenging global situation, our trusted Foreign Correspondents continued to support for import of essential items. Bank facilitated import of Fertilizers, one of the most essential items under special credit limit through foreign correspondents. Division also created credit line with USDA to support import of US origin agricultural commodities and took initiative to expand relationship with other multilateral agencies.

The Bank has been conducting International Trade through centralized mode of operation following Central Bank's guidelines and international best practice managed by a team of well-experienced and professionally certified officials. All necessary compliance frameworks are in place including SWIFT integrated with Core Banking Software and Sanction Screening Tools backed by SWIFT Corp Ltd. The Bank subscribes and collect Credit Reports from renowned sources like D&B, Credit Safe etc. and also subscribes Vessel tracking from Lloyd's List Intelligence. The Bank has adopted guidelines and other effective tools to prevent Trade Based Money Laundering and has strengthened compliance culture.

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 Al-Arafah Islami Bank Ltd. manages all the affairs related to Green banking, Sustainable Finance and Corporate Social Responsibility. As economy grows because of industrialization, it also causes to damage environment (i.e. carbon emission, air, water and soil pollution) as well as society. Banks play a major role in economic activity through financing businesses. So, in this case, banks can conduct responsibly through its proper financing policy, risk management policy and other environment friendly and social works. From this perspective, as a Bank, AIBL has performed the following activities through this Unit:

Green Banking

a. In-house Activities:

Under Green Office Guide, we implemented the following things:

- (i) Newly installed automatic sensor light bulbs in office building helps to reduce power consumption.
- (ii) Most of our communication with branches, higher authority, Board of Directors and even Annual General meeting were arranged through online platform which reduced use of paper, printer and ink.
- (iii) 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:

(iv) We provide e-statement and transaction notification to all our account holders through email/sms.

(v) At present we have 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.

(vi) We have also introduced Internet Banking which allows transaction and availing other banking services to our valued clients staying at home.

(vii) Under Business Process Automation (BPA), we now circulate all our letters, instructions, Investment proposal and Sanction through shared digital platform, email and IP message.

All of the above activities have played a great role in reducing carbon emission, environmental degradation and parallelly in saving and utilizing all of our resources properly.

c. ESRM (Environment and Social Risk Management):

We have done Environmental and Social Risk Rating (ESRR) of all our investment proposals and also incorporated appropriate mitigation measures if required under ESRM as per instruction of Bangladesh Bank. Scheduled monitoring and inspections have also been done time to time.

d. Green and Sustainable Finance:

We have a Sustainable Finance Policy introduced in 2021. We can finance in 68 green products and other sustainable linked products as per this policy. AIBL has financed in diversified Green areas like LED Bulb/Tube Assembly Plant, ETP Construction, Recycling Plastic and Paper Waste, Green Brick Manufacturing and Green Establishment (i.e. Green Industry, Building) etc. In the last quarter of 2022 total Green Finance disbursement was BDT 2940.00 million. This is contributing greatly to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general.

As these are very much associated with Sustainable Development Goal, Bangladesh Bank has also formed several funds to facilitate refinance in green products/projects/initiatives at lower rate of return. We have signed following agreement under these funds 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) 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.

iii) 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.

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 most sustainable banks in Bangladesh by Bangladesh Bank in 2022. In the last quarter of this year our sustainable finance is BDT 11,108.12 million. To take this more ahead, recently we signed agreement with Bangladesh Bank titled as follows:

iv) Green Transformation Fund (GTF) in Local Currency (Taka):

It is a fund of BDT 5000 crore formed by Bangladesh from its own source. Our export oriented and manufacturing industries can avail term financing easily under this fund to import/buy Green/environment friendly capital machineries at lower rate of return.

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

As part of CSR, AIBL always gives priority to any emergency of the country /society /institution /individual. In 2022 AIBL has done Some mentionable CSR activities such as:

- a.) Donation of BDT 10.00 crore to Prime Minister's Relief Fund due to flood and cold wave.
- b.) AIBL has donated Tk. 10.00 Lac to prize giving ceremony of National Hifzul Quran Recitation Competition in 2022 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 2022 our total expenditure in CSR is BDT 28.73 million which is shown sector wise in the table below:

(Amount in Million BDT)

SI No.	Particulars	CSR in 2021	CSR in 2022
1	Health	87.10	50.80
2	Education	6.50	58.80
3	Disaster Management	0.00	35.70
4	Cultural Activities	0.00	22.00
5	Environmental Protection	56.00	20.00
6	Others	0.00	100.00
	Total	149.60	287.30

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. Under this program each year we invite application from the students. Till 2022 this program covers 2 batches as follows:

Number of Students	Present institute of study	Total Scholarship (BDT in Million)
390	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.	22.10

For 2020 we already have prepared final selected list of candidates applied for this scholarship. Again, we also going to publish our next circular for the year 2021 & 2022 inviting application under AIBL Education Scholarship Program.

AIBL Foundation

Al-Arafah Islami Bank Ltd. has also fulfilling its corporate social responsibility towards people and different institution through its foundation. AIBL foundation is operating the following institution:

- a. Al-Arafah Islami Bank Ltd. Foundation Kidney Dialysis Center, Chattogram.
- b. Al-Arafah Islamic International School and College, Hazaribagh, Dhaka.
- c. Al-Arafah Tahfizul Kuran Madrasha, Hazaribagh, Dhaka.
- d. Al-Arafah Islami Bank Foundation Hospital, Chattogram. (under construction)

Besides, it also has a future plan to establish another extension of Al-Arafah Islami Bank Foundation Hospital at Hazaribagh, Dhaka.

All of the above are established with the motive to provide quality service to poor /less income people of the society.

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. CMSMEs occupied a unique position in the economy of Bangladesh. Here, the CMSMEs 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	2022	2021
Total CMSME Portfolio	131595	110641.00
% of CMSME Portfolio to Total Portfolio	31.70%	32.12%
Target of CMSME Investment	80000	70000.00
Total CMSME Disbursement	77205.07	65984.19
% of Achievement	96.51%	94.26%

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	6622.44
Amount of Disbursement to Women Entrepreneurs	4840.11

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. CMSME Stimulus Scheme 2022-23 (3rd Phase):

Bangladesh Bank has set 9500 Million Taka disbursement target for AIBL. About 4750 Million Taka of this scheme will be obtained under refinance and the remaining 4750 Million Taka will be financed from AIBL own funds where the Stimulus Profit rate for the customers is 4% and 5% profit incentives provided by Bangladesh Bank.

2. 250000 Million Pre-finance Scheme Against CMSME investment (2022-23):

Bangladesh Bank has set 8800 Million Taka disbursement target for AIBL. This scheme was formerly enrolled as refinance scheme but now it is converted to Pre-finance scheme by Bangladesh Bank. where the profit rate for the customers is 7% and Bangladesh Bank will be financed the fund at 2% profit rate.

3. Women Entrepreneur Refinance Scheme

Under this Refinance scheme for women entrepreneur AIBL is providing investment opportunities upto 5 Million at 5% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

4. Agriculture Stimulus Scheme 2021-22

Under this Stimulus scheme AIBL has achieved 100% target of 535 Million Investment at 4% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

5. Concessional Profit at 4% Scheme 2022-23

Under this Refinance scheme Bangladesh Bank set the target of 34.8 Million. where the profit rate for the customers is 4% and Bangladesh Bank will be financed the fund at 0.50% profit rate.

6. 'Ghore Phera' Refinance Scheme

Under this Refinance scheme Bangladesh Bank set the target of 80 Million. where the profit rate for the customers is 6% and Bangladesh Bank will be financed the fund at 0.50% profit rate. Profit Spread for AIBL will be 5.50%.

7. 10/50/100 Tk Account Holders' Refinance Scheme

Under this Refinance scheme Bangladesh Bank set the target of 100 Million. where the profit rate for the customers is 7% and Bangladesh Bank will be financed the fund at 1% profit rate. Profit Spread for AIBL will be 6%.

8. 10000 Million Tk Refinance Scheme to increase Wheat, Maize Production (2022-23)

Under this Refinance scheme AIBL has already achieved 100% target of 30 Million Investment at 4% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

9. Start-up Fund Refinance Scheme

A fund was formed to invest in the Start-up enterprises and businesses. A fund of 48.70 Million was accumulated from where 9.70 Million have disbursed.

10. Credit Guarantee Scheme

From Bangladesh Bank Credit Guarantee Department (CGD) AIBL has enrolled 10 Million Credit Guarantee Scheme against the investment of 10/50/100 Tk. Account Holders' Refinance Scheme.

The Achievement of 2022-2023 is as follows:

(Figure In Million)

Sector wise Agricultural Disbursement	Current Fiscal Year Disbursement July-22 to Dec-22 (2022-2023)	Accumulated Outstanding (31/12/2022)
a) Crops	364.20	391.35
b) Fisheries	709.00	1029.51
c) Crop Storage	305.00	531.76
b) Livestock Development	1422.50	1743.48
d) Poverty Alleviation	9.47	50.13
a) Irrigation Tools	106.50	178.01
e) Agricultural Tools	117.00	251.78
g) Others	368.50	573.60
Grand Total	3402.17	4749.62

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 700 Agent Banking outlets through 485 Agents as on December 2022 with a view to bringing the un-banked population under banking services. As on December 2021, total accounts of Agent Banking are 7,03,510. We have already covered 265 Upazillas under 56 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. 37,278.32 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 31-12-2022)

Taka in Million

Particular	December 2021	December 2022	Growth
Total Number of Outlet	571	700	22.59%
Total Number of Agent	397	485	22.17%
Number of Rural Outlet	502	615	22.51%
Number of Urban Outlet	69	85	23.19%
% of Rural Outlets Among Total Outlets	88%	88%	0.00%
Number of Covered Upazilla	227	248	9.25%
Number of Covered District	55	57	3.64%
% of Area Coverage Among 64 Districts	86%	89%	3.49%
Number of Accounts	502855	703510	39.90%
Number of Male Customer	270770	371042	37.03%
Number of Female Customer	232085	332468	43.25%
% of Female Customer	46%	47%	2.17%
Deposit of Agent Banking	31016.82	37278.37	20.19%
Cost Free Deposit	1156.63	1401.81	21.20%
Low Cost Deposit	11477.94	14497.24	26.31%
High Cost Deposit	18382.25	21379.32	16.30%
% of Cost-Free & Low-Cost Deposit	41%	43%	4.88%
Number of Foreign Remittance	235580	283774	20.46%
Amount of Foreign Remittance	14268.71	18323.83	28.42%
Number of Utility Bills Collection	6030907	7789644	29.16%
Amount of Utility Bills Collection	4079.04	5582.52	36.86%
Investment in Outlet Area Through Branch	1657.64	3775.83	127.79%

Retail Banking

AIBL Retail Banking Division aims to uphold a strong and superior customer experience by offering exceptional value to clients through utilizing customer data insights to create personalized experiences, improved customer satisfaction, innovative products, and value propositions. This Division plays important role in business growth through high growth business model, innovative customer proposition, faster customer onboarding, frictionless customer experience, wider distribution network & bulk acquisition, risk-efficient diversified investment portfolio and sustainable deposit portfolio.

Al-Arafah Islami Bank Limited has been expanding its Retail Banking portfolio by forming a centralized Retail Banking Division to provide one-stop Retail Banking services to customers. Our focus on enhancing customer relationships and driving business growth by utilizing our established expertise in securing new clients and enhancing relationships with existing ones has been a key priority for us. To achieve these goals, we have taken a comprehensive approach by implementing a range of strategies that have been designed to have a significant impact. Retail Banking division has been strengthened through the creation of core units, which have allowed us to increase our capacity and better serve our customers. To deepen our relationship with our retail clients, we have assigned branch-specific retail relationship managers who are dedicated to providing personalized services and support. We have also been proactive in conducting training and development programs, both physical and digital, across the country. This has ensured that our employees are equipped with the knowledge and skills required to deliver superior customer service.

To further increase awareness of our brand and position ourselves as a leading Retail Islamic Financial Service Provider, we have undertaken several promotional and branding activities. These efforts have been designed to reach a wide audience and effectively communicate the value that we bring to our clients. Our commitment to expanding our retail business and improving customer relationships is unwavering. We believe that by taking a comprehensive approach, we will continue to drive sustainable growth and maintain our position as a leading provider of Islamic Financial Services.

Retail Banking Highlights:

- Retail investment disbursement recorded a 101% increase in disbursements in the year 2022. Home investment was the driving force behind this disbursement, representing 76% of the total retail investment disbursements in 2022.
- Retail Investment GL grew by 44% from 2021. This represents the highest growth rate for Retail Investment GL in recent years, as recorded in 2022.
- Auto Investment GL saw a substantial increase of 88% in 2022 compared to the previous year. Additionally, the Auto Investment disbursements recorded a significant growth of 401% from 2021.

In the coming years, AIBL Retail Banking will place a continued emphasis on customer engagement as a key driver of growth. Our focus will be on strengthening relationships with our clients, and to do so, we will actively seek to understand their needs and preferences. With this insight, we will provide tailored experiences that meet their unique requirements and exceed their expectations. Through this approach, we aim to retain our existing customers, as well as to attract new ones who appreciate our commitment to their satisfaction. Furthermore, to enhance our retail clients' digital banking experience, we will be prioritizing frictionless digital retail customer onboarding and a seamless digital retail banking experience for our retail customers.

Al-Arafah Rural Development program (ARDP)

A stronger and larger rural economy is crucial for employment generation and poverty alleviation. Because this trends to reduce inequality and helps us achieving the desired sustainable

development. Realizing the fact AIBL launched its Grameen Small Investment Scheme (GSIS) in 2008. But with the passage of time as the importance of rural economy grew more and more AIBL thought of reinforcing its presence into the sector. Therefore, in order to be more vibrant and visible in the process of improving the life standard of the rural population AIBL launched a new program (encompassing old GSIS) under the banner called "AL-ARAFAH RURAL DEVELOPMENT PROGRAM or ARDP" in late 2020. We anticipate that through ARDP we will be able to enhance our CMSME activities and take AIBL to the remotest corners of the country.

SL No	Subject/Particulars	December 2021	December 2022	Growth
1	Number of Member	57,340	75,337	17,997
2	Number of Investment Client	50,839	63,227	12,388
3	Number of MSD Account	155,971	213,584	57,613
4	Number of SSP Account	40,744	59,037	18,293
5	Total Number of Account	196,715	272,621	75,906
6	Disbursement	155.84	355.61	199.77
7	Outstanding	129.65	257.85	128.20
8	Percentage of Recovery	90%	95%	5%
9	Deposit Amount MSD A/C	57.84	76.62	18.78
10	Deposit Amount SSP A/C	91.62	120.17	28.55
11	Deposit Amount Welfare fund	19.26	24.06	4.80
12	Total Deposit	168.72	220.85	52.13
13	Profit/Loss	1.85	6.17	4.32

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2022. In response to the gradual 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 71 news items of the Bank were broadcasted in 1480 news coverage through 21 different TV Channels during the year 2022. 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 total 17 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 11 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 like Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, and Fair of Chittagong Metropolitan Chamber of Commerce & Industry and so on. These activities tightened the relationship with clients and uplifted Bank's image by manifold.

Our presence in the print media also was bold as we had 2220 Press Release items published in more than 60 different leading Newspapers and Medias throughout the year. Besides, more than 850 advertisements were published in 115 different publications during that year.

This year the Bank went into Electronic Media vastly. Besides, promotions in social Medias we have put utmost focus on Digital Media via Online Portals, Facebook, YouTube etc.

Moreover, during the adverse circumstances, Bank made its promotion through client service more effective and efficient in 2022. 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 2022

SL	Branding Details	Frequency During 2022
1	TV News Items	71 events 1480 coverage
2	TV Channel Coverage	21 channels
3	TV Branding (throughout the year)	7 channels
4	TV Branding during Ramadan	17 programs 11 channels
5	PR Published	2220 times
6	Print media covered	60 media
7	Promotional Advertising	850 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 it's 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-ArafahIslami 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. 16786.42 million as on 31st December 2022 as against Tk. 3993.40 million as of December, 31 last year. Total overdue increased by Tk. 12793.02 million during the year 2022 bringing the same to 4.04% of our total investment as against 1.16% 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 increased by Tk. 1308.20 million from Tk. 21380.10 million to Tk. 22688.30 million (Term investments by Tk. 9528.60 million plus Continuous and Demand investments by Tk. 13159.70 million) which was 5.47% of total Investment. Recovery against rescheduled investment during the year 2022 was Tk. 3490.60 million.

Classified investments increased by Tk. 5870.53 million in 2022 from Tk. 16566.84 million to Tk. 22437.37 million representing 5.41% of total investment as against 4.81% in the previous year. During the year 2022, recovery & regularization against classified investment stood at Tk. 1696.47 million while recovery against written off investments stood at Tk. 122.02 million recording a total recovery of Tk. 5309.09 million which includes a recovery Tk. 3490.60 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 exposures 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.

1. 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 (CRM), 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:

Ever since the first day of operation AIBL has been extremely cautious about compliance. Because it knows that a simple non-compliance can inflict a huge cost on the bank like any other institution. Rather, for banks the cost of non-compliance is much higher. If this non-compliance is pertaining to the crime like money laundering the burdens knows no bounds. Therefore, in order to protect its reputational risks and improve AIBL's vision and value AIBL always adheres to both internal policies and procedures along with Bangladesh Bank's Circulars and governmental laws. Not only that, AIBL is always keen to improve its compliance net and make it a contemporary one. In line with this AIBL has recently automated its AML monitoring system by introducing a state-of-the-art monitoring tool to bring peace of mind for the bank's officials and the bank as a whole.

The main area of focus remained in the fight against money laundering and terrorist financing and supporting effective implementation of the monitoring tools across the bank through training and capacity building. The tool, inter alia, will ease the process of KYC, CDD, EDD, name screening, transaction screening, transaction monitoring, suspicious activity reporting and so on. No denying the fact, it will definitely give an edge over its peers and help us stabilizing the reputation of the bank in the international arena. We, at banks, face fresh and newer challenges each day, since fraudsters target the weaknesses (if any) in the system. Therefore, it is an ever-vigilant process. Our new tool will help us in doing so by improving searches with technology, having regular cross communication with different agencies, using data analytics to find patterns and standardizing our system and structuring training. We strongly believe that by integrating due diligence and technology with people training and a robust partnership with law enforcing agencies, we can more effectively combat the increasingly sophisticated money launderers in the country and beyond and help prevent criminal activities. In a nutshell, we are committed to be on the lookout for money launderers. We remain watchful on the risks of virtual currencies, on-line betting, innovative financial services, de-risking, tax evasion and the risks associated with the COVID-19 pandemic, non-public data, third-party risk, TBML risks and so on. We are particularly critical on unnecessarily complicated and critical supply chain, rapid growth of newly formed countries, established companies unexpectedly changing to an entirely unrelated sector and consistent and significant cash payment along with unexplained third-party payments. We conclude with a vow that we shall not let the criminals use us for their benefits and put us into trouble.

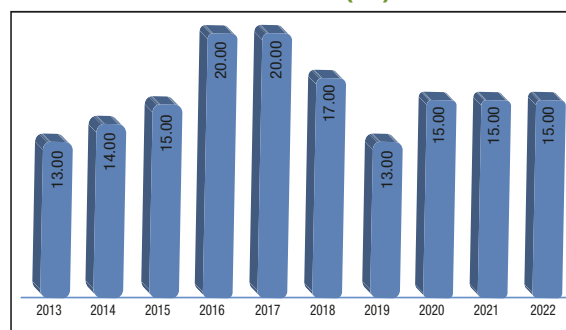
Dividend

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
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
2022	12% Cash & 3% Bonus

Dividend (%)



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 2021
Date of Rating	: 18 July 2022
Validity	: 17 July 2023
Outlook	: Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2022	AA	ST-2	Stable
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

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 984 employees in different categories/ranks joined and exit 63 during the year 2022 raising our total employees to 5,184 as on 31.12.2022.

We have 5,184 staff in the Bank of whom 349 are executives 3,821 are officers and 1,014 other staff as on December 31st 2022.

SI No	Designation	Category Number
1	Executives	349
2	Officers	3,821
3	Others	1,014
	Total	5,184

We nominated 126 employees in outside training course viz. BIBM, BBTA, BAB etc. in 2022 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 2022.

Activities of AIBTRI

AIBTRI: Centre of Excellence for Human Capital Development

Alhamdulillah. After inception in 1996, Al-Arafah Islami Bank Training & Research Institute

(AIBTRI) has successfully crossed 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 recourse on continuous training. AIBTRI's prime objectives, among others, are to impart training to all stages of Bank employees to aware them about the latest development of knowledge on the changing functional procedures, policies, rules, directives and regulations 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 bit coin fintech, regtech, crypto currencies, Central Bank Digital Currency (CBDC) etc, focusing on need-based 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 human committed capital faculty development members of with the institute. cutting-edge AIBTRI skills, has knowledge given utmost importance to training for and wisdom. Despite limitations and shortcomings, AIBTRI is however, moving forward for attaining its desired level of competency through arranging various training courses including 3 month-long AIBL-CACP certification course for BAMLCOs, 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 after COVID-19 shocks in the country. In line with the changed circumstances, the AIBTRI has been adopting new strategies and methods for improving the knowledge-base of the manpower. 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 2022:

During the year 2022, AIBTRI conducted a wide range of activities to attain objectives of imparting quality training to the officers of the Bank. AIBTRI conduct a total number of 148 (One Hundred and Forty Eight) Training Courses, Workshops, Executive Development Programs, Lead Bank Program, Outreach Program, Specilized Training Courses called AIBL-CACP and Foreign Training Program where 9177 participants attended during the period January-December, 2022. 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 skills and knowledge of the officials in the fields of Shari' ah, banking, finance, CMSME, retail banking and microfinance, customer service development etc. AIBTRI conducted a total of 13 (Thirteen) training courses both classroom based as well as through virtual platform during the year under report.

Training Workshops (TW):

A total of 66 (Sixty Six) training workshops were conducted during the year at AIBTRI 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, Customs Duty Payment through RTGS under e-Payment system, Money Laundering & Terrorist financing issues etc., Moreover, with a view to enhancing skill of the employees, AIBTRI has arranged number of in-house discussions on topical issues of Islamic Shari'ah and banking.

Executive Development Programs (EDP):

To meet the requirements of enhancing the knowledge on current issues of the bank's top Executives, managers, manager operations about the money laundering preventions and other

topical economic and financial issues, AIBTRI conducted 2 (two) EDPs in 2022 at its Board Room where participants other than head office attended the programs through Microsoft Teams platform. The titles of EDPs were Sukuk Issuance in Bangladesh: Concept, Structuring

and Fund Management and Bancassurance and Bancatakaful: Concepts, Products and Role of the Banks.

Outreach Training Programs (OTP):

AIBTRI conducted 41 (Forty One) outreach training programs (OTP) during the year 2022 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 Shari'ah and Banking, Foreign Exchange, Investment, Environmental Risk Rating, Agent Banking etc.

Islamic Financial Literacy Program (IFLP):

One Islamic Financial Literacy Program was arranged at Bangladesh Parjaton Corporation auditorium at Rangpur where about 100 university and college professors, madrasah teachers khatibs of jame mosques attended. The program was presided over by the Principal of Carmichael College. IFLP had impacted highly among the participants and the misconceptions about Islamic banking had been somewhat erased which were expressed by the thanks giving speech by the participants.

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. Al-Arafah Islami Bank played the role of Lead Bank in the program. BFIU and AIBL Officials conducted various sessions of the program. Total 93 participants from all banks in Khulna Division attended the LBP.

Certified AML & CFT Professional (AIBL-CACP):

During 2022, the AIBTRI with the cooperation of BFIU & BIBM conducted two 3-Month long specialized Training Courses (STCs) titled AIBL Certified AML & CFT Professional (AIBL-CACP) to create 126 certified expert officials on AML CFT especially the Bank's BAMLCOs. BFIU and BIBM Officials had conducted various sessions of the program. The core objectives of the program is to develop a group of knowledgeable and efficient BAMLCO's equip them with the overall theoretical and applied issues relating to AML & CFT for making them proactive to address the AML & CFT issues of the Bank with efficiency. The CACP certificate holders may be called "AIBL-CACP". We confidently hope that through this endeavor the Bank would get a group of qualified AML & CFT professionals who would ensure every AML & CFT related compliance issues of the Bank at branch level and would make the Bank a fully-complied Bank on AML & CFT issues. We also hope that this course will create a new branding of experts in AML & CFT for the banking industry in Bangladesh.

Future Programs of AIBTRI:

Given the directions of the esteemed Board of Directors (BOD) of the Bank, following new programs have been undertaken by AIBTRI for the year 2023 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:

1. To conduct 2 (two) "Certified AML & CFT Professional (AIBL-CACP)" certification Course on Anti Money Laundering and Combating Financing of Terrorism" for professional development of the employees of the Bank. These certified AML & CFT Professional

experts especially BAMLCOs would help the bank to make it free from money laundering and financing of terrorism risks.

2. To conduct one "Executive Diploma program in Islamic Banking and Finance (AIBL-

EDIBF)" for professional development of the employees of the Bank from Officer to Vice

President Level. The program would be started from July, 2023. In the global and local context, Islamic banking and finance industry has been growing faster than the and competitive financial banking institutions has environment, been an emerged essential in the step is marketplace. crucial to In line disseminate with this cutting-edge changing conventional counterpart in recent decades. Stiff competition among the Islamic banks operational knowledge of Islamic banking and finance to the workforce of the Bank to equip them with knowledge and efficiency so that they could set an example in the industry as efficient officers of a knowledge-based clean Islamic Bank dedicated together in the development process of the country.

While there is a huge demand for skilled people with technical and Shari'ah knowledge to accelerate growth and make the Bangladeshi banking and finance industry robust and sustainable, there is not enough opportunity to acquire relevant knowledge in this area through the existing education system of the country. Hence, to meet this essential demand of the banking sector, especially for the employees of the AIBL, AIBTRI as the Bank's apex training institute, is planning to launch the Executive Diploma program in Islamic Banking and Finance (AIBL-EDIBF) to develop a competent human capital base for the Bank. With the steady and strong growth Of Al-Arafah Islami Bank, the demand for AIBL skilled feels Islamic the need Bankers to is upgrade its continuously human increasing resources As with the latest knowledge the second largest Islamic bank, banking and finance. Thus, AIBTRI has designed its flagship education/training program on Islamic Banking and finance considering the specific requirements of skilled manpower of the Bank. It is expected that this AIBL-EDIBF will certainly enrich the bank as knowledge-based bank by giving every employee of the Bank an in-depth understanding of the leading issues in Islamic banking and finance i.e., Islamic finance laws and concepts, Islamic banking products, its operations, and related Shari'ah Standards Specifically, the AIBL-EDIBF program, as an important flagship human capital development programs of the Bank, is a unique opportunity for an in-depth understanding of banking and finance in the perspective of Islamic Shari'ah and its overall practices in the Bank. The diploma program will provide clear insights and concepts of Shari' ah based Islamic banking framework to the Bank's all level of employees for effective understanding and implementation of Shari'ah in the Bank and thereby to promote Islamic banking industry in the country.

The AIBTRI will conduct this 1-year long 'AIBL-EDIBF' certification program over two semesters (six months for each semester). The syllabus covered in Semester-1 is relatively elementary and examination is designed to test the candidate's basic knowledge of Islamic Banking, while the syllabus included in Semester-2 is at an advanced level and examination is designed to test the candidates' theoretical as well as practical knowledge and understanding of the difference between Islamic and conventional Banking and recently developed financial technological practices that are necessary for better decision- making.

3. The AIBTRI would publish a half yearly "AIBTRI Journal titled Thoughts on Islamic

Banking and Finance (TIBF)' from June 2023. The journal would focus among others, current developments in the areas of Islamic financial products and services around the world, their thoughts and research outcomes. The opinions, thoughts and policy prescriptions expressed in the journal may help the readers/officers of the Bank to understand the dynamics of the Islamic financial sector as well as the stand of Al-Arafah Islami Bank. It may also create a channel of communication about the ongoing changes directed to achieve the Maqasid al-Shari'ah by the Bank and may give signal to the all types of stakeholders about the commitment of the Bank adhering to full compliance of Shari'ah in its all activities thus increasing the reputational base of the Bank. Along with the research papers on inclusive and sustainable Islamic finance, the journal may also focus on publication of articles on Islamic strategy for poverty alleviation, CMSME, micro-investment, retail banking products and agricultural sector issues. Apart from that it is expected that the officers of the Bank may take the opportunity to explore their brilliance and contribute to the journal regularly.

It is hoped that Thoughts on Islamic Banking and Finance' may be a platform for publishing divergent intuitive thoughts of the brilliant officers of the Bank to guide and augment the future pragmatic programs of the Bank in different areas of investment. To cope with the rapidly changing dynamism of the world Islamic financial architecture based on CBDC, Fintech, Regtech, Crypto-currency and block-chain technologies and to meet the demand of the time, the scholars of Islamic finance field both at home and abroad, we hope would come forward to analyse the recent dynamism and disseminate their thoughts and prescriptions through this journal so that the AIBL management may get proper insights for making timely decisions. The scope of the journal includes, but is not limited to, Islamic banking and finance, Islamic money markets, Islamic Capital markets, Islamic investment management, issues on Shari' ah implementation and practices and in Islamic banking and finance, zakat, awqaf, takaful and comparative analysis of conventional financial methodologies. The journal would focus mainly on the following:

- a. Three/Four Research Papers on Islamic banking and finance in each issue of the journal; in
- b. Half-yearly Review on Bangladesh Bank's Announced Policy Circulars/Directives;
- c. Half-yearly Analysis on the development of Islamic finance sector in Bangladesh
comparison with AIBL;
- d. Consecutive discussion on AIBL introduced Islamic financial Products and Services
- e. AIBL's important instructions/circulars issued during the period;
- f. Knowledge-bank on Islamic banking and finance terminologies;
- g. Development News Round-up of Islamic banking both at home and abroad;
- h. Eminent Islamic Finance / Banking Scholars interview;

- i. Book/Journal review;
- j. Any other issue considered necessary by the Board of Editorial Advisors or Bank Management.

4. 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.

5. Development and Management of AIBTRI website and Training Database.

New Financial Products suggested by AIBTRI in 2022:

1. Employees Common Cash Waqf Deposit A/C: Employees Common Cash Waqf Deposit A/C is one of the new products in AIBL suggested by AIBTRI, particularly first ever in Islamic Banks of Bangladesh. Through this scheme the employees of the Bank will contribute to build a huge amount of cash waqf, whose income will be ploughed Bank for the welfare of the employee's children. This type of deposit is perpetual and will create long term deposit-base of the Bank.

2. AIBL Hajj and Umrah Investment Scheme: Besides Cash Waqf Deposit A/C, the AIBTRI also suggested new Hajj and Umrah Investment Scheme to address the financial needs of the people to help perform Hazz and Umrah. The modus operandi of this scheme is based on Al-Ijarah Al-Mawsufiah Fi Al-Dhimmah. This will create new avenue for Retail banking business of the Bank.

3. e-GP facility under Quard system: The AIBTRI has suggested the actual Islamic mode for functioning e-GP activities smoothly in the Bank.

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:

Business Promotion & Marketing Division was established in 2010 with a vision to survive in the competition and to continuously improve business of our bank using different marketing tools. Main focus of this division is to identify business opportunities, overcome business threats and to develop business strategy. This division builds and maintains a long-term relationship with its investment clients, assists to the branches regarding prospective investment clients and also assist deposit mobilization. Besides, BPMD works to develop new and existing products. This division also identifies requirements of different promotional/gift items for customers and also to improve bank's brand and corporate image.

BPMD follow-up, monitor; supervise to achieve the target by the branches. BPMD co-ordinate regular Business Development Conference/Meeting. It also provides /advice/guide the branches regarding new investment client for business development.

In the year 2022 was very much important for BPMD as in this year this Division has done a number of important works that was gradually developed on time to time since the inception of this Division. Most remarkable works done by BPMD in 2022 are as follows: -

- With an aim to render efficient services to existing and new clients of the bank, retaining existing business growth, maintaining business portfolio efficiently and effectively, finally to take effective control, monitor, supervise overall activities of the branches.
- Marketing Division hold "Business Development Conference" 6 Zones to keep a close contact by Head Office and valued business clients of the Bank in the year of 2022.
- To build long term Client-Bank relationship as well as

to promote business of the Bank, BPMD arranged Iftar Mahfil Centrally and through all branches of the Bank. Also distributed Ramadan Gift to the valued clients/VIPs/CIPs on behalf of Honorable Chairman & Managing Director and CEO of the Bank.

- Happy New Year gift (Bangla & English year) distributed by BPMD.
- With a view to increase Low Cost & No Cost deposit, number of new accounts, recovery of written-off investment this division Organized 02(two) CASA" and achieved 1,16,317 no. of Accounts & 2365.00 Crore deposit.
- Analysis of Business Projection & ABCD report in every month and submitted MC Meeting before the management for making decision.
- To Monitor Loss Branch & their activities.
- To prepare of Crest/Certificate/Banner/Leaflet etc. distributed throughout all branches.
- Different promotional/gift item like Crookeries, Wallet, Mug, Key Ring, Coat Pin, Folder, Paper weight etc. were procured to distribute among valued clients of all branches and for acquisition of new account holder and maintain good relation with present Customers.
- Some Product like E-GP, A-Challan, Hajj & umrah, Den mohar, Cash Wakfah & Non-Traditional Export Items has been re-branded and introduces 02(two) products like AIBL Gift Cheque/Card & AIBL Employees Cash Waqf Deposit Fund. In this regard Campaign & 12 lac Leaflet printed and distributed through 208 Branches, 64 Sub-branches and 700 agents. Portfolio of the products are effectively as follows: -

SL No	Name of the Product	2021		2022	
		No of Br. & Account	Amount	No of Br. & Account	Amount
1	A-Challan	14 Brs	215.84	199 Brs	855.60
2	Haj & Omrah	120 Brs	55.60	166 Brs	66.15
3	Cash Wakfah	6840 A/C's	5.50	9698 A/C's	5.74
4	E-GP	-	0.00	12 Brs	3.85
5	Non-Traditional Exp.	-	-	5 Brs	-

- Bulletin published on March & September in every year.
- BPMD made different agreement up to Dec-2022 on the following organizations: - Dhaka Power Distribution, DESCO, Titas Gas Transmission & Distribution, Northern Electricity Supply Company (Nesco), Dhaka Wasa, Bangladesh Polly Biddut Board, Karnaphuli Gas, Bakrabad Gas Distribution, Standard University, Motor Vehicle BRTA, The IBN Sina Trust, Popular Diagnostic Cen. Ltd., Nagad Ltd., UCB Fintech Company Ltd. Upay, Padma Diagnostic Centre Limited, Chottogram Metropolitan Hospital Limited, Evercare Hospital Dhaka (Apollo).
- In 2022 BPMD survey for the place, location, business position, rental status & feasibility report of 05(five) new Branches like Bagerhat Br., Noapara Br., Terokhada Br. Poradaha Br. & Coat Bazar Br.

- Mangers Award, Export Trophy, letter of appreciation/ congratulation, Crest are given on different criteria for excellent achievement.

Plan for 2023:

In every Bank Marketing Division plays an important role to achieve overall business target of the Bank. Booking new investment, fresh deposit mobilization, deposit mixed, new account opening is the main focus of Marketing Division for the new year along with building long term customer-bank relationship. To reach the business target, BPMD is going to take following initiatives: -

- ✓ To spread out business activities of the Bank, BPMD will take initiative to expand its Branch, Sub-Branches network throughout the country.
- ✓ Through intensive supervision, monitoring and follow-up BPMD will help the Negative growth branches to increase their business position.
- ✓ To maintain customer relationship with the existing business clients of the Bank, Marketing Division will do Zone-wise Business Development conference in the year of 2023.
- Under the Brand development program, we will go for Strategic Alliance contact with different renowned govt./Semi-govt. i.e. Titas Gas Bill Collection, Pilgrim Pre-Registration, DESA, BRTA, DESCO, Gas Registration fees, DPDC, DESCO, NESCO, PDB, REB, TITAS, KGTC, WASA, City Corporation etc.
- To increasing Low cost & No cost Deposit we have to improve better service through Campaign.
- Instruction to be issued all branches for opening Business Account, Salary Account, Collection & Disbursement Account of Corporate Organization/ BRAC/ BURO/ ASHA/ UDDIPON Govt. & Semi-Govt/LGED/PWD/Election Commission/Passport Office, RJSC etc.
- To increase number of branches for collection BRTA bill, A-Challan, E-GP,Hajj & Umrah Registration fees etc. through On-line.
- Special attention to be made for opening new accounts of School, Madrasah, Hospital, Diagnostic Center, Club, Association, Samity, Market, owners Association.
- Financial literacy & Financial Inclusion: Head of BPMD is Focal Point of Financial Inclusion department of AIBL. So, we have to arrange school banking Conference every year. Presently we have 1,12,532 number of School accounts and balance is TK. 33.04 crore.

Branch Network

At present we have 208 branches all over the country. In a bid to expand our network of Branches we got approval to open 7 (Seven) new branches in 2022.

Appointment of Statutory Auditor

In the 27th Annual General Meeting of the Bank M/S Shafiq BASAK & Co. Chartered Accountants and M/S Hoda Vasi Chowdhury & Co. Chartered Accountants was appointed External Auditors of the Bank for a term till conclusion of the 28th Annual General Meeting.

The Board has approved M/S Hoda Vasi Chowdhury & Co. Chartered Accountants and M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants for appointment as External Auditors by the shareholders till the 29th Annual General Meeting.

Board Meeting

During the year 2022, 15 regular Board Meeting had been held. Besides, 20 meetings of Executive Committee, 7 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 2022. 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 2023. 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: 16 August 2023



Chairman of the Bank Alhajj Salim Rahman inaugurated the Annual Business Development Conference 2023 of AIBL as Chief Guest while other Members of the Board were also present at the event



Al-Arafah Islami Bank Limited (AIBL) has opened 202nd branch at Bagerhat Sadar, on Monday, 5 September 2022. Board Executive Committee Chairman of the Bank Alhajj Abdus Samad Labu inaugurated the new branch as Chief Guest



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



Bangladesh Bank and AIBL signed an agreement for refinancing scheme to increase food production to ensure food security of the country



Agent Banking Conference-2022 of AIBL was held on September 17, 2022 Saturday at Al-Arafah Tower, Dhaka. Managing Director and CEO of the Bank Farman R. Chowdhury inaugurated the conference as Chief Guest



The closing ceremony of three-month long special training course titled 'Certified AML & CFT Professional' at AIBL was held on Thursday, February 09, 2023 at Bank's Head Office



379th Board Meeting of the Board of Directors of AIEL was held at the Al-Arafah Tower on Thursday, 27 October 2022. Hon'ble Chairman of the Board of Directors Alhajj Salim Rahman presided over the meeting



Chairman of the Bank handed over the sponsorship cheque as Al-Arafah Islami Bank become the title Sponsor of the 8th Bangladesh Junior Science Olympiad



Business Performance Meeting of AIEL was held on 16 November, 2022 at the Head Office of the Bank. Chairman of the Bank, Alhajj Salim Rahman was present the meeting as Chief Guest



AIEL has become the title sponsor of 27th National Youth Hockey Tournament. Air Chief Marshal Sheikh Abdul Hamid, President of BHF, Chairman of the Bank Alhajj Salim Rahman and Managing Director and CEO Farman R. Chowdhury were present in the inauguration of the event.



