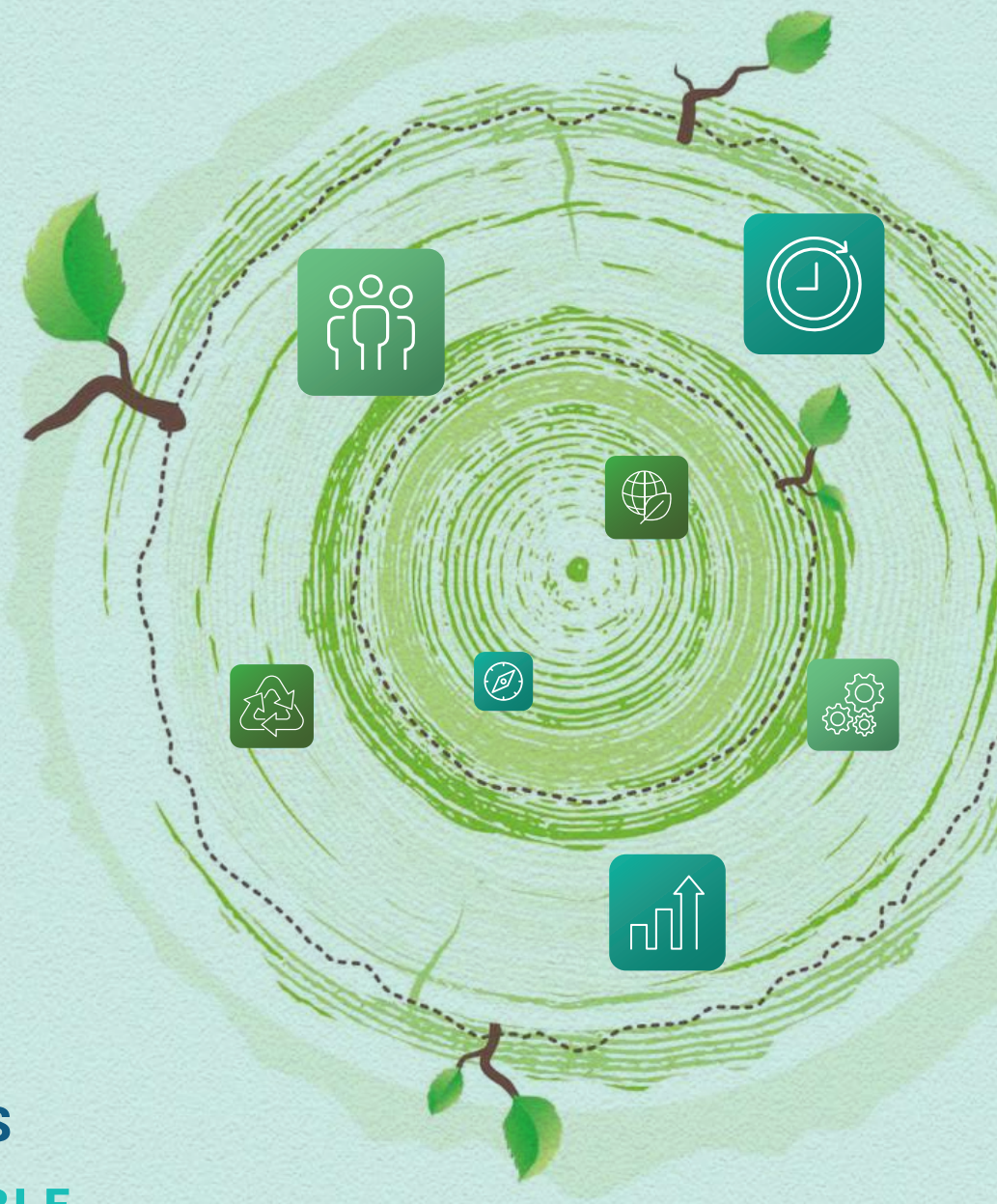


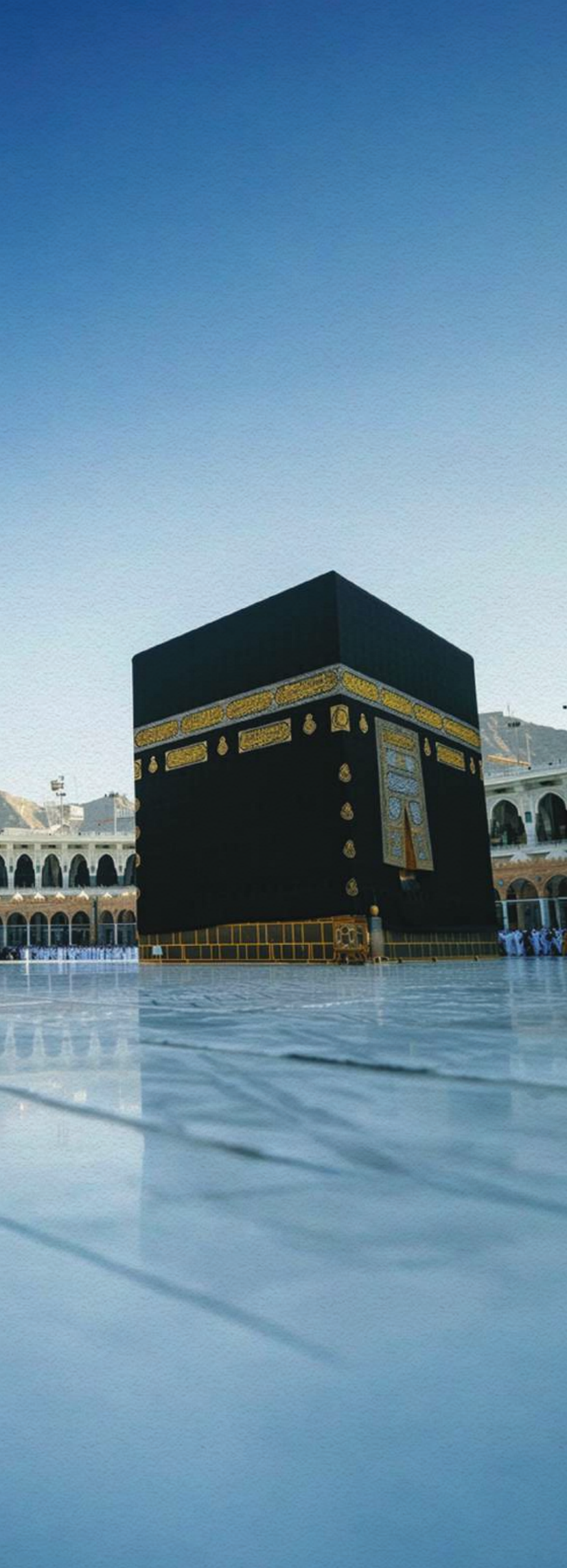


**BUILDING
ON STRENGTH
DRIVING CHANGE
EMPOWERING LIVES
FOR A SUSTAINABLE
FUTURE**

“Building on Strength. Driving Change. Empowering Lives. For a Sustainable Future.”

Built on a foundation of resilience and integrity, the message reflects a strategic progression from stability to impact. It begins by acknowledging the institutional strength that underpins long-term credibility and trust. From there, it signals a forward-looking approach - embracing innovation, adaptability, and transformation in response to an evolving financial landscape. The focus on empowerment highlights a human-centric philosophy, where growth is measured not only in financial terms but in lives improved and communities uplifted. Finally, the emphasis on a sustainable future reinforces a long-term vision rooted in ethical responsibility, national development, and intergenerational value creation. Each element works in harmony to convey continuity, purpose, and progress.





**ALLAH HAS
PERMITTED
TRADING AND
FORBIDDEN
(RIBA) USURY.**

SURAH 2
AL-BAKARA-275

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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 Interest. 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 interest, 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 interest and its payer, and the one who records it, and