Al Arafah Islami Bank Ltd. has been awarded ISO 27001:2013 certificate by SCK Certifications Private Limited on fulfilling standards required for information security management systems



Al-Arafah Islami Bank Ltd. opened 'Hajj Booth' to provide services of Hajj pilgrims at Ashkona Hajj Camp, on 21 May, 2023. Managing Director and CEO of the Bank Farman R. Chowdhury inaugurated the booth as Chief Guest

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. 41-42
- ii. The segment-wise or product-wise performance; Page No. 46-48 & 54-58
- iii. Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; Page No. 124-126
- iv. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; Page No. 71
- 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. 187-191
- vii. A statement of utilization of proceeds raised through public issues, rights issues and /or any other instruments (AIBL Mudaraba Subordinate Bond); Page No. 47-48
- 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	2022 Amount in million	2021 Amount in million	Growth (%)
Investment income	24,969.22	23,261.04	7.34%
Profit paid to depositors	15,894.12	12,833.77	23.85%
Net Investment Income	9,075.10	10,427.27	(12.97%)
Commission, Exchange and other Income	7,269.13	3,878.28	87.43%
Total Operating Income	16,344.23	14,305.55	14.25%
Total Operating Expense	7,964.22	6,959.66	14.43%
Profit before tax and provision	8,380.01	7,345.89	14.08%
Provision on Investment and others	3,229.51	2,655.58	21.61%
Profit Before tax	5,150.50	4,690.31	9.81%
Provision for taxation	3,124.80	2,666.95	17.17%
Net Profit after tax	2,025.70	2,023.36	0.12%
EPS	1.90	1.90	0.12%

- x. A statement of remuneration paid to the directors including independent directors; Page No. 152
- 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. 71
- 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 2022
- 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. 63
- xxii. The total number of Board meetings held during the year and attendance by each director; Page No. 84
- 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. 85
 - 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. 85-86
 - 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. 187-192
 - nature of his or her expertise in specific functional areas; and Page No.187-192
 - names of companies in which the person also holds the directorship and the membership of committees of the Board; Page No.187-192
- xxv. 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
 - 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
 - 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.
 - Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; Not applicable
 - Briefly explain the financial and economic scenario of the country and the globe; Page No. 41-42
 - Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and Page No. 60-63
 - 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 2021	Budget	Achievement December 2022	Achievement Of Budget 2022	% Growth on 2021	Budget 2023	Budgeted Growth on 2022 (In Taka)	(%) Growth on 2022
1	2	3	4	5	6=(5/4)%	7=(5-3)/3	8	9=(8-5)	10=(8-5)/5
1	Deposit & Borrowings	380,885	435,000	443368	101.92%	16.40%	485000	41632	9.39%
2	Investment	344,431	398,000	415073	104.29%	20.51%	455000	39927	9.62%
3	No. of Accounts	2,541,170	2,850,000	2943179	103.27%	15.82%	3225000	281821	9.58%
4	Classified Investment	16,566.84	19,000	22437.37	118.09%	35.44%	22500	63	0.28%
5	Percentage (%) of Classified Investments	4.81%	4.77%	5.41%	-	-	4.77%	-	-
6	Foreign Exchange Business	450,015	530,000	570033	107.55%	26.67%	700000	129967	22.80%
	a) Import	261,566	300,000	300431	100.14%	14.86%	350000	49569	16.50%
	b) Export	135,787	170,000	181070	106.51%	33.35%	250000	68930	38.07%
	c) Remittance	52,662	60,000	88532	147.55%	68.11%	100000	11468	12.95%
7	Operating Profit	7,346	8,300	8380	100.96%	14.08%	8300	-80	-0.95%

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 2022**

We have examined the compliance status to the corporate governance Code by Al Arafa Islami Bank Limited for the year ended on 31st December 2022. 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) & 2(b).
- 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
Date: 25 April, 2023

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 2022 [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;I;	✓		
1.2 (b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		
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.	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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:			
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;	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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
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).	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√	-	
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	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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;		√	Though AIBL Capital Management Ltd. has complied this clause but no ID of holding company is available as director on the Board of subsidiary i) AIBL Assets Management Ltd. and ii) AIBL Capital Market Services Ltd
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:			
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.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√	-	
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;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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: audit committee report signed by Chairman of the 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.	√		
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	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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
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

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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
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.	√	-	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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).	√	-	
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 2022 and attendance by each Director:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1	Jb. Salim Rahman	Chairman	15	15	15
2	Jb. Abu Naser Md. Yeahea	Vice-Chairman	15	15	13
3	Jb. Abdus Samad	Director	15	15	15
4	Jb. Mohammad Abdus Salam	Director	15	15	15
5	Jb. Badiur Rahman	Sponsor Director	15	15	15
6	Jb. Mahbubul Alam	Independent Director	15	15	14
7	Jb. Nazmul Ahsan Khaled	Sponsor Director	15	15	15
8	Jb. Abdul Malek Mollah	Sponsor Director	15	15	15
9	Jb. Md. Enayet Ullah	Sponsor Director	15	15	14
10	Jb. Alhaz Ahamedul Hoque	Director	15	15	14
11	Jb. Niaz Ahmed	Director	15	15	15
12	Jb. Mohammed Emadur Rahman	Director	15	15	11
13	Jb. Khandaker Mesbah Uddin Ahmed	Director	15	15	15
14	Jb. Liakat Ali Chowdhury	Director	15	15	15
15	Jb. Md. Anwar Hossain	Sponsor Director	15	15	15
16	Jb. Nasir Uddin (Nominated by China Builders & Machineries Ltd.)	Nominee Director	15	03	03
17	Jb. Md. Rafiqul Islam	Director	15	15	15
18	Jb. Anwar Hossain	Director	15	06	06
19	Jb. Md. Abdul Hamid Miah	Independent Director	15	01	01
20	Jb. M. Kamal Uddin Chowdhury	Independent Director	15	15	13
21	Jb. Mohammed Haroon	Sponsor Director	15	08	08
22	Jb. Md. Harun-ar-Rashid Khan (Nominee Director of China Builders & Machineries Ltd.)	Nominee Director	15	09	08
23	Jb. Md. Amir Uddin	Independent Director	15	11	11

b) Board of Executive Committee meeting held during the year 2022 and attendance by each Director:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1	Jb. Abdus Samad	Chairman	20	20	20
2	Jb. Mohammad Abdus Salam	Vice Chairman	20	20	19
3	Jb. Md. Enayet Ullah	Member	20	20	18
4	Jb. Alhaz Ahamedul Hoque	Member	20	20	18
5	Jb. Khandaker Mesbah Uddin Ahmed	Member	20	20	20
6	Jb. Liakat Ali Chowdhury	Member	20	20	19
7	Jb. Md. Anwar Hossain	Member	20	20	20

c) Board of Audit Committee meeting held during the year 2022 and attendance by each Director:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1	Jb. Mahbulul Alam	Chairman	7	7	7
2	Jb. Nazmul Ahsan Khaled	Member	7	7	5
3	Jb. Mohammed Eamador Rahman	Member	7	7	3
4	Jb. Nasir Uddin (Nominated by China Builders & Machineries Ltd.)	Member	7	7	5
5	Jb. M. Kamal Uddin Chowdhury	Member	7	1	1
6	Jb. Md. Harun-Ar-Rashid Khan	Member	7	4	4

d) Board of Risk Management Committee meeting held during the year 2022 and attendance by each Directors:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1	Jb. Badiur Rahman	Chairman	4	4	4
2	Jb. Abdul Malek Mollah	Member	4	4	4
3	Jb. Md. Rafiqul Islam	Member	4	0	0
4	Jb. Anwar Hossain	Member	4	4	4
5	Jb. Md. Abdul Hamid Miah	Member	4	0	0
6	Jb. Mohammed Haroon	Member	4	1	1
7	Jb. Md. Amir Uddin	Member	4	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, 2022)

SI No	Name of the Directors	Status	No. of Shares
01	Jb. Salim Rahman	Chairman	21,298,982
	Tahsina Rahman	Spouse	23,315,376
02	Jb. Abu Naser Mohammad Yeahea	Vice-Chairman	26,300,798
03	Jb. Abdus Samad	Director	23,965,115
	Mrs. Shahana Ferdous	Spouse	769,540
04	Jb. Abdus Salam	Director	21,598,392
05	Jb. Badiur Rahman	Sponsor Director	29,704,244
	Mrs. Syeda Rashida Yasmin	Spouse	115
06	Jb. Mahbulul Alam	Independent Director	-

07	Jb. Nazmul Ahsan Khaled	Sponsor Director	22,812,996
08	Jb. Abdul Malek Mollah	Sponsor Director	21,357,454
	Mrs. Laila Begum	Spouse	333
09	Hafez Md. Enayetullah	Sponsor Director	21,303,874
10	Jb. Ahamedul Haque	Director	21,298,448
11	Jb. Niaz Ahmed	Director	21,407,921
	Mrs. Shabana Niaz	Spouse	8,780,841
12	Jb. Mohammed Eamadur Rahman	Director	21,324,314
13	Engr. Kh. Mesbahuddin Ahmed	Director	21,299,266
	Mrs. Ajmeri Ahmed	Spouse	9,423,819
14	Jb. Md. Liakat Ali Chowdhury	Director	21,304,850
15	Jb. Md. Anowar Hossain	Sponsor Director	23,578,732
	Shahida Anowar	Spouse	422,687
16	Nasir Uddin, Nominee Director China Builders & Machineries Ltd.	Nominee Director	21,376,917
17	Jb. Md. Rafiqul Islam	Director	21,350,369
18	Jb. Anwar Hossain	Director	21,300,000
19	Jb. M. Kamaluddin Chowdhury	Independent Director	-
20	Jb. Md. Abdul Hamid Miah	Independent Director	-
21	Jb. Farman R. Chowdhury	Chief Executive Officer	-
22	Jb. Mohammed Nizam Uddin Bhuiyan	Company Secretary	-
23	Jb. Mohammed Nadim FCA	Chief Financial Officer	-
24	Jb. Aktar Kamal	Head of ICC	-

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, 2022)

SI No	Name	Designation	No. of Shares
1	Jb. S. M. Jaffar	Additional Managing Director	Nil
2	Jb. Shabbir Ahmed	Deputy Managing Director	Nil
3	Jb. Md. Shafiqur Rahman	Deputy Managing Director	Nil
4	Syed Masodul Bari	Deputy Managing Director	Nil
5	Jb. Md. Mahmudur Rahman	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, ২০২২ ঈসায়ী তারিখে সমাপ্ত বছরের জন্য)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড-এর সম্মানিত শেয়ারহোল্ডারবন্দ!

السلام عليكم ورحمة الله وبركاته.

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 মূলত 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 করছে কি না-তা যাচাইকরণে পর্যালোচনাপূর্বক একটি স্বাধীন মতামত আপনাদের নিকট উপস্থাপন করা।

আল-আরাফাহ্ ইসলামী ব্যাংক লি:-এর সুপারভাইজরী কমিটি ও শরী'আহ সুপারভাইজরী সচিবালয় কর্তৃক বিগত ২০২২ ঈসায়ী সাল মোতাবেক ১৪৪৩-১৪৪৪ হিজরীতে প্রধান কার্যালয়সহ ব্যাংকের সকল শাখায় অনুসৃত কার্যক্রম সাধ্যমত পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র এবং লেনদেন যাচাই-বাছাইপূর্বক ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত বার্ষিক ব্যালেন্সশীট (খসড়া) পর্যালোচনা করে নিম্নোক্ত অভিমত ও পরামর্শ প্রদান করছে:

অভিমত

- বিগত অর্থবছরে আল-আরাফাহ্ ইসলাম ব্যাংক লি: 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 ইসলাম ব্যাংক ডিপোজিটর ও শেয়ারহোল্ডারদের অ্যাকাউন্ট ও ডিপোজিটের কোন টাকার উপর 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' নিয়োগ ও বাইম ওয়েজ বিল প্রদানে শরী'আহ পরিপালনের ক্ষেত্রে আরো অধিক সতর্কতা অবলম্বন 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 আরো জোরদার 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, শরীয়ী 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 জান-অজানা ভুল-ত্রুটিগুলো ক্ষমা করে যাবতীয় ভাল কাজ একমাত্র তাঁর সন্তুষ্টির জন্য কবুল করুন।

ভবিষ্যতে আল্লাহ তা'আলাকে স্বরণ করে ও তাকওয়া অবলম্বনের মাধ্যমে আমাদেরকে দেশ ও জাতির জন্য আরো বেশি অর্থনৈতিক কল্যাণমূলক কাজ করার তাওফীক দান করুন, আমীন।



(মো: আব্দুর রহীম খান)

এসভিপি এন্ড সচিব

শরী'আহ সুপারভাইজরী কমিটি



(মুফতী ছাদ্দী আহমাদ মুজাদ্দেদী)

চেয়ারম্যান

শরী'আহ সুপারভাইজরী কমিটি

ANNUAL REPORT OF THE SHARIAH SUPERVISORY COMMITTEE

(For the year ended on 31 December 2022)

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 Supervisory 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 208 Branches of AIBL during the year ended on 31.12.2022 (Esayee) (Hijri 1443-1444). 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 Central 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 Shareholders as Profit or Dividend.

Suggestions

- To ensure buy and sell through Bai-muajjal and Bai-murbaha Investment modes and to comply with the Shariah Rules clients can even be appointed as 'Buying-Agents' if needed and to be more cautious in terms of making 'Baim Wes Bill' to the Clients..
- Bank should introduce appropriate function to the Mudaraba and Musharaka Partnership Investment schemes.
- To assist in improving the socio-economic condition of the less privileged group of the population Bank should emphasize on the small investment schemes based on Islamic Shariah.
- In order to make Human Resources of the Bank, Depositors and Investment Clients more skilled about Islamic Banking and Economics, Bank should emphasize various Training Program.
- To strengthen the welfare and CSR activities among the underprivileged people through Al-Arafah Islami Bank Foundation.
- Everyone from the Banking Sector should keep in mind that everyone is responsible from their own Level in the field of Islamic Banking to comply with Shariah Principles, hence, all of us have to perform our duties with utmost cautiousness.

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)
SVP & Secretary
Shariah Supervisory Committee



(Mufti Sayeed Ahmad Muzaddedi)
Chairman
Shariah Supervisory Committee.

INTEGRITY OF AIBL & NATIONAL INTEGRITY STRATEGY OF THE GOVERNMENT

Integrity & National Integrity Strategy

Integrity generally means behavioral excellence influenced by decency/courtesy, honesty, ethics/morality vis-à-vis trustworthiness. 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/families" 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 Sonar Bangla (Golden Bengal) as dreamt by Bangabondhu, the Father of the Nation, Sheikh Mujibur Rahman.

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, 2022-2023 at field level, has also been in place.

Implementation status of Integrity of AIBL in line with the National Integrity Strategy:

For implementation of National Integrity Strategy, Al-Arafah Islami Bank Limited(AIBL) has been taken the following steps according to the guidelines of Bangladesh Bank to improve ethics at all levels and to establish good governance in the bank:-

01. 7 (seven) Member Central Integrity Committee (having Managing Director as its President) has been formed by AIBL. Progresses on Integrity Strategy implementations are being discussed in regular meetings of the Central Integrity Committee and suggest remedial measures to the concerned implementing authority/ officials from time to time.
02. Action Plan regarding integrity are being devised on yearly basis as per format provided by Bangladesh Bank and quarterly implementation/ progress reports are being sent to Bangladesh Bank.
03. Instruction Circulars have 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. Code of Conducts for the officials and stakeholders of AIBL has been updated as per Central/Bangladesh Bank guidelines 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 AIBL 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 arranging by the training institute for development of the morality of all the executive/officials of the bank. The Training Institute of the bank is also being organized Executive Development Program (EDP) from time to time with executives of different levels for development of their moral and ethical values at a regular intervals.
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 formed for the management of dispute/complaints of the customers and stakeholders under the Right to Information Act, 2009 of the Country.
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. From the year 2016, AIBL awarding 'Integrity Award' to the selected employees for their high integrity standard chosen over several criteria. In 2016, AIBL awarded crests and certificates to the 38 employees as incentive after fulfilling 13 different criteria. In 2017, the bank awarded 63 employees with crests and certificates on 25 selection criteria in order to encourage good practice / excellence in the bank. In the meantime, in line with the National Integrity Strategy 2012, Bangladesh Bank issued BRPD Circular No. 08 in 2018 with a direction to give one month's basic salary to each of 5 employees/officials of each bank every year as "Integrity Award". In order to compliance of Bangladesh Bank guidelines and to encourage the integrity practice / excellence in AIBL a Policy for 'Integrity Award' was approved by the Board of Directors in its 330th Meeting held on 24/11/2018 for awarding of one month's basic salary in cash to each of 5 employees/officials every year. Accordingly "Integrity Award" is being given to 5 employees out of total employees of the bank every year over 25 criteria as per instructions of Bangladesh Bank.

There is no denying the fact that introduction of financial award for integrity will not only motivate the officials to be behaviorally sincere, honest / truthful but also will increase devotion & efficiency etc. of the employees / officials of the Bank. 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.

12. Detailed of Integrity activities of AIBL and National Integrity Strategy of the Government & Bangladesh Bank have been shown in AIBL Web Portal. To be kept informed all the people and customers/shareholders/stakeholders of the bank in this regard an Icon named 'NIS' has been inserted at the upper left corner of the bank Web Portal "www.aibl.com.bd". Anybody can open/browse the Web Portal of AIBL from their smartphone/device/computer/laptop etc. to know the Integrity matter of AIBL(Integrity Action Plan, Integrity Rhymes(Chorra), Code of Conduct, Citizen Charter etc.) and National Integrity Strategy, Information Act introduced by the Government of the People's Republic of Bangladesh.

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 380th Meeting held on 23 November, 2022. 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. Nasir Uddin	B.A (Pass)	Nominee Director	Member
5	Jb. M. Kamal Uddin Chowdhury	B.Com	Independent Director	Member

Meetings of Board Audit Committee:

During the Year 2022, 07 (seven) meetings of the Committee were held.

Activities during the year:

The Board Audit Committee carried out the following activities during the year 2022:-

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, 2022.
3. Reviewed audited accounts and report of 2022 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, 2022.
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, 2022 and 30 June, 2021.
10. Recommended various measures for improvement of performance of the bank.
11. Reviewed cost of fund as on June 30, 2022 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.



Mahbubul Alam

Chairman

Board Audit Committee (BAC)

ACTIVITIES OF THE BOARD RISK MANAGEMENT COMMITTEE IN THE YEAR 2022

The major activities of the Board Risk Management Committee (BRMC) in the year 2022 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 investments of the Bank and advised the management to closely monitor such investments for further improvement and also reviewed Risky client.
- 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 BRMC 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 30, 2023

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, 2022

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, 2022 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, 2022 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

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. The Board of Directors of Al-Arafah Islami Bank Limited in its 358th Board Meeting held on 9th of May 2021 has approved the policy after review. The Highlight of said policy are given below:

Purpose:

The purpose of the policy is to comply with the Directives of Bangladesh Securities & Exchange Commission (BSEC). So this Dividend distribution policy 2022 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 off to the entitled Shareholder within 30 (thirty) days of approval.
- iii) 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;
- iv) 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;
- v) 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;
- vi) 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;
- vii) 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 31-12-2022

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 31-12-2022				Balance of Unpaid/Undistributed/Unclaimed/Unsettled Stock/Right/Cash & Fraction Dividend on 31-12-2022	
			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%	-	-	553,332.50	553,332.50	-	552,732.50
2	2000	12%	-	-	378,907.50	378,907.50	-	378,307.50
3	2001	7.50%	-	-	268,405.44	268,405.44	-	268,405.44
4	2002	20%	-	-	458,000.00	458,000.00	-	457,000.00
5	2003	16%	-	-	957,150.53	957,150.53	-	955,945.24
6	2004	15.50%	-	-	1,001,935.11	1,001,935.11	-	1,000,191.23
7	2005	26%	126,500	126,500	686,943.75	686,943.75	126,500	686,943.75
8	2006	35%	198,300	198,300	986,536.81	986,536.81	198,300	985,836.91
9	2007	20%	152,120	152,120	-	-	152,120	-
10	2008	30%	259,810	259,810	368,594.06	368,594.06	259,810	366,393.42
11	2009	30%	335,181	335,181	-	-	335,181	-
12	2010	100% R	87,459	87,459	-	-	87,459	-
13	2010	26%	416,932	416,932	57,632.55	57,632.55	416,932	57,578.56
14	2011	21%	433,137	433,137	64,195.18	64,195.18	433,137	64,051.65
15	2012	17%	414,990	414,990	56,254.28	56,254.28	414,990	15,111.42
16	2013	14%	384,352	384,352	72,115.50	72,115.50	384,352	71,959.77
17	2014	14%	-	-	11,393,632.73	11,393,632.73	-	11,332,350.11
18	2015	10% C & 5% S	173,136	173,136	10,036,241.44	10,036,241.44	173,136	9,986,025.12
19	2016	15%	-	-	12,489,642.70	12,489,642.70	-	12,378,374.55
20	2017	15% C & 5% S	247,003	247,003	8,619,759.73	8,619,759.73	247,003	8,566,004.94
21	2018	15% C & 2% S	95,999	-	14,466,276.20	-	95,999	13,914,970.71
22	2019	13%	-	-	14,213,910.91	-	-	13,665,177.44
23	2020	15%	-	-	15,661,919.07	-	-	14,927,170.04
24	2021	15%	-	-	12,795,757.27	-	-	12,795,757.27
Total			3,324,919	3,228,920	105,587,143.26	48,449,279.81	3,324,919	103,426,287.57



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL-ARAFAH ISLAMIC BANK LIMITED

Report on the Audit of the Consolidated and Separate Financial Statements
for the year ended 31 December 2022

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 2022 and the consolidated and separate profit and 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 and other explanatory information.

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 2022, 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 2 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 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.

Other Matters

The consolidated and separate financial statements of Al-Arafah Islami Bank Limited for year ended 31 December 2021, were audited by Hussain Forhad & Co., and Shafiq Basak & Co., Chartered Accountants, who expressed an unmodified opinion on those statement on 26 April 2022.

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. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
Measurement of provision for investment	
<p>The process for estimating the provision for investment portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</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 of complex design and implementation.</p> <p>At year end the Group reported total gross investments of BDT 406,788 million (2021: BDT 336,891 million) and provision for investments of BDT 16,690 million (2021: BDT 12,192 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, investment disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess new investment/renewal of existing investments where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for investments 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;

<ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019; and For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<ul style="list-style-type: none"> 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 inspection team to the actual amount of provision maintained <p>Due to long-term impact of COVID 19, flood situation in north-eastern areas of Bangladesh and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year. Accordingly, Bangladesh Bank has given certain flexibility from classification requirement for investments vide issuing various circulars such as BRPD 14 dated 22 June 2022, and BRPD 51 dated 18 December 2022 whereby Banks are allowed to keep an investment/customer as unclassified subject to the payment of certain percent of quarterly instalment due by 31 December 2022.</p> <p>For the year ended 31 December 2022, the Bank has maintained required provision as per Bangladesh Bank letter 7/4(1)/2023-407 dated 11 April 2023 and also agreed to ensure recovery/regularization of certain investments to avoid future classification.</p>
See note # 9 and 15.2 and 15.4 to the financial statements	

Risk	Our response to the risk
Investment income recognition	
<p>Recognition and measurement of investment income involve complex IT environment as well as require critical estimates and judgment. Since investment income from investments is one of the key performance indicators of the Bank there is an inherent risk of fraud and error in recognition of investment income.</p> <p>Moreover, as per Bangladesh Bank BRPD circular no. 53 dated 22 December 2022, considering future risk banks were allowed to recognize outstanding/ arrear investment income where deferral facilities were given upon considering potential risk of future recovery and receiving certain percent of quarterly instalment due by 31 December 2022.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment.</p> <p>For selected customers and investment files on sample basis we have also performed substantive test of details including recalculation and cut-off testing to check accuracy of investment income.</p> <p>Finally, we also conducted substantive analytical procedures to assess reasonableness of income recognised during the year with reference to the product wise outstanding investment balances.</p> <p>However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued investment income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of investment accrued during the year ended 31 December 2022.</p>
See note 23 to the financial statements	

Risk	Our response to the risk
Valuation of bonds, sukuk and other investments	
<p>The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba perpetual Bond and Sukuk Al Istisna as well as Mudaraba Perpetual Bond, classification and measurement of these require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of these Bonds and Sukuk are determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models and require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bonds and Sukuks.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds 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 9 to the financial statements	

IT systems and controls

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.

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

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

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.

We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Legal and regulatory matters

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.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.

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.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We are informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc..

Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its subsidiaries namely AIBL Capital Market Services Limited and AIBL Capital Management Limited. As at 31 December 2022 the carrying value of these investments in AIBL Capital Market Services Limited and AIBL Capital Management Limited is BDT 2,910 million (2021: BDT 2,910 million).

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.

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

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.

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 and corroborating information was obtained with reference to external market information, third-party sources.

We further observed that pursuant to the BSEC notification the subsidiaries of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.

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.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 skepticism 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) financial statements for the year ended 31 December 2022 of subsidiaries namely AIBL Capital Market Services Limited and AIBL Capital Management Limited have been audited by M/s. Khan Wahab Shafique Rahman & Co Chartered Accountants and who has expressed unqualified audit opinion. The results of the subsidiaries has 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 and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) 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;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,050 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.



Md. Shafiqul Islam FCA, Partner
ICAB Enrolment Number: 595
Shafiq Basak & Co.
Chartered Accountants

DVC: 2304300595AS336782

Place of Issue: Dhaka
Date: 30 April 2023



Sabbir Ahmed FCA, Partner
ICAB Enrolment Number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

DVC: 2304300770AS197083

CONSOLIDATED BALANCE SHEET

As at December 31, 2022

PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka
Cash in hand			
Cash in hand (including foreign currencies)	5.A	4,941,934,206	3,232,053,536
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		26,693,129,611	20,456,548,331
		31,635,063,817	23,688,601,867
Balance with other Banks and Financial Institutions In Bangladesh	6.A	285,378,847	3,133,653,387
Outside Bangladesh		10,010,631,366	8,907,482,685
		10,296,010,213	12,041,136,072
Placement with Banks & Other Financial Institutions	7.A	7,978,915,400	23,985,000,000
Investment in Share & Securities	8A	36,946,924,402	30,156,139,866
Government		27,410,280,000	23,504,940,000
Others	8.A.i	9,536,644,402	6,651,199,866
Investments	9.A		
General Investments etc.		384,403,074,456	323,342,833,833
Bills purchased and discounted		22,384,720,413	13,547,882,130
		406,787,794,869	336,890,715,963
Fixed assets less Accumulated Depreciation	10.A	5,144,429,450	5,470,272,635
Other Assets	11.A	35,916,096,155	30,404,308,443
Non-Banking Assets	12	50,875,037	50,875,037
Total Assets		534,756,109,343	462,687,049,884
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions	13.A	54,123,242,713	32,506,761,109
Deposits and other Accounts	14.A		
Mudaraba Savings Deposits		69,141,332,232	62,011,042,726
Mudaraba Term Deposits	14.A.ii.	193,084,571,608	175,485,115,456
Other Mudaraba Deposits		68,952,559,817	68,093,138,221
Al-wadeeah Current Accounts and Other Accounts etc.		58,456,929,183	43,639,188,504
Bills Payable		4,410,444,671	4,059,481,203
		394,045,837,511	353,287,966,110
Other Liabilities	15.A	44,615,117,944	36,298,385,294
Deferred tax Liabilities/ (Assets)	16.A	44,416,868	93,595,145
AIBL Mudaraba Bond	17	16,010,000,000	14,600,000,000
Total Liabilities		508,838,615,037	436,786,707,658
Capital/Share holders Equity			
Paid -up Capital	18	10,649,021,850	10,649,021,850
Statutory Reserve	19	10,649,021,850	10,649,021,850
Revaluation Reserve	20	1,084,971,059	1,084,331,861
Retained Earnings	21.A	1,841,051,480	1,823,372,676
Total Equity attributable to equity holders of the bank		24,224,066,238	24,205,748,237
Non-Controlling Interest	18.A	1,693,428,067	1,694,593,989
Total Equity		25,917,494,305	25,900,342,226
Total Liability and Share holders equity		534,756,109,342	462,687,049,884
Net assets value per share (NAV)	40	22.75	22.73

CONSOLIDATED BALANCE SHEET

As at December 31, 2022

PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka
Contingent Liabilities			
Acceptance and endorsement		53,436,902,467	51,575,595,132
Letters of Guarantee	22	17,155,967,572	13,673,407,658
Letters of Credit		51,420,430,999	44,089,212,630
Bills for Collection		13,398,111,982	7,495,927,198
Other Contingent Liabilities		-	-
Total		135,411,413,020	116,834,142,618
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		135,411,413,020	116,834,142,618

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer


Managing Director

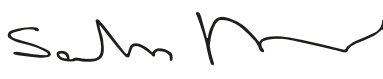

Director


Director


Chairman

Signed in terms of our report of even date.


Md. Shafiqul Islam FCA
Partner
Enrolment number-595
Shafiq Basak & Co.
Chartered Accountants
DVC : 2304300595AS336782
Place: Dhaka
Date : 30-April 2023


Sabbir Ahmed FCA
Partner
Enrolment number-
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC: 2304300770AS197083

CONSOLIDATED PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2022

	Notes	2022 Taka	2021 Taka
Investment Income	23.A	25,221,415,249	23,446,012,634
Profit paid on deposits & Borrowing	24.A	(16,109,647,402)	(13,072,790,998)
Net Investment Income		9,111,767,847	10,373,221,636
Income from Investment in Shares /Securities	25.A	1,076,657,895	359,554,772
Commission, Exchange and Brokerage	26.A	5,639,647,381	3,299,109,368
Other Operating Income	27.A	800,612,192	591,501,509
		7,516,917,468	4,250,165,649
Total operating income		16,628,685,315	14,623,387,285
Salaries and allowances & contribution to P.F	28.A	5,463,774,446	4,756,913,912
Directors' fees & expenses	29.A	9,861,968	6,962,107
Shariah Supervisory Committee's fees & expenses	30	455,970	246,770
Rent, taxes, insurance and lighting etc.	31.A	524,100,565	539,464,890
Postage, telegram, telephone and stamp etc.	32.A	79,836,105	67,231,400
Legal charges		20,385,209	13,427,966
Auditors' fee		1,960,750	1,640,750
Salary & Allowances to the Managing Director		22,330,000	20,418,000
Depreciation and repairs to the bank's properties	33.A	1,004,209,200	891,400,236
Stationery, printing & advertisement etc.	34.A	183,839,568	149,075,124
Other expenses	35.A	824,418,087	682,465,783
Total operating expenses		8,135,171,868	7,129,246,938
Profit/(Loss) before Tax & provision		8,493,513,447	7,494,140,347
Provision against Investments & Contingent Liabilities	36.A	3,167,995,944	2,647,118,347
Provision for diminution in value of investment		31,389,324	8,459,961
Other Provision		30,129,000	-
Total provision		3,229,514,268	2,655,578,307
Profit/(Loss) before Tax		5,263,999,179	4,838,562,040
Current tax	15.1.A	3,206,309,304	2,751,343,416
Deferred tax		(48,933,279)	(39,225,005)
Provision for Taxation		3,157,376,025	2,712,118,411
Net Profit/(Loss) after tax		2,106,623,153	2,126,443,629
Net Profit attributable to:			
Equity holders of the bank		2,076,584,075	2,087,580,493
Non-controlling Interest		30,039,078	38,863,136
Profit for the year		2,106,623,153	2,126,443,629
Appropriation			
Statutory Reserve		-	314,394,026
General Reserve (1 % strat-Up fund)		20,256,991	20,233,578
Profit paid on aibl mudaraba perpetual bond		393,500,000	64,364,153
Non-Controlling Interest		30,039,078	38,863,136
		443,796,069	437,854,894
Transfer to Retained Earnings		1,662,827,084	1,688,588,736
Earning per Ordinary Share (EPS)	38.A	1.95	1.96

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer



Managing Director

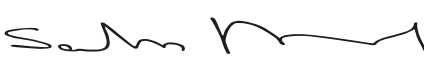

Director


Director


Chairman

Signed in terms of our report of even date.


Md. Shafiqul Islam FCA
Partner
Enrolment number-595
Shafiq Basak & Co.
Chartered Accountants
DVC : 2304300595AS336782
Place: Dhaka
Date : 30-April-2023


Sabbir Ahmed FCA
Partner
Enrolment number-
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC: 2304300770AS197083

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2022

	Notes	2022 Taka	2021 Taka
Cash flows from operating activities			
Investment income receipt in Cash		26,317,882,274	24,041,035,285
Profit paid on deposits and borrowing		(15,061,306,205)	(13,545,742,269)
Dividend received		49,786,696	43,099,747
Fees & Commission received in cash		5,639,647,381	3,299,109,368
Recoveries from written off investments		117,391,063	57,842,746
Cash payments to employees		(5,486,104,446)	(4,777,331,912)
Cash payments to suppliers		(183,839,568)	(149,075,124)
Received from other operating activities (item-wise)		800,612,192	591,501,509
Paid for other operating activities (item-wise)	37.A	(1,583,962,196)	(1,432,385,136)
Advance income tax paid		(2,126,016,879)	(2,108,226,440)
Operating profit before changes in operating assets and liabilities		8,484,090,312	6,019,827,775
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(2,885,444,536)	(4,671,356,341)
Increase/(Decrease) of placement to other banks		16,006,084,600	(9,714,990,000)
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(67,866,513,999)	(28,354,421,330)
Increase/Decrease of other assets (item-wise)	38.A	(3,552,757,720)	(8,773,892,156)
Increase/ (Decrease) of placement from other banks and financial institution		21,616,481,604	8,506,283,278
Increase/(Decrease) of Deposits from customers (other than Banks)		39,709,530,204	27,737,506,118
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39.A	(560,976,753)	(560,976,753)
Cash receipt from operating activities		2,466,403,401	(15,831,847,184)
A. Net Cash from operating activities		10,950,493,713	(9,812,019,409)
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(609,308,539)	(460,733,215)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(609,308,539)	(460,733,215)
Cash flows from financing activities			
Increase in Exchange Equalization Account		639,198	4,894
Issue of AIBL Subordinate Bond / Perpetual Bond		1,410,000,000	3,400,000,000
Dividend paid		(1,645,148,281)	(1,597,353,277)
C. Net cash flows from financing activities		(234,509,083)	1,802,651,616
D. Net increase in cash and cash equivalent (A+B+C)		10,106,676,091	(8,470,101,008)
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent D+E		10,106,676,091	(8,470,101,008)
G. Cash & Cash Equivalents at the beginning of the year		59,234,677,939	67,704,778,946
H. Cash & Cash Equivalents period ended	37.A	69,341,354,030	59,234,677,938
Net Operating Cash Flow per Share (NOCFPS)	39	10.28	(9.21)


Chief Financial Officer


Managing Director


Director


Director


Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2022

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2022	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
Changes in accounting policy	-	-	-	-	-	-	-
offload share	-	-	-	-	-	-	-
Restated Adjustment	-	-	-	-	-	-	-
Restated balance	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
Deferred tax Adjustment	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	639,198	639,198	-	639,198
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	2,076,584,075	-	2,076,584,075	30,039,078	2,106,623,153
Cash Dividend	-	-	(1,645,148,281)	-	(1,645,148,281)	(31,205,000)	(1,676,353,281)
Bonus Share	-	-	-	-	-	-	-
Asset revaluation Reserve	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(393,500,000)	-	(393,500,000)	-	(393,500,000)
Transfer to 1 % strat-Up fund	-	-	(20,256,992)	-	(20,256,992)	-	(20,256,992)
Appropriations during the year	-	-	-	-	-	-	-
Balance as at December 31, 2022	10,649,021,850	10,649,021,850	1,841,051,479	1,084,971,059	24,224,066,237	1,693,428,067	25,917,494,305
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


Chief Financial Officer


Managing Director


Director


Director


Chairman

CONSOLIDATED STATEMENT OF LIQUIDITY

(Maturity Analysis of Assets and Liabilities)

For the year ended December 31, 2022

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						
	Balance with other Bank and Financial Institution	12,686,134,206	-	-	-	18,948,929,611	31,635,063,817
	Placement with Banks & Other Financial Institutions	123,300,000	2,000,000,000	1,000,000,000	-	7,172,710,213	10,296,010,213
	Investments (in Shares & Securities)	1,400,000,000	1,600,000,000	-	-	4,978,915,400	7,978,915,400
	Investments	-	-	942,700,000	-	36,004,224,402	36,946,924,402
	Fixed Assets including premises (Land & Building)	74,001,600,000	108,063,400,000	128,642,723,209	65,062,200,000	31,017,871,660	406,787,794,869
	Other Assets	521,200,000	389,900,000	-	1,470,600,000	5,144,429,450	5,144,429,450
	Non Banking Assets	-	-	-	-	33,534,396,155	35,916,096,155
	Total Assets	88,732,234,206	112,053,300,000	130,585,423,209	66,532,800,000	136,852,351,928	534,756,109,343
2	Liabilities :						
	Placement from Banks & Other Financial Institutions	2,615,000,000	9,791,956,990	9,281,200,000	32,435,085,723	-	54,123,242,713
	Deposits	58,932,300,000	125,539,400,000	123,870,245,368	52,316,800,000	33,387,092,143	394,045,837,511
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	477,700,000	57,500,000	-	-	44,079,917,944	44,615,117,944
	Deferred tax Liabilities/ (Assets)	-	-	-	-	44,416,868	44,416,868
	AIBL Mudaraba Subordinated Bond	-	-	-	-	16,010,000,000	16,010,000,000
	Total Liabilities	62,025,000,000	135,388,856,990	133,151,445,368	84,751,885,723	93,521,426,956	508,838,615,037
	Net Liquidity Gap	26,707,234,206	(23,335,556,990)	(2,566,022,159)	(18,219,085,723)	43,330,924,972	25,917,494,305
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, 2022

PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka
Cash in hand	5		
Cash in hand (including foreign currencies)		4,937,082,161	3,217,933,106
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		26,693,129,611	20,456,548,331
		31,630,211,772	23,674,481,437
Balance with other Banks and Financial Institutions	6		
In Bangladesh		285,378,847	3,133,653,387
Outside Bangladesh		10,010,631,366	8,907,482,685
		10,296,010,213	12,041,136,072
Placement with Banks & Other Financial Institutions	7	7,978,915,400	23,985,000,000
Investment in Share & Securities	8		
Government	8.a	27,410,280,000	23,504,940,000
Others	8.b	8,342,669,347	5,472,068,391
		35,752,949,347	28,977,008,391
Investments	9		
General Investments etc.		383,800,551,247	322,543,724,969
Bills purchased and discounted		22,384,720,413	13,547,882,130
		406,185,271,660	336,091,607,099
Fixed assets less Accumulated Depreciation	10	5,138,505,694	5,463,069,708
Other Assets	11	27,931,117,070	23,190,127,923
Non-Banking Assets	12	50,875,037	50,875,037
Total Assets		524,963,856,193	453,473,305,667
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial institutions	13	49,030,885,723	27,343,210,872
Deposits and other Accounts	14		
Mudaraba Savings Deposits		69,141,332,232	62,011,042,726
Mudaraba Term Deposits		193,376,026,240	175,739,194,371
Other Mudaraba Deposits	14.i	68,952,559,817	68,093,138,221
Al-wadeeah Current Accounts and Other Accounts etc.	14.ii	58,456,929,183	43,639,188,504
Bills Payable		4,410,444,671	4,059,481,203
		394,337,292,143	353,542,045,025
Other Liabilities	15	41,500,531,411	33,868,952,635
Deferred tax Liabilities/ (Assets)	16	44,416,868	93,595,145
AIBL Mudaraba Bond	17	16,010,000,000	14,600,000,000
Total Liabilities		500,923,126,146	429,447,803,677
Capital/Share Holders Equity			
Paid up Capital	18	10,649,021,850	10,649,021,850
Statutory Reserve	19	10,649,021,850	10,649,021,850
Revaluation Reserve	20	1,084,971,059	1,084,331,861
Retained Earnings	21	1,657,715,288	1,643,126,429
Total Share holders equity		24,040,730,047	24,025,501,990
Total Liability and Share holders equity		524,963,856,193	453,473,305,667
Net assets value per share (NAV)	42	22.58	22.56

BALANCE SHEET

As at December 31, 2022

PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement	22	53,436,902,467	51,575,595,132
Letters of Guarantee		17,155,967,572	13,673,407,658
Letters of Credit		51,420,430,999	44,089,212,630
Bills for Collection		13,398,111,982	7,495,927,198
Other Contingent Liabilities		-	-
Total		135,411,413,020	116,834,142,618
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		135,411,413,020	116,834,142,618

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer



Managing Director


Director

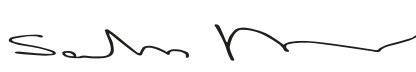

Director


Chairman

Signed in terms of our report of even date.



Md. Shafiqul Islam FCA
Partner
Enrolment number-595
Shafiq Basak & Co.
Chartered Accountants
DVC: 2304300595AS336782
Place: Dhaka
Date : 30-April-2023



Sabbir Ahmed FCA
Partner
Enrolment number-
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC: 2304300770AS197083

PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2022

	Notes	2022 Taka	2021 Taka
Investment Income	23	24,969,223,322	23,261,043,228
Profit paid on deposits & Borrowing	24	(15,894,118,135)	(12,833,773,890)
Net Investment Income		9,075,105,187	10,427,269,338
Income from Investment in Shares /Securities	25	1,065,018,571	339,091,445
Commission, Exchange and Brokerage	26	5,449,539,929	3,003,819,477
Other Operating Income	27	754,570,162	535,368,779
		7,269,128,662	3,878,279,701
Total operating income		16,344,233,849	14,305,549,039
Salaries and allowances & contribution to P.F	28	5,377,786,825	4,678,276,709
Directors' fees & expenses	29	9,861,968	6,962,107
Shariah Supervisory Committee's fees & expenses	30	455,970	246,770
Rent, taxes, insurance and lighting etc.	31	503,414,249	518,790,708
Postage, telegram, telephone and stamp etc.	32	79,641,578	67,054,263
Legal charges		20,370,624	13,422,248
Auditors' fee		1,845,750	1,583,250
Salary & Allowances to the Managing Director		22,330,000	20,418,000
Depreciation and repairs to the bank's properties	33	998,804,281	886,756,883
Stationery, printing and advertisement etc.	34	182,611,948	147,513,137
Other expenses	35	767,093,897	618,636,986
Total operating expenses		7,964,217,090	6,959,661,061
Profit/(Loss) before Tax & provision		8,380,016,759	7,345,887,978
Provision against Investments & Contingent Liabilities	36	3,167,995,944	2,647,118,347
Provision for diminution in value of investment		31,389,324	8,459,961
Other Provision		30,129,000	-
Total provision		3,229,514,268	2,655,578,307
Profit/(Loss) before Tax		5,150,502,491	4,690,309,671
Current tax		3,173,981,638	2,706,560,843
Deferred tax	16	(49,178,277)	(39,609,013)
Provision for Taxation		3,124,803,361	2,666,951,830
Net Profit/(Loss) after tax		2,025,699,129	2,023,357,841
Appropriation			
Statutory Reserve		-	314,394,026
Profit paid on aibl mudaraba perpetual bond		393,500,000	64,364,153
General Reserve (1 % Start-Up Fund)		20,256,991	20,233,578
		413,756,991	398,991,758
Retained Earnings		1,611,942,138	1,624,366,083
Earning per Ordinary share (EPS)	41.	1.90	1.90

Accompanying notes form an integral part of these financial statements.


Chief Financial Officer



Managing Director

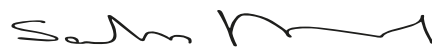

Director


Director


Chairman

Signed in terms of our report of even date.


Md. Shafiqul Islam FCA
Partner
Enrolment number-595
Shafiq Basak & Co.
Chartered Accountants
DVC: 2304300595AS336782
Place: Dhaka
Date : 30-April-2023


Sabbir Ahmed FCA
Partner
Enrolment number-
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC: 2304300770AS197083

CASH FLOW STATEMENT

For the year ended December 31, 2022

	Notes	2022 Taka	2021 Taka
Cash flows from operating activities			
Investment income receipt in Cash		25,160,400,132	23,658,148,613
Profit paid on deposits and borrowings		(14,445,776,938)	(12,906,725,161)
Dividend received		29,682,989	33,566,797
Fees & Commission received in cash		5,449,539,929	3,003,819,477
Recoveries from write off investments		117,391,063	57,842,746
Cash payments to employees		(5,400,116,825)	(4,698,694,709)
Cash payments to suppliers		(182,611,948)	(147,513,137)
Received from other operating activities (item-wise)		754,570,162	535,368,779
Paid for other operating activities (item-wise)	37	(1,505,601,963)	(1,347,641,802)
Advance income tax paid		(2,806,820,322)	(2,061,982,892)
Operating profit before changes in operating assets and liabilities		7,170,656,279	6,126,188,711
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(2,870,600,956)	(4,328,089,045)
Increase/(Decrease) of placement to other banks		16,006,084,600	(9,714,990,000)
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(70,438,949,288)	(33,947,860,704)
Increase/(Decrease) of other assets (item-wise)	38	(1,207,401,116)	(407,390,310)
Increase/(Decrease) of placement from other banks and financial institution		21,687,674,851	4,838,892,087
Increase/(Decrease) of Deposits from customers (other than Banks)		39,746,905,921	27,704,942,412
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39	759,610,606	(138,075,121)
Cash receipt from operating activities		3,683,324,617	(15,992,570,680)
A. Net Cash from operating activities		10,853,980,896	(9,866,381,969)
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(551,322,340)	(402,005,372)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(551,322,340)	(402,005,372)
Cash flows from financing activities			
Increase in Exchange Equalization Account		639,198	4,894
Issue of AIBL Subordinate Bond / Perpetual Bond		1,410,000,000	3,400,000,000
Increase in Share Capital		-	-
Dividend paid		(1,597,353,278)	(1,597,353,277)
C. Net cash flows from financing activities		(186,714,080)	1,802,651,616
D. Net increase in cash and cash equivalent (A+B+C)		10,115,944,476	(8,465,735,725)
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent (D+E)		10,115,944,476	(8,465,735,725)
G. Cash & Cash Equivalents at the beginning of the year		59,220,557,509	67,686,293,234
H. Cash & Cash Equivalents at the end of the year	40	69,336,501,985	59,220,557,509
Net Operating Cash Flow per Share (NOCFPS)	43	10.19	(9.27)

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, 2022

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Total Taka
Balance at 1st January, 2022	10,649,021,850	10,649,021,850	1,643,126,429	1,084,331,861	24,025,501,990
Changes in accounting policy	-	-	-	-	-
Issue of the share capital	-	-	-	-	-
Restated balance	10,649,021,850	10,649,021,850	1,643,126,429	1,084,331,861	24,025,501,990
Deferred tax Adjustment	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	-
Net gain and losses not recognised in Income Statement	-	-	-	639,198	639,198
Net profit for the year	-	-	-	-	-
Cash	-	-	2,025,699,129	-	2,025,699,129
Bonus Share	-	-	(1,597,353,278)	-	(1,597,353,278)
Asset revaluation Reserve	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(393,500,000)	-	(393,500,000)
Transfer to 1 % strat-Up fund	-	-	(20,256,992)	-	(20,256,992)
Appropriations during the year	-	-	-	-	-
Total shareholders' equity as on December 31,2022	10,649,021,850	10,649,021,850	1,657,715,288	1,084,971,059	24,040,730,046
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


Chief Financial Officer


Managing Director


Director


Director


Chairman

STATEMENT OF LIQUIDITY

(Maturity Analysis of Assets and Liabilities)
For the year ended December 31, 2022

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	12,681,282,161	-	-	-	18,948,929,611	31,630,211,772
	Balance with other Bank and Financial Institution	123,300,000	2,000,000,000	1,000,000,000	-	7,172,710,213	10,296,010,213
	Placement with Banks & Other Financial Institutions	1,400,000,000	1,600,000,000	-	-	4,978,915,400	7,978,915,400
	Investments (in Shares & Securities)	-	-	942,700,000	-	34,810,249,347	35,752,949,347
	Investments	74,001,600,000	108,063,400,000	128,040,200,000	65,062,200,000	31,017,871,660	406,185,271,660
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,138,505,694	5,138,505,694
	Other Assets	521,200,000	389,900,000	-	1,470,600,000	255,494,170,69.54	27,931,117,070
	Non Banking Assets	-	-	-	-	50,875,037	50,875,037
	Total Assets	88,727,382,161	112,053,300,000	129,982,900,000	66,532,800,000	127,667,474,032	524,963,856,193
2	Liabilities :						
	Placement from Banks & Other Financial Institutions	2,615,000,000	4,699,600,000	9,281,200,000	32,435,085,723.00	-	49,030,885,723
	Deposits	58,932,300,000	125,539,400,000	124,161,700,000	52,316,800,000	33,387,092,143	394,337,292,143
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	477,700,000	57,500,000	-	-	40,965,331,411.494	41,500,531,411
	Deferred tax Liabilities/ (Assets)	-	-	-	-	44,416,869	44,416,869
	AIBL Mudaraba Subordinated Bond	-	-	-	-	16,010,000,000	16,010,000,000
	Total Liabilities	62,025,000,000	130,296,500,000	133,442,900,000	84,751,885,723	90,406,840,423	500,923,126,146
	Net Liquidity Gap	26,702,382,161	(18,243,200,000)	(3,460,000,000)	(18,219,085,723)	37,260,633,609	24,040,730,046

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, 2022

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 Chittagong Stock Exchange (CSE). Presently the bank has 208 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.

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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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, 2022 to December 31, 2022.

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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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 hold 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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

- 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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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.

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)

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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, BRPD Circular No.05 dated 29 May, 2013, BRPD Circular No.14 dated 22 June,2022 and BRPD Circular No.51 dated 18 December,2022. The provision rates are given below:

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%
Strat-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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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 2022 (Assessment year 2022-2023) has been filed but assessment is to be done by the tax authority.

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 2022, has given below:

Particular	As per Books of Account			As PerbTex			Deferred Tax
	Carrying Amount	Assets not Deprecible	Net Carring Amount	Tax Base	Temporary Difference Taxable/ (Deductible)	Tax Rate	
Items giving rise temporary Difference							Liability/ (Assets)
1. Fixed Assets	5,138,505,695	1,519,150,691	3,619,353,004	3,500,910,025	118,444,979	37.50%	44,416,867
Net deferred tax liability (asset)							44,416,868

Deferred tax Assets (Income)/Liability Express

Balance as on 1st January 2022 93,595,144

Provision required as on 31 December, 2022 **(49,178,276)**

Balance as on 31st December, 2022 **44,416,868**

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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

- ii) The assets and liabilities denominated in foreign currencies as at 31 December, 2022 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.
- 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**
- Financial Statements were approved by the Board of Directors on 386th meeting held on 30 April 2023 has approved the audited financial statements for the year ended 31 December 2022. The Board has also recommended 12.00% cash dividend & 3.00% Bonus dividend for the year ended 31 December 2022 subject to approval of the shareholders at the 28th Annual General Meeting (AGM).
- 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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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 7 (seven) 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.

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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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.

vi) 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.

a) 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.

b) Fraud and Forgeries: During the year 2013, Audit and Inspection department of ICCD, have detected some incidents/irregularities as fraud-forgery relating to cash misappropriation and investment disbursement in 03 branches of the Bank, which is little 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.

During the year 1st January to 31st December, 2022 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.

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.

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

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 380th Meeting held on 23 November, 2022 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	Nasir Uddin	Member	M.A. (Pass)
5	M. Kamal Uddin Chowdhury	Member	B.Com

During the period 2022 the audit committee of the bank conducted 07 (seven) 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, 2022.

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 2022 compared to 2020.

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

			2022 Taka	2021 Taka
5. Cash in hand				
a) Cash in hand				
In local currency			4,934,384,054	3,209,848,106
In Foreign currency (Note 5.a.ii)			2,698,107	8,085,000
			4,937,082,161	3,217,933,106
b) Balance with Bangladesh Bank				
In local currency			23,547,907,841	19,000,036,966
In Foreign currency			1,893,564,550	269,017,371
			25,441,472,391	19,269,054,337
c) Balance with Sonali Bank Ltd.				
In local currency			1,251,657,220	1,187,493,994
In Foreign currency			-	-
			1,251,657,220	1,187,493,994
5.a.i Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)			26,693,129,611	20,456,548,331
5.a.ii In Foreign currency				
	Currency Name	Amount in FC	Ex. Rate	Amount in BDT
	US Dollar	26050	103.57	2,698,107
	Great Britain Pound			-
	EURO			-
	REYAL			-
				2,698,107
				8,085,000

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)			17,697,296,000	15,257,506,000
Actual reserve held with Bangladesh Bank			23,994,224,000	18,947,749,000
Surplus/(Deficit)			6,296,928,000	3,690,243,000
Statutory Liquidity Requirments (SLR)				
Required Reserve(5.50 % of Average Demand and Time Liabilities)			24,767,914,000	21,309,191,000
Actual reseve held			30,474,965,000	27,910,362,000
Surplus/(Deficit)			5,707,051,000	6,601,171,000
5.A Cash in hand				
Al-Arafah Islami Bank Ltd.			4,937,082,161	3,217,933,106
AIBL Capital Market Services Ltd.			-	5,602
AIBL Capital Management Ltd.			4,852,045	14,114,828
Millennium information solution Ltd.			-	-
			4,941,934,206	3,232,053,536

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
6. Balance with other Banks and Financial Institutions		
a) In Bangladesh:		
Al-Wadia Current Accounts		
Islami Bank Bangladesh Limited.	9,737,063	2,345,593
Dutch Bangla Bank Limited.	231,078	235,458
National Bank Limited.	235,815	2,176,505
Agrani Bank Limited.	13,611,592	20,576,000
	23,815,547	25,333,555
Short Term Deposits		
Dhaka Bank Limited.	499,487	52,198,332
Prime Bank Limited.	273,413	5,067,421
Social Islami Bank Limited.	43,953,638	394,312,546
Shahjalal Islami Bank Limited.	13,108,929	1,896,730,870
EXIM Bank Limited.	29,138,745	74,906,530
ICB Islamic Bank Limited.	162,028,614	162,068,844
Jamuna Bank Limited.	8,831,357	44,611,746
The City Bank Limited.	3,136,339	15,496,381
Southeast Bank Limited.	524,669	37,673,703
AB Bank Limited.	55,470	6,849
Bank Alfah Limited.	12,639	425,246,611
Rupali Bank Limited.	-	-
	261,563,300	3,108,319,832
	285,378,847	3,133,653,387

* (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 Name	Amount in Foreign Currency	Conversion rate per unit F.C	Amount In BDT.	Amount In BDT.
HABIB BANK AMERICAN BANK ,NEW YORK,USA	USD	(3,377,173)	103.30	(348,851,872)	44,124,251
ICICI BANK LIMITED, HONGKONG	USD	(2,120,781)	103.30	(219,070,360)	32,641,103
MASHREQE BANK PSC, NEW YORK	USD	(2,052,706)	103.30	(212,038,337)	72,900,023
CITIBANK N.A., NEW YORK, USA	USD	(2,377,446)	103.30	(245,583,066)	(146,836,571)
STANDARD CHARTERD BANK LTD, NEW YORK	USD	(4,515,166)	103.30	(466,403,131)	321,113,043
COMMERZBANK AG, FRANKFURT	USD	(2,138,837)	103.30	(220,935,468)	22,006,301
AL RAJI BANKING & INV CORP, KSA	SAR	358,086	27.49	9,844,112	12,724,401
EMIRATES NBD, RIYADH, KSA	SAR	190,435	27.49	5,235,219	12,499,550
RIYAD BANK, KSA	SAR	365,658	27.49	10,052,268	4,833,612
STANDARD CHARTERD BANK LTD, JAPAN	JPY	(4,377,322)	0.77	(3,379,293)	227,769
STANDARD CHARTERD BANK LTD, LONDON	GBP	5,367,901	124.19	666,661,107	1,058,939
COMMERZBANK AG, FRANKFURT AM	GBP	65,066	124.19	8,080,755	5,710,469

Al-Arafah Islami Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

COMMERZBANK AG, FRANKFURT AM	EURO	278,586	109.84	30,598,672	1,956,456
STANDARD CHARTERD BANK LTD, FRANKFURT	EURO	4,753,996	109.84	522,158,424	95,944,205
INTESA SANPAOLO SPA, ITALY	EURO	247,073	109.84	27,137,488	27,948,192
SHANGHAI PUDONG DEVELOPMENT BANK, CHINA	CNY	1,569,850	14.84	23,293,904	3,949,930
HABIB BANK AG, ZURICH	CHF	213,196	111.60	23,792,672	5,997,565
ABU DHABI COMMERCIAL BANK PJSC, UAE	AED	516268.85	28.125	14,520,010	852,152
PUNJAB NATIONAL BANK, KOLKATA, ACUE	ACUE	7,812	109.84	858,064	-
UNITED BANK OF INDIA, KOLKATA, ACUE	ACUE	-	0.00	-	757,764
AB BANK LTD, MUMBAI	ACUD	150,718	103.30	15,568,667	38,416,251
AXIS BANK LTD, KOLKATA	ACUD	247,798	103.30	25,596,772	32,475,419
BANK OF BHUTAN, BHUTAN	ACUD	48,442	103.30	5,003,926	11,916,532
ICICI BANK LIMITED, MUMBAI	ACUD	374,464	103.30	38,681,022	109,726,793
MASHREQUE BANK PSC, MUMBAI	ACUD	2,518	103.30	260,054	29,438,122
SONALI BANK LTD, KOLKATA	ACUD	41,847	103.30	4,322,657	12,191,028
STANDARD CHARTERD BANK LTD, KARACHI	ACUD	168,964	103.30	17,453,516	24,062,953
STANDARD CHARTERD BANK LTD, MUMBAI	ACUD	244,628	103.30	25,269,298	57,783,990
HABIB METROPOLITAN BANK LTD, KARACHI	ACUD	11,911	103.30	1,230,330	35,976,868
STANDARD CHARTERD BANK, KOLKATA (AMEX)	ACUD	-	0.00	-	13,376,118
KUMARI BANK LTD, NEPAL	ACUD	13,975	103.30	1,443,576	8,384,805
PUNJAB NATIONAL BANK, KOLKATA	ACUD	201,519	103.30	20,816,270	13,282,501

(218,382,747) 907,440,533

Placement to OBU-USD

10,229,014,113 8,000,042,151

10,010,631,366 8,907,482,685

10,296,010,213 12,041,136,072

2022
Taka

2021
Taka

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.

285,378,847

3,133,653,387

291,454,632

254,078,915

-

-

-

-

576,833,479

3,387,732,302

Less: Inter-Company Adjustment

(291,454,632)

(254,078,915)

285,378,847

3,133,653,387

b. Outside Bangladesh

10,010,631,366

8,907,482,685

10,296,010,213

12,041,136,072

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

123,300,000

3,528,100,000

2,000,000,000

145,900,000

1,000,000,000

1,100,000,000

-

-

7,172,710,213

7,267,136,072

10,296,010,213

12,041,136,072

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
7. Placement with Banks & Other Financial institutions		
The City Bank Limited.	-	-
Exim Bank Limited..	-	6,300,000,000
Premier Bank Limited.	-	2,000,000,000
Southeast Bank Limited.	-	300,000,000
Islamic Finance and Investment Limited.	1,000,000,000	1,200,000,000
Union Bank Limited.	2,000,000,000	1,000,000,000
Mercantile Bank Limited.	-	300,000,000
Social Islami Bank Limited.	-	2,840,000,000
Dhaka Bank Limited.	-	1,000,000,000
Shahjalal Islami Bank Limited.	-	250,000,000
Standard Bank Limited	-	2,500,000,000
Midland Bank Limited.	-	600,000,000
Agrani Bank Limited.	-	3,550,000,000
	3,000,000,000	21,840,000,000
F.c. placement local (usd)	4,978,915,400	2,145,000,000
	7,978,915,400	23,985,000,000
7.A Al-Arafah Islami Bank Ltd.	7,978,915,400	23,985,000,000
AIBL Capital Market Services Ltd.	-	-
	7,978,915,400	23,985,000,000
8. Investment in Shares & Securities		
Bangladesh Govt. Islami Bond Fund (8.a)	11,500,000,000	13,500,000,000
Bangladesh government investment sukuk (BGIS) (8.a)	15,410,280,000	9,504,940,000
Investment In Islamic Refinance Fund (8.a)	500,000,000	500,000,000
Investment in Share (8.b)	8,342,669,347	5,472,068,391
	35,752,949,347	28,977,008,391
8.a Investments in Share & Securities		
Government Securities	27,410,280,000	23,504,940,000
Bangladesh Govt. Islami Bond Fund	11,500,000,000	13,500,000,000
Bangladesh government investment sukuk (BGIS) (8.a)	15,410,280,000	9,504,940,000
Investment In Islamic Refinance Fund	500,000,000	500,000,000
8.b In shares (quoted and unquoted)		
Quoted		
Private (8.b.i)	902,592,719	931,991,763
Unquoted		
Private (8.b.ii)	7,440,076,628	4,540,076,628
	8,342,669,347	5,472,068,391
8.b.i Book value of share as on 31 December 2022 as follows		
Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
Dafodilco	329,597,028	337,651,147

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
padmaoil	395,722	17,742,023
Primetex	-	25,658,888
Jamunaoil	8,855,453	8,855,453
primelife	140,558,755	197,308,404
Bbscables	7,740,115	5,063,220
Sinobangla	550,539	31,756,505
Premiercem	48,741,034	27,720,667
UNIONINS	46,380	-
BDTHAIFOOD	35,540	-
BEXIMCO	2,322,099	-
BSC	4,274,995	-
EHL	7,139,281	-
ITC	1,876,831	-
TITASGAS	4,989,041	-
TOSRIFA	5,464,058	-
UNIQUEHRL	10,867,788	-
BDCOM	2,202,683	-
SPCL	2,610,252	-
ACIFORMULA	2,828,826	-
ACMELAB	2,150,700	-
MALEKSPIN	4,170,750	-
NORTHERNINS	2,369,176	-
BSCCL	12,017,378	-
LHBL	5,487,803	-
NAHEEACP	1,451,039	-
RUNNERAUTO	2,296,135	-
ibnsina	3,267,235	9,042,717
Lindbd	18,286,086	1,192,739
BEXGSUKUK	100,000,000	100,000,000
AIBI 1st Islamic Mutual Fund	170,000,000	170,000,000
	902,592,719	931,991,763
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 union bank mudaraba sub-or	400,000,000	500,000,000
Investment in sibl perpetual bond	1,000,000,000	1,000,000,000

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Investment in ibbl second mudara	2,000,000,000	2,000,000,000
Investment in sbl perpetual bond	1,000,000,000	1,000,000,000
investment in sibl 4th subordinate bond	1,000,000,000	-
investment in ibbl 4th subordinate bond	2,000,000,000	-
Investment in Millennium Information Solution Limited	29,484,505	29,484,505
	7,440,076,628	4,540,076,628
	8,342,669,347	5,472,068,391
8.A Investment in Shares & Securities		
Al-Arafah Islami Bank Ltd.	35,752,949,347	28,977,008,391
AIBL Capital Market Services Ltd. 8.A.ii	662,120,683	662,120,683
AIBL Capital Management Ltd. 8.A.ii	531,854,372	517,010,792
Millennium information solution Ltd. 8.A.ii	-	-
	36,946,924,402	30,156,139,866
8.A.i Investment in Shares & Securities		
Al-Arafah Islami Bank Ltd.	8,342,669,347	5,472,068,391
AIBL Capital Market Services Ltd.	662,120,683	662,120,683
AIBL Capital Management Ltd.	531,854,372	517,010,792
Millennium information solution Ltd.	-	-
	9,536,644,402	6,651,199,866
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	942,700,000	972,100,000
Over 1 year but not more than 5 years	-	-
More than 5 years	36,004,224,402	29,184,039,866
	36,946,924,402	30,156,139,866
9. Investments		
a) General Investment		
i. in Bangladesh		
Murabaha Investment	106,752,007,341	86,322,076,719
Bai-Muazzal Investment	154,270,820,903	129,337,794,964
Hire Purchase Investment	125,258,177,749	107,165,266,820
Quard	1,427,689,425	2,200,822,788
Other Investment	4,979,702,571	5,857,967,923
	392,688,397,989	330,883,929,214
Less: Unearned profit on Investment	8,887,846,742	8,340,204,245
	383,800,551,247	322,543,724,969

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
b) Bill Purchased & Discounted		
Payable in Bangladesh	20,824,372,694	11,622,369,941
Payable out side Bangladesh	1,560,347,719	1,925,512,189
	22,384,720,413	13,547,882,130
	406,185,271,660	336,091,607,099
c) Maturity grouping of Investment		
Including bills purchased and discounted		
Payable on Demand		
Up to 1 (one) month	74,001,600,000	60,054,761,420
Over 1 (one) month but not more than 3 (three) months	108,063,400,000	93,530,661,420
Over 3 (three) months but not more than 1 (one) year	128,040,200,000	104,749,861,420
Over 1 year but not more than 5 years	65,062,200,000	51,532,261,420
Over 5 years	31,017,871,660	26,224,061,419
	406,185,271,660	336,091,607,099
d) An analysis to disclose following Significant concentration :		
i. Investment to Directors and others	-	-
ii. Investment to Managing Director and Cheif 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)	176,693,500,000	149,637,600,000
iv. Investments to customers for more than 10% of Bank's Total Capital		
Number of clients	39	43
Amount of outstanding Investment	176,693,500,000	149,637,600,000
Amount of Classified Investment	-	-

	Name of Clients	Funded	Non-Funded	Figure in crore	Figure in crore
01	Meghna Group	0.35	460.67	461.02	522.72
02	City Group	418.73	612.24	1,030.97	590.41
03	Thermax Group	419.24	132.24	551.48	492.05
04	Majumder Traders	209.08	70.90	279.98	382.36
05	T K Group	104.91	94.06	198.97	167.34
06	Abul Khair Steel Industries Ltd.	49.68	549.47	599.15	491.48
7	AIBL Capital Market Services Ltd.	392.51	40.00	432.51	528.01
08	Noapara Traders	29.91	626.82	656.73	273.00
09	Techno Electricals Ltd	166.69	525.50	692.19	186.87
10	Badsha Group	169.45	269.46	438.91	490.66
11	Aman Tex Limited	-	-	-	413.10

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

12	Masihata Sweaters Ltd.	277.90	393.31	671.21	560.93
13	Tafrid Cotton Mills Ltd.	412.51	41.29	453.80	538.72
14	The Rani Concast, Rani Re-Rolling & RRM Electron	-	-	-	326.69
15	Sheikh Brother & its Sister Concern	156.98	444.40	601.38	914.44
16	Runner Motors Ltd. & Promita	-	-	-	217.81
17	Bangladesh Steel Re-rolling Mills	85.36	277.43	362.79	311.85
18	NICE Denim Mills Ltd.	401.55	241.73	643.28	655.76
19	Younus Paper Mills Ltd & its sister concern	154.01	47.03	201.04	262.46
20	Momtex	368.91	138.13	507.04	420.51
21	Kader Compact Spinning Mills	-	-	-	320.59
22	Kabir Steel Re-rolling Mills	447.09	104.88	551.97	571.50
23	IBN Sina	235.20	75.14	310.34	345.46
24	Ayman Textile & Hosiery Ltd.	413.27	0.77	414.04	414.04
25	Aman Group	227.79	189.02	416.81	-
26	Nitol Motors Ltd.	386.77	-	386.77	356.57
27	Robiul Islam, M/S. Rahman Traders & M/S. Zobari Traders	-	-	-	342.10
28	Creative paper Mills	-	-	-	354.73
29	Biswas Poultry & Fish Feeds Ltd.	442.27	52.41	494.68	419.98
30	PRAN-RFL Group	72.70	340.14	412.84	286.50
31	Delta Group	387.75	0.72	388.47	384.23
32	M S Dyeing, Printing & Finishing Ltd.	641.23	234.16	875.39	-
33	Mahmud Fabrics And Finishing Ltd.	575.54	132.45	707.99	779.77
34	S Suhi industrial Park Ltd	710.69	124.50	835.19	846.36
35	Smile Food Products Ltd	-	63.38	63.38	149.96
36	H.R. Re-Rolling Mills	100.18	174.66	274.84	193.22
37	Healthcare pharmaceuticals Ltd.	-	-	-	124.47
38	Max Infrastructure Ltd.	158.47	169.64	328.11	327.11
39	Nassa Taipei Denim & Textile Ltd	426.23	58.52	484.75	487.56
40	Bashundhara Group	636.11	55.41	691.52	907.01
41	Formula One	-	341.41	341.41	386.27
42	Birds Garments Ltd, Unit-2, Birds R N R Fashion Ltd, & Birds A & Z Ltd, Khalifa Apparels Ltd.	93.42	81.14	174.56	-
43	Esquire Knit Composite & Esquire Dyeing Industries Limited	237.99	166.00	403.99	-
44	GMS Trims Ltd., GMS Composite Knitting Ltd	33.65	9.01	42.66	-
45	Unique Hotel & Resorts Ltd.	228.79	-	228.79	-
46	ECO INTIMATES LTD	35.70	22.70	58.40	-
47	Mir Akter	-	-	-	286.65
48	Buildstone Construction Co. Ltd.	-	-	-	251.53
		10,308.61	7,360.74	17,669.35	17,282.78

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
v) Industry/Sector wise Investments		
Agriculture	4,729,622,382	5,663,500,000
Industry	199,256,000,000	178,629,900,000
Constraction	29,625,600,000	24,653,900,000
Power,Gas,Water & Sanatary Services	3,259,600,000	2,807,700,000
Transport & communication	12,988,129,991	11,341,300,000
Trade Service	139,452,802,566	115,621,408,696
Storage	21,659,060,439	1,753,800,000
Professional & Miscellaneous Service	4,102,303,024	3,960,302,648
	415,073,118,402	344,431,811,344
Less: Unearned profit on Investment	8,887,846,742	8,340,204,245
	406,185,271,660	336,091,607,099
vi) Geographical Location -wise Investment		
Urban:	382,251,817,575	325,933,829,009
Dhaka Region	307,115,841,883	260,538,764,572
Chittagong Region	41,269,390,124	38,886,917,343
Sylhet Region	2,463,008,298	1,062,490,925
Rajshahi Region	7,607,136,698	6,711,620,886
Mymensing	2,001,585,683	3,906,143,427
Khulna Region	12,561,699,075	7,853,894,878
Rangpur Region	5,977,182,977	3,594,003,561
Barisal Region	3,255,972,837	3,379,993,417
Rural:	32,821,300,827	18,497,982,335
Dhaka Region	15,428,792,480	1,155,605,025
Chittagong Region	8,653,453,422	6,955,001,100
Sylhet Region	351,193,855	662,255,000
Mymensing	209,728,027	2,755,021,200
Rajshahi Region	3,460,703,761	319,450,000
Khulna Region	3,139,778,189	3,560,050,000
Rangpur Region	1,044,981,487	2,245,000,000
Barisal Region	532,669,606	845,600,010
	415,073,118,402	344,431,811,344
	8,887,846,742	8,340,204,245
Less: Unearned profit on Investment	406,185,271,660	336,091,607,099
e) Classification of Investment including bills purchased and discounted		
Unclassified	392,635,744,402	327,864,971,344
Standard including (Staff investment)	382,029,640,402	322,876,507,344
Special Mention Accounts (SMA)	10,606,104,000	4,988,464,000

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
<u>Classified</u>	22,437,374,000	16,566,840,000
Sub Standard	3,817,629,000	4,694,050,000
Doubtful	4,857,409,000	424,893,000
Bad / Loss	13,762,336,000	11,447,897,000
	415,073,118,402	344,431,811,344
Less: Unearned profit on Investment	8,887,846,742	8,340,204,245
	406,185,271,660	336,091,607,099
f) Required Provision on Investment & Off -balance sheet exposures		
<u>Unclassified</u>		
General provision on unclassified Investment	2,905,716,000	2,597,152,001
General provision on small enterprise Investment	274,664,000	243,546,000
General provision on Housing financing Investment	34,535,000	31,668,000
General provision on consumer financing Investment	25,864,000	17,215,000
General provision on Micro Investment	59,399,000	35,533,000
General provision on special mention Investment	44,107,000	24,395,000
General provision on BHS/MHS/SDS	28,187,000	134,591,000
	3,372,472,000	3,084,100,001
<u>Classified</u>		
Specific provision on substandard Investment	810,144,000	560,609,000
Specific provision on doubtful Investment	1,444,528,000	36,471,000
Specific provision on bad/loss Investment	8,719,187,000	7,969,703,099
Unclassified	10,973,859,000	8,566,783,099
General provision on Off-balance sheet	1,221,130,772	1,093,400,000
	15,567,461,772	12,744,283,100
g) Provision made on Investment & Off-balance sheet exposures		
<u>Unclassified</u>		
General provision on unclassified Investment	2,905,716,000	2,597,152,001
General provision on small enterprise Investment	274,664,000	243,546,000
General provision on Housing financing Investment	34,535,000	31,668,000
General provision on consumer financing Investment	25,864,000	17,215,000
General provision on Micro Investment	59,399,000	35,533,000
General provision on special mention Investment	44,107,000	24,395,000
General provision on BHS/MHS/SDS	28,187,000	134,591,000
	3,372,472,000	3,084,100,001
<u>Classified</u>		
Specific provision on substandard Investment	810,144,000	560,609,000
Specific provision on doubtful Investment	1,444,528,000	36,471,000
Specific provision on bad/loss Investment	8,719,187,000	7,969,703,099
Unclassified	10,973,859,000	8,566,783,099
General provision on Off-balance sheet	1,221,130,772	1,093,400,000
	15,567,461,772	12,744,283,100

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Provision Excess/(Shortfall)	-	-
h) Particulars of Investments		
i) Investment considered good in respect of which of the bank company is fully secured;	297,910,303,667	248,117,618,428
ii) Investment considered good against which the banking company holds no security other than the debtors personal guarantee.	117,162,814,728	96,314,192,910
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;	37,590,066	65,053,016
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	13,762,336,000	11,447,897,000
i) Decrease/Increase in provision (Specific)	2,407,075,901	-
ii) Amount of Investment written off;	8,174,626,000	798,433,000
iii) Amount realised against Investment previously written off;	117,391,063	57,842,746
b) Amount of provision kept against Investment classified as "bad/loss" on the date of preparing the balance sheet ;	-	-
	8,719,187,000	7,969,703,099
c) Profit creditable to the profit suspense/Compensation A/c;	-	-
xi) i) Cumulative amount of the written of Investment;	9,666,793,000	8,467,793,000
ii) Amount written off during the current year;	664,808,334	190,860,995
iii) The amount of written off Investment for which lawsuit has been filed;	8,174,626,000	798,433,000
9.A. Investments		
Al-Arafah Islami Bank Ltd.	406,185,271,660	336,091,607,099
AIBL Capital Market Services Ltd.	596,522,088	784,382,481

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
AIBL Capital Management Ltd.	6,001,121	14,726,383
	406,787,794,869	336,890,715,963
Less : Inter company Adjustment	-	-
	406,787,794,869	336,890,715,963
9.A.i Maturity grouping of Investment		
Including bills purchased and discounted		
Payable on Demand	-	-
Up to 1 (one) month	74,001,600,000	60,054,761,420
Over 1 (one) month but not more than 3 (three) months	108,063,400,000	93,530,661,420
Over 3 (three) months but not more than 1 (one) year	128,642,723,209	105,548,970,284
Over 1 year but not more than 5 years	65,062,200,000	51,532,261,420
Over 5 years	31,017,871,660	26,224,061,419
	406,787,794,869	336,890,715,963
10. Fixed Assets		
Tangible Assets		
Land	1,519,150,690	1,519,150,690
Building	1,221,316,331	1,221,316,331
Furniture (Wood)	1,264,787,864	1,110,481,309
Furniture (Steel)	211,162,576	198,052,878
Computer	389,089,799	339,509,129
Computer (Accessories)	151,561,819	139,586,740
Motor Car	217,526,499	218,854,314
Machine equipment & appliance	1,426,184,202	1,336,114,375
Online Hardware	990,698,709	945,058,999
Interior Decoration	180,262,680	179,000,650
Right of use Assets as per IFRS-16*	1,708,500,000	1,636,000,000
Books & Library	9,289,182	9,279,367
	9,289,530,351	8,852,404,782
Intangible Assets		
Online Software	609,797,608	514,696,836
Total	9,899,327,959	9,367,101,618
Less Accumulated Depreciation & Amortization	4,760,822,264	3,904,031,910
	5,138,505,695	5,463,069,708
Schedule of Fixed Assets are given in Annexure - A.		
10.A. Fixed Assets		
Al-Arafah Islami Bank Ltd.	5,138,505,694	5,463,069,708
AIBL Capital Market Services Ltd.	5,329,684	6,690,525
AIBL Capital Management Ltd.	594,072	512,402
	5,144,429,450	5,470,272,635

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
11. Other Assets		
Acquiring settlement	252,524,592	167,495,746
cash incentive from b. Bank (f. Rem	800,100,000	-
Suspense account	35,241,112	47,190,764
Stock of stationary	149,000,433	105,202,072
Stamp in hand	12,661,217	9,469,036
security deposit	5,215,587	5,108,992
Advance rent	413,525,068	391,982,212
Stock of atm card	-	1,050,000
P.r (bb) against stimulus fund	66,564	97,374,511
Investment for Subsidiary Companies	2,910,000,000	2,910,000,000
Advance Income Tax & TDS [Note 11.2]	19,486,759,040	16,679,938,718
Protested bill	11,128,534	18,539,796
Prepaid expenses	5,794,354	2,255,786
Balance with cmsl for portfolio account	1,470,636,188	1,433,093,999
Parking for overdue claims (ibw)	311,848,228	135,951,643
Accrued income	1,721,012,073	994,244,364
Scb mc settlement a/c (local)	11,099,110	8,420,248
Remittance adjustment a/c	-	-
Remittance adjustment a/c	150,000,099	100,000,050
Clearing adjustment	174,394,440	76,829,300
Dividend receivable	10,109,220	5,979,475
Due from off-shore Banking unit	25,664,698,424	21,450,372,206
	53,595,815,494	44,640,500,129
Less: Balance with OBU for elimination investment with OBU	25,664,698,424	21,450,372,206
	27,931,117,070	23,190,127,923
Investment in subsidiary	29,484,505	29,484,505
Less: Sale of Investment	-	-
	29,484,505	29,484,505
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.	161,661,650	114,671,108
iii) Advance rent and advertisement;	413,525,068	391,982,212
iv) Profit accrued on Investment but not collected, commision & brokerage receivable on shares and debenture and other income receivable	1721012073	994244364
v) Security deposit	5,215,587	5,108,992
vi) Preliminary, formation and organization expenses, renovaiton	5,794,354	2,255,786
vii) Acquiring settlement	252,524,592	167,495,746

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
viii) Suspenses account	35,241,112	47,190,764
ix) cash incentive from b. Bank (f. Rem	800,100,000	-
x) Protested Bills	11,128,534	18,539,796
xi) Dividend Receivable	10,109,220	5,979,475
xii) Stock of atm card	-	1,050,000
xiii) Others	21,604,804,880	18,537,587,944
	27,931,117,070	23,196,106,187
xiii) Others		
Clearing adjustment	174,394,440	76,829,300
Remittance adjustment a/c	-	-
Advance Income Tax & TDS	19,486,759,040	16,679,938,718
Scb mc settlement a/c (local)	11,099,110	8,420,248
Balance with cmsl for portfolio account	1,470,636,188	1,433,093,999
Parking for overdue claims (ibw)	311,848,228	135,951,643
Remittance adjustment a/c	150,001,310	100,000,050
	21,604,804,880	18,531,608,468
11.2 Advance Income Tax & TDS		
i) Begining of the year	16,679,938,718	14,617,955,826
Advance tax paid during the year	2,648,735,003	1,908,417,810
Tax deducted at Source during the year	158,085,319	153,565,082
Settlement for previous year	-	-
Advance income tax at the end of the year	19,486,759,040	16,679,938,718
11.A. Consolidated Other Assets		
Al-Arafah Islami Bank Ltd.	27,931,117,070	23,190,127,923
AIBL Capital Market Services Ltd.	10,862,347,233	10,104,219,007
AIBL Capital Management Ltd.	32,631,853	19,961,514
Millennium information solution Ltd.	-	-
	38,826,096,155	33,314,308,443
Less: Inter-Company Adjustment	(2,910,000,000)	(2,910,000,000)
	35,916,096,155	30,404,308,443
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 Decem-ber 2022 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.

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

			2022 Taka	2021 Taka
a.	Name of the Bank In Bangladesh	Mature Date	Nature Date	Amount
	Borrowing from Bangladesh Bank	11-Jan-2023	D.P Note	500,000,000
	Borrowing from Bangladesh Bank	15-Jan-2023	D.P Note	500,000,000
	Borrowing from Bangladesh Bank	31-Jan-2023	D.P Note	500,000,000
	Borrowing from Bangladesh Bank	8-Feb-2023	D.P Note	1,000,000,000
	Brorowing from Bangladesh Bank	12-Feb-2023	D.P Note	500,000,000
	Brorowing from Bangladesh Bank	14-Feb-2023	D.P Note	1,000,000,000
	Brorowing from Bangladesh Bank	22-Feb-2023	D.P Note	1,500,000,000
	Brorowing from Bangladesh Bank	22-Mar-2023	D.P Note	3,000,000,000
	Brorowing from Bangladesh Bank	27-Mar-2023	D.P Note	500,000,000
	Brorowing from Bangladesh Bank	29-Mar-2023	D.P Note	2,000,000,000
			11,500,000,000	9,000,000,000
b.	F.C. BORROWING FROM BANGLADESH BANK		37,530,885,723	18,343,210,872
	F.c. borrowing from B.B (USD)		26,918,101,984	-
	Borrowing from B. Bank stimulus Fund (QSF)		227,198,611	1,262,813,140
	Borrowing from B. Bank stimulus Fund (AGRI)		789,776,206	562,245,000
	Borrowing from B. Bank refinance Scheme (CMSME)		3,403	775,829,783
	Borrowing from B. Bank refinance (WORKING CAPITAL)		411,808,520	-
	Borrowing from B. Bank bai-istishna finance (BB-Preshipment)		30,000,000	-
	Borrowing from BB women enterprenure Re-Finance(CMSME)		93,287,000	-
	Borrowing from BB 10/50/1000 taka Refinance (FID)		47,250,000	-
	Borrowing from bb ghore fera Ee-finance (FID)		48,800,000	-
	Borrowing from B.bank sukuk fund (IBLF)		8,950,000,000	-
	Borrowing from B.bank agriculture Crops Re-Finance 1000 Crore		14,660,000	15,742,322,948
c.	Out side Bangladesh		-	-
			49,030,885,723	27,343,210,872
13.A	Placement from Banks & Other financial Institutions			
	Al-Arafah Islami Bank Ltd.		49,030,885,723	27,343,210,872
	AIBL Capital Market Services Ltd.		5,092,356,990	5,163,550,237
			54,123,242,713	32,506,761,109
14.	Deposit and Other Accounts			
	Mudaraba Savings Deposits		69,141,332,232	62,011,042,726
	Mudaraba Term Deposits		193,376,026,240	175,739,194,371
	Other Mudaraba Deposits [Note :14.i]		68,952,559,817	68,093,138,221
	Al-Wadia Current Accounts and Others Accounts etc.[Note: 14.ii]		58,456,929,183	43,639,188,504
	Bills Payable		4,410,444,671	4,059,481,203
			394,337,292,143	353,542,045,025
14.i.	Other Mudaraba Deposits			
	Mudaraba Short Term Deposit		29,351,953,149	27,878,761,286
	Installment Term Deposit (ltd)		23,722,544,353	23,089,167,411
	Savings Inv. Deposit (Sid)		5,097,893	7,402,166
	P/P Term Deposit (Ptd)		7,470,716,223	7,434,782,237

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Monthly Hajj Deposit (Mhd)	237,444,482	238,875,966
Term Hajj Deposit (Thd)	3,524,493	3,548,315
Marriage Savings & Invt. Scheme	779,265	670,217
Special Pension Dep. Scheme	18,137,627	3,773,268
Mudaraba Term Cash Waqf Deposi	62,272,137	72,970,341
Lakhapati Deposit Scheme (Lds)	83,581,948	111,760,029
Millionaire Dep. Scheme (Mmds)	2,694,876,572	3,111,638,016
Kotipoti Deposit Scheme (Mkds)	2,205,840,520	2,240,940,296
Double Benefit Dep. Scheme (Dbds)	389,968,055	742,170,944
Pension Dep. Scheme (Pds)	2,575,207,387	2,976,971,867
Triple Benefit Dep. Scheme (Tbds)	130,615,713	179,705,862
	68,952,559,817	68,093,138,221
14.ii Al-wadeeah Current Accounts and Other Accounts		
Al-wadeeah Current Deposits	27,461,247,453	26,253,187,927
Sundry Deposit	19,045,224,919	12,909,524,574
Profit Payable For All Deposit Ac	3,982,596,329	2,934,255,132
F.C Held against EDF	604,524,392	167,243,984
F.C Deposit Account :	7,363,336,090	1,374,976,887
	58,456,929,183	43,639,188,504
14.A. Consolidated Deposit and other Accounts		
Mudaraba Savings Deposits	69,141,332,232	62,011,042,726
Mudaraba Term Deposits [Note :14.A.ii]	193,084,571,608	175,485,115,456
Other Mudaraba Deposits	68,952,559,817	68,093,138,221
Al-Wadia Current Accounts and Others Accounts etc.	58,456,929,183	43,639,188,504
Bills Payable	4,410,444,671	4,059,481,203
	394,045,837,511	353,287,966,110
14.A.i Maturity-wise Classification of Deposits		
i. Repayable on Demand	10,787,600,000	8,063,000,000
With a residual maturity of		
ii. Repayable within 1 (one) month	51,200,017,918	46,150,966,000
iii. Over 1 (one) month but within 6 (six) months	133,791,944,642	135,934,172,086
iv. Over 6 (six) months within 1 (one) year	112,562,382,808	92,355,348,999
v. Over 1 (one) year within 5 (five) years	52,316,800,000	45,257,900,000
vi. Over 5 (five) years within 10 (ten) years	33,386,285,013	25,525,128,672
vii. Unclaimed Deposits 10 (ten) years and above	807,130	1,450,354
	394,045,837,511	353,287,966,110
14.A.ii Mudaraba Term Deposits	193,376,026,240	175,739,194,371
Less: Inter-Company Adjustment	(291,454,632)	(254,078,915)
	193,084,571,608	175,485,115,456

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
15. Other Liabilities		
Provision for unclassified investment [15.2.a.ii]	3,372,472,000	3,084,100,000
1.5% & 2 % general provision - covid-19	343,313,000	541,424,000
Provision for classified investment [15.2.a.i]	10,973,859,000	8,566,783,099
Provision for off balance sheet item [15.a.iii]	1,221,130,772	1,093,400,000
Provision for Outstanding expense	19,597,361	5,001,470
Provision for taxation [15.1]	20,454,150,492	17,280,168,856
provision for Others	40,507,536	18,747,964
Provision for diminution in value of investment	72,049,274	40,659,950
Provident fund	1,500	16
Adjustment a/c credit balance	3,353,975	3,587,475
Clearing adjustment	51,176,917	256,522,409
Interest income	6,293,088	-
Cib collection charge	29,372,703	24,141,583
Risk fund for shbis	9,798,202	74
F.c. held against bb l/c	94,973	94,973
Credit card payment (local)	19,845,403	15,435,609
Supervision fees (sme)	589,976	594,841
b.b borrowing Settlements	70,334,620	19,506,849
Electronic govt procurement	1,425,259	1,242,771
Profit rent suspense	496,991,446	368,939,189
Compensation receivable	2,471,834,391	1,242,589,933
Mastercard Settlement Account	835,541,057	44,270,101
1 % strat-Up fund	65,998,464	45,741,472
Lease Liabilities as per IFRS-16 Leases *	940,800,002	1,216,000,000
	41,500,531,411	33,868,952,635
15.1 Provision for income Tax		
Current tax		
Provision held at the beginning of the year	17,280,168,856	14,573,608,013
Provision made during the year	3,173,981,638	2,706,560,843
Settlement for previous year	-	-
Provision held at the end of the year	20,454,150,493	17,280,168,856
15.1.a Provision for Current Tax made during the year		
Income Tax on Business income	2,957,459,811	2,487,522,473
Capital gain	953,625	2,693,406
Cash Dividend	5,936,598	6,713,359
Excess Profit Tax (+)	-	-
Estimated Provision Required as at December 31,2022 (i)	2,964,350,034	2,496,929,239
Balance as at January 1,2022	17,280,168,856	14,573,608,013
Tax for previous year (-)	17,280,168,856	14,573,608,013
Actual provision for tax held (II)	20,454,150,493	17,280,168,856

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Estimated provision needs to be made (I-II)	3,173,981,638	2,706,560,843
Provision actually made during the year	2,964,350,034	2,496,929,239
A. Computation of Taxable Profit		-
Profit before tax	5,150,502,491	4,690,309,671
Add: Inadmissible expenditure	4,180,400,622	3,213,489,721
Less: Item of income for separate Consideration	39,219,243	60,500,859
Less: Further allowable Expenditure	846,106,764	650,887,660
Estimated Business income other than 82(C)	8,445,577,106	7,192,410,872
Add: Capital Gain	953,625	2,693,406
Add: Cash dividend	5,936,598	6,713,359
Total Taxable Income	8,452,467,329	7,201,817,638
15.2 Provision on Investment & Others		
Provision against Classified Investments (Specific) [15.2.a.i]	10,973,859,000	8,566,783,099
Provision against Unclassified Investments (general) [15.2.a.ii]	3,372,472,000	3,084,100,001
Provision against Off-balance Sheet exposures [15.2.a.iii]	1,221,130,772	1,093,400,000
Provision for diminution in value of investments [15.3]	72,049,275	40,659,950
Total Provision Held (a)	15,639,511,047	12,784,943,050
a) The movement in Specific provision on classified Investment :		
i) Provision held at the beginning of the year	8,566,783,099	6,644,357,001
Fully provision debt written off	(664,808,334)	(190,860,995)
Recoveries of amount previously written off	117,391,063	57,842,746
Specific provision for the year	2,751,893,172	2,055,444,347
Provision transferred from covid-19	202,600,000	-
Provision held at the end of the year	10,973,859,000	8,566,783,099
ii) The movement in general provision on unclassified Investment :		
a.		
Provision held at the beginning of the year	3,084,100,000	2,787,100,000
Provision during the year	288,372,000	297,000,000
Provision transferred from classified investment	-	-
Provision held at the end of the year	3,372,472,000	3,084,100,000
	3,372,472,000	3,084,100,000
iii) The movement in provision against Off-balance sheet exposures		
Provision held at the beginning of the year	1,093,400,000	935,500,001
Provision during the year	127,730,772	157,900,000
Provision held at the end of the year	1,221,130,772	1,093,400,000
Total general provision on Investment	15,567,461,772	12,744,283,099
b) Provision for Others		
Provision held at the beginning of the year	18,747,964	18,747,964
Provision during the year	30,129,000	-
	48,876,964	18,747,964
Less, Adjustment during the year	8,369,428	-
Provision held at the end of the year	40,507,536	18,747,964

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
15.3 Provision for diminution in value of investment in Share		
Provision held at the beginning of the year	40,659,950	32,199,990
Provision transferred to classified Investment	31,389,324	8,459,961
Provision held at the end of the year	72,049,274	40,659,950
15.4 General provision -COVID-19 :	541,424,000.00	404,650,000.00
Transferred to 1.5 % General provision -COVID-19	-	(215,400,000.00)
Provision during the year	-	(189,250,000.00)
Transferred From 1.5 % General provision -COVID-19	541,424,000.00	215,400,000.00
Transferred From 2 % General provision -COVID-19	-	189,250,000.00
Provision during the year 2 % General provision -COVID-19	-	136,774,000.00
	-	326,024,000.00
Provision transferred to classified investment	(202,600,000.00)	-
Provision held at the end of the year	343,313,000.00	541,424,000.00
15.5 General Reserve (1 % Start-Up Fund)	45,741,472	25,507,894
Provision during the year	20,256,991	20,233,578
Provision held at the end of the year	65,998,463	45,741,472
15.A. Consolidated Other Liabilities		
Al-Arafah Islami Bank Ltd.	41,500,531,411	33,868,952,635
AIBL Capital Market Services Ltd.	3,064,903,243	2,384,221,150
AIBL Capital Management Ltd.	49,683,290	45,211,508
	44,615,117,944	36,298,385,294
Less: Inter-Company Adjustment	-	-
	44,615,117,944	36,298,385,294
15.I.A Consolidated Current tax		
Al-Arafah Islami Bank Ltd.	3,173,981,638	308,597,329
AIBL Capital Market Services Ltd.	28,840,202	3,554,620
AIBL Capital Management Ltd.	3,487,464	167,830
	3,206,309,304	312,319,779
15.3.A Provision for diminution in value of investment		
Al-Arafah Islami Bank Ltd.	72,049,274	40,659,950
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	72,049,274	40,659,950
16. Deferred tax Liabilities/ (Assets)		
Opening balance	93,595,145	133,204,157
Add: Addition for the year	(49,178,277)	(39,609,013)
Deferred tax Liabilities on revaluation Reserve	-	-
Provision held at the end of the year	44,416,868	93,595,144
Presented after appropriate offsetting as follows:	93,595,144	133,204,157
Deferred tax Liabilities(+)	(49,178,277)	(39,609,013)
Deferred tax Liabilities on revaluation Reserve	-	-
Deferred tax Liabilities	44,416,868	93,595,145
Deferred Tax Liabilities(net)		

Al-Arafah Islami Bank Limited **NOTES TO THE FINANCIAL STATEMENTS**

As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
16.A Deferred tax Liabilities/ (Assets)		
Al-Arafah Islami Bank Ltd.	44,416,868	93,595,145
AIBL Capital Market Services Ltd.	-	-
Provision held at the end of the year	44,416,868	93,595,145
17. AIBL Mudaraba Bond		
AIBL Mudaraba Bond	11,010,000,000	9,600,000,000
Perpetual bond	5,000,000,000	5,000,000,000
	16,010,000,000	14,600,000,000
	2022 Taka	2021 Taka
18. a) Authorised Capital		
The Authorized Capital of the Bank is 1,500,000,000 Ordinary Share of Tk. 10 each.	15,000,000,000	15,000,000,000
b) Issued, Subscribed and Fully Paid - up Capital		
Issued for Cash	2,819,339,680	2,819,339,680
Issued for other than Cash (Bonus Share)	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	2022	2021	2022	2021
	No. of Shares	No. of Shares	Total Taka	Total Taka
Sponsors / Promoters	451,238,227	445,921,227	4,512,382,270	4,459,212,270
Institution	328,427,194	318,138,088	3,284,271,940	3,181,380,880
General Public	285,236,764	300,842,870	2,852,367,640	3,008,428,700
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 31-12-2022

Range of Holding			Number of Shareholders	No. of Shares	No. of Shares
00001	to	50,000	16685	45,689,452	4.29
50,001	to	100,000	159	11,210,249	1.05
100,001	to	200,000	127	17,884,250	1.68
200,001	to	300,000	25	6,189,455	0.58
300,001	to	400,000	31	10,414,679	0.98
400,001	to	500,000	22	9,760,406	0.92
500,001	to	1,000,000	34	23,927,299	2.25
1,000,001	to	10,000,000	74	220,959,740	20.75
10,000,001	to	Above	29	718,866,655	67.51
			17186	1,064,902,185	100.00

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
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	10,649,021,850
Retained Earnings	1,657,715,288	1,643,126,429
Less : Regulatory Adjustment (Goodwill and al other Intangible Assets)	(192,165,313)	(514,696,836)
	22,763,593,675	22,426,473,293
2.Additional Tier-I Capital	5,000,000,000	0
Total Tier-1 Capital	27,763,593,675	27,426,473,293
3.Tier- II (Supplimentary Capital)		
General Provision	5,008,965,047	5,222,943,911
AIBL Mudaraba Bond	11,010,000,000	9,600,000,000
As per basel iii excess amount over maximum limit of T-2	2,557,096,989	(427,367,314)
	18,576,062,036	14,395,576,596
Maximum Limit of tier-2 Capital (considering para 3.2 (v) including foot note no. Of Guidelines)	13,461,868,057	13,932,232,685
3.Tier- III		
A. Total Eligible Capital (1+2)	41,225,461,732	41,822,049,890
B. Total Risk weighted Assets (a+b+c)	304,760,399,595	270,110,220,245
a. Credit Risk	280,230,518,082	244,926,742,164
i. Balance sheet Exposure	273,458,888,082	236,977,560,164
ii. Off-balance sheet Exposure	6,771,630,000	7,949,182,000
b. Market Risk (From WS-3)	2,182,787,429	4,370,700,000
c. Operrational Risk (From WS-4)	22,347,094,084	20,812,778,081
C. Capital Adequcy Ratio (CAR) (A / B)	13.53%	15.31%
D. Core Capital to RWA	9.11%	10.15%
E. Supplementary Capital to RWA	4.42%	5.16%
F. Minimum Capital Requirement (MCR) 10.00% of RWA	30,476,039,959	27,011,022,025
G. Capital surplus on risk weighted assets based (A-F)	10,749,421,772	14,811,027,865
H. Required Capital with Conservation Buffer @ 12.50% on RWA	38,095,049,949	33,763,777,531
I. Excess Over Capital with Conservation Buffer (A-H)	3,130,411,783	8,058,272,359
18.A Non Controlling Interest		
Opening balance	1,694,593,989	1,655,730,853
Add: Non-Controlling Interest in Profit for the year	(1,165,922)	38,863,136
	1,693,428,067	1,694,593,989
19. Statutory Reserve		
Opening balance beginning of the year	10,649,021,850	10,334,627,824
Add. Reserve @ 20% (on pre-tax profit)	-	314,394,026
Balance at the end of the year.	10,649,021,850	10,649,021,850

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
20. Revaluation Reserve		
Asset revaluation Reserve	1,084,174,318	1,084,174,318
Total Asset revaluation Reserve	1,084,174,318	1,084,174,318
FC Revaluation Reserve	796,741	157,543
	1,084,971,059	1,084,331,861
21. Retained Earnings		
Opening balance beginning of the year	1,643,126,429	1,616,113,623
Less : Cash Dividend	(1,597,353,278)	(1,597,353,277)
Add: Net Profit / (loss) after tax during the year	2,025,699,129	2,023,357,841
	2,071,472,280	2,042,118,187
Less : Transfer to Statutory Reserve	-	314,394,026
Less : transfer to 1 % strat-Up fund	20,256,991	20,233,578
Less : Profit paid on aibl mudaraba perpetual bond	393,500,000	64,364,153
	1,657,715,288	1,643,126,429
21.A Consolidated Retrained Earnings		
Al-Arafah Islami Bank Ltd.	1,823,372,676	1,732,137,218
Add: Net profit after tax during the year	2,076,584,076	2,087,580,493
Less: Cash dividend to equity holders of the bank	(1,645,148,281)	(1,597,353,277)
Less: Transfer to statutory reserve	-	(314,394,026)
Less : transfer to 1 % strat-Up fund	(20,256,991)	(20,233,578)
Less : Profit paid on aibl mudaraba perpetual bond	(393,500,000)	(64,364,153)
	1,841,051,480	1,823,372,676
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	17,155,967,572	13,673,407,658
	17,155,967,572	13,673,407,658
23. Investment Income		
i. Income from General Investments		
Murabaha	765,438,800	659,946,127
Bai-Muazzal	8,711,492,188	7,829,192,174
Hire-Purchase	7,548,714,378	7,331,125,505
Others mode income	7,063,268,113	6,769,268,620
	24,088,913,479	22,589,532,426
ii. Profit received from other Islamic Bank	880,309,843	671,510,802
Total (i + ii)	24,969,223,322	23,261,043,228

Al-Arafah Islami Bank Limited **NOTES TO THE FINANCIAL STATEMENTS**

As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
23.A Consolidated Investment Income		
Al-Arafah Islami Bank Ltd.	24,969,223,322	23,261,043,228
AIBL Capital Market Services Ltd.	203,677,468	148,918,120
AIBL Capital Management Ltd.	492,308	618,117
	25,173,393,098	23,410,579,465
Less : Inter company Adjustment	48,022,151	35,433,169
	25,221,415,249	23,446,012,634
24. Profit paid on Deposits & Borrowing		
Mudaraba Savings Deposit	1,810,610,965	1,011,254,295
Mudaraba Short Term Deposit	907,484,902	440,700,008
Mudaraba Term Deposit	9,286,027,990	7,566,899,289
Mudaraba Special Deposit	2,802,080,448	2,938,461,887
AIBL Mudaraba subordinate debt.	663,624,104	738,784,104
Mudaraba BD. Govt. Islamic Bond fund	346,989,726	51,674,307
Profit Expenses of Lease Liabilities (as Per IFRS 16 Leases)	77,300,000	86,000,000
	15,894,118,135	12,833,773,890
24.A. Profit paid on Deposits & Borrowing		
Al-Arafah Islami Bank Ltd.	15,894,118,135	12,833,773,890
AIBL Capital Market Services Ltd.	167,507,116	203,583,939
AIBL Capital Management Ltd.	-	-
Millennium Information	-	-
	16,061,625,251	13,037,357,829
Less : Inter company Adjustment	48,022,151	35,433,169
	16,109,647,402	13,072,790,998
25. Income from Investment in Share /Securities		
Dividend income (cash)	29,682,989	33,566,797
Gain on sale of Shares/ Securities	9,536,255	26,934,062
Profit received from other Islamic Bond	1,025,799,327	278,590,586
	1,065,018,571	339,091,445
25.A. Income from Investment in Share /Securities		
Al-Arafah Islami Bank Ltd.	1,065,018,571	339,091,445
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	11,639,324	20,463,327
	1,076,657,895	359,554,772
Less : Inter company Adjustment	-	-
	1,076,657,895	359,554,772
26. Commission, Exchange & Brokerage Income		
Commission	2,120,945,337	1,730,909,474
Exchange	3,328,594,592	1,272,910,003
Brokerage commission	-	-
	5,449,539,929	3,003,819,477

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
26.A Commission, Exchange & Brokerage Income		
Al-Arafah Islami Bank Ltd.	5,449,539,929	3,003,819,477
AIBL Capital Market Services Ltd.	174,797,931	294,535,529
AIBL Capital Management Ltd.	15,309,521	754,362
	5,639,647,381	3,299,109,368
Less : Inter company Adjustment	-	-
	5,639,647,381	3,299,109,368
27. Other Operating Income		
Procesing fee on investment	99,068,205	18,060,588
Supervision fee	63,625	84,025
Service charge	11,427	7,747
Capital gain or loss from fixed asset	3,477,700	3,479,798
Passbook sales(gsis)	221,727	133,429
Account maintenance fee	179,257,250	218,573,859
Sms banking fees	138,622,272	52,250
legal expenses recovered	16,897,851	21,436,649
Printing & stationary	826,565	476,520
P & t charge recovered	22,136,682	45,496,826
Application form sales(seis)	3,810	1,260
Card income	153,499,092	124,264,624
Misc.earning	129,927,088	98,332,549
	754,570,162	535,368,779
27.A. Other Operating Income		
Al-Arafah Islami Bank Ltd.	754,570,162	535,368,779
AIBL Capital Market Services Ltd.	46,042,030	56,132,730
	800,612,192	591,501,509
Less : Inter company Adjustment	-	-
	800,612,192	591,501,509
28. Salaries, Allowances & Contribution to P.F		
Basic Pay	1,910,316,025	1,663,242,302
House Rent Expenses	897,767,045	800,951,906
House Maintenance	297,211,301	317,926,866
Medical Expenses	318,811,835	281,866,696
Bonus (28.i)	586,289,726	541,349,863
Bank's contribution to P.F	178,902,393	161,546,104
Utility	2,620,045	78,706
Conveyance Expenses	102,540,694	100,064,622

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

		2022	2021
		Taka	Taka
LFA Allowance (Salary)		288,222,473	246,766,683
Lunch and entertain- ment allowance		95,086,847	105,944,972
Leave encashment expenses		230,753,206	2,003,898
Car Expenses		219,069,965	205,111,892
Gratuity Expenses		250,195,270	251,422,199
		5,377,786,825	4,678,276,709
28.i Bonus			
Incentive bonus		201,000,000	200,615,350
Bangla new year		42,654,433	41,935,118
Eid-ul-fitr bonus		169,220,305	147,278,385
Eid-ul-adha bonus		176,394,988	151,521,010
		589,269,726	541,349,863
28.A. Salaries, Allowances & Contribution to P.F			
Al-Arafah Islami Bank Ltd.		5,377,786,825	4,678,276,709
AIBL Capital Market Services Ltd.		72,004,649	68,679,573
AIBL Capital Management Ltd.		13,982,972	9,957,630
		5,463,774,446	4,756,913,912
29. Director & Sharia Council Fees & Expenses			
i. Directors fees for attending Board/executive Committee/other committee meeting		3,819,200	3,921,800
ii. TA/DA/ Hotel fare & Foreign Directors		6,042,768	3,040,307
iii. Others	-	-	-
		9,861,968	6,962,107
29.A. Director & Sharia Council Fees & Expenses			
Al-Arafah Islami Bank Ltd.		9,861,968	6,962,107
AIBL Capital Market Services Ltd.		-	-
AIBL Capital Management Ltd.		-	-
		9,861,968	6,962,107
30. Sharia Supervisory Committee's Fees & Expenses			
i. Sharia fees for attending meeting		455,970	246,770
ii. TA/DA/ Hotel fare & Foreign Directors		-	-
iii. Others	-	-	-
		455,970	246,770
31. Rent,Taxes,Insurance & Electricity Bill	2022	2021	
Rent Office	494,938,465	448,348,868	
Transfer to depreciation and profit expenses under IFRS-16*	425,000,000	304,100,000	69,938,465
Electricity Bill			125,338,952
Insurance			308,136,832
			503,414,249
			518,790,708

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
31.A. Rent,Taxes,Insurance & Electricity Bill		
Al-Arafah Islami Bank Ltd.	503,414,249	187,619,856
AIBL Capital Market Services Ltd.	20,686,316	4,792,791
AIBL Capital Management Ltd.	-	-
Millennium information solution Ltd.	-	-
	524,100,565	192,412,647
32. Postage,Telegram,Telephone & Stamp		
Stamp and Catridge paper	-	-
Postage	16,060,487	15,413,217
Telephone (Office)	3,624,292	3,101,615
Telephone (Mobile)	11,547,631	1,363,239
SWIFT Charge	3,867,802	5,775,809
Internet Charges	582,127	452,182
Online Charge	43,959,239	40,948,201
	79,641,578	67,054,263
32.A. Postage,Telegram,Telephone & Stamp		
Al-Arafah Islami Bank Ltd.	79,641,578	67,054,263
AIBL Capital Market Services Ltd.	79,288	89,706
AIBL Capital Management Ltd.	115,239	87,431
	79,836,105	67,231,400
33. Depreciation Repairs to the Bank's property		
Repairs to the Bank's property		
R.R. Furniture & Fixture (Wooden)	2,714,438	1,758,545
R.R. Furniture & Fixture (Steel)	2,530,749	1,829,961
R.R. Computer	2,253,220	1,517,523
Maint. of Motor Car and other Vehicle	1,639,340	809,384
R.R. Machine equipment & appliances	26,928,293	32,845,059
Maintenance of Land & Building	199,422	183,868
R.R. Computer Accessories	1,121,581	737,533
R.R. Others	5,862,027	1,964,421
Software Maintenance Fee	73,668,818	78,229,272
Hardware Maintenance Fee	6,000,039	1,069,904
	122,917,927	120,945,470
Depreciation to the Bank's property		
Depr. Furniture (Wood)	119,488,748	96,730,246
Depr. Furniture (Steel)	14,729,140	12,449,534
Depr. Computer	28,393,946	26,861,104
Depr. Motor Car	17,755,122	20,038,911
Depr. Machine equip & Appliance	149,402,004	143,752,896
Depr. Books & Library	62,610	84,699

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Depr. Land & Building	30,667,308	30,665,928
Depr. Online Hardware	127,786,518	132,773,014
Depr. Online Software	75,243,337	69,107,402
Depr. Computer Accessories	14,429,748	15,208,404
Right of use (ROU) Asssets*	291,479,189	206,412,506
Depr. Interior Decoration	6,448,684	11,726,769
	875,886,354	765,811,413
	998,804,281	886,756,883
33.A Depreciation Repairs to the Bank's property		
Al-Arafah Islami Bank Ltd.	998,804,281	886,756,883
AIBL Capital Market Services Ltd.	5,098,090	4,414,224
AIBL Capital Management Ltd.	306,829	229,129
	1,004,209,200	891,400,236
34. Stationary,Printing & Advertisement		
Printing & Stationery	46,426,228	36,810,220
Paper & Table Stationery	43,113,414	38,035,768
Advertisement & Publicity Expenses	93,072,305	72,667,148
	182,611,947	147,513,137
34.A. Stationary,Printing & Advertisement		
Al-Arafah Islami Bank Ltd.	182,611,948	147,513,137
AIBL Capital Market Services Ltd.	1,116,250	1,401,253
AIBL Capital Management Ltd.	111,370	160,734
	183,839,568	149,075,124
35. Other expenses		
Local conveyance expenses	14,139,969	11,702,975
Petroleum oil lubricant motors	20,678,439	15,051,989
Cng motor car	2,174,947	2,789,043
Entertainment expenses	31,278,753	26,656,869
Travelling expenses	24,879,559	17,875,884
Bank charge	20,043,483	14,910,956
Wages (salary-casual staff)	71,886,459	57,639,381
Security guard service	163,635,916	143,101,713
Subscription	36,361,937	16,613,973
Leveries & uniforms	3,132,380	9,608,893
Petroleum oil & lubricants	15,414,883	249,500
Donations	22,024,390	568,432
Wasa charge	8,610,478	7,459,488
Gas charge	1,855,991	1,684,448
Excise duty	22,621,920	48,857,727
News paper journal & periodical	3,861,530	1,429,439

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Evining banking expenses	592,125	862,392
Upkeep branches premises	4,317,565	2,787,527
Washing charge	3,334,896	2,519,125
Direct expenses on investment	1,164,892	-
Computer Accessories	6,919,370	761,233
Photo Copy Machine Accessories	2,227,520	13,097,023
Business development	45,751,755	21,931,850
Closing expenses	12,113,830	1,790,880
Holding tax of own premises	3,008,911	7,776,512
Capital loss from sale of fixed ass	1,335,244	282,466
Office expenses (Various Purchase)	3,420,150	-
Registration expenses	1,313,050	15,066,095
Remittance expense through agent	377,464	144,282
Agm/egm	897,603	633,302
Crocarige	3,674,952	680,765
Creditrating charge	892,250	967,500
Tax token expenditure	525,647	633,857
Misc. Expenses	3,011,256	2,118,347
Training expenses	15,828,837	3,572,674
Card expense	143,155,682	129,933,462
It allowance	6,209,800	6,008,645
Saturday working allowance (Overtime)	5,936,942	4,504,134
Charge expenses	3,778,548	3,499,133
Risk expenses	5,741,290	2,254,500
Account opening commision throu	15,610,805	11,548,500
Data info service charge	3,037,918	2,924,436
Electronics & fittings item	5,110,561	3,009,126
Honorarium	5,204,000	3,128,510
	767,093,897	618,636,986
35.A.Consolidated Other expenses		
Al-Arafah Islami Bank Ltd.	767,093,897	618,636,986
AIBL Capital Market Services Ltd.	53,080,173	59,993,316
AIBL Capital Management Ltd.	4,244,017	3,835,481
	824,418,087	682,465,783
36. Provision against Investments & Off-Balance sheet exposures		
On Classified Investment as per Bangladesh Bank Circular	2,751,893,172	2,055,444,347
On Un-classified Investment as per Bangladesh Bank Circular	288,372,000	297,000,000
On Off-balance sheet as per Bangladesh Bank Circular	127,730,772	157,900,000
	3,167,995,944	2,647,118,347

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
36.A. Provision against Investments & Off-Balance sheet exposures		
Al-Arafah Islami Bank Ltd.	3,167,995,944	2,647,118,347
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	3,167,995,944	2,647,118,347
37. Paid for other operating activities		
Directors' fees & expenses	9,861,968	6,962,107
Shariah Supervisory Committee's fees & expenses	455,970	246,770
Rent, taxes, insurance & lighting etc.	503,414,249	518,790,708
Postage, telegram, telephone and stamp etc.	79,641,578	67,054,263
Legal charges	20,370,624	13,422,248
Auditors' fee	1,845,750	1,583,250
Repairs to the bank's properties	122,917,927	120,945,470
Other expenses	767,093,897	618,636,986
	(1,505,601,964)	(1,347,641,802)
37.A. Paid for other operating Activities		
Al-Arafah Islami Bank Ltd.	(1,505,601,963)	(1,347,641,802)
Inter company Adjustment	(78,360,233)	(84,743,334)
	(1,583,962,196)	(1,432,385,136)
38. Increase/Decrease of other assets (item-wise)		
Acquiring settlement	85,028,846	40,504,240
cash incentive from b. Bank (f. Rem	800,100,000	(13,042,264)
Suspense account	(11,949,652)	-
Adjustment a/c debit balance	-	22,498,534
Stock of stationary	43,798,361	1,688,942
Stamp in hand	3,192,181	5,108,992
security deposit	106,595	26,530,030
Advance rent	21,542,856	-
Stock of atm card	(1,050,000)	97,374,511
P.r (bb) against stimulus fund	(97,307,947)	-
Advance Income Tax & TDS [Note 11.2]	-	2,393,554
Protested bill	(7,411,262)	455,788
Prepaid expenses	3,538,568	37,397,823
Balance with cmsl for portfolio account	37,542,189	135,951,643
Parking for overdue claims (ibw)	175,896,585	-
Accrued income	-	8,420,248
Scb mc settlement a/c (local)	2,678,863	-
Branches account	-	1,211
Remittance adjustment a/c	-	100,000,050

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Remittance adjustment a/c	50,000,050	(63,872,467)
Clearing adjustment	97,565,140	5,979,475
Dividend receivable	4,129,744	-
	(1,207,401,116)	(407,390,310)
38.A Increase/Decrease of other assets (item-wise)		
Al-Arafah Islami Bank Ltd.	(1,207,401,116)	(407,390,310)
Inter company Adjustment	(2,345,356,604)	(8,366,501,847)
	(3,552,757,720)	(8,773,892,156)
39. Increase/Decrease of Trading liabilities (item-wise)		
Clearing adjustment	(205,345,492)	(43,408,972)
Interest income	6,293,088	-
Cib collection charge	5,231,120	1,104,949
Risk fund for shbis	9,798,128	(10,829)
Parking account	-	-
F.c. held against bb l/c	-	-
Credit card payment (local)	4,409,794	15,435,609
Supervision fees (sme)	(4,865)	38,775
b.b borrowing Settlements	50,827,771	(138,188,710)
Electronic govt procurement	182,488	(2,811,852)
Compensation receivable	56,519,683	56,519,683
Mastercard Settlement Account	791,270,956	(30,243,056)
	759,610,606	(138,075,121)
39.A Increase/Decrease of Trading liabilities (item-wise)		
Al-Arafah Islami Bank Ltd.	759,610,606	(138,075,121)
Inter company Adjustment	(1,320,587,359)	(422,901,632)
	(560,976,753)	(560,976,753)
40. Cash and Cash Equivalent at the end of the year		
Cash in hand	4,937,082,161	3,217,933,106
Balance with Bangladesh Bank & Sonali Bank Ltd.	26,693,129,611	20,456,548,331
Balance with Other Banks	10,296,010,213	12,041,136,072
Bangladesh Government Islamic Investment Bond	27,410,280,000	23,504,940,000
	69,336,501,985	59,220,557,509
40.A Cash and Cash Equivalent at the end of the year		
Al-Arafah Islami Bank Ltd.	69,336,501,985	59,220,557,508
AIBL Capital Market Services Ltd.	-	5,602
AIBL Capital Management Ltd.	4,852,045	14,114,828
Millennium information solution Ltd.	-	-
	69,341,354,030	59,234,677,939
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:

Al-Arafah Islami Bank Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2022

	2022 Taka	2021 Taka
Earnings Per Share (EPS)		
Basic earning (net profit after tax) for the year	2,025,699,129	2,023,357,841
Number of ordiner shares outstanding as of the reporting date	1,064,902,185	1,064,902,185
Earning per Share	1.90	1.90
41.A Consolidated Earnings Per Share (CEPS)		
Net profit after tax	2,076,584,075	2,087,580,493
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	1.95	1.96
42. Net Asset Value		
Net Assets Value (Consolidated)	24,224,066,238	24,205,748,237
Net Assets Value (Bank's)	24,040,730,047	24,025,501,990
No. of Outstanding Share	1,064,902,185	1,064,902,185
Net Asset Value (NAV) per Share (Consolidated) (Previous year's figure restated)	22.75	22.73
Net Asset Value (NAV) per Share (Bank's) (Previous year's figure restated)	22.58	22.56
43. Net Opertating Cash Flows per share (NOCFPS);		
Net cash flows from operating activities (Consolidated)	10,950,493,713	(9,812,019,409)
Net cash flows from operating activities (Banks)	10,853,980,896	(9,866,381,969)
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)	10.28	(9.21)
Net Operating Cash Flow per share (NOCFPS) (Bank's) (Previous year's figure restated)	10.19	(9.27)
44 Reconciliation of Operating Cash flow:		
Profit before provision & tax (A)	8,380,016,759	7,345,887,978
Adjustment of Non-Cash Items (B):		
Depreciation	875,886,354	765,811,413
Net loss/(gain) on sale of fixed assets	(2,142,456)	(3,479,798)
Foreign Exchange gain/ loss	(37,876,189)	(24,185,838)
Total Non-Cash Items (B)	835,867,709	738,145,777
Adjustment of accrued income /expenses (C) :		
(increase)/decrease of profit income receivable on investment	(1,904,939,212)	2,885,264,371
Increase/(decrease) of profit payable on deposits	2,652,208,175	(2,781,026,435)
Increase/(decrease) of accrued expenses payable	14,323,170	(100,088)
Total adjustment of accrued income/expenses (C)	761,592,133	104,137,848
Income tax payment (D)	(2,806,820,322)	(2,061,982,892)
Cash flows before changes in operating assets and liabilities (A+B+C+D)	7,170,656,279	6,126,188,711
45. Events after the balance sheet date		

The Board of Directors in its 386th meeting held on 30 April, 2023 has approved the audited financial statements for the year ended 31 December 2022. The Board has also recommended 12.00% cash dividend & 3.00% Bonus dividend for the year ended 31 December 2022 subject to approval of the shareholders at the 28th Annual General Meeting (AGM).

CONSOLIDATED SCHEDULE OF FIXED ASSETS

As at a December 31, 2022

Annexure - A.I

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-2022
		Balance at 1st January 2022	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31 st December 2022	Balance at 1st January 2022	Charge for the year	Tranfer/Disposal during the year	
A. Fixed Assests										
1	Land	389,802,442	-	-	-	389,802,442	-	-	-	389,802,442
2	Building	1,221,316,331	-	-	-	1,221,316,331	186,656,390	30,667,308	-	217,323,698
3	Furniture & Fixture (Wood)	1,113,830,867	-	159,159,842	4,853,287	1,268,137,422	473,264,099	119,657,905	4,853,787	588,068,217
4	Furniture & Fixture (Steel)	198,774,167	-	13,321,820	212,122	211,883,865	97,591,428	14,798,995	212,122	112,178,301
5	Computer	348,050,241	-	49,634,170	-	397,684,411	280,797,218	29,659,348	-	310,456,566
6	Computer Accessories	139,280,145	-	12,054,797	-	151,334,942	103,156,914	14,752,804	-	117,909,718
7	Motor Car	236,917,253	-	6,749,218	8,077,033	235,589,438	188,322,738	17,755,122	9,206,733	196,871,127
8	Machine Equipment & Appliance	1,348,238,161	-	95,066,899	4,574,072	1,438,730,988	1,034,329,980	149,737,490	4,575,322	1,179,492,148
9	Books & Library	9,279,367	-	9,815	-	9,289,182	9,044,394	62,610	-	9,107,004
10	Online Hardware	948,005,883	-	45,639,710	-	993,645,593	666,444,757	127,786,518	-	794,231,275
11	Interior Decoration	196,001,878	-	3,437,408	-	199,439,286	168,680,700	8,148,807	-	176,829,507
12	Right of use Aseets (ROU)	1,636,000,000	-	72,500,000	-	1,708,500,000	408,326,814	291,479,189	-	699,806,003
Sub-Total		7,785,496,735	-	457,573,679	17,716,514	8,225,353,900	3,616,615,432	804,506,096	18,847,964	4,402,273,564
B. Intangible Assets										
13	Online Software	517,334,504	-	95,170,072	-	612,504,576	345,291,420	75,460,326	248,036	420,503,710
Sub-Total		517,334,504	-	95,170,072	-	612,504,576	345,291,420	75,460,326	248,036	420,503,710
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. 2022	9,432,179,487	-	552,743,751	17,716,514	9,967,206,724	3,961,906,852	879,966,422	19,096,000	4,822,777,274
	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
										5,144,429,450
										5,470,272,635

SCHEDULE OF FIXED ASSETS

As at a December 31, 2022

Annexure - A

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-2022
		Balance at 1st January 2022	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31 st December 2022	Balance at 1st January 2022	Charge for the year	Tranfer/Dis-posal during the year	
A. Fixed Assets										
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	389,802,443
2	Building	1,221,316,331	-	159,159,842	-	1,221,316,331	186,656,390	30,667,308	-	1,003,992,633
3	Furniture & Fixture (Wood)	1,110,481,309	-	13,321,820	4,853,287	1,264,787,864	470,288,484	119,488,748	4,853,787	679,864,419
4	Furniture & Fixture (Steel)	198,052,878	-	49,580,670	212,122	211,162,576	97,538,949	14,729,140	212,122	99,106,609
5	Computer	339,509,129	-	11,975,079	-	389,089,799	274,584,550	28,393,946	-	86,111,303
6	Computer Aecessories	139,586,740	-	6,749,218	-	151,561,819	103,046,210	14,429,748	-	34,085,861
7	Motor Car	218,854,314	-	94,643,899	8,077,033	217,526,499	170,251,142	17,755,122	9,206,733	38,726,968
8	Machine Equipment & Appliance	1,336,114,375	-	9,815	4,574,072	1,426,184,202	1,022,389,678	149,402,004	4,575,322	258,967,842
9	Books & Library	9,279,367	-	45,639,710	-	9,289,182	9,030,870	62,610	-	195,702
10	Online Hardware	945,058,999	-	1,262,030	-	990,698,709	663,253,095	127,786,518	-	199,659,096
11	Interior Decoration	179,000,650	-	72,500,000	-	180,262,680	156,028,733	6,448,684	-	17,785,263
12	Right of use Aseats (ROU)	1,636,000,000	-	454,842,083	-	1,708,500,000	408,326,816	291,479,189	-	1,008,693,995
Sub-Total		7,723,056,535	-	-	17,716,514	8,160,182,104	3,561,394,917	800,643,017	18,847,964	3,816,992,134
B. Intangible Assets										
13	Online Software	514,696,836	-	95,100,772	-	609,797,608	342,636,994	75,243,337	248,036	192,165,313
Sub-Total		514,696,836	-	-	-	609,797,608	342,636,994	75,243,337	248,036	192,165,313
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	-	549,942,855	-	1,129,348,248	-	-	-	1,129,348,248
December 31. 2022		9,367,101,619	-	402,309,459	17,716,514	9,899,327,960	3,904,031,911	875,886,354	19,096,000	5,138,505,694
December 31. 2021		8,974,401,300	-	405,577,921	9,609,140	9,367,101,619	3,147,525,551	765,811,413	9,305,053	5,463,069,708

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 297,910,303,667/-/- in year ending 2022. 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 117,162,814,728/- in year ending 2022. 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 117,162,814,728/- in year ending 2022.
- 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	10,973,859,000	8,566,783,099
Sub Standard	810,144,000	560,609,000
Doubtful	1,444,528,000	36,471,000
Bad / Loss	8,719,187,000	7,969,703,099

- 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:

(Figure in crore)

SL NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
1	2	3	4	5	6	7	8=(9+10)	11	12	13=(11+12)
1	Motijheel	Shaikh Brothers & sister concern M/S Islam Fertilizer, M/S Fertilizer House, Nipa Enterprise, Jessor Traders, Jannat Enterprise	Hafizur Rahman Babu	Shaikh Brothers	302.60	1150.00	1452.60	295.08	480.20	775.28
2	jatrabari	City Sugar Industries Ltd & sister concern Shampa Flour Mills Ltd, Khan Brothers Ship Builders Ltd, City Edible Oil Ltd, City Auto Rice & Dal Mills Ltd, City Seed Crushing industries Ltd	Fazlur Rahman	City Group	504.62	702.00	1206.62	416.66	527.54	944.20
3	Motijheel	Noapara Traders & sister concern Noapara Trading, Noapara Trade International, Shufala Trading Corporation, Difa Enterprise & Saifullah Gulf & South Bengal Fertilizer Mills Ltd	Faizur Rahman	Noapara Group	0.00	1000.00	1000.00	148.66	626.82	775.48
		CONCORD PHARMACEUTICALS Ltd			28.95	19.47	48.42	17.24	1.63	18.87
		DMFR MOLECULAR LAB BD Ltd.			27.15	1.50	28.65	18.98	0.00	18.98
		VM HEALTH BANGLADESH Ltd			17.48	0.45	17.93	13.64	1.24	14.88
4	Khatungonj	Abul Khair Ltd & Sister Concern Abul Khair Milk Products Ltd, Abul Khair Consumer Products Ltd, Abul Khair Strip Processing Ltd, Shah Cement Ind. Ltd, Abul Khair Steel Melting Ltd, Abul Khair Ceramic Ind. Ltd, Abul Khair Steel Products Ltd, A.K Corporation Ltd.	SHAFIQUIL ISLAM, ABUL HASHEM, ABUL KASHEM, ABU SYED CHOWDHURY	Abul Khair Group	390.00	600.00	990.00	60.46	574.72	635.18
5	Motijheel Corporate	Nice Denim Mills Ltd.	Md. Nurul Islam		447.81	400.00	847.81	401.17	241.74	642.91

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
7	Motijheel	East West Property Dev.pvt. Ltd.	Ahmed Akbar Sobhan	BASHUNDHARA GROUP	476.36	250.00	726.36	353.50	0.00	353.50
		Bashundhara Food & Bev Ind Ltd.	Shafiat Sobhan					203.66	0.00	203.66
		Bashundhara Lp Gas Ltd.	Shafiat Sobhan					116.00	0.00	116.00
		Bashundhara Infrastructure Ltd.	Ahmed Akbar Sobhan					24.37	0.00	24.37
8	Motijheel	Max Infrastructure Ltd.	Ghulam Mohammed		186.00	484.20	670.20	147.56	170.27	317.83
9	Gulshan	Gms Composite Knitting Ind. Ltd., Gms Trims Ltd.	Jb. Golam Mostafa (Managing Director)		356.00	290.00	646.00	33.70	7.24	40.94
10	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	181.20	553.76	0.00		0.00
		Thermax Textile Mills Ltd.						66.54	7.54	74.08
		Thermax Knit Yarn Ltd.						13.11	6.89	20.00
		Thermax Spinning Ltd						60.69	25.30	85.99
		Thermax Melange Spinning Mills Ltd.						9.14	16.61	25.75
		Thermax Woven Dyeing Ltd.						14.46	7.54	22.00
		Thermax Yarn Dyed Fabrics Ltd.						217.36	67.16	284.52
		Thermax Yarn Dyeing Ltd						9.30	9.54	18.84
11	Khatungonj	Smile Food Products Limited.	Mohammad Mahafuzul Hoque (Md) Mr. Jahangir Hossain (Director)		250.00	300.00	550.00	0.00	142.00	142.00
12	Motijheel	Techno Electricals Ltd & Sister Concern S.q Lights Ltd, S.q Trading & Engineering, S.q Wire & Cable Co. Ltd, S.q Woods Preservatives, Srm Electronics, Power Add, Global Marketing Service	Abu Zafar Mohammad Shofiuddin (Chairman) Shohel Ahmed (Managing Director) Nurul Kader (Director) Afroza Sultana (Director) Shirin Akter (Director) Jb. Monzurul Quader (Director)	SQ GROUP	219.99	326.67	546.66	164.14	545.23	709.37
13	Khatungonj	Chin Hung Fibres Ltd & Sister Concern Chin Hung Cotton Mills Ltd, Samuda Container Ltd , T.k.gas & Gas Cylinder, T.k Footwear Limited	Abu Tayab, Abul Kalam, Laila Bilkis Begum, Khaleda Begum	TK GROUP	285.00	258.00	543.00	98.14	71.37	169.51
14	Motijheel	H. R. Re-Rolling Mills Ltd	Syfur Rahman Khokon (Md) , Md. Saydur Rahman Sumon (Director), Md. Arifur Rahman (Director), Md. Mizanur Rahman (Director)		223.00	308.02	531.02	119.01	160.15	279.16
15	Gulshan	Esquire Knit Composite Ltd, Esquire Dyesing Ind. Ltd.	Jb. Ehsanul Habib (Managing Director)		231.21	282.28	513.49	239.89	114.85	354.74
16	Dilkusha	Pioneer Denim Ltd	Md. Badsha Mia, Asma Begum, Kamal Uddin Ahmed , Mohiuddin Ahmed	BADSHA GROUP	320.00	185.00	505.00	124.96	67.54	192.50
17	Uttara Model Town	Eco Intimates Ltd	Abdul Momin Mondol (Chairman)	MONDOL GROUP	254.5	250.00	504.50	35.95	22.70	58.65
18	Motijheel	Unique Hotel & Resorts Ltd.	Mohammed Noor Ali	UNIQUE GROUP	500.00	0.00	500.00	221.31	0.00	221.31
19	Motijheel	Formula One Spinning	Md. Rezaul Karim		130.00	364.81	494.81	0.00	349.07	349.07
20	Head Office Corporate	Tafriid Cotton Mills Ltd.	Shaikh Md. Shamiul Islam, Managing Director	TAFRID GROUP	447.53	41.29	488.82	433.83	26.18	460.01

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
21	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	386.22	40.00	426.22
22	Motijheel	Nassa Taipei Denims Ltd.	Nazrul Islam Mazumder	NASSA GROUP	400.00	80.00	480.00	115.56	32.64	148.20
		Nassa Taipei Textile Mills Ltd.						0.00	21.78	21.78
23	Gulshan	Mahmud Fabrics And Finishing Ltd	A. K. M. Aminul Islam	MAHMUD GROUP	357.65	100.00	457.65	521.86	32.87	554.73
24	Motijheel	Majumder Traders & Sister Concern Majumder Products Ltd	Chitta Majumder (Proprietor)	MAJUMDER GROUP	257.08	200.00	457.08	212.90	58.30	271.20
25	Dhanmondi	Momtux Expo Ltd	Md. Reajul Islam, Managing Director	PAKIZA GROUP	245.68	203.69	449.37	254.01	142.16	396.17
26	North South Road	Premier Steel Re-Rolling Mills (Pvt.) Ltd	Md. Sharif Ahmed (Chairman)		370.00	75.00	445.00	314.59	7.24	321.83
27	Dilkusha	Kamal Yarn Ltd.	Md. Badsha Mia, Asma Begum, Kamal Uddin Ahmed, Mohiuddin Ahmed	BADSHA GROUP	220.00	215.00	435.00	37.78	164.06	201.84
28	Uttara Model Town	Aman Tex Limited	Rafiqul Islam (Md)	AMAN GROUP	224.06	207.00	431.06	43.33	186.50	229.83
29	Uttara Model Town	Pretty Weashing Ltd	Rezin Ahmmad Talukder, Md	PRETTY GROUP	214.29	215.50	429.79	265.09	37.34	302.43
30	Motijheel	Nitol Motors Ltd	Abdul Matlub Ahmad	NITOL NILOY GROUP	413.00	15.00	428.00	371.69	0.47	372.16
31	Vip Road	M/S Biswas Poultry & Fish Feed Ltd.	Jb. Md. Mahabubur Rahman (Md), Jb. Md. Shafiqur Rahman (Director), Mrs. Dil Afroz Rahman (Director)	BISWAS GROUP	124.99	300.00	424.99	95.23	1.02	96.25
32	Motijheel	Birds Garments Ltd Unit-2 & Sister Concern Birds R.n.r Fashions Ltd, Khalifa Apparels Ltd, Birds A & Z Ltd,	Mustafa Anwar (Chairman), Najmus Shahrir Saadat Anwar (Md), Aktaruzzaman Bablu (Director), Rokeiya Nargis	BIRDS GROUP	105.82	318.00	423.82	200.69	134.72	335.41
33	Vip Road	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 Ahmmad Mostafa (Director)	MEGHNA GROUP	100.00	320.00	420.00	0.00		0.00
		Janata Flour And Dal Mills Ltd.						0.00	0.00	0.00
		Tanveer Food Ltd.						0.00	43.73	43.73
		United Sugar Mills Ltd.						0.00	0.00	0.00
		Unique Cement Ind. Ltd.						0.00	0.00	0.00
		Unique Cement Fibre Industries Ltd						0.00	0.00	0.00
		Tasnim Condensed Milk Ltd.						0.00	2.61	2.61
		Meghna Seeds Crushing Mills Ltd.						0.00	0.00	0.00
		Tanveer Oils Ltd.						0.00	0.00	0.00
		Meghna Edible Oils Refinery Ltd.						0.00	65.38	65.38
		Meghna Noodles & Biscuits Factory Ltd.						0.00	0.00	0.00

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
		Sonargaon Printing And Packaging Industries Limited						0.00	15.23	15.23
		Sonargaon Seeds Crushing Mills Ltd.						0.00	0.00	0.00
		Meghna Fresh Lpg Ltd.						0.00	1.58	1.58
		Meghna Beverage Limited						0.00	0.00	0.00
		Sonargaon Flour & Dal Mills Ltd						0.00	302.17	302.17
		Meghna Sugar Refinery Ltd.						0.00	20.80	20.80
		Surma Mustard Oil Mills Ltd.						0.00	0.00	0.00
		Sonargaon Steel Fabricate Ltd						0.00	0.00	0.00
34	O.r.nizam Road	N. Mohammad Plastic Industries Ltd & Sister Concern N. Mohammad Wpc Door, Kulsuma Plastic, Rahaman Traders	Md. Nazrul Hoque, Md. Enamul Hoque	N. MOHAMMAD GROUP	249.77	168.46	418.23	156.26	115.39	271.65
35	Motijheel Corporate	Msa Spinning	Shahabuddin Ahmed		305.40	100.00	405.40	416.62	40.54	457.16
36	New Elephant Road	Younus Paper Mills Ltd & Sister Concern	Mohammed Younus, Mahfuza Younus	YOUNUS GROUP	268.98	127.00	395.98	191.69	48.23	239.92
37	Motijheel	Muazuddin Textile Ltd.	Jb. Morzina Begum (Chairman), Jb. Lutfar Rahman (Managing Director)	MUAZUDDIN GROUP	108.71	285.08	393.79	123.05	117.70	240.75
38	Dilkusha	Partex Jute Mills Ltd.	Rubel Aziz	PARTEX GROUP	156.00	236.16	392.16	47.08	0.00	47.08
39	Banani	Masihata Sweater Ltd.	Khaled Hossain Mahboob (Md), Sayeda Mahfuza Akter (Chairman)	MASIHATA GROUP	168.54	220.58	389.12	299.83	147.00	446.83
40	Motijheel Corporate	Creative Paper Mills Ltd.	Feroz Ahmed		221.83	166.62	388.45	252.35	157.21	409.56
41	Narayanganj	Ibrahim Knit Garments (Pvt) Ltd	Kaniz Fatema Rima (Managing Director) Md. Yusuf (Chairman)		113.35	270.00	383.35	74.43	108.60	183.03
42	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	344.37	0.72	345.09
42	Motijheel	Md. Robiul Islam & Sister Concern Rahman Traders, Jubayer Trading	Md. Robiul Islam Akm Mostafizur Rahman Md. Zubayed Hossain		300.00	75.00	375.00	352.85	0.00	352.85
43	Motijheel	Buildstone Construction Co Ltd	Omor Goni Chowdhury		0.00	370.71	370.71	0.00	33.67	33.67
44	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	435.63	64.25	499.88
45	Vip Road	Kbc Agro Products (Pvt.) Ltd.		BISWAS GROUP	54.00	303.03	357.03	65.61	0.00	65.61
46	Dilkusha	Healthcare Pharmaceuticals Limited	Alauddin Ahammad, Suraya Bilkis ,Md. Halimuzzaman , Mokarram Hossain (Liton)		336.67	20.00	356.67	146.97	55.12	202.09
47	Motijheel	The Rani Concast Steel Mills Ltd & Sister Concern Rani Re-Rolling Mills Ltd, Rrm Electronics World Ltd	Jb. Abul Bashar (Chairman) ,Jb. Sumon Chowdhury (Managing Director), Ms Yeasmin Bashar Chowdhury (Director)	RRM GROUP	240.41	105.00	345.41	237.74	82.93	320.67
48	Dhanmondi	The Ibn Sina Trust	A.k.m. Sodrul Islam	IBN SINA GROUP	281.52	60.00	341.52	189.36	0.62	189.98
49	Vip Road	Navana Pharmaceuticals Ltd	Jb. Dr. Md. Jonaid Shafiq(Md), Mrs. Imrana Zaman Chowdhury(Chairman),Jb. Javed Kaiser Ally(Director), Jb. Sayeed Ahmed(Director), Mrs. Tarana Ahmed(Director)	NAVANA GROUP	182.00	152.00	334.00	160.82	95.08	255.90

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
50	Head Office Corporate	Bonafide Knitting Mills Ltd	Md. Wahiduzzaman, Managing Director	BONAFIDE GROUP	231.30	102.53	333.83	139.99	96.78	236.77
51	Banani	Ayman Textile & Hosiery Ltd.	Bahauddin Mohammad Yousuf(Md),Ziauddin Muhammad Yeahyea, Md. Irtejaur Rahman, Ahmad, Maleka Akter	AYMAN GROUP	322.31	7.65	329.96	413.10	0.77	413.87
52	Uttara Model Town	Pretty Composite Textaile Ltd	Rezin Ahmmad Talukder,Md	PRETTY GROUP	120.57	207.96	328.53	182.20	82.29	264.49
53	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)		75.00	250.00	325.00	72.42	20.15	92.57
54	Mohakhali	Sarker Steel Ltd	Md. Zakir Hossain Sarker (Md)	SARKER GROUP	238.38	83.05	321.43	278.09	48.01	326.10
55	Dilkusha	Islam Brothers & Com.	Md. Rafiqul Islam	AMAN GROUP	297.42	20.00	317.42	2.09	0.00	2.09
56	New Elephant Road	Mir Akhter Hossain Ltd.	Mir Nasir Hossain,Shama E Jaheer, Mahbuba Nasir,Sohela Hossain	MIR AKHTER GROUP	205.00	110.00	315.00	148.93	17.00	165.93
57	Agrabad	Bsrm	Ali Hossain Akbarali,Amir Ali Hossain,Zohaer Taher Ali, Tehseen Zohaer Taher Ali , Sabeen Amir	BSRM	100.00	205.00	305.00	0.00	146.26	146.26
58	Uttara Model Town	Shishir Knitting & Dyeing Ltd	Badrul Hasan Taslim,Md		194.46	107.48	301.94	114.36	77.03	191.39
59	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	280.00	300.00	95.17	99.54	194.71
60	Kushtia	H & S Glassware Ltd	(Md)-Md Habibur Rahman	WOODLAND GROUP	177.71	120.00	297.71	17.46	72.34	89.80
61	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 GROUP	245.00	50.00	295.00	204.77	1.92	206.69
62	Motijheel Corporate	Kader Compact Spinning Ltd.	Shahabuddin Ahmed	KADER COMPACT	272.65	0.00	272.65	308.94	0.00	308.94
63	New Elephant Road	Runner Motors Ltd.	Hafizur Rahman Khan Mohammad Ali Deen, Shamsul Alam,Md Mozammel Hossain	RUNNER GROUP	255.38	12.62	268.00	222.97	10.18	233.15
64	Bandartila	Taher And Co. Ltd & Sister Concern T. R. Ship Breakers Ltd,Golden Steel Alloy Works Ltd,Taher Ship Breaking And Recycling Industries,Nr Trade International, S.s Corporation	Jb. Alhaj Abu Taher(Chairman) Jb. Alhaj Mohammad Monjur Alam Jb. Didarul Alam Jb. Shahin Alam	MOSTAFA HAKIM GROUP	10.00	257.00	267.00	52.41	39.31	91.72
65	Uttara Model Town	S Suhi Industrial Park Ltd.	Rezin Ahmmad Talukder,Md	PRETTY GROUP	181.00	83.58	264.58	250.59	4.88	255.47
66	Jubilee Road	Hossaf Power Ltd	Moazzam Hossen (Managing Director)	HOSSAF GROUP	120.00	141.70	261.70	118.93	0.00	118.93
67	Dilkusha	Al-Amin Poultry Feed	Md. Abul Kalam Azad	DHAKA GROUP	150.00	110.00	260.00	55.96	0	55.96
68	Banani	Desh Energy Chandpur Power Company Ltd	Navidul Huq (Md) Rubana Huq (Sponsor Director)		60.00	200.00	260.00	0.00	84.14	84.14

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
69	Head Office Corporate	Z & Z Intimates Ltd.	Sharif Zahir, Managing Director		223.59	33.89	257.48	131.19	33.39	164.58
70	New Elephant Road	Anwer Khan Modern Hospital Ltd.	Anwer Hossain Khan		251.00	0.00	251.00	252.23	0.00	252.23
71	Dhanmondi	Popular Diagnostic Centre Ltd.	Dr. Mostafizur Rahman (Managing Director)	POPULAR GROUP	205.00	45.00	250.00	126.31	18.17	144.48
72	Vip Road	M/S Shainik Traders		BISWAS GROUP	150.00	100.00	250.00	228.63	50.30	278.93
73	Sonargaon Janapoth	Advanced Chemical Ind	Anis Ud Dowlah, Arif Dowlah, Najma Dowlah, Golam Mainuddin, Waliur Rahman Bhuiyan	ACI GROUP	130.00	120.00	250.00	106.12		106.12
74	Gulshan	Karooni Knit Composite Ltd. And Karooni Knit Composite Ltd. Unit-2	Jb. Kutub Uddin Ahammed (Managing Director)		85.00	162.48	247.48	95.92	128.34	224.26
75	Head Office Corporate	Spectra Engineers Limited	Khan Md. Aftab Uddin		85.00	158.00	243.00	59.70	107.14	166.84
76	Motijheel	Green Life Knit Composite Ltd	Ms. Hosne Ara Begum (Director) ,Jb. Abu Faisal Mosabber (Md)		73.18	169.02	242.20	40.42	135.75	176.17
77	Panthapath	Mahabub Brothers Pvt. Ltd. With Sisters Concern (Best Golden Rice Mill And Pubali Traders)	Sheikh Moznun (Chairman)	AKHANKHA GROUP	181.48	60.00	241.48	167.62	23.93	191.55
78	Head Office Corporate	H.r. Textile Mills Limited	Janab Mohammad Abdul Moyeed, Managing Director		136.90	102.50	239.40	103.64	64.80	168.44
79	Islampur	Nannu Spinning Mills Ltd.	B.m. Shueb, Managing Director		139.18	100.00	239.18	21.51		21.51
80	Dilkusha	Bandar Steel Industries Ltd	Sirajul Islam, Harun Ur Rashid, Sharif Ahmed, Kauser Ahmed, Mohammad Akhter Hossain Khan, Sabina Yeasmen, Abul Kalam, Kamrul Islam		0.00	236.00	236.00	0.00	0.73	0.73
81	Motijheel	Rizvi Fashions Ltd.	Md. Shakil Rizvi (Director)		19.38	213.00	232.38	7.07	133.29	140.36
82	Banani	Mega Yarn Dying Mills Ltd.	Khaled Hossain Mahboob(Md), Sayeda Mahfuza Akter(Chairman)	MASIHATA GROUP	124.85	103.38	228.23	132.54	59.24	191.78
83	Uttara Model Town	Mondol Spinning Mills Ltd.	Abdul Momin Mondol(Md)	MONDOL GROUP	51.61	175.00	226.61	75.91	154.33	230.24
84	New Elephant Road	Jinnat Knitwears Ltd.	Md. Abdur Rahim, Abdul Wahed, M.a. Quader, Md. Abdul Jabbar	DBL GROUP	40.00	185.00	225.00	32.74	0.00	32.74
85	Uttara Model Town	Knitex Dresses Limited	Abdul Momin Mondol(Md)	MONDOL GROUP	124.87	95.00	219.87	40.82	50.95	91.77
86	Pagla	R.b Steel Mills (Pvt) Ltd & Sister Concern Rupali Iron Enterprise, Nb Iron Enterprise, New Rupali Iron Building Structure Manufacture Ltd	Md. Hasanmiah- (Managing Director) , Fatemahasanruma Alias-(Director), Md. Hasan Miah-(Director)		94.50	125.00	219.50	61.30	92.74	154.04
87	Khulna	M/S Khorshed Metal Industries	Ahmed Talukder, Abdul Malike, Kabir Hossain, A.t.m Mostafa, Abdullah Al Mahmud, Mrs Hazera Begum	HAMKO GROUP	198.04	20.00	218.04	202.78	15.21	217.99
88	Panthapath	Wahid Construction Ltd.	Md Wahid Miah (Managing Director)	KARIM GROUP	133.00	85.00	218.00	42.25	45.97	88.22
89	Motijheel Corporate	Bangladesh Hardland Ceramics Co. Ltd.	Md. Shahedul Islam		123.00	90.00	213.00	102.73	28.48	131.21
90	Gulshan	Gonga Foundry Limited, Gonga Foundry Lt Unit-2 & Gonga Foundry Ltd Unit-3	Jb. Uzma Chowdhury (Director)	PRAN RFL GROUP	109.82	102.00	211.82	31.92	89.41	121.33

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
					Funded	Non-Funded	Total	Funded	Non-Funded	Total
91	Jubilee Road	Gph Ispat Ltd	Md. Alamgir Kabir (Chairman), Mohammad Jahangir Alam (Md)	GPH GROUP	60.50	150.00	210.50	31.53	147.48	179.01
92	Dilkusha	KnB Agro Industries Ltd.	Md Kamruzzaman, Mrs Chamely		58.00	150.00	208.00	118.48	94.80	213.28
93	Motijheel	Naz Bangladesh Limited	Ms. Zulfia Yasmin (Chairman), Jb. Nasir Uddin Ahmed (Managir Director)		84.10	120.00	204.10	75.72	30.43	106.15
94	Gulshan	Mahmud Indigo Limited	A. K. M. Aminul Islam	MAHMUD GROUP	122.56	80.00	202.56	85.81	13.48	99.29
95	Moulvibazar, Dhaka	Star Upvc Pipes & Fittings Ltd. its Sister Concern	Md. Baker Hossain, Managing Director	FARDIN GROUP	110.50	90.00	200.50	112.00	20.23	132.23
96	Head Office Corporate	Lariz Fashions Ltd	Md. Mamun Bhuiya, Managing Director		99.97	100.49	200.46	91.01	100.49	191.50
97	Agrabad	Ziri Subeder Steel Re Rolling Mills	Md Lokman Hakim	ZIRI SUBEDER	100.00	100.00	200.00	0.00	148.78	148.78
98	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	214.49	0.00	214.49
99	Saidpur	Ahmed Wood Crafts Pvt. Ltd & Sister Concern M/S. S.i Overseas And M/S. Jonaki Traders	Aftab Ahmed (Chairman), Iqbal Ahmed (Md), Iftekhar Ahmed (Director)		170.00	30.00	200.00	179.09	6.82	185.91
100	Pahartoli	R A Ship Breaking	Mohammad Siraj Ud Doula, Mohammad Nurul Abser, Mohammad Nurunnobi Mitu		30.00	170.00	200.00	7.46	0.00	7.46
101	The Ibn Sina Ph. Ind. Ltd.	The Ibn Sina Ph. Ind. Ltd.	Anm Abdul Zaher	IBN SINA GROUP	108.92	90.00	198.92	43.98	69.77	113.75
102	O. r. nizam Road	Al- Razi Chemical Complex Ltd	Md. Mujibur Rahaman, Managing Director	SMART GROUP	147.68	50.50	198.18	48.76	55.57	104.33
103	Gulshan	Incepta Pharmaceuticals Limited.	Janab Abdul Muktadir (Managing Director & Chairman)		50.00	140.00	190.00	19.87	10.09	29.96
104	Agrabad	Maf Footwear Ltd	Mr. Hasnat Md. Abu Obida , Mr. Talha Bin Tayab		108.30	79.00	187.30	193.08	50.85	243.93
105	Motijheel	Rahmat Spinning & Sister Concern	Md. Aman Ullah Sarkar		103.42	80.72	184.14	131.34	4.83	136.17
106	Bhatiary	Four Star Ship Breaking Industries & Sister Concern Nr Ship Breaking Industries, Arab Ship Breaking And Re-Cycling Ltd	Jb. Md. Nur Uddin (Md) Jb. Reaz Uddin (Director)		0.00	180.00	180.00	26.98	0.00	26.98
107	Motijheel Corporate	Orion Pharma Ltd.	Mohammad Obaidul Karim	ORION GROUP	174.00	0.00	174.00	203.21	0.00	203.21
108	Uttara Model Town	Turag Garment & Hosiery Mills Ltd	Samia Rahman, Hossain Bin M.a. Khaleque	TURAG GROUP	29.63	144.00	173.63	2.65	148.07	150.72
109	Banani	Aman Knitting's Ltd.	Md. Mahabub Hossain (Md) Abul Hossain (Chairman) Mohammad Sakawat Hossain (Director)	AMAN GROUP	61.80	109.31	171.11	57.22	11.88	69.10

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
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110	New Market	Paragon Ceramic Industries Limited	Mohammad Morsheduzzaman (Chairman), Sohana Yusuf (Md)		104.83	57.29	162.12	102.18	54.83	157.01
111	Khatungonj	Ruby Food Industries Ltd & Sister Concern M/S. Masud & Brothers, M/S. Bsm Syndicate	Abul Bashar Chowdhury, Abul Masud Chowdhury	BSM GROUP	110.00	50.00	160.00	111.58	41.28	152.86
112	Agrabad	Zuma Enterprise	Issa Badsha		75.00	80.00	155.00	5.54	0.00	5.54
113	Motijheel	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	55.75	9.87	65.62
114	Motijheel	National Auto Rice Mill (Unit 1&2)	Mohammad Ali		147.63	7.00	154.63	37.55	0.00	37.55
115	Progoti Sharani	Rfl Electronics Ltd.	Mr. Rathindra Nath Paul	PRAN RFL GROUP		152.00	152.00	3.24	121.92	125.16
116	Mirpur	Delta Hospital Limited	Dr. Syed Mukarram Ali, Managing Director		148.68	1.50	150.18	95.89	12.33	108.22
117	Kushtia	Woodland Plywood & Particle Board Mills Ltd	Md Hafijur Rahman	WOODLAND GROUP	120.07	30.00	150.07	113.13	5.80	118.93
118	O.r.nizam Road	Smart Jacket Ltd & Its Sister Concerns	Md. Mujibur Rahaman (Md)	SMART GROUP	40.00	110.00	150.00	0.00	34.05	34.05
119	Dilkusha	Nrg Knit Composite	Md. Mukhlesur Rahman		42.66	105.00	147.66	4.40	123.18	127.58
120	Vip Road	Jaj Bhuiyan Textile Mills	Jb. Md. Fayazur Rahman Bhuiyan	JAJ BHUIYAN GROUP	131.62	14.45	146.07	148.90	0.00	148.90
121	Motijheel Corporate	Libra Infusion Ltd.	Rowshan Alam		122.58	12.78	135.36	113.81	1.71	115.52
122	O.r.nizam Road	Nahar Agro Ltd	Managing Director : Md. Rakibur Rahman	NAHAR GROUP	62.40	70.00	132.40	23.59	31.71	55.30
123	Banani	Khantex Fashion Ltd	Humayun Kabir Salim(Md)		55.64	76.60	132.24	107.42	37.81	145.23
124	Motijheel Corporate	Zaber Spinning Mills Ltd.	Imran Hossain Chowdhury	NOMAN GROUP	60.00	72.00	132.00	60.62	18.76	79.38
125	Motijheel	Haseen Knit Composite Ltd & Sister Concern Kayba Knitwear Ltd.	Jb. Faiz Ahamed Khan (Md) ,Ms. Fatema Humaira Haseen (Director), Jb. Zahid Hossain		66.24	61.50	127.74	109.29	7.25	116.54
126	Head Office Corporate	Fashion Knit Garments Ltd.	Janab Mohammad Abdul Moyeed, Managing Director		25.00	100.00	125.00	12.00	100.00	112.00
127	Gulshan	Mahmud Denims Limited	A. K. M. Aminul Islam	MAHMUD GROUP	83.08	40.00	123.08	90.66	25.56	116.22
128	Panthapath	Mir Real Estate Limited	Naba E Zaheer	MIR GROUP	115.35	7.00	122.35	46.21	0.00	46.21
129	Dhanmondi	Rahimafrooz Batteries Ltd.	Feroz Rahim		119.65	0.98	120.63	126.93	0.66	127.59
130	Uttara Model Town	Elegant Coal & Mining Company	Tanveer Ahmed	ELEGANT		120.00	120.00	30.55	0.00	30.55
131	Jatrabari	M/S. Sakura Dyeing & Garments Ltd	Azad Hossain Manik		54.30	65.00	119.30	45.18	36.64	81.82
132	Motijheel Corporate	Yasmin Spinning Mills Ltd.	Nue-E-Yasmin Fatema		55.00	62.00	117.00	55.79	16.90	72.69
133	North South Road	Islam Re-Rolling Mills (Pvt) Ltd & Sister Concern Eyar Ali Re-Rolling, Steel Mills (Pvt) Ltd & Islam Oxygen (Pvt.) Ltd	Md Ajharul Islam & Md Nurul Islam	ISLAM GROUP	116.30	0.00	116.30	142.59	0.00	142.59
134	Panthapath	Sheltech (Pvt.) Limited	Tanvir Ahmed	SHELTECH	86.09	30.00	116.09	37.32	9.01	46.33

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 NO.	Branch Name	Borrowers Name	Details of Owners	Group name	Sanctioned Amount			Outstanding		
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135	Motijheel Corporate	Peoples Leasing And Financial Services Ltd.	M. Moazzam Hossain		115.00	0.00	115.00	62.28	0.00	62.28
136	Mohakhali	M. I. Green On Co. Ltd.	Md. Abdul Gafur Miah (Md)		83.02	31.00	114.02	72.35	5.65	78.00
137	Motijheel Corporate	Flora Ltd	Mustafa Shamsul Islam	FLORA GROUP	60.00	53.60	113.60	64.57	13.67	78.24
138	Uttara Model Town	Islam Brothers And Co.	Md. Rafiqul Islam- Proprietor	AMAN GROUP	112.07	0.00	112.07	128.71	0.00	128.71
139	Motijheel	Dresden Textile Mills Ltd.	Anarul Hoque		66.20	45.00	111.20	42.67	0.00	42.67
140	Motijheel	Mmsb Textile Mills Ltd.	Moshiur Rahaman Bhuiyan		110.00	0.00	110.00	148.03	0.00	148.03
141	Dhanmondi	M/S. Surma Enterprise	Md. Ayub Ali (Proprietor)		52.00	55.00	107.00	77.10	19.31	96.41
142	Agrabad	Hns Automobiles	Md. Shahidul Islam, Shabbir Yasmin	HNS	60.00	46.50	106.50	53.72	0.73	54.45
143	Gulshan	Otobi Limited	Animesh Kundu	OTOBI GROUP	106.00	0.00	106.00	111.16	0.00	111.16
144	Dilkusha	Masafi Bread & Bisuit Industries Ltd	Mohammad Ali Chowdhury (Md)		65.36	40.00	105.36	3.67	0.00	3.67
145	Moulvibazar, Dhaka	A) A.s.m Industries Ltd. & Sister Concern B) Meghna Fabric Industries Ltd And C) A.s.m Polymer Industries Ltd. & D) A.s.m Net Industries.	Md. Arab Ali, Chairman		68.40	34.25	102.65	68.98	17.71	86.69
146	Motijheel	Hasan Tanvir Fashion Wears Ltd & Sister Concern Al-Islam Fashion Wear Ltd, Al-Islam Apparels	Mrs. Farjana Begum (Chairman), Jb. A M Zakir Hossain (Md)		52.54	50.00	102.54	45.83	12.41	58.24
147	Narayanganj	Osman Garments Ltd & Sister Concern Osman Knitex Ltd	Osman Gani (Managing Director), Azizur Rahman Titu (Director), Habibur Rahman (Director)		36.64	65.39	102.03	28.14	41.93	70.07
148	Dilkusha	Edruc Ltd.	Mrs. Tajmahal Begum, Feroz Uddin Khan, Md. Sanaullah, Md. Noor Al-Fahad Khan, Md. Mushran Mahin Khan, Abdul Quyum, Md. Abdur Rahman, Mrs Shamsil Arafina, Md. nowraz Farhan Khan		98.20	3.50	101.70	126.87	0.02	126.89
149	Motijheel	Ali-Zan Steel Industries Ltd.	Md. Rakibul Hasan		64.30	36.44	100.74	66.32	29.11	95.43
150	Dilkusha	Ils Texwear (Pvt.) Ltd.	Salah Uddin Ahmed & Morshada Ahamed Sheuly		75.00	25.68	100.68	10.67	85.50	96.17
151	Dilkusha	Ibrahim Textile Mills Ltd.	M. Fakhrul Alam, Parvez Alam, Hamdy Rabby, Iftekhar Alam, Manzoorul Alam	IBRAHIM GROUP	70.00	30.50	100.50	106.30	0.00	106.30
152	Chapainawabganj	M/S. Shimul Auto Rice Mill & Sister Concern M/S. Mofiz Auto Rice Mill	Md. Mofiz Uddin, Proprietor		95.38	5.00	100.38	72.19	0.00	72.19
153	Islampur	Mom Tex Ltd	Reajul Islam, Managing Director	PAKIZA GROUP	100.00	0.00	100.00	119.78	0.00	119.78
154	Banani	Crown Cement Concrete & Building Products Ltd	Md. Alamgir Kabir (Md) Md. Almas Shimul (Director) Mizanur Rahman Mollah (Director) Molla Md. Maznu (Director)		50.00	50.00	100.00	19.71	35.55	55.26
155	Gulshan	Provita Feed Ltd.	Md. Nurun Nabi Bhuiyan	PROVITA GROUP	100.00	0.00	100.00	136.74	0.64	137.38

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 :

SL	Name of the borrower/ company of which debentures of share subscribed/ beneficiary on whose behalf guarantee issued	Name of the interested director his immediate 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 facility (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, market value 10465.00 BDT Total Bookvalue 10250.00, Market value 27755.00 BDT	STD
2	FARIHA APPARELS LTD	Engr. Khandakar Mejba Uddin ahmed Khandakar Mofassel Uddin Ahmed	Younger Brother	24.03.2023	Back to Back LC Bai Istisna Baim Wes Bill	0.07	5.50 Dec land with 7 storied building with 1 storied basement. 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	MTDR/Cash Security of TK. 50,64,786 and Lien of 187266 nos share of AIBL (as per latest sanction).	uc
			Total			3.83		

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 = 8,566,783,099

Fully Provision debt Written off = (664,808,334)

Recoveries of amount previously written off = 117,391,063

Provision required for the year = 2,954,493,172

Ending balance of provision for bad and doubtful loans/debt = 10,973,859,000

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 1,345.66 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:

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
1	2	3	6	7	
1	Alhajj Salim Rahman 255, Nasirabad I/A, Chittagong.	Chairman	Chairman		
			a. KYCR Coil Ind. Ltd.	13.47%	
			b. KDS Textile Mills Ltd.	0.67%	
			c. SKYS Securities Ltd.	1.21%	
			Managing Director		
			d. KDS Accessories Ltd.	14.09%	
			e. KDS Garments Ind. Ltd.	49.85%	
			f. KDS Apparels Ltd.	50.12%	
			g. KDS Fashion Ltd.	1.71%	
			h. KDS IDR Ltd.	45.00%	
			i. KDS Cotton Poly Thread Ind. Ltd.	10.00%	
			j. KDS Poly Ind. Ltd.	21.00%	
			k. Steel Accessories Ltd.	50.00%	
			l. KDS Logistics Ltd.	0.07%	
			Director		
			m. Millennium Information Solution Limited	5.00%	
			Representative Director		
			n. AIBL Capital Market Services Ltd.	--	
			Shareholders		
			o. Eastern Bank Ltd.	0.33%	
			p. Pragati Insurance Ltd.	1.12%	
			q. Pragati Life Insurance Ltd.	2.13%	

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
2	Alhajj Abu Naser Mohammad yeahea 232-234, Tejgoan Industrial Area,Dhaka-1208.	Vice Chairman	Managing Director:			
			a.	Purbachal Steel Mills Ltd.	99.82%	
			b.	Purbachal Exclusive Ltd.	99.50%	
			c.	Purbachal Drillers Ltd.	50.00%	
			d.	Beco Feed Ltd.	42.50%	
			Director:			
			e.	AIBL Capital Market Services Ltd.	4.50%	
			Proprietor:			
			f.	Purbachal Gas Filling	100.00%	
g.	Beco Electronics	100.00%				
3	Alhajj Abdus Samad S.Alam Bhaban,57-C, Sugandha R/A, Chattogram.	Director	Director:			
			a.	AIBL Capital Market Services Ltd.	0.50%	
			b.	AIBL Capital Management Ltd.	--	
			c.	Millennium Information Solution Limited	2.00%	
			Proprietor:			
d.	Samad Trading Agency	100.00%				
4	Alhajj Abdus Salam	Director	Managing Director			
	Mir Ahmed Building		a.	Mir CNG & Filling Station	40.00%	
	234, Khatungong, Chittagong.		b.	Mir Pulp & Paper Industries Ltd.	25.00%	
			c.	Mir Filling Station Ltd.	100.00%	
			Director:			
			d.	Karnafully Filling Station Ltd.	15.00%	
			e.	AIBL Capital Market Services Ltd.	1.50%	
			CEO:			
			f.	M/S. Hajee Mir Ahmed Sowdagar	30.00%	
			Proprietor:			
			g.	M/S M.A. Salam & Co.	100.00%	
h.	Mir Bonaspati Products	100.00%				
i.	Mir Food & Beverage Industries	100.00%				
5	Jb. Badiur Rahman Priya Prangon, Building No.-A, Flat No: 0506, 2 Paribagh, Dhaka.	Director	Director :			
			a.	Central Hospital Ltd.	2.45%	
			b.	Human Resources Dev Co. Ltd.	2.00%	
			c.	AIBL Capital Market services Ltd.	0.63%	
			d.	Sea Force Alliance Limited	20.00%	
			e.	Millennium Information Solution Limited	5.00%	
			Chairman/Director :			
			f.	Baidene Pvt. Ltd.	16.16%	
			g.	Ocean Trade Ltd.	15.00%	
			CEO/Director			
			j.	Ariel Maritime PTE Ltd.	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
6	Jb. Mahbubul Alam NiraloyProva, Apartment # C2W, House # 75, Road # 8/A, Dhanmondi, Dhaka.	Independent Director	Nil	N/A		
7	Nazmul Ahsan Khaled 760, Satmasjid Road, Dhanmondi R/A, Dhaka	Director	Managing Director :			
			a.	Moonlight Garments Ltd.	20.00%	
			b.	Ehsan Garments Ltd.	10.00%	
			c.	Khaled Shipping Lines Ltd.	30.00%	
			d.	Engineers Enterprise Ltd.	20.00%	
			e.	Nourish Poultry & Hatchery Ltd.	25.00%	
			f.	Nourish Agro Ltd.	20.00%	
			g.	Telnet Communication Ltd.	40.00%	
			h.	Nourish Grand Parents Ltd.	20.00%	
			i.	Nourish Feeds Ltd.	25.00%	
			j.	Nourish Fisheries Ltd.	30.00%	
			k.	Nourish Foods Ltd.	20.00%	
			l.	Agrow Breeders Ltd.	20.00%	
			m.	Agrow Layers Ltd.	20.00%	
			n.	Artisun Enterprise Ltd.	25.00%	
			o.	Ehsan Packaging & Printing Ind. Ltd.	16.67%	
			p.	Aquafarm Shrimp Ltd.	20.00%	
			q.	Executive Travel Solutions Ltd	20.00%	
			r.	GROW Fruits & Vegetables Ltd.	20.00%	
			Director			
			s.	Mohammadi Navigation Ltd.	46.15%	
			t.	AIBL Capital Market Services Ltd.	0.50%	
8	Alhaji Abdul Malek Mollah House-12-14, Road-6, Block-E, Niketon, Gulshan-1, Dhaka	Director	NILL	NILL		
9	Hafez Alhaji Md. Enayet Ullah 2, MukimKatra, Moulvi Bazar, Dhaka.	Director	Active Owner:			
			a.	M/S Hadyet & Brothers	100%	
10	Alhaji Ahamedul Hoque	Director	Chairman			
	M/s. A.H. Syndicate		a.	AIBL Capital Management Services Ltd.	--	
	16/1, Amir Market, Khatungonj, Chittagong.		Director			
			b.	Intech Limited	2.00%	
			Proprietor:			
			c.	M/S. A.H. Syndicate	51.00%	
			Shareholder			
			d.	AIBL Capital Market Services Ltd.	0.25%	

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	
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.	70.00%		
			c.	Savoy Ice Cream Factory Ltd.	55.00%		
			d.	Golden Mart Agro Indus. Ltd.	60.00%		
			Director				
			e.	AIBL Capital Market Services Ltd.	0.75%		
			f.	Bangla Tel Limited	10.00%		
			g.	BD Link Communication Limited	5.00%		
			h.	Jibondhara Solution Limited	10.00%		
			i.	Reedisha Golden Economic Zone Ltd.	33.00%		
			j.	KLF Agro Extracts BD Ltd.	30.00%		
			Proprietor				
			k.	Broadway Marketing Co.	95.00%		
			l.	Golden Trading Co.	100.00%		
			m.	Khaja Corporation	100.00%		
			n.	Trade Plus	100.00%		
			Partner				
			o.	Golden Gulf Bitumen	50.00%		
p.	Golden Trading Co.	95.00%					
12	Alhaji Mohammed Emadur Rahman Kazi Castle, Islampur, Shaporan Sylhet.	Director	Director				
			a	Al Haramain Perfumes (Pvt) Co. Ltd.	40.00%		
			b	Millennium Information Solution Limited	5.00%		
			c	Al Haramain Hospital	40.00%		
			Managing Director				
			d	Rich & Ruitz Perfumes Trading L.L.C.	49.00%		
			e	Al Halal Perfumes Industry	24.00%		
			f	Hamidia Tea Company Limited	34.00%		
			CEO:				
			g	4 Corners Distribution UK Limited	50.00%		
			Deputy Managing Director				
			h	Al Haramain Perfumes Mgf. & Oudh Processing Ind. L.L.C.	--		
			Partner				
			i	Al Haramain Trading LLC	10.00%		
			Shareholder				
			j	AIBL Capital Market Services Ltd.	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	Alhajj 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.	34.25%	
			Director			
			b.	Human Resources Development Co. Ltd (HURDCO)	5.00%	
			c.	Central Hospital Ltd.	4.88%	
			d.	Millennium Information Solution Limited	2.00%	
14	Alhajj Md. Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong	Director	Managing Partner			
			a	Asadi steel Enterprise	90.00%	
			b	Jamuna Ship Breakers	83.34%	
			Managing Director			
			c	Bangladesh Ship Breaking Ltd.	90.00%	
			d	L & M Builders (Pvt) Ltd.	25.00%	
			Proprietor			
			e	Regal Oxygen	100.00%	
15	Alhajj Md. Anowar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	Managing Director			
			a	A.G. Textile Mills Ltd.	54.00%	
			b	Dubai Bangla L P Gas Ltd	60.00%	
			c	Ashik Shipping Lines Ltd.	60.00%	
			d	Dubai Bangladesh Cement Mills Ltd.	18.00%	
			e	Dubai Bangladesh Bag Factory Ltd.	91.80%	
			Director			
			f	Islami Commercial Insurance Co. Ltd.	5.00%	
			g	Southeast University	--	
			h	Anowar Hossain Secondary School	--	
			i	Sultan Hossain Memorial Hospital	--	
16	Alhajj Nasir Uddin (Nominee Director of China Builders & Machineries Ltd.) House # 99/C, CBM Tower, Maghbazar, Ramna, Dhaka.	Nominee Director	Managing Director:			
			a	Merchant Securities Ltd	25%	
			b	Sifang Securities Ltd	44.64%	
			Director			
			c	ASM Chemical Industries Ltd	12.90%	
			d	Chittagong Builders & Machinery Ltd	25%	
			e	China Builders & Machinery Ltd	25%	
			f	Human Resources Development Co. Ltd	1.57%	
			g	Central Hospital Ltd	4.50%	

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
17	Jb. Md. Rafiqul Islam 1025/C, Housing Society, Nasirabad, Chittagong.	Director	Nil	Nil		
18	Alhajj Anwar Hossain 1025/B, Housing Society, Nasirabad, Chittagong.	Director	Owner			
			a	Rising Star Trading Est (U.A.E.)	100.00%	
			b	Rising Sun Electricals Trading (U.A.E)	50%	
			Shareholder			
			c	AIBL Capital Market Services Ltd.	1.00%	
19	Jb. 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		
20	Alhajj Abdul Hamid Miah House # 22, Flat # B/3, Road # 5, Dhanmondi R/A, Dhaka.	Independent Director	Nil	Nil		
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. 13,762,336,000/-.
(Note-9.x.a)
- l) Written-off investments during the year -2022 = 66.48 Crore
Cumulative balance of written-off investments = 817.46 crore
- m) Interest credited to interest suspense account and year-end balance of interest suspense account is 496,991,446/-, which is presented in Note 15.
- (a) 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)
- (b) Written-off investments during the year -2021 =20.67 Crore
Cumulative balance of written-off investments =746.36 crore
- (c) 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, 2022

PROPERTY AND ASSETS	Notes	12/31/2022		12/31/2021	
		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		1,712,683	176,914,986	998,479	85,669,504
Outside Bangladesh		-	-	-	-
		1,712,683	176,914,986	998,479	85,669,504
Placement with Banks & Other Financial institutions			-	-	-
Investment in Share & Securities					
Government		-	-	-	-
Others		-	-	-	-
Investments					
General Investments etc.		6,571,973	678,865,056	2,412,457	206,988,771
Bills purchased and discounted		240,170,754	24,808,918,382	246,593,402	21,157,713,930
		246,742,727	25,487,783,438	249,005,859	21,364,702,701
Fixed assets including Premises		-	-	-	-
Other Assets		-	-	-	-
Non-Banking Assets		-	-	-	-
Total Assets		248,455,409	25,664,698,424	250,004,338	21,450,372,206
LIABILITIES AND CAPITAL					
Liabilities					
Placement from Banks & Other Financial institutions	4	246,742,727	25,487,783,438	249,006,077	21,364,721,437
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		246,742,727	25,487,783,438	249,006,077	21,364,721,437
Capital/Share Holders Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign Currency Transaction gain/(Loss)					
Other Reserve		-	-	-	-
Retained Earnings		1,712,683	176,914,986	998,261	85,650,768
Total Share holders equity		1,712,683	176,914,986	998,261	85,650,768
Total Liability and Share holders equity		248,455,409	25,664,698,424	250,004,338	21,450,372,206

Off-shore Banking Unit (OBU)

OFF-BALANCE SHEET

As at December 31, 2022

PROPERTY AND ASSETS	Notes	12/31/2022		12/31/2021	
		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, 2022

Notes	12/31/2022		12/31/2021	
	USD	Taka	USD	Taka
Investment Income	17,160,820.81	1,772,661,307	10,019,100	859,638,807
Profit paid on deposits & Borrowing	(15,444,138)	(1,595,333,134)	(9,016,840)	(773,644,839)
Net Investment Income	1,716,683	177,328,174	1,002,261	85,993,968
Income from Investment in Shares / Securities	-	-	-	-
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	-	-	-	-
Total operating income	1,716,683	177,328,174	1,002,261	85,993,968
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	413,188	4,000	343,200
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	413,188	4,000	343,200
Profit/(Loss) before Tax & provision	1,712,683	176,914,986	998,261	85,650,768
Provision against Investments & Contingent Liabilities	-	-	-	-
Provision for diminution in value of investment	-	-	-	-
Other Provision	-	-	-	-
Total provision	-	-	-	-
Profit/(Loss) before Tax	1,712,683	176,914,986	998,261	85,650,768
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Provision for Taxation	-	-	-	-
Net Profit/(Loss) after tax	1,712,683	176,914,986	998,261	85,650,768
Appropriation	-	-	-	-
Statutory Reserve	-	-	-	-
General Reserve	-	-	-	-
Retained Earnings	1,712,683	176,914,986	998,261	85,650,768
Earning per Ordinary share (EPS)				

Off-shore Banking Unit (OBU)

CASH FLOW STATEMENT

As at December 31, 2022

	12/31/2022		12/31/2021	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in Cash	17,160,821	1,772,661,307	10,019,100	859,638,807
Profit paid on deposits	(15,444,138)	(1,595,333,134)	(9,016,840)	(773,644,839)
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)	(413,188)	(4,000)	(343,200)
Advance income tax paid	-	-	-	-
Operating profit before changes in operating assets and liabilities	1,712,683	176,914,986	998,261	85,650,768
Changing in Operating assets & liabilities				
Increase/Decrease of trading securities	-	-	-	-
Increase/Decrease of investment and advances to other banks	246,742,727	25,487,783,438	249,006,077	21,364,721,437
Increase/Decrease of Investment and advances to customers (other than Banks)	(246,742,727)	(25,487,783,438)	(249,005,859)	(21,364,702,701)
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
A. Net Cash from operating activities	1,712,683	176,914,986	998,479	85,669,504
Cash flows from investing activities:				
Proceeds from sale of securites	-	-	-	-
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)	1,712,683	176,914,986	998,479	85,669,504
E.Effects of exchange rate changes on cash and cash-equivalents	-	-	-	-
F.Net increase in cash and cash equivalent (D+E)	1,712,683	176,914,986	998,479	85,669,504
G.Cash & Cash Equivalents at the beginning of the year	0	0	0	0
H.Cash & Cash Equivalents at the end of the year	1,712,683	176,914,986	998,479	85,669,504

NOTES TO THE FINANCIAL STATEMENTS

		12/31/2022		12/31/2021	
		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:	1,712,683	176,914,986	998,479	85,669,504
	Outside Bangladesh				
		1,712,683	176,914,986	998,479	85,669,504
	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	240,170,754	24,808,918,382	246,593,402	21,157,713,930
		240,170,754	24,808,918,382	246,593,402	21,157,713,930
Fixed Assets					
Tangible Assets					
	Land	-	-	-	-
	Building	-	-	-	-
	Furniture (Wood)	-	-	-	-
	Furniture (Steel)	-	-	-	-
	Computer	-	-	-	-
	Computer (Accossories)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

	12/31/2022		12/31/2021	
	USD	Taka	USD	Taka
Cash				
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	99,025,278	10,229,014,123	94,593,974	8,116,162,950
Other Bank OBU	38,000,000	3,925,286,000	31,000,000	2,659,800,000
Out Side Bangladesh	109,717,449	11,333,483,315	123,412,104	10,588,758,487
	246,742,727	25,487,783,438	249,006,077	21,364,721,437
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				
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	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)
Add: Profit during the year	1,712,683	176,914,986	998,261	85,650,768
Less : transfer to Parent bank				

NOTES TO THE FINANCIAL STATEMENTS

	12/31/2022		12/31/2021	
	USD	Taka	USD	Taka
Cash	1,712,683	176,914,986	998,261	85,650,768
Investment Income	17,160,821	1,772,661,307	10,019,100	859,638,807
Profit paid on Deposits & Borrowing	(15,444,138)	(1,595,333,134)	(9,016,840)	(773,644,839)
Income from Investment in Share /Securities				
Commission, Exchange & Brokerage Income				
Commission				
Exchange				
Brokerage commission				
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)				
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				

NOTES TO THE FINANCIAL STATEMENTS

	12/31/2022		12/31/2021	
	USD	Taka	USD	Taka
Cash				
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	1,712,683	176,914,986	998,479	85,669,504
Bangladesh Government Islamic Investment Bond				
	1,712,683	176,914,986	998,479	85,669,504

Off-shore Banking Unit (OBU)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2022

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 103.2970 closing rate as at 31 December 2022.

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

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.

- a) 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.
- b) 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.

31.12.2022	
USD	TK
9,90,25,277.82	1022,90,14,123
3,80,00,000.00	3,925,286,000
10,97,17,448.86	11,333,483,315
Name of the Bank	
In Bangladesh	
Al-ArafahIslami Bank Ltd.	
Other OBU	
Outside Bangladesh	
31.12.2021	
USD	TK
9,45,93,973.78	811,61,62,950
3,10,00,000.00	265,98,00,000
12,34,12,103.58	1058,87,58,487

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

31.12.2022			31.12.2021	
	USD	TK	USD	TK
AIBL Treasury Division	14586097.06	1506700068.00	8515884.60	730662898.6
AIBL AD Branches	858041.04	88633065.31	500955.02	42981940.35
	15444138.10	1595333133.31	9016839.62	773644838.95

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 2022 to December 31, 2022.

NAME OF THE DIRECTORS & THE ENTITIES IN WHICH THEY HAVE INTEREST

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
1	2	3	6	7	
1	Alhajj Salim Rahman 255, Nasirabad I/A, Chittagong.	Chairman	Chairman		
			a. KYCR Coil Ind. Ltd.	13.47%	
			b. KDS Textile Mills Ltd.	0.67%	
			c. SKYS Securities Ltd.	1.21%	
			Managing Director		
			d. KDS Accessories Ltd.	14.09%	
			e. KDS Garments Ind. Ltd.	49.85%	
			f. KDS Apparels Ltd.	50.12%	
			g. KDS Fashion Ltd.	1.71%	
			h. KDS IDR Ltd.	45.00%	
			i. KDS Cotton Poly Thread Ind. Ltd.	10.00%	
			j. KDS Poly Ind. Ltd.	21.00%	
			k. Steel Accessories Ltd.	50.00%	
			l. KDS Logistics Ltd.	0.07%	
			Director		
			m. Millennium Information Solution Limited	5.00%	
			Representative Director		
			n. AIBL Capital Market Services Ltd.	--	
			Shareholders		
			o. Eastern Bank Ltd.	0.33%	
			p. Pragati Insurance Ltd.	1.12%	
			q. Pragati Life Insurance Ltd.	2.13%	
2	Alhajj Abu Naser Mohammad yeahea 232-234, Tejgoan Industrial Area,Dhaka-1208.	Vice Chairman	Managing Director:		
			a. Purbachal Steel Mills Ltd.	99.82%	
			b. Purbachal Exclusive Ltd.	99.50%	
			c. Purbachal Drillers Ltd.	50.00%	
			d. Beco Feed Ltd.	42.50%	
			Director:		
			e. AIBL Capital Market Services Ltd.	4.50%	
			Proprietor:		
			f. Purbachal Gas Filling	100.00%	
			g. Beco Electronics	100.00%	
3	Alhajj Abdus Samad S.Alam Bhawan,57-C, Sugandha R/A, Chattogram.	Director	Director:		
			a. AIBL Capital Market Services Ltd.	0.50%	
			b. AIBL Capital Management Ltd.	--	
			c. Millennium Information Solution Limited	2.00%	
			Proprietor:		
			d. Samad Trading Agency	100.00%	

NAME OF THE DIRECTORS & THE ENTITIES IN WHICH THEY HAVE INTEREST

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
1	2	3	6	7	
4	Alhajj Abdus Salam Mir Ahmed Building 234, Khatungong, Chittagong.	Director	Managing Director		
			a. Mir CNG & Filling Station	40.00%	
			b. Mir Pulp & Paper Industries Ltd.	25.00%	
			c. Mir Filling Station Ltd.	100.00%	
			Director:		
			d. Karnafully Filling Station Ltd.	15.00%	
			e. AIBL Capital Market Services Ltd.	1.50%	
			CEO:		
			f. M/S. Hajee Mir Ahmed Sowdagar	30.00%	
			Proprietor:		
			g. M/S M.A. Salam & Co.	100.00%	
5	Jb. Badiur Rahman Priya Prangon, Building No.-A, Flat No: 0506, 2 Paribagh, Dhaka.	Director			
			Director :		
			a. Central Hospital Ltd.	2.45%	
			b. Human Resources Dev Co. Ltd.	2.00%	
			c. AIBL Capital Market services Ltd.	0.63%	
			d. Sea Force Alliance Limited	20.00%	
			e. Millennium Information Solution Limited	5.00%	
			Chairman/Director :		
			f. Baidene Pvt. Ltd.	16.16%	
			g. Ocean Trade Ltd.	15.00%	
			CEO/Director		
6	Jb. Mahbubul Alam NiraloyProva, Apartment # C2W, House # 75, Road # 8/A, Dhanmondi, Dhaka.	Independent Director	Nil	N/A	
			Managing Director :		
			a. Moonlight Garments Ltd.	20.00%	
			b. Ehsan Garments Ltd.	10.00%	
			c. Khaled Shipping Lines Ltd.	30.00%	
			d. Engineers Enterprise Ltd.	20.00%	
			e. Nourish Poultry & Hatchery Ltd.	25.00%	
			f. Nourish Agro Ltd.	20.00%	
			g. Telnet Communication Ltd.	40.00%	
			h. Nourish Grand Parents Ltd.	20.00%	
			i. Nourish Feeds Ltd.	25.00%	
			j. Nourish Fisheries Ltd.	30.00%	
			k. Nourish Foods Ltd.	20.00%	
			l. Agrow Breeders Ltd.	20.00%	
			m. Agrow Layers Ltd.	20.00%	
			n. Artisun Enterprise Ltd.	25.00%	
			o. Ehsan Packaging & Printing Ind. Ltd.	16.67%	
			p. Aquafarm Shrimp Ltd.	20.00%	
			q. Executive Travel Solutions Ltd	20.00%	
			r. GROW Fruits & Vegetables Ltd.	20.00%	
			Director :		
			s. Mohammadi Navigation Ltd.	46.15%	
			t. AIBL Capital Market Services Ltd.	0.50%	
8	Alhajj Abdul Malek Mollah House-12-14, Road-6, Block-E, Niketon, Gulshan-1, Dhaka	Director	NILL	NILL	

NAME OF THE DIRECTORS & THE ENTITIES IN WHICH THEY HAVE INTEREST

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
1	2	3	6		7	
9	Hafez Alhajj Md. Enayet Ullah 2, MukimKatra, Moulvi Bazar, Dhaka.	Director	Active Owner:			
			a.	M/S Hadyet & Brothers	100%	
10	Alhajj Ahamedul Hoque M/s. A.H. Syndicate 16/1, Amir Market, Khatungonj, Chittagong.	Director	Chairman			
			a.	AIBL Capital Management Services Ltd.	--	
			Director			
			b.	Intech Limited	2.00%	
			Proprietor:			
			c.	M/S. A.H. Syndicate	51.00%	
			Shareholder:			
			d.	AIBL Capital Market Services Ltd.	0.25%	
11	Alhajj 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.	70.00%	
			c.	Savoy Ice Cream Factory Ltd.	55.00%	
			d.	Golden Mart Agro Indus. Ltd.	60.00%	
			Director:			
			e.	AIBL Capital Market Services Ltd.	0.75%	
			f.	Bangla Tel Limited	10.00%	
			g.	BD Link Communication Limited	5.00%	
			h.	Jibondhara Solution Limited	10.00%	
			i.	Reedisha Golden Economic Zone Ltd.	33.00%	
			j.	KLF Agro Extracts BD Ltd.	30.00%	
			Proprietor:			
			k.	Broadway Marketing Co.	95.00%	
			l.	Golden Trading Co.	100.00%	
			m.	Khaja Corporation	100.00%	
			n.	Trade Plus	100.00%	
			Partner:			
			o.	Golden Gulf Bitumen	50.00%	
			p.	Golden Trading Co.	95.00%	

NAME OF THE DIRECTORS & THE ENTITIES IN WHICH THEY HAVE INTEREST

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
1	2	3	6	7	
12	Alhajj Mohammed Emadur Rahman Kazi Castle, Islampur, Shaporan Sylhet.	Director	Director		
			a Al Haramain Perfumes (Pvt) Co. Ltd.	40.00%	
			b Millennium Information Solution Limited	5.00%	
			c Al Haramain Hospital	40.00%	
			Managing Director:		
			d Rich & Ruitz Perfumes Trading L.L.C.	49.00%	
			e Al Halal Perfumes Industry	24.00%	
			f Hamidia Tea Company Limited	34.00%	
			CEO:		
			g 4 Corners Distribution UK Limited	50.00%	
			Deputy Managing Director:		
			h Al Haramain Perfumes Mgf. & Oudh Processing Ind. L.L.C.	--	
			Partner:		
			i Al Haramain Trading LLC	10.00%	
			Shareholder:		
			j AIBL Capital Market Services Ltd.	0.75%	
13	Alhajj 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.	34.25%	
			Director :		
			b. Human Resources Development Co. Ltd (HURDCO)	5.00%	
			c. Central Hospital Ltd.	4.88%	
			d. Millennium Information Solution Limited	2.00%	
14	Alhajj Md. Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong	Director	Managing Partner:		
			a Asadi steel Enterprise	90.00%	
			b Jamuna Ship Breakers	83.34%	
			Managing Director:		
			c Bangladesh Ship Breaking Ltd.	90.00%	
			d L & M Builders (Pvt) Ltd.	25.00%	
			Proprietor		
			e Regal Oxygen	100.00%	
			Vice Chairman		
			f. AIBL Capital Market Services Ltd.	0.25%	

NAME OF THE DIRECTORS & THE ENTITIES IN WHICH THEY HAVE INTEREST

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
1	2	3	6		7	
15	Alhajj Md. Anwar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	Managing Director			
			a	A.G. Textile Mills Ltd.	54.00%	
			b	Dubai Bangla L P Gas Ltd	60.00%	
			c	Ashik Shipping Lines Ltd.	60.00%	
			d	Dubai Bangladesh Cement Mills Ltd.	18.00%	
			e	Dubai Bangladesh Bag Factory Ltd.	91.80%	
			Director			
			f	Islami Commercial Insurance Co. Ltd.	5.00%	
			g	Southeast University	--	
			h	Anowar Hossain Secondary School	--	
			i	Sultan Hossain Memorial Hospital	--	
16	Alhajj Nasir Uddin (Nominee Director of China Builders & Machineries Ltd.) House # 99/C, CBM Tower, Magh-bazar, Ramna, Dhaka.	Nominee	Managing Director:			
		Director	a. Merchant Securities Ltd		25%	
			b. Sifang Securities Ltd		44.64%	
			Director:			
			c. ASM Chemical Industries Ltd		12.90%	
			d. Chittagong Builders & Machinery Ltd		25%	
			e. China Builders & Machinery Ltd		25%	
			f. Human Resources Development Co. Ltd		1.57%	
17	Jb. Md. Rafiqul Islam 1025/C, Housing Society, Nasirabad, Chittagong.	Director	Nil		Nil	
18	Alhajj Anwar Hossain 1025/B, Housing Society, Nasirabad, Chittagong.	Director	Owner:			
			a	Rising Star Trading Est (U.A.E.)	100.00%	
			b	Rising Sun Electricals Trading (U.A.E)	50%	
			Shareholder:			
19	Jb. M. Kamaluddin Chowdhury Flat no. 0015/C2, 14th Floor, Baily Heights, 2 Naw-ratan Colony, New Baily Road, Dhaka-1217.	Independent Director	Trustee		-	
			a.	South-East University, Dhaka		
20	Alhajj Abdul Hamid Miah House # 22, Flat # B/3, Road # 5, Dhanmondi R/A, Dhaka.	Independent Director	Nil		Nil	
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- 2022

Sl	Name of Directors	Status	Ending position on 31/12/2022	Opening position on 01/01/2022	Remarks
1	Jb. Salim Rahman	Chairman	21298982 shares of Tk. 10/- each Tk. 212989820/-	21298982 shares of Tk. 10/- each Tk. 212989820/-	
2	Jb. Abu Naser Mohammad Yeahea	Vice-Chairman	26300798 shares of Tk. 10/- each Tk. 263007980/-	26300798 shares of Tk. 10/- each Tk. 263007980/-	
3	Jb. Abdus Samad	Director	23965115 shares of Tk. 10/- each Tk. 239651150/-	23965115 shares of Tk. 10/- each Tk. 239651150/-	
4	Jb. Mohammad Abdus Salam	Director	21598392 shares of 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	Jb. Mahbubul Alam	Independent Director	Nil	Nil	
7	Jb. Nazmul Ahsan Khaled	Sponsor Director	22812996 shares of Tk. 10/- each Tk. 228129960/-	22812996 shares of Tk. 10/- each Tk. 228129960/-	
8	Jb. Abdul Malek Mollah	Sponsor Director	21357454 shares of Tk. 10/- each Tk. 213574540/-	21357454 shares of Tk. 10/- each Tk. 213574540/-	
9	Hafez Md. Enayetullah	Sponsor Director	21303874 shares of Tk. 10/- each Tk. 213038740/-	21303874 shares of Tk. 10/- each Tk. 213038740/-	
10	Jb. Ahamedul Haque	Director	21298448 shares of Tk. 10/- each Tk. 212984480/-	21298448 shares of Tk. 10/- each Tk. 212984480/-	
11	Jb. Niaz Ahmed	Director	21407921 shares of Tk. 10/- each Tk. 214079210/-	21407921 shares of Tk. 10/- each Tk. 214079210/-	
12	Jb. Mohammed Eamador Rahman	Director	21324314 shares of Tk. 10/- each Tk. 213243140/-	21324314 shares of Tk. 10/- each Tk. 213243140/-	
13	Engr. Kh. Mesbahuddin Ahmed	Director	21299266 shares of Tk. 10/- each Tk. 212992660/-	21299266 shares of Tk. 10/- each Tk. 212992660/-	
14	Jb. Md. Liakat Ali Chowdhury	Director	21304850 shares of Tk. 10/- each Tk. 213048500/-	21304850 shares of Tk. 10/- each Tk. 213048500/-	
15	Jb. Md. Anowar Hossain	Sponsor Director	23578732 shares of Tk. 10/- each Tk. 235787320/-	23578732 shares of Tk. 10/- each Tk. 235787320/-	
16	Nasir Uddin, Nominee Director China Builders & Machineries Ltd.	Nominee Director	21376917 shares of Tk. 10/- each Tk. 213769170/-	21376917 shares of Tk. 10/- each Tk. 213769170/-	
17	Jb. Md. Rafiqul Islam	Director	21350369 shares of Tk. 10/- each Tk. 213503690/-	21350369 shares of Tk. 10/- each Tk. 213503690/-	
18	Jb. Anwar Hossain	Director	21300000 shares of Tk. 10/- each Tk. 213503690/-	N/A	
19	Jb. M. Kamaluddin Chowdhury	Independent Director	Nil	Nil	
20	Jb. Md. Abdul Hamid Miah	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 (RBCA) 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	2022
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	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%	2.50%
Minimum CET-1 plus Capital Conservation Ratio	4.50%	5.125%	5.75%	6.375%	7.00%	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%	6.00%
Minimum Total Capital Ratio	10.00%	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%	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, 2022 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. 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 2 (Two) subsidiaries viz.</p> <p>a. AIBL Capital Market Services Ltd.</p> <p>b. AIBL Capital Management Ltd.</p> <p>Al-Arafah Islami Bank holds 60.50% and 98% AIBL Capital Market Services Ltd. AIBL Capital Management Ltd..</p> <p>A brief description of the Bank and its subsidiary are given below:</p> <p>a. AIBL Capital Market Services Limited</p> <p>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 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</p> <p>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, Bond Issue etc.), Portfolio Management, Underwriting, Corporate Advisory Services, Pre-IPO Placement, Investment Analysis and Research etc.</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
	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- 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) Less: Regulatory adjustments applicable on Tier-2 capital

Compliance status of AIBL as per condition for maintaining regulatory capital:			
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 2022 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	1657.71	1837.71
Non Controlling Interest	-	1690.60
Less: Deferred Tax Assets (DTA)		-
	22955.76	24826.35
Good will and other Intangible assets	(192.17)	(192.17)
Total Common Equity Tier-1 Capital	22763.59	24,634.19
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	5048.10	5591.58
Total Admissible Additional Tier-1 Capital	5,000.00	5,000.00
2. Tier-2 Capital :		-
General Provision	5008.96	5008.96
Subordinated debt	11010.00	11010.00
Revaluation Reserves for Securities up to 50%	1084.97	1084.97
Less: 100%of Revaluation Reserves for Fixed Assets, Securities & Equity	1084.97	1084.97
Total Tier-2 Capital	16018.96	16018.96
Maximum limit of tier-2 capital	13,461.87	14911.14
Total Admissible Tier-2 Capital	13,461.87	14911.14
Total eligible capital	41,225.46	44545.32

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</p> <p>For Market Risk – Standardized Approach</p> <p>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	28023.05	28940.15
b) Capital requirement for Market Risk	218.28	261.88
c) Capital requirement for Operational Risk	2234.71	2234.71
d) Total Capital Requirement (a+b+c)	30476.04	31436.74
e) Capital to Risk –weighted Asset Ratio:		
1.Common Equity Tier 1 (CET 1) Ratio	7.47%	7.84%
Tier 1 Capital Adequacy Ratio	9.11%	9.43%
Tier-2 Capital Adequacy Ratio	4.42%	4.74%
Capital to Risk-weighted Asset Ratio (CRAR)	13.53%	14.17%
f) Capital Conservation Buffer	3.11%	3.43%
Available Capital under Pillar 2 Requirement	41225.46	44545.33
Minimum Capital Requirement (MCR)	30,476.04	31436.74

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 2% on different categories of unclassified loans.
- b) 1% on Off Balance sheet exposure.
- c) 0.25% to 2% 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	106752.00
Bai-Muazzal Investment	154270.82
Hire Purchase Investment	125258.17
Quard	1427.68
Other Investment	4979.70
Sub Total	392688.39
Outside Bangladesh	-
	392688.39
Less: Unearned profit on Investment	8887.84
	383800.55
Bill Purchased & Discounted	
Payable in Bangladesh	20824.37
Payable outside Bangladesh	1560.34
Sub Total	22384.72
Total Funded:	406185.27
b) Total Non- Funded:	135411.41
c) Geographical distribution of exposures	
Region Based	
Dhaka Region	322544.63
Chittagong Region	49922.84
Sylhet Region	2814.20
Rajshahi Region	11067.84

Mymensingh	2211.31
Khulna Region	15701.48
Rangpur Region	7022.16
Barisal Region	3788.64
Total	415073.11
Less: Unearned profit on Investment	8887.84
	406185.27
d) Country based funded	
Domestic	415073.11
Overseas	-
e) Country based Non-funded	73,047.95
Domestic	135411.41
Overseas	-
f) Major Industry wise distribution of exposures	
Agriculture, Fishing and Forestry	4729.62
Industry	199256.00
Construction	29625.60
Water works & Sanitary Service	3259.60
Transport & communication	12988.13
Storage	21659.06
Trade Finance	139452.80
Miscellaneous	4102.30
Total	415073.11
Less Unearned Profit on Investment	8887.84
Total	406185.27
g) Distribution of risk exposure by claims	
a) Claims on sovereigns and central banks	-
b) Claims on PSE -	-
c) Claims on banks and securities firms	36,407.50
d) Claims on corporate	235,323.89
e) Claims included in the retail portfolio & small enterprises	93,809.41
f) Claims secured by residential property	8,683.30
g) Claims secured by commercial real estate	9,402.69
h) Consumer Investment	926.76
i) Off-balance sheet items	24,181.63
h) Credit risk mitigation	
Claims secured by financial collateral	5,712.36
Net exposure after the application of haircuts	1,013.16
Claims secured by eligible guarantee	-
g) Residual contractual maturity breakdown of the whole portfolio	
Repayable on demand	-
Up to 1 month	74,001.60
More than 1 month but less than 3 months	108,063.40
More than 3 months but less than 1 year	128,040.20

More than 1 year to less than 5 year	65,062.20
More than 5 year	31,017.87
Total	406,185.27
Gross Non Performing Assets- (NPAs)	
Non-performing assets to outstanding Investment (loans and advances)	22,437.37
Movement of Non Performing Assets (NPAs)	
Opening balance	16,566.84
Additions	8347.73
Less Cash Recovery	(1205.30)
Less RSDL from CL	(438.90)
Less Written Off	(833.00)
Closing balance	22,437.37

(Figure In million)

Movement of specific provisions for NPAs	
Provision held at the beginning of the year	8566.78
Fully provision debt written off	(664.80)
Recoveries of amount previously written off	117.39 .88
Specific provision for the year	2954.49
Closing balance	10,973.86

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	7.45
Central Depository Bangladesh Ltd	3.15
Investment in Millenium Information Solution Ltd	29.48
Investment in bond	7400.00
Total	7440.08

- 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, 2022

(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	12681.28	-	-	-	18948.93	31630.21
Balance with other banks & Financial Institute	123.30	2000.00	1000.00	-	7172.71	10296.01
Placement with other banks & Financial Institute	1400.00	1600.00	-	-	4978.92	7978.92
Investment in Share & Securities (only HTM)	-	-	942.70	-	34810.25	35752.95
Investment (Loans and Advances)	74001.60	108063.40	128040.20	65062.20	31017.87	406185.27
Fixed Assets	-	-	-	-	5138.51	5138.51
Non Banking Asset	-	-	-	-	50.88	50.88
Other Assets	521.20	389.90	-	1470.60	25549.42	27931.12
Total	88727.38	112053.30	129982.90	66532.80	127667.47	524963.86
Liabilities						
Placement from other banks & Financial Institute	2615.00	4699.60	9281.20	32435.09	-	49030.89
Deposits and Other accounts	58932.30	125539.40	124161.70	52316.80	33387.09	394337.29
Provision and other liabilities	477.70	57.50	-	-	40965.33	41500.53
Deferred Tax Liabilities/Assets	-	-	-	-	44.42	44.42
AI/BL Subordinate Bond	-	-	-	-	16010.00	16010.00
Total	62025.00	130296.50	133442.90	84751.89	90406.84	500923.13
GAP	26702.38	(18243.20)	(3460.00)	(18219.08)	37260.63	24040.73
Cumulative Gap	26702.38	8459.18	4999.18	(13219.90)	24040.73	-

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	26702.38	26702.38	26702.38
Impact on NII (Net Interest Income)	22.25	44.50	66.76
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	8.34	16.69	25.03
Period	1 to 3 month		
GAP	(18,243.20)	(18,243.20)	(18,243.20)
Impact on NII (Net Interest Income)	(30.41)	(60.81)	(91.22)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(11.40)	(22.80)	(34.21)
Period	3 to 12 month		
GAP	(3,460.00)	(3,460.00)	(3,460.00)
Impact on NII (Net Interest Income)	(25.95)	(51.90)	(77.85)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(9.73)	(19.46)	(29.19)

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	26,702.38	26,702.38	26,702.38
Impact on NII (Net Interest Income)	(22.25)	(44.50)	(66.76)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(8.34)	(16.69)	(25.03)
Period	1 to 3 month		
GAP	(18,243.20)	(18,243.20)	(18,243.20)
Impact on NII (Net Interest Income)	30.41	60.81	91.22
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	11.40	22.80	34.21
Period	3 to 12 month		
GAP	(3,460.00)	(3,460.00)	(3,460.00)
Impact on NII(Net Interest Income)	25.95	51.90	77.85
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	9.73	19.46	29.19

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	4,999.18	4,999.18	4,999.18
Period(Year)	1 Year		
Impact on NII (Net Interest Income)	49.99	99.98	149.98
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	18.75	37.49	56.24

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	4,999.18	4,999.18	4,999.18
Period(Year)	1 Year		
Impact on NII (Net Interest Income)	(49.99)	(99.98)	(149.98)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	(18.75)	(37.49)	(56.24)

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 of Statutory Liquidity Requirements (SLR) as fixed by Bangladesh Bank.
Methods used to measure Market Risk.	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. 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: <ul style="list-style-type: none"> 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
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, VaR etc, 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	76.70	120.30
Foreign exchange risk	141.58	141.58
Commodity risk	-	-
Total	218.28	261.88

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 2022 ICC Division conducted following No. of audit:</p> <table border="1"> <thead> <tr> <th>Nature of Audit</th><th>No of Frequencies</th></tr> </thead> <tbody> <tr> <td>Compressive & Risk based Internal Audit Annually</td><td>201 branches i.e 100% as per Audit Plan</td></tr> <tr> <td>Surprise Inspection</td><td>26 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"> <thead> <tr> <th>Nature of Risk</th><th>No of Branches</th></tr> </thead> <tbody> <tr> <td>Extremely High Risk</td><td>7</td></tr> <tr> <td>Very High Risk</td><td>37</td></tr> <tr> <td>High Risk</td><td>87</td></tr> <tr> <td>Medium Risk</td><td>47</td></tr> <tr> <td>Low Risk</td><td>23</td></tr> <tr> <td>Total</td><td>201</td></tr> </tbody> </table>	Nature of Audit	No of Frequencies	Compressive & Risk based Internal Audit Annually	201 branches i.e 100% as per Audit Plan	Surprise Inspection	26 branches i.e 100% as per Audit Plan	Nature of Risk	No of Branches	Extremely High Risk	7	Very High Risk	37	High Risk	87	Medium Risk	47	Low Risk	23	Total	201
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Total	201																				
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:

b) The capital requirements for operational risk (Basic Indicator Approach)

(Figure In million)

Year	Gross Income (GI)	Average GI	15% of Average GI
December-2022	16,344.23		
December-2021	14,305.55		
December-2020	13,275.60		
Total GI	43,925.38	14,641.79	2196.27

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:</p> <p>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:</p> <p>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 :</p> <p>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-Arafah Islami 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-Arafah Islami 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.
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b) Quantitative Disclosures:

(Figure In million)

Liquidity Coverage Ratio	103.20%
Net Stable Funding Ratio (NSFR)	121.50%
Stock of High quality liquid assets	4,836.87
Total net cash outflows over the next 30 calendar days	4,685.98
Available amount of stable funding	40,727.16
Required amount of stable funding	33,517.90

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	5.15%	5.40%
On Balance Sheet Exposure	514,208.98	523,999.83
Off- Balance Sheet Exposure	25,521.44	25,521.44
Total Deduction	(192.16)	(192.16)
Total Exposure	539,538.25	549,329.11

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-Arafah Islami Bank Limited, for the financial year ended December 31, 2022.

a) Qualitative Disclosures:

	<p>a) Information relating to the bodies that oversee remuneration:</p> <p>Managing Director, MANCOM & Head of Human Resources division governs the remuneration related policies and practices in alignment of the banks' short & long term objectives. They plays 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> <tr> <td>Managing Director</td><td>: 01</td></tr> <tr> <td>Deputy Managing Director</td><td>: 08</td></tr> <tr> <td>Senior Executive Vice President</td><td>: 17</td></tr> <tr> <td>Executive Vice President</td><td>: 12</td></tr> <tr> <td>Senior Vice President</td><td>: 41</td></tr> </table>	Managing Director	: 01	Deputy Managing Director	: 08	Senior Executive Vice President	: 17	Executive Vice President	: 12	Senior Vice President	: 41
Managing Director	: 01										
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	<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-Arafah Islami 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. 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;
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b) Quantitative Disclosures:

	g) Number of meetings held by the main overseeing remuneration during the financial year and remuneration paid to its member: Meeting regarding overseeing the remuneration was held on as and when it required
	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
	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
	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
	k) Quantitative Information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluation of awards) of deferred remuneration and retained remuneration: All the remunerations are provided in the form of cash i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. - Nil ii) Total amount of reductions during the financial year due to ex post explicit adjustments. - Nil iii) Total amount of reduction during the financial year due to ex post implicit adjustments - Nil



AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF AIBL CAPITAL MARKET SERVICES LIMITED

for the year ended, 31 December 2022

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, 2022 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, 2022 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

Initial application of IFRS-16 Leases came into effect from 1st January 2019 in its 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 and overstatement of profit. This relates to 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:</p> <p>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, 2022 are valued at BDT. 9,890,996,716 which has been increased during the year by 17.35% compared to last year, and representing 79.65% of total assets.</p> <p>Investment in ICB Fund, at the year-end, are valued at BDT 224,596,970 which has been decreased by 8.17% in comparison with last year, and representing 1.81% 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.

<p>Investments in Dealer A/C, at the end of 31 December, 2022 are valued at BDT. 109,366,083 which has been decreased by 3.31% than what was in the last year, and representing 0.88% of total assets.</p> <p>Investments in Share (BBSF), at the end of 31 December, 2022 are valued at BDT. 258,543,502 which has been decreased by 38.84% than what was in the last year, and representing 2.09% of total assets.</p> <p>Investments in Intech Ltd., at the end of 31 December, 2022 are valued at BDT. 2,500,000 which has been increased by 66.67% than what was in the last year, and representing .02% of total assets.</p> <p>This was an area of focus for our audit and significant audit effort was directed.</p> <p>Refer to the note no. 6 to the financial statements.</p> <p>Investment Income: Investment Income of BDT 203,677,468 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Company for the year ended 31st December 2022. Investment Income has been increased by 36.77% compared to last year. 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.</p>	<ul style="list-style-type: none"> • 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. <p>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:</p> <ul style="list-style-type: none"> • 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.
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Other Matter

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. Although the COVID-19 global pandemic situation had an unfavorable impact on the capital market trading, AIBL Capital Market Services Limited have increased their investment income by 36.77% in the year 2022 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, 2022, 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 judgments 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 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; and
- 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.

Dated, Dhaka 16 April, 2023



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Md. Anisur Rahman FCA

Managing Partner

Enrolment No.: 350

Firm's Registration No.: 11970 E.P.

DVC: 2304160350AS 467895

STATEMENT OF FINANCIAL POSITION

As at 31 December, 2022

Particulars	Notes	Amount (In Taka)	
		31.12.2022	31.12.2021
ASSETS:			
Non - Current Assets:		7,997,095	9,602,934
Property, Plant & Equipment	4	5,329,684	6,690,525
Deferred Tax Assets	9.2	2,667,411	2,912,409
Current Assets:		12,409,777,225	11,801,894,278
Account Receivable	5	6,618,006	26,368,263
Investment	6	10,497,518,804	9,223,285,132
Investment in Share (DSE & CSE)	7	662,120,683	662,120,683
Advance, Deposits & Prepayment	8	11,201,747	12,458,265
Advance Income Tax	9	940,863,353	1,623,577,418
Cash and Cash Equivalent	10	291,454,632	254,084,517
Total Assets:		12,417,774,320	11,811,497,212
EQUITY AND LIABILITIES:			
Capital and Reserve:		4,260,514,087	4,263,725,825
Paid -up Capital	11	4,000,000,000	4,000,000,000
Retained Earning		260,514,087	263,725,825
		8,157,260,233	7,547,771,387
Borrowing from Bank	12	5,092,356,990	5,163,550,237
Accounts Payable	13	1,745,483,892	369,297,955
Provision for Investments	14	503,822,672	503,822,672
Provision for taxation	15	815,596,679	1,511,100,523
Total Equity and Liabilities:		12,417,774,320	11,811,497,212

The annexed notes 1 to 28 form an integral part of these financial statements.


Director


Director


Managing Director


Company Secretary

Subject to our separate report of even date.

Dated, Dhaka 16 April, 2023



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Md. Anisur Rahman FCA

Managing Partner

Enrolment No.: 350

Firm's Registration No.: 11970 E.P.

DVC: 2304160350AS 467895

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2022

Particulars	Notes	Amount (In Taka)	
		Jan-Dec'2022	Jan-Dec'2021
Investment Income	16	203,677,468	148,918,120
Profit paid on Borrowing	17	(167,507,116)	(203,583,939)
Net Investment Income		36,170,352	(54,665,819)
Income from Commission, Exchange & Others:			
Brokerage Commission	18	174,797,931	289,411,279
Documentation & Maintenance Fess	19	4,314,400	5,124,250
Other Operating Income	20	41,727,630	56,132,730
		220,839,961	350,668,259
Total operating Income (A)		257,010,313	296,002,440
Hawla, Laga & CDBL Charges	21	24,199,751	36,952,367
Salary allowances & Contribution to P.F	22	72,004,649	68,679,573
Rents, Taxes, Insurance, Lighting etc.	23	20,686,316	20,674,182
Honorarium & Meeting Expense	24	3,225,000	3,665,000
Law Charges		14,585	5,718
Postage, Telegram, Telephone & Stamps etc	25	79,288	89,706
Depreciation, Amortization & Repairs to Properties	26	5,098,090	4,414,224
Stationary, Printing, Advertisement etc.		1,116,250	1,401,253
Other Expenses	27	25,712,922	19,375,949
Total operating expenses (B)		152,136,851	155,257,972
Profit/(loss) before provision and Tax C = (A - B)		104,873,462	140,744,468
Provision for Investment		-	-
Provision for Taxation		28,840,202	42,223,340
Deferred Tax (Income)/Expense	9.2	244,998	384,008
Net Profit after Tax		75,788,262	98,137,120
Retained Earning Brought forward		263,725,825	165,588,705
Dividend		79,000,000	-
Retained earning Carried forward		260,514,087	263,725,825
Earning per Share (EPS)		0.19	0.25

The annexed notes 1 to 28 form an integral part of these financial statements.



Director



Director



Managing Director



Company Secretary

Dated, Dhaka 16 April, 2023


Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Md. Anisur Rahman FCA

Managing Partner

Enrolment No.: 350

Firm's Registration No.: 11970 E.P.

DVC: 2304160350AS 467895

AIBL Capital Market Services Limited

STATEMENT OF CHANGES IN EQUITY

As at December 31, 2022

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2022	4,000,000,000	263,725,825	4,263,725,825
Net profit for the Period	-	75,788,262	75,788,262
Balance as at December 31, 2022	4,000,000,000	339,514,087	4,339,514,087

AIBL Capital Market Services Limited

STATEMENT OF CHANGES IN EQUITY

As at December 31, 2017

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, 2017	4,000,000,000	263,725,825	4,263,725,825



Director



Director



Managing Director



Company Secretary

AIBL Capital Market Services Limited
STATEMENT OF CASH FLOWS

For the year ended 31, December 2022

Particulars	Amount (In Taka)	
	Jan-Dec'2022	Jan-Dec'2021
Cash flows from operating activities		
Investment income receipt in Cash	203,677,468	148,918,120
Profit paid on deposits and borrowing	(167,507,116)	(203,583,939)
Commission received in cash	174,797,931	289,411,279
Cash payments to employees	(72,004,649)	(68,679,573)
Cash payments to suppliers	(1,116,250)	(1,401,253)
Received from other operating activities (item-wise)	46,042,030	61,256,980
Paid for other operating activities (item-wise)	(75,242,713)	(82,336,237)
Advance income tax paid	(41,629,981)	(45,186,879)
Operating profit before changes in operating assets and liabilities	67,016,720	98,398,498
Changing in Operating assets & liabilities		
Increase/Decrease Investment	(1,274,233,672)	(312,568,754)
Increase/Decrease of Accounts receivable	19,750,257	(6,656,462)
Increase/Decrease of Borrowing	(71,193,247)	268,291,191
Increase/Decrease of Accounts payable	1,376,185,937	24,500,416
Increase/Decrease of other assets (item-wise)	1,256,518	(1,878,290)
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	51,765,793	(28,311,899)
A. Net Cash from operating activities	118,782,513	70,086,599
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,412,398)	(2,651,685)
B. Net cash flows from investing activities	(2,412,398)	(2,651,685)
Cash flows from financing activities		
Increase in Share Capital	-	-
Dividend Paid	(79,000,000)	-
C. Net cash flows from financing activities	(79,000,000)	-
D. Net increase in cash and cash equivalent (A+B+C)	37,370,115	67,434,914
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent D+E	37,370,115	67,434,914
G. Cash & Cash Equivalents at the beginning of the period	254,084,517	186,649,603
H. Cash & Cash Equivalents at the end of the period	291,454,632	254,084,517


Director


Director


Managing Director


Company Secretary

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

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 2022 to December 2022.

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 2022 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. Figures of the period ended 31 December have been rearranged whenever considered necessary to ensure comparability with the current period.

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 charged off as revenue expenditure unless they bring similar significant additional benefits.

3.02 Fixed assets and depreciation

Fixed Assets 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. 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 straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

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 profit or loss.

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 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 27.50% as per the Finance Act 2022 for the Company.

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

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 loan:

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance respective parties. Income is recognized on monthly rest. Interest charged to margin loan 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 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

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

		Amount (In Taka)	
		31.12.2022	31.12.2021
4.00	Fixed Assets:		
	Property, Plant & Equipment		
	a) Tangible Asset		
	Interior Decoration	19,176,606	17,001,228
	Computer accessories	1,694,999	1,615,279
	Online Hardware	2,946,884	2,946,884
	Motor Car	18,062,939	18,062,939
	Furniture & fixture - steel	698,547	698,547
	Office equipment	11,455,347	11,367,347
	Computer	5,907,045	5,907,045
	Furniture & fixture - wood	3,349,558	3,349,558
	Less : Accumulated Depreciation	58,036,352	54,480,102
		5,255,573	6,468,725
b)	Intangible Assets		
	Online Software	2,239,193	221,800
	Less : Accumulated Depreciation	2,165,082	
		74,111	221,800
	Total (a+b)	5,329,684	6,690,525
	Details have been shown in Annexure-"A"		
5.00	Accounts Receivable:		
	Receivable from DSE	370,115	23,346,303
	Dividend Receivable	6,247,891	3,021,960
		6,618,006	26,368,263
6.00	Investments:		
	Margin Investment	9,890,996,716	8,428,902,651
	Investment ICB Fund	224,596,970	244,586,355
	Investment in Dealer A/C	109,366,083	113,110,338
	Investment in Share (BBSF)	260,059,035	425,185,788
	Investment In AIBL Capital Management Ltd.	10,000,000	10,000,000
	Investment In Intech Ltd.	2,500,000	1,500,000
		10,497,518,804	9,223,285,132
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

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

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 value 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 Head Office.	1,710,804	3,079,380
Advance against Office Space Gulshan(old).	344,080	344,080
Advance rent Gulshan Br.(New)	307,346	557,342
Advance Rent Khulna	179,449	1,055,460
Advance Rent Uttara Br.	1,968,930	1,968,930
Advance Rent Barisal Br.	870,849	900,849
Advance Rent Dhanmondi Br.	-	131,009
Advance Rent Sylhet Br.	423,250	669,438
Advance Rent B. Baria	651,332	41,931
Advance Rent Khatungonj	1,625,489	205,908
Advance Against Petty Cash	3,120,218	3,503,938
	11,201,747	12,458,265

9.00 Advance Income Tax:

Opening Balance	1,623,577,418	1,578,390,539
Tax deducted at source DSE	26,188,362	43,154,710
Tax deducted at source CSE	533,457	535,759
TDS against Dividend	1,503,293	1,489,573
Tax deducted at source Bank	1,295,904	6,837
Tax paid previous year	12,108,965	-
Less : Adjustment for previous year 2014,2016,2017,2018	724,344,046	-
	940,863,353	1,623,577,418
	940,863,353	1,623,577,418

9.01

Tax paid 2022 through Chalan & Source	41,629,981	-
Tax paid 2021 through Chalan & Source	45,186,879	45,186,879
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	2,811,793	24,176,626
Tax paid 2017 through Chalan & Source	55,481,661	80,447,999
Tax paid 2016 through Chalan & Source	12,235,946	414,413,240
Tax paid 2015 Through Challan & Source	415,952,141	415,952,141
Tax paid 2014 through challan & Source	30,531,449	306,367,030
Tax paid 2013 through challan & Source	299,791,671	299,791,671
	940,863,353	1,623,577,418
	940,863,353	1,623,577,418

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

9.02	Deferred Tax Assets		
	Opening Balance	2,912,409	3,296,417
	Addition During the year	(244,998)	(384,008)
		2,667,411	2,912,409
	Adjustment during the year	-	-
		2,667,411	2,912,409
10.00	Cash and Cash equivalent:		
	Al-Arafah Islami Bank Limited	291,454,632	254,078,915
	Shajalal Islami Bank Limited	-	5,602
		291,454,632	254,084,517
10.01	Balance at Bank:		
	Al-Arafah Islami Bank Limited, Motijheel Br. Dhaka (2693)	-	17,684
	AIBL Capital Market Services Limited Cons.customers Ac AIBL, Motijheel Br. (0021220002927)	221,030,551	243,916,674
	AIBL Capital Market Services Limited.Corporate Ac AIBL, Motijheel br. (0021220002936)	55,033,092	1,789,813
	AIBL Capital Market Services Ltd. Dividend A/C AIBL,Motijheel Br. (0021120583328)	9,929,617	491,308
	AIBL Capital Market Services Limited, Union Bank Gulshan br.	3,550	8,745
	AIBL Capital Market Services Limited, Khatunginj	-	1,910,000
	AIBL Capital Market Services Ltd. Public App. A/C AIBL Motijheel Br. (0021220004506)	-	444,870
	AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003278)	2,718,696	2,587,213
	AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003260)	352,255	-
	AIBL Capital Market Services Limited, ICB Pronodona Scheme 2 AIBL, Motijheel Br (0021220009614)	56,161	88,183
	BBSF Investment Account, AIBL, Motijheel Br.(10222)	2,320,451	2,324,680
	AIBL Capital Market Services Limited, B. Baria	500	500
	AIBL Capital Market Services Limited, Barishal	-	233,000
	AIBL Capital Market Services Limited SIBL, Principal Br.(0021330451189)	9,759	209,245
	AIBL Capital Market Services Limited Khulna	-	57,000
		291,454,632	254,078,915
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, 2022		
	Name of the Share Holder	No. of Shares	Amount (In Taka)
	Al-Arafah Islami Bank Limited	242,000,000	2,420,000,000
	KDS Garment industries Ltd.	20,000,000	200,000,000

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

Alhaj Abu Naser Mohammad Yeahea	18,000,000	180,000,000
Alhaj Kazi Md. Mofizur Rahman	8,000,000	80,000,000
Badshah Meah	7,000,000	70,000,000
Alhaj Eng. Kh. Mesbahuddin Ahmed	7,000,000	70,000,000
Alhaj Abus Salam	6,000,000	60,000,000
Mohammed Mahtabur Rahman	6,000,000	60,000,000
Islamic Commercial Insurance Co. Ltd.	5,000,000	50,000,000
Mohammed Haroon	4,000,000	40,000,000
Norrish Poultry and Hatchery Ltd.	4,000,000	40,000,000
P & I International Limited	4,000,000	40,000,000
Niaz Ahmed	3,000,000	30,000,000
Mohammed Emadur Rahman	3,000,000	30,000,000
Mohammed Oliur Rahman	3,000,000	30,000,000
Badiur Rahman	2,500,000	25,000,000
China Builders and Machinaries Ltd.	2,500,000	25,000,000
KYCR Coils Industries Ltd.	2,000,000	20,000,000
Alhaj Abdul Malek Mollah	2,000,000	20,000,000
Bangladesh Ship Brake Limited	2,000,000	20,000,000
Alhaj Nazmul Ahsan Khaled	2,000,000	20,000,000
Alhaj Abdus Samad	2,000,000	20,000,000
Md. Ashik Hossain	2,000,000	20,000,000
Farid Ahmed	2,000,000	20,000,000
A S M Mainuddin Monem	2,000,000	20,000,000
Kazi Abu Kauser	2,000,000	20,000,000
Mollah Mahmood Malek	2,000,000	20,000,000
Galco Steel Bangladesh Ltd.	2,000,000	20,000,000
Faisal Ahmed	2,000,000	20,000,000
Kh Sakib Ahmed	2,000,000	20,000,000
Md. Liakat Ali Chowdhury	1,000,000	10,000,000
Ahmedul Haque	1,000,000	10,000,000
Sarker Mohammad Shameem Iqbal	1,000,000	10,000,000
Master Abul Kashem	1,000,000	10,000,000
Naba knit Composite Limited	1,000,000	10,000,000
Jainul Abedin Jamal	1,000,000	10,000,000
Kamal Uddin	1,000,000	10,000,000
N.Nasir Uddin	1,000,000	10,000,000
Majbura Begum	1,000,000	10,000,000
Asma Begum	1,000,000	10,000,000
Afroza Sultana	1,000,000	10,000,000

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

Shajjad Mustafa	1,000,000	10,000,000
Azad Mustafa	1,000,000	10,000,000
Farhana Irin	1,000,000	10,000,000
Tanveer Nawaz	1,000,000	10,000,000
Sk. Md. Samiul Islam	1,000,000	10,000,000
Mohammad Jahangir	1,000,000	10,000,000
Mollah Mazharul Malek	1,000,000	10,000,000
Mohammed Oheidul Alam	1,000,000	10,000,000
Sahana Ferdous	1,000,000	10,000,000
Md.Nurul Hoque	1,000,000	10,000,000
Mrs. Shamsun Nahar Begum	1,000,000	10,000,000
Md. Rafiqul Islam	1,000,000	10,000,000
Mohammad Fazlur Rahman	1,000,000	10,000,000
Anower Hossain	1,000,000	10,000,000
Akram Hussain	1,000,000	10,000,000
Miss Ruksana Mumtaz Hussain	1,000,000	10,000,000
Akhter Hussain	1,000,000	10,000,000
Akbar Hossain	1,000,000	10,000,000
TOTAL	400,000,000	4,000,000,000
12.00 Borrowing from Bank:		
Borrowing from Al-Arafah Islami Bank Limited Motijheel	3,397,899,998	3,397,899,998
Borrowing from Union Bank Ltd.	800,000,000	800,000,000
Borrowing from SIBL	494,456,992	497,700,000
Borrowing from Al-Arafah Islami Bank Limited (BBSF)	400,000,000	400,000,000
ICB pronodona Scheme 2	-	67,950,239
	5,092,356,990	5,163,550,237
13.00 Accounts Payable :		
Payable to AIBL	1,470,500,000	-
Profit Payable for SIBL	-	20,656,125
Profit Payable for AIBL Motijheel Br.	18,443,591	30,991,674
Profit Payable for UNION Bank	20,277,778	45,727,128
Profit Payable for BBSF Investment	29,179,360	14,845,020
Profit Payable for ICB Pronodona Scheme 2	1,801,192	1,829,029
VAT, Salary Tax & AIT Payable	272,202	581,621
Payable to DSE	67,550	4,050,560
Payable to CSE	1,335,446	130,827
Bonus & Incentive Payable	91,310	-
Clients Payable	192,275,246	206,857,023
Accrued exp	930,166	155,310
Dividend adjustment clients	234,684	469,836

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

	Dividend Tax payable	9,975,000	-
	Security Money	100,367	100,367
	IPO Application Process Account	-	42,903,435
		1,745,483,892	369,297,955
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	1,511,100,523	1,468,877,183
	Add: Income tax provision during the year	28,840,202	42,223,340
	Less : Previous year Adjustment 2014,2016,2017,2018	724,344,046	-
	Closing Balance	815,596,679	1,511,100,523
16.00	Investment Income		
	Margin Profit income	190,718,327	148,849,355
	Profit on MSND	12,959,141	68,765
		203,677,468	148,918,120
17.00	Profit paid on Borrowing :		
	SIBL	54,358,123	67,922,853
	Union Bank Ltd	47,875,309	74,013,889
	AIBL Motijheel Branch	34,929,417	34,931,242
	BBSF Investment	28,664,895	14,845,020
	HaJJ Finance	-	6,844,832
	ICB Pronodona Scheme 2	1,679,372	5,026,103
		167,507,116	203,583,939
18.00	Brokerage commission		
	DSE	171,323,469	285,776,504
	CSE	3,474,462	3,634,775
		174,797,931	289,411,279
19.00	Documentation & Maintenance Fess		
	BO Documentation and Maintenance fees	4,289,400	5,032,250
	Margin documentation fees	25,000	92,000
		4,314,400	5,124,250
20.00	Other Operating Income		
	CDBL Income	733,425	1,003,549
	Cheque dishonour Charge	61,000	141,000
	Dividend income	15,304,388	4,837,107
	IPO Process Income	51,490	274,265
	Realized Capital gain	25,572,947	49,872,429
	Others	4,380	4,380
		41,727,630	56,132,730

21.00	Hawla, Laga & CDBL Charges		
	Hawla DSE	17,050	-
	Laga charge DSE	12,996,443	21,372,909
	Laga charge CSE	245,390	246,449
	CDBL Charges	10,940,868	15,333,009
		24,199,751	36,952,367
22.00	Salary allowances & Contribution to P.F		
	Salary allowances & Contribution to P.F	70,721,837	67,265,998
	Wages	707,462	856,550
	Security Services	575,350	557,025
		72,004,649	68,679,573
23.00	Rents, Taxes, Insurance, Electricity etc.		
	Rent	18,358,982	18,376,832
	Insurance	67,150	33,575
	Electricity bill	2,260,184	2,263,775
		20,686,316	20,674,182
24.00	Honorarium & Meeting Expense		
	Meeting & Honorarium	3,225,000	3,665,000
		3,225,000	3,665,000
25.00	Postage, Telegram, Telephone & Stamps etc		
	Postage, Telegram, Telephone & Mobile	63,499	64,593
	Stamps	10,650	18,750
	Photocopy	5,139	6,363
		79,288	89,706
26.00	Depreciation & Repairs to Properties		
	Depreciation	3,773,239	2,840,909
	Repair & Maintenance	1,324,851	1,573,315
		5,098,090	4,414,224
27.00	Other Expenses		
	Computer Charge	344,894	264,135
	Bank Charge	562,619	701,539
	Petroleum Oil, Lubricant & WASA/ Gas.	1,242,853	1,134,953
	Entertainment	2,313,308	1,585,671
	Bonus & Incentive	8,073,681	5,252,161
	Mandatory leave	425,498	-
	Registration	226,213	16,585
	Travelling, conveyance, Transportation & Saturday Allowance	286,323	827,961
	Internet & Online Charge	2,215,835	2,306,600
	Employees welfare exp.	7,929	386,713
	Audit Fees	57,500	50,000
	Utilities bill	641,490	533,140
	Vat	-	11,100
	Miscellaneous (Note-27.01)	9,314,779	6,305,391
		25,712,922	19,375,949

27.01 Miscellaneous

Subscription Renewal	1,422,105	764,916
Newspaper	26,279	64,709
Donation	10,000	20,000
Training & AR Licence Fee	45,546	17,200
Leave encashment	4,336,955	-
Agent commission	3,210,449	5,127,413
Crocarige	1,190	-
Upkeep, wasing & cleaning	34,940	28,870
Miscellaneous	88,598	64,022
Investors Protection	62,320	51,711
Closing Allowances	-	-
EID Garcia	76,397	51,550
Bank Guarantee	-	115,000
	9,314,779	6,305,391

28.00 Provision for Current Tax:

Operating Income Before tax	104,873,462	140,744,468
Total Business Income	104,873,462	140,744,468
Less: Capital Gain	25,572,947	49,872,429
Less: Dividend Income	15,304,388	4,837,107
Taxable Income	63,996,127	86,034,932
Income Tax @ 35 % on estimated Taxable Income	22,398,644	30,112,226
Add: TDS Dividend @ 20%	3,060,878	967,421
Add: Capital Gain @10%	2,557,295	4,987,243
	28,016,817	36,066,890

FIXED ASSETS SCHEDULE

As at December 31, 2022

Particular	Cost			Rate %	Depreciation				Written Down Value as on December31, 2022
	Balance as on January 1, 2022	Addition during the Year	Disposal/ Adjustment		Balance as on December 31, 2022	Charge during the Year	Adjustment	Balance as on December 31, 2022	
Tangible Asset									
Interior Decoration	17,001,228	2,175,378	-	19,176,606	10%	1,700,123	-	14,566,458	4,610,148
Computer Accessories	1,615,279	79,720	-	1,694,999	20%	323,056	-	1,546,229	148,770
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	698,547	-	-	698,547	10%	316,782	69,855	386,637	311,910
Office Equipment	11,367,347	88,000	-	11,455,347	20%	11,254,696	112,650	11,367,346	88,001
Computer	5,907,045	-	-	5,907,045	20%	4,628,895	1,181,409	5,810,304	96,741
Furniture & Fixture - Wood	3,349,558	-	-	3,349,558	10%	3,180,400	169,157	3,349,557	1
	60,948,827	2,343,098	-	63,291,925		54,480,102	3,556,250	58,036,352	5,255,573
Intangible Assets			-						
Online Software	2,169,893	69,300	-	2,239,193	20%	1,948,093	216,989	2,165,082	74,111
Total	63,118,720	2,412,398	-	65,531,118		56,428,195	3,773,239	60,201,434	5,329,684



AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF AIBL CAPITAL MANAGEMENT LIMITED

for the year ended, 31 December 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AIBL Capital Management Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "AIBL Capital Management Limited" which comprise the statement of financial position as at 31 December 2022 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 "AIBL Capital Management Limited" as at 31 December 2022 as disclosed in Note no. 19 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 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.

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.

Dated, Dhaka 09th May, 2023



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed By: Md. Anisur Rahman FCA

Managing Partner

Enrolment No: 350

Firm Registration : 11970 E.P.

DVC : 2305090350AS182973

AIBL Capital Management Limited

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

Particulars	Notes	Amount in Taka	
		31.12.2022	31.12.2021
ASSETS:			
Non - Current Assets		594,072	512,402
Property, Plant & Equipment	4.00	594,072	512,402
Current Assets:		575,339,391	565,813,517
Cash and Bank Balance	5.00	4,852,045	14,114,828
Account Recivable	6.00	13,702,520	3,523,589
Investment	7.00	537,855,493	531,737,175
Advance Income Tax	8.00	18,859,943	16,287,719
Balance with AIBL CMSL		69,390	150,207
Total Assets		575,933,463	566,325,919
EQUITY AND LIABILITIES:			
Capital and Reserve		526,250,173	521,114,411
Paid Up Capital	9.02	500,000,000	500,000,000
Retained Earning	10.00	26,250,173	21,114,411
Current Liabilities		49,683,290	45,211,508
Accounts Payable	11.00	3,285,116	2,300,797
Provision for Taxation	18.00	30,825,843	27,338,379
Provision for Investment	19.00	15,572,332	15,572,332
Total Equity and Liabilities		575,933,463	566,325,919
NAV		10.53	10.42

The annexed notes from an integral part of these financial statements.


Director


Director


CEO

Signed subject to our separate report of even date annexed.

Dated, Dhaka 09th May, 2023



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed By: Md. Anisur Rahman FCA

Managing Partner

Enrolment No: 350

Firm Registration : 11970 E.P.

DVC : 2305090350AS182973

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December, 2022

Particulars	Notes	Amount in Taka	
		2022	2021
Investment Income	12.00	492,308	618,117
Operating Income	13.00	26,948,845	21,217,689
Total operating Income (A)		27,441,152	21,835,806
Salary allowances & Contribution to P.F	14.00	13,982,972	9,957,630
Board Meeting Expense		269,295	325,600
Postage, Telegram, Telephone & Stamps etc	15.00	115,239	87,431
Audit fees		57,500	57,500
Stationery, Printing, Advertisement etc.	16.00	111,370	160,734
Depreciation, Amortization & Repairs to Properties	4.00	306,829	229,129
Other Expenses	17.00	3,974,722	3,509,881
Total operating expenses (B)		18,817,927	14,327,905
Profit/(loss) before provision and Tax C = (A - B)		8,623,225	7,507,901
Provision for Taxation	18.01	3,487,464	2,559,233
Provision for Investment	19.00	-	-
Net Profit after Tax & Provision		5,135,762	4,948,668
Retained earning Carried forward		5,135,762	4,948,668
Earning per Share (EPS)		0.103	0.099

The annexed notes from an integral part of these financial statements


Director


Director


CEO

Signed subject to our separate report of even date annexed.

Dated, Dhaka 09th May, 2023



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed By: Md. Anisur Rahman FCA

Managing Partner

Enrolment No: 350

Firm Registration : 11970 E.P.

DVC : 2305090350AS182973

STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December, 2022

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2022	500,000,000	21,114,411	521,114,411
Net Profit for the period	-	5,135,762	5,135,762
Balance as at 31 December ,2022	500,000,000	26,250,172	526,250,172
			2009713.990

For the period ended 31 December, 2021

STATEMENT OF CHANGES IN EQUITY

Particulars	Share Capital	Retained Earning	2,842,331
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

The annexed notes from an integral part of these financial statements.


Director


Director


CEO

Signed subject to our separate report of even date annexed.

Dated, Dhaka 09th May, 2023



Khan Wahab Shafique Rahman & Co.

Signed By: Md. Anisur Rahman FCA

Managing Partner

Enrolment No: 350

Firm Registration : 11970 E.P.

DVC : 2305090350AS182973

STATEMENT OF CASH FLOWS

For the period ended 31 December, 2022

Particulars	Amount in Taka	
	2022	2021
Cash flows from operating activities		
Investment income receipt in Cash	492,308	618,117
Profit paid on deposits and borrowing	-	-
Cash payments to employees	(13,982,972)	(9,957,630)
Cash payments to suppliers	-	-
Received from other operating activities (item-wise)	26,948,845	21,217,689
Paid for other operating activities (item-wise)	(4,528,126)	(4,141,146)
Paid for Preliminary Expenses	-	-
Advance income tax paid	(2,572,224)	(1,056,669)
Operating profit before changes in operating assets and liabilities	6,357,831	6,680,362
Changing in Operating assets & liabilities		
Increase/Decrease Investment	(6,118,318)	(254,609,525)
Increase/Decrease of Accounts receivable	(10,178,931)	13,831,683
Increase/Decrease of Accounts payable	984,319	1,389,661
Increase/Decrease of other assets (item-wise)	80,817	228,960,693
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	(15,232,113)	(10,427,487)
A. Net Cash from operating activities	(8,874,282)	(3,747,126)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(388,500)	(616,777)
B. Net cash flows from investing activities	(388,500)	(616,777)
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)	(9,262,782)	(4,363,903)
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent (D+E)	(9,262,782)	(4,363,903)
G. Cash & Cash Equivalents at the beginning of the year	14,114,828	18,478,730
H. Cash & Cash Equivalents at the end of the year	4,852,045	14,114,828
Net Operating Cash Flow per Share	(0.177)	(0.075)



Director


Director


CEO

Sign subject to our separate report of even date annexed.

Dated, Dhaka 09th May, 2023


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed By: Md. Anisur Rahman FCA
Managing Partner
Enrolment No: 350
Firm Registration : 11970 E.P.
DVC : 2305090350AS182973

NOTES TO THE FINANCIAL STATEMENTS

As at and for the period ended 31 December, 2022

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 2022 to 31 December 2022.

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:

1.01 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 include 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.

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

		Amount in Taka	
		31.12.2022	31.12.2021
4.00	Property, Plant & Equipment		
	A. Cost:		
	Opening balance	1,959,149	1,342,372
	Add: Additions	388,500	616,777
	Closing balance (A)	2,347,649	1,959,149
	B. Depreciation :		
	Opening balance	1,446,747	1,217,618
	Add: Charge for the year	306,829	229,129
	Closing balance (B)	1,753,577	1,446,747
	Written down value (A-B)	594,072	512,402
	Details have been shown in Schedule-A		
5.00	Cash at Bank		
	AIBL Capital Management Ltd. (Corporate A/C)	2,009,714	4,256,768
	AIBL Capital Management Ltd. (Customers Portfolio A/C)	2,842,331	9,858,060
	Total:	4,852,045	14,114,828
6.00	Accounts Recivable		
	Recivable from Panel Broker	58,689	6,091
	Suspense Account	5,022,783	-
	Divident Recivable	8,247,732	3,144,183
	AIBL Asset Management Ltd.	373,315	373,315
	Total:	13,702,520	3,523,589
7.00	Investment		
	Margin Investment	2,530,168	1,989,853
	Investment in Shares & Securities (Schedule-B)	531,854,372	517,010,792
	IPO FPM Bidding and Subscription	-	10,683,930
	Investment in Car	3,470,953	2,052,600
	Total:	537,855,493	531,737,175
8.00	Advance Tax		
	Opening balance	16,287,719	15,231,050
	Add: Addition during the year	2,572,224	1,056,669
	Closing Balance	18,859,943	16,287,719
8.01	The amount comprises as follows		
	Advance Tax 2012	2,410,027	2,410,027
	Advance Tax 2013	4,843,893	4,843,893
	Advance Tax 2015	492,076	492,076
	Advance Tax 2016	331,663	331,663
	Advance Tax 2017	4,071,807	4,071,807
	Advance Tax 2018	1,477,726	1,477,726
	Advance Tax 2019	540,467	540,467
	Advance Tax 2020	1,063,391	1,063,391

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

	Advance Tax 2021	1,056,669	1,056,669
	Advance Tax 2022	2,572,224	-
	Closing Balance	18,859,943	16,287,719
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
	Total:	500,000,000	500,000,000
	Share Holding Position :		
	Name of the Share Holder	% of Sharehold-ings	Amount in Tk.
	Al-Arafah Islami Bank Limited	98.00%	490,000,000
	AIBL Capital Market services Limited	2.00%	10,000,000
10.00	Retained Earnings:		
	Opening balance	21,114,411	16,165,743
	Add: Net profit for the year	5,135,762	4,948,668
	Add. Adjust from Provision for Investment	-	-
	Closing balance	26,250,173	21,114,411
11.00	Accounts Payable		
	Audit fees	57,500	57,500
	Clint Deposit	3,227,616	2,222,104
	Agent Commission	-	21,193
	Total:	3,285,116	2,300,797
12.00	Investment Income		
	Profit from Cash at Bank	133,593	-
	Less: Tax Deducted at source	-	-
	Margin Profit Income	352,715	182,955
	Service Charge Income	6,000	2,000
	Receive from AIBL CML Portfolio	-	-
	Profit on MTDR	-	433,162
	Total	492,308	618,117
13.00	Operating Income		
	Capital Gain	11,595,989	15,767,483
	Dividend Income	11,639,324	4,695,843
	Commission Income	1,326,423	484,267
	IPO Process income	860	380
	Issue Manager Commission income	50,000	100,000

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

Underwriting Commission	2,310,000	-
BO Documentation	6,000	44,500
Cheque Dishonour Charge	1,000	2,000
BO Closing	789	-
CDBL for yearly rebates & Charge Income	18,260	120,415
BO Maintanance, Renewal Fee	200	2,800
Total;	26,948,845	21,217,689
14.00 Salary Allowances & Contribution to P.F. & B.F.		
Salary and Allowance	11,946,426	8,087,245
Leave Encashment	133,655	169,310
Mandatory Leave Allowance	-	71,050
Bangla Noboborsho Bonus	82,529	43,174
Incentive & Festival Bonus	1,209,877	835,855
Car Allowance	610,485	750,996
Total:	13,982,972	9,957,630
15.00 Postage, Telegram, Telephone, Mobile & Stamps etc.		
Postage, Telegram, Telephone, Mobile & Stamps etc.	115,239	87,431
Total:	115,239	87,431
16.00 Stationary, Printing, Advertisement etc.		
Advertisement Exp.	-	-
Printing & Stationary	111,370	160,734
Total:	111,370	160,734
17.00 Other Expenses		
BSEC Annual Fees	230,000	287,500
BMBA Membership & Annual fees Fees	100,000	100,000
Subscription, Renewal Fees	-	18,540
RJSC return file & other exp	-	63,789
Entertainment	991,179	867,629
BSEC Road Show	923,500	1,004,000
Local Conveyance	81,126	54,050
Newspaper, Journal, Periodicals & Books	-	-
Car Registration	852,228	263,492
EID Gracia	8,000	4,500
Ttrade licence renewal Fees	20,671	-
Bank Charges & Fees	30,814	55,706
Saturday Allowances	1,400	800
Repair & Maintenance	106,510	50,835
TDS Exp.	-	-
Vat Exp.	-	-
Petty Cash Exp.	-	90,000

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31 December 2022

Crockeris	-	14,400
Internet and CDBL wan connectivity charges	162,296	163,388
CDBL Charge	195,998	178,252
IPO Bidding fee.	9,000	35,000
Company secretariat Honorarium	240,000	240,000
Closing Allowance	22,000	18,000
Total	3,974,722	3,509,881
18.00 Provision for Tax		
Opening Balance	27,338,379	24,779,146
Add: Income tax povision during the year	3,487,464	2,559,233
Closing Balance	30,825,843	27,338,379
18.01 Provision for Current Tax :		
Operating Profit	8,623,225	7,507,901
Less: Gain on Sale of Securities	11,595,989	15,767,483
Less: Divident Income	11,639,323	4,695,843
Less: Profit on MTDR	-	433,162
Total Business Income	(14,612,087)	(13,388,587)
Income Tax of @ 37.50% on estimated Business Income	-	-
Add: Gain on Sale of Securities (10%)	1,159,599	1,576,748
Add: Divident Income (20%)	2,327,865	939,169
Add: Profit on MTDR (10%)	-	43,316
Total:	3,487,464	2,559,233
19.00 Provision for Investment:		
Opening balance	15,572,332	15,572,332
Provision for the year	-	-
	-	-
Less: Adjustment of Provision	-	-
Closing balance	15,572,332	15,572,332

As per Circular No. BSEC/CMRRCD/2009-193/196 dated December 28, 2016 and subsequent circular number no. BSEC/SRI/NE/2020/333 dated 27.03.2023 of Bangladesh Securities and Exchange Commission (BSEC) required Provision for Investment stood at Tk. 104,411,803. The company has kept cumulative Provision for Investment amounting to Tk. 15,572,332. Remaining Provisions will be kept in upcoming years based on company's profit trend.

AIBL Capital Management Limited

PROPERTY, PLANT & EQUIPMENT

as on 31 December, 2022

Schedule-A

Particular	Cost				Rate	Depreciation				Written Down Value as at 31 December 2022 Taka	Written Down Value as at 31 December 2021 Taka
	Opening Balance 01-01-2022 Taka	Addition during the year Taka	Disposal during the year Taka	Balance as at 31 December 2022 Taka		Opening Balance 01-01-2022 Taka	Charge for the year Taka	Adjust- ment during the year Taka	Balance as at 31 December 2022 Taka		
Fixed assets											
Office Equip- ment	779,181	335,000	-	1,114,181	20%	559,954	222,836	-	782,790	331,391	219,227
Computer	712,193	53,500	-	765,693	20%	419,020	83,993	-	503,013	262,680	293,173
MB Opera- tion Software	467,775	-	-	467,775	20%	467,774	-	-	467,774	1	1
Total	1,959,149	388,500	-	2,347,649		1,446,747	306,829	-	1,753,577	594,072	512,402

AIBL Capital Management Limited

INVESTMENT IN SHARES & SECURITIES

Stock at hand as on 31 December , 2022

Schedule- B

SL	Name of Company	Number of Shares	Weighted Average Price	Total Cost Value	Market Rate	Total Market Value
	BOID: 204290045062825					
	Marginable					
1	BEXIMCO	374,100	155.69	58,245,065	115.60	43,245,960
2	BXPHERMA	651,200	194.29	126,520,235	146.20	95,205,440
3	AAMRATECH	16,000	44.09	705,360	40.00	640,000
4	SQURPHARM	61,000	233.29	14,230,777	210.00	12,797,800
5	SAIFPOWER	750,000	41.81	31,360,677	29.70	22,275,000
	Sub- total			231,062,114		174,164,200
	Non Marginable					
1	ICICL	8,798	10.00	87,980	28.10	247,224
2	EPGL	238,350	42.00	10,010,700	35.00	8,223,075
3	INDEXAGRO	5,000	106.22	531,112	103.60	518,000
4	RSRMSTEEL	55,000	66.57	3,661,129	16.60	913,000
5	DESCO	1,194,033	62.96	75,176,318	36.60	43,701,608
6	ICBAMCLC1U	1,303,050	9.97	12,992,085	10.00	13,030,500
7	RINGSHINE	462	8.61	3,978	9.80	4,528
8	DAFODILCO	1,403,753	66.36	93,149,127	65.80	92,366,947
9	COPPERTEC	10,800	42.14	455,087	36.90	398,520
10	GENNEXT	966,221	13.48	13,024,660	6.00	5,797,326
11	ORIONPHAR	117,400	142.89	16,775,466	82.70	9,708,980
	Sub- total			225,867,640		174,909,708
	BOID: 1605560073997037					
	Margin					
1	BXPHERMA	230,900	227.39	52,504,461	146.20	33,757,580
2	MALEKSPIN	203,000	41.86	8,497,190	27.10	5,501,300
	Sub- total			61,001,651		39,258,880
	Non-Margin					
3	BEACONPHAR	7,500	349.81	2,623,542	286.00	2,145,000
4	COPPERTECH	221,520	49.10	10,877,734	36.90	8,174,088
5	INDEXAGRO	4,000	105.42	421,691	103.60	414,400
	Sub- total			13,922,967		10,733,488
	Grand Total			531,854,372		399,066,276

AIBL Capital Management Limited

SCHEDULE OF RELATED PARTY TRANSACTIONS

For The year and as at 31 December, 2022

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	
			2022	2021	2022	2021	2022	2021
Al-Arafah Islami Bank Limited (AIBL)	Parent Company	Bank Transaction:						
		A/C-0021220003350	4,277,961	13,773,268			2,009,714	4,277,961
		Credit / Deposit			41,435,438	207,825,205		
		Debit / Withdraw			(43,703,685)	(217,320,512)		
		Bank Transaction:						
		A/C-0021020054796	9,858,060	4,705,463			2,842,331	9,858,060
		Credit / Deposit			118,291,206	202,170,377		
		Debit / Withdraw			(125,306,935)	(197,017,780)		
		Investment in Al-Arafah Islami Bank Ltd. For MTDR	-	100,000,000	-	(100,000,000)	-	-
		MTDR Profit	-	15,093,514		(15,526,676)	-	-
		Office Rent	The AIBL Capital Management Limited uses its parent company's building as its office for which no rent is paid to its parent company.					
AIBL Capital Market Services Limited	Sister Concern	Own Portfolio:						
		Ledger balance		229,110,900				158,719
		Investment at cost		163,755,496				458,421,943
		Buy				536,727,420		
		Sale				477,964,024		
		Commission						

BRANCHES OF AIBL

DHAKA DIVISION

Abdullahpur SME Branch

Minnat Plaza, Abdullahpur Bazar
Abdullahpur, Keranigonj, Dhaka; 01811410699

Amin Bazar Branch

MA Hossain Tower, Amin Bazar
Savar, Dhaka; 01841123004

Araihaazar Branch

H # 337 Main Road, Araihaazar
Narayanganj; 01711909072

Ati Bazar Branch

Manik Plaza, Ati Bazar
Keranigonj, Dhaka; 01833330274

Azampur Branch

272 Shah Kabir Major Road
Azampur, Chalaban, Daxminkhan, Dhaka; 01817143928

Baligaon Branch

Bismillah Plaza, Baligaon Bazar Tongibari
Munshigonj; 01819151630

Banani Branch (AD)

Tower Hamlet (1st & 2nd Floor), 16, Kamal Ataturk Avenue
Banani, Dhaka; 01819255587

Bandar SME Branch

K K Tower, 559/1, Wilson Road
Bandar Bazar, Narayanganj; 01826180327

Barmi Branch

Shahjahan Fakir Bhaban
Barmi Bazar, Sreepur, Gazipur; 01847054694

Bashabo Branch

S P Farida Tower, H # 7, Bashabo Tempu Station Road
Sabujbagh, Dhaka; 01712032254

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; 01817032726

Bhelanagar Branch

R. I. Shopping Complex (1st floor)
Jailkhanar Mor, Bhelanagar, Narshingdi; 01811487868

Daxminkhan Branch

90 L.K. Plaza, Dakshinkhan Bazar, Dakshinkhan
Dhaka; 01817032728

Dhanmondi Branch (AD)

S A Tower, H#54/1, R#4/A, Satmasjid Road
Dhanmondi, Dhaka; 01819557840

Dilkusha Branch (AD)

Amanullah Babhan, 63, Dilkusha C/A
Dhaka; 01766677411

Elenga Branch

Molla Complex, H # 1386-88, Elenga Bus Stand
Kalihati, Tangail; 019767423226

Faridpur Branch

Shamsul Ulum Madrasa Biponi Bitan
15/75, Mujib Sarak, Faridpur; 01864554466

Fulbaria Branch

Haji Joynal Abedin Sarker Plaza, Fulbaria
Kaliakoir, Gazipur; 01847054692

Gawsia Branch

Bhai Bhai Complex, Golakandail, Rupgonj
Narayanganj; 01791418011

Gazipur Branch

Al-Razi Tower, H # K-280, BIDC Road
Gazipur; 01811448051

Gulshan Branch (AD)

South Breeze Squire, (52 Old), 90 New Gulshan Avenue
Dhaka; 01814652647

Gulshan Link Road Branch

H # 204/B-2, Tejgaon, Gulshan Link Road
Dhaka; 01711351761

Hazaribagh Branch

149, Hazaribagh Bazar, Dhaka; 01819255297

Head Office Corporate Branch (AD)

Al-Arafah Tower (1st & 2nd Floor)
63, Purana Paltan (Daynik Bangla Mor), Dhaka; 01811483199

Hemayetpur Branch

Asha Plaza (1st Floor), Hemayetpur
Bus Stand, Hemayetpur, Savar, Dhaka; 01722011838

Islampur Branch

29-31, Islampur Road, Dhaka
1100 57393800, 57393754, 01841226653

Jatrabari Branch (AD)

6 S.F. Sharak, West Jatrobari, Dhaka
01847054693

Jamgora Branch

Mollah Tower, Chhoytola Bus Stand
Jamgora, Ashulia, Dhaka; 01811481594

Joydebpur Chowrasta Branch

Shapla Mansion (1st floor) Chandona Chowrasta
Joydebpur, Gazipur; 01732201003

Kalatia SME Branch

Kabir Bazar, Shamserpur Kalatia
Keranigonj, Dhaka; 01760938299

Kaliakoir Branch

College Road, Kaliakoir Bazar
Kaliakoir Gazipur; 01716342805

Kaligonj Branch

Twin Tower Market, Aganagar
Kaligonj, Keranigonj Dhaka; 01716323639

Kamrangirchar Branch

Hazi Kamal Super Market
Kamrangirchar, Dhaka; 01825928909

Kapasias Branch

Monihar Plaza, Main Road
Kapasias Bazar, Kapasias, Gazipur; 01671973077

Kathgora Bazar Branch

Sarkar Plaza, Dewan Idris Road
Ashulia, Savar, Dhaka; 01784181877

Kazirhat Branch

Mosjid Market, Kazirhat,
Jajira Shariatpur; 01717527797

Kawranbazar Branch

Dhaka Trade Centre, 99, Kazi Nazrul Islam Avenue
Kawran Bazar, Tejgaon, Dhaka; 01819272786

Keranigonj Branch

Haridia Shopping Complex
Kadamtoli, Keranigonj, Dhaka; 01715114809

Khilkhet Branch

B-34/Ka, Khilkhet Super Market
Khilkhet, Dhaka; 01841949890

Konapara Branch

Matuail New Market
Konapara Demra, Dhaka; 01811409592

Louhajang Branch

Dowlat Khan Complex, Ghordour Bazar
Louhajang, Munshiganj; 01711733734

Madhabdi Branch

691-694 Madhabdi Bazar
Narshingdi; 01711613484

Manda Branch

165 South Manda
Mugda, Dhaka; 01811-458743

Manikgonj Branch

Shwargo Tower, H # 129, Shahid Rafiq Sarak
Manikgonj Sadar, Manikgonj; 01811416703

Mirpur Branch

Apon Angina, Mirpur City Center
3/A Darus-Salam Road, Mirpur-1
Dhaka; 01811449493

Mirpur-10 Golchattar Branch

9/1 Adarsha School Market
Mirpur-10, Dhaka; 01811487861

Mograpara Branch

Nura Bepari Super Market
Mograpara Chowrasta, Sonargaon
Narayanganj; 01814659132

Mohakhali Branch

Arzed Chember, 13 Mohakhali C/A
Dhaka; 01811417659

Mohammadpur Krishi Market Branch

8 Shilpo Plot, Block-C, Tajmahal Road (Ring Road)
Mohammadpur, Dhaka; 01814652446

Mostafapur Branch

Saim Super Market (1st Floor)
Mostafapur Bus Stand
Madaripur; 01720545589

Motijheel Branch (AD)

Rahman Mansion
161 Motijheel C/A, Dhaka; 01811409593

Motijheel Corporate Branch (AD)

125, Motijheel C/A, Dhaka; 01811417660

Moulvibazar Branch (AD)

Al-Shahani Complex, 130 Biren Bose Steet
Chawk Mogoltuly, Moulvibazar, Dhaka; 01819211828

Mouchak Branch

A. M. Plaza 76 D.I.T. Road, Malibagh
Dhaka; 01819556379

Nandipara Branch

Akkel Ali Shopping Complex
Nandipara Bazar, Dhaka; 01920997483

Narayangonj Branch (AD)

71, B.B. Road, Narayangonj; 01811487867

Natun Bazar Baridhara Branch

1209 Madani Avenue,
Natun Bazar Dhaka; 01711642356

Nawabpur Road Branch (AD)

85/87, Nawabpur Road
Dhaka; 01787-697347

Nayapur Branch

Nayapur Shopping Center
Nayapur Bazar, Narayangonj; 01811487863

New Elephant Road Branch (AD)

91, New Elephant Road
Dhaka; 01714097500

New Market Branch

Kazi Mansion 2/1 Elephant Road
New Market, Dhaka; 01716256929

North South Road Branch (AD)

96, Shaheed Syed Nazrul Islam Sharoni
Bongshal, Dhaka; 01811410075

Pagla Branch

Alhaji Afser Karim Bhaban, Pagla
Fatulla, Narayangonj; 01819-203033

Pallabi Branch

Plot # 81, Raod # 5, Block # A
Section # 12, Pallabi, Dhaka; 01811410689

Panchdona SME Branch

Hira Plaza, Panchdona Chowrasta
Narshingdi; 01811487864

Panthapath Branch

F R Tower, 8/C Shukrabad
Panthapath, Dhaka; 01833330271

Progati Sharani Branch (AD)

Ga-133/3 Progati Sharani, Dhaka; 01713204935

Rampal Branch

Mujibur Rahman Super Market (1st floor)
Shipahipara, Rampal, Munshigonj
01716753106

Rampura Branch

5/1, Pashchim Chowdhury Para
D.I.T. Road, Rampura Dhaka; 01814659118

Rajbari Branch

F. N. Tower H # 256, Main Road
Rajbari Sadar, Rajbari; 01712652099

Ruhitpur Branch

Sun Plaza Market, Ruhitpur Bazar
Keranigonj, Dhaka; 01811418222

Shantinagar Branch

24/1 Shan Tower, Chamelibagh, Shantinagar
Dhaka; 01894941342

Signboard Branch

Signboard, Fatulla, Narayangonj; 01712032254

Shokhipur Branch

Bhai Bhai Complex, Kachua Road
Shokhipur, Tangail; 01758039606

Shyamoli Branch

13/1 Ring Road, Shyamoli
Dhaka; 01718711511

Sonargaon Janapath Road Branch

Plot#30 (Near Zam Zam Tower)
Sector #11, Sonargaon Janapath Road
Uttara, Dhaka; 01911711950

South Jatrabari Branch

Younus Mansion House
314-A/4 South Jatrabari
Dhaka; 01811418204

Tangail Branch

Habib Complex, 77-78, Victoria Road
Tangail; 01786355000

Tekerhat Branch

Hawladar Tower, H # 975, Tekerhat Bazar
Rajoir, Madaripur; 01726408722

Tongi Branch

Shahjahan Mansion
H # 8, Charag Ali Market
Tongi, Gazipur; 01811409342

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; 01819261382

VIP Road Branch (AD)

Ridge Ahmed Square, 50/1, Inner Cercular
(VIP) Road, Dhaka; 01777653666

MYMENSINGH DIVISION

Jamalpur Branch

1419-00 Medical Road, Jamalpur Sadar
Jamapalur; 01814659130

Mymensingh Branch

70, Choto Bazar, Mymensingh; 01819261297

Masterbari Branch

Masterbari, Bhaluka, Mymensingh; 01713572333

Netrokona Branch

274, Choto Bazar, Netrokona; 01777754849

CHATTOGRAM DIVISION

Agrabad Branch (AD)

96, Agrabad C/A, Chattogram; 01819310770

Akhaura SME Branch

S. R. Complex (1st floor) Sarak Bazar
Akhaura, B.Barua; 01740-619012

Aman Bazar Branch

AIPL Amanat Shah Palza (1st Floor)
Hathazari Road, Chattogram; 01811418371

Andarkilla Branch

G A Bhaban, 813/1451 Katwali
Chattogram; 01819212754

Anwara Branch

Chowmuhan Bazar, Chaturi, Anwara
Chattogram; 01841226659

Ashugonj Branch

Jalal Khar Building Jame Masjid Road
Ashugonj Bazar, Brahmanbaria; 01747296951

Azadi Bazar Branch

Jamey Masjid Market, Azadi Bazar, Fatikchhari
Chattogram; 01629408998

Bandartila Branch

Malek Plaza, South Halishahar, Sailors Colony (4218)
EPZ, Chattogram; 01813953062

Barura Branch

Madina Market, Hospital Road, Barura, Cumilla; 01847054695

Bashurhat SME Branch

34, Main Road, Bashurhat, Companigonj, Noakhali; 01811448041

Bahaddar Hat Branch

H # 4592 Shah Amanat Shetu Shonjog Sarak, Bahaddarhat, Chattogram; 01837011463

Bhatiary Branch

0866 Sitakunda, Chattogram 01877185532

Bizra Bazar Branch

Madrasa Complex Bhaban, Bizra Bazar, Laksham
Cumilla; 01710635790

Boalkhali Branch

Well Foyez Center (1st Floor), Gumdondi, Fultali
Boalkhali, Chattogram; 01817751748

Brahmanbaria Branch

Mosjid Road, Bhuiyan Mansion, Brahmanbaria Sadar
B-Baria; 01827563888

Chambol Branch

Chambol, Bashkhali, Chattogram; 01841226670

Chandina Branch

Ahmed Ali Complex, Thana Road, Chandina
Cumilla; 01716387752

Chawkbazar Branch

Shajada Market (1st Floor), 178/182 College Road
Chawkbazar, Chattogram; 01811458741

Chowmuhan Bazar Branch

857,858 Hazipur, Feni Road, Chowmuhan, Begumgonj
Noakhali; 01904417040

Companigonj Branch

Companigonj Bazar, Muradnagar
Cumilla; 01712235569

Court Bazar Branch

Fazal Market, Court Bazar, Ukhiya
Cox's Bazar; 01818461004

Cox's Bazar Branch

902, Saiket Tower, East Bazarghata
Cox's Bazar; 01819320289

Cumilla Branch

257,240, Hazi Mansion (1st Floor) Monoharpur
Adarsha Sadar, Cumilla; 01711431174

Dohazari Branch

Hazari Tower (1st floor), Dohazari Pourashava
Chandanish, Chattogram; 01894941347

Eidgaon Branch

Kamal Tower, D. C. Road, Eidgaon Bazar
Cox's Bazar Sadar, Cox's Bazar; 01839656396

Feni Branch

33-34 S.S.K Road, Feni; 01811418216

Firingi Bazar Branch

H # 211, Kobi Nazrul Islam Road, Firingi Bazar
Katwali, 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), Eidgaon Road, Gouripur Bazar
Daudkandi, Cumilla; 01811418206

Hathazari Branch

Salamatullah Bhaban, Kachari Road, Hathazari Bazar
Chattogram; 01972704937

Hajigonj Branch

Hajigonj Tower, 762 Hajigonj, Chandpur; 01614650812

Halishahar Branch

1655, P. C. Road, Nayabazar Circle, Halishahar
Chattogram; 01833149150

Hatiya Branch

Moulvi Shafiullah Super Market, Main Road, Oskhali
Hatiya, Noakhali; 01720630088

Jamalkhan Branch

CPDL Khan Menor Building, 84/A Jamalkhan Road
Chattogram; 01712836797

Jubilee Road Branch (AD)

Kader Plaza, 221, Jubilee Road
Chattogram; 01819315480

Kadamtoli Branch

Hazi Sayedur Rahman Mansion, 376, D. T. Road
Kadamtali, Chattogram; 01847114430

Karnafuly Branch

Anowar City, Puratan Bridge Ghat, Charpaharghata
Karnafuly, Chattogram; 01886330315

Khatungonj Branch (AD)

1625/1351 Ramjoy Mohajon Lane, P. O. Goli
Khatungonj, Chattogram; 01819315481

Khulshi Branch

Yousuf Tower, 71/1 Zakir Hossian Road, Khulshi
Chattgram; 01858709493

Kutibazar Branch

Siraj Plaza, Kutibazar
Kasba B.Baria; 01768722151

Lakshmipur Branch

Akota Super Market, 1310-12 Bazar Main Road
Tamij Market, Lakshmipur; 01720561020

Laksham Branch

Al-Madani Tower, H # 639, Bank Road
Laksham, Cumilla; 01844584333

Lichubagan Branch

Toiyabia Complex, Lichubagan, Rangunia
Chattogram; 01886544336

Matiranga Branch

B. Nawab Shopping Complex, 96, Matiranga Bazar
Khagrachhari, Chattogram; 01888154268

Maizdeecourt Branch

ID Bhaban, 1453 Maizdeecourt Noakhali; 0158150920

Muradpur Branch

Islam Tower, 59, CDA Avenue, Muradpur, Panchlaish
Chattogram; 01965881111

Nabinagar Branch

Nabin Super Market, Sadar Road, Nabinagar
Brahmanbaria; 01766678445

Nangalkot Branch

H# 50, College Road, Nangalkot
Cumilla; 01812991659

Nazu Mia Hat Branch

Nazu Mia Hat, Hathazari, Chattogram; 01819800991

O.R. Nizam Road Branch

Rumana Heights, 1062/A, O.R. Nizam Road
Chattogram; 01819345030

Padua Bazar Branch

Seven Star Shopping Complex, Padua Bazar, Lohagara
Chattogram; 01833175500

Pahartali Branch

S. S. Tower, H # 6103/6882, Sagorika Road, Pahartali
Chattogram; 01919297699

Patiya Branch

Awami Super Market, H # 2329 Patiya
Chattogram; 01880003045

Patherhat Branch

Ibrahim Sobhan Tower, Patherhat, Noapara, Rauzan
Chattogram; 01811424739

Pekua Branch

Pekua Baza, Cox's Bazar; 01855885557

Rahimanagar Branch

Rahimanagar Bazar, Kachua, Chandpur; 01811487870

Rangamati Branch

Kalpotoru Holyday Int. Ltd. Banarupa, Rangamati Sadar
Rangamati; 01894333232

Shantirhat Branch

Mir Super Market, Shantirhat
Chattogram; 01817722890

Shiberhat Branch

Idris Complex (1st Floor) Shiberhat, Sandwip
Chattogram; 01847114428

Sitakunda Branch

H # 518, Kabir Plaza, D. T. Road, Sitakunda
Chattogram; 01711306700

Station Road Branch

Hotel Sobhan, 108, Station Road, Reazuddin Bazar
Chattogram; 01814651011

Tantarbazar SME Branch

Haji Lal Mia Market, Tantar Bazar Akhaura
Brahmanbaria; 01743244344

Teknaf Branch

Al-Jamia Market, Teknaf Bus Station Main Road
Cox's Bazar; 01833112924

SYLHET DIVISION**Amborkhana Branch**

4877, 4874 Nabiba Complex, Amborkhana
Sylhet; 01777767929

Beanibazar Branch

825, South Beani Bazar, Sylhet; 01713409987

Dakshin Surma Branch

Fayzur Rahman Bhaban, Dakshin Surma
Sylhet; 01718128388

Laldighirpar Branch (AD)

Reasot Tower, 1795 Laldighirpar, Sylhet; 01819550426

Madhabpur SME Branch

H-0006-000 Kalibari Road, W-07, Madhabpur
Hobigonj; 01926697968

Moulvibazar Branch

Farhad Plaza, H # 73, Dhaka-Sylhet Highway
Moulvibazar; 01714000907

Sreemangal Branch

1450 Central Road, Ruposhpur, Sreemangal
Moulvibazar; 01711431173

Shahjalal Upashahar Branch

H # 0706-00 R # 35 B # D, Shahjalal Upashahar
Sylhet; 01712487493

Zindabazar Branch

Jalalabad House, H # 3181-00 Zindabazar
Sylhet; 01711431175

KHULNA DIVISION**Bagerhat Branch**

394 Amina Plaza, Bazar Main Road
Bagerhat; 01718425092

Benapole Branch

283, 284, Benapole Bazar, Jashore; 01711431176

Chuadanga Branch

Molla Tower-2, Hotel Royal Blue (1st Floor), Shahid Alaul Islam
Khokon Sarak (VJ School Road), Chuadanga; 01911664695

Chuknagar Branch

S F Tower, Khulna Satkhira Road, Chuknagar Bazar
Dumoria, Khulna; 01720003757

Doulatpur Branch

419/2 Upper Jeshore Road, Doulatpur
Khulna; 01818639871

Gallamari Branch

Raisa Clinic Bahban, 219/1, Sher-E-Bangla Road
Gallamari, Khulna; 01750024499

Jashore Branch

Shafiullah Complex, 27 M.K. Road, Katwali
Jashore; 01711431060

Jhaudanga Branch

Zaman Market, Jhaudanga Bazar, Satkhira; 01751751357

Jhinaidaha Branch

33, Sher-E-Bangla Sarak, Jhinaidaha Sadar
Jhinaidaha; 01911929293

Khulna Branch (AD)

A Hossian Plaza, 4 Sir Iqbal Road, Khulna; 01765063340

Kushtia Branch

147, N. S. Road, Harun Market (Infront of Sadar Thana)
Kushtia; 01712236127

Kolaroa Branch

H # 5839, Kolaroa Bazar, Kolaroa, Satkhira; 01718383840

Magura Branch

S.M Plaza (1st Floor), 177, M.R Road, (College Road)
Magura; 01819559182

Mongla Branch

19/A, Mongla Port I/A, Mongla, Bagerhat; 01738933588

Monirampur Branch

G. N. Super Market, Monirampur Bazar Main Road
Monirampur, Jashore; 01923333575

Nolta Branch

Nolta Sharif Super Market, Nolta Kaligonj, Satkhira; 01732569143

Noapara Branch

H # 73, Nurbag Mor, Noapara Bazar, Avoyanagar,
Jashore; 01717864517

Poradaha Branch

Khan Super Market, Poradaha Bazar, Poradaha
Kushtia; 01717615212

Satkhira Branch

466, S Moula Plaza, Boro Bazar Sarak
Satkhira; 01712514660

Sharankhola Branch

Panch Rasta Mor, Rayenda Bazar, Sharankhola
Bagerhat; 01953359768

Shyamnagar Branch

J. C. Complex, Shyamnagar Main Road, Shyamnagar
Satkhira; 01980746172

Terokhada Branch

Soudi Market Bhaban, Terokhada, Khulna; 01711155978

BARISHAL DIVISION**Alipur Branch**

Alipur Bazar, Kuakata, Kalapara, Patuakhali; 01755906755

Banaripara Branch

Haji Sobhan Market, Falpatti Road, Banaripara
Barishal; 01715632960

Barguna Branch

Holding # 075, Sadar Road, Pawrabhaban Hall Room
Barguna; 01727421943

Barishal Branch

Imam Bhaban (1st Floor), Hotel Imperial Bhaban
442 K. B. Hemayetuddin Road, Girza Mahalla
Barishal; 01727379119

Bhandaria Branch

Salah Al-Zubayer Market (1st Floor), Kapuriapatty
Bhandaria, Pirojpur; 01726-265060

Bhola Branch

Jahangir Plaza, Sadar Road, Bhola; 01796863911

Jhalakathi Branch

68, Monoharpatti Road, Jhalakathi; 01754015565

Mathbaria Branch

Hatem Ali Plaza, 407 Kapuriapatty, Mathbaria
Pirojpur; 01751108816

Patharghata Branch

Sangtai Plaza, 2/1 Hospital Road, Patharghata
Barguna; 01715251330

Patuakhali Branch

95/1, Sadar Road, Patuakhali Sadar
Patuakhali; 01793205621

Pirojpur Branch

H # 420 Lawer's Plaza, Post Office Road
Pirojpur; 01710850300

RAJSHAHI DIVISION**Bogura Branch (AD)**

Talukder Mansion, H # 60/70 Barogola
Bogura; 01713203754

Chapainawabganj Branch

Teacher's Plaza (1st Floor), 42/14, Baten Khar More
Chapainawabganj Sadar, Chapainawabganj; 01728504026

Mohadevpur Branch

Hore Shopping Complex, Near Bus Stand Jame Masjid Road
Mohadevpur, Naogaon; 01712961176

Natore Branch

H # 0363-01, Kanaikhali, Natore Sadar, Natore; 01811417662

Pabna Branch

P # 355, Sonapotti, Pabna Sadar, Pabna; 01765700080

Rajshahi Branch (AD)

239,248 Shaheb Bazar, Rajshahi; 01727179771

Shahjadpur Branch

Chowdhury Plaza, Dariapur Bazar Shahjadpur
Sirajgonj; 01762331990

Sherpur Branch

Dhunat More, Sherpur, Bogura; 01728330331

RANGPUR DIVISION**Badarganj SME Branch**

Upazila Road, Badarganj, Rangpur; 01761730189

Dinajpur Branch

333, Nimtola, Dinajpur; 01718219226

Lalmonirhat Branch

Shahan Shopping Complex, Kalibari Mor, Puran Bazar
Lalmonirhat; 01716599285.

Palashbari Branch

Kohinur Super Market (1st Floor), Bogura-Rangpur Highway
Palashbari, Gaibandha; 01819559413

Rangpur Branch

15, Central Road, Payrachattar, Katwali, Rangpur; 01841224664

Saidpur Branch (AD)

Shahed Dr. Zikrul Haque Road, Saidpur, Nilphamari; 01716236334

Thakurgaon Branch

M. H. Tower, H # 37, Bangabandhu Road, Chowrasta
Thakurgaon Sadar, Thakurgaon; 018195591



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 28th Annual General Meeting (AGM) to be held on Wednesday the 16th
 August, 2023 at 11.30 a.m. through Digital Platform link <https://aibl.bdvirtualagm.com> at any adjournment thereof.

As witness my/our hand this day of 2023.

Folio No.

BO/A/C No.

[illegible]

No. of Share(s):

Revenue
Stamp of
Tk. 20/- (Twenty) only

Signature of the Proxy

Signature of the Shareholder

Notes: 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 Tower, Level- 4, 63 Purana Paltan, Dhaka. of the Company at least 48 (Forty eight) hours before the AGM.



I do hereby submit the Attendance slip in connection with the 28th Annual General Meeting (AGM) of Al-Arafah Islami Bank Limited held on **Wednesday the 16th August, 2023 at 11.30 a.m.** virtually by using Digital Platform through the link <https://aibl.bdvirtualagm.com>.

Name of the Shareholder/Proxy (in Block Letter)

No. of shares held on Record Date (i.e. June 12, 2023)

Folio No.

BO/A/C No.

[illegible]

Signature Verified by

Signature of the Shareholder/Proxy

Authorized Signatory of the Bank

Al-Arafah
Islami Bank Limited



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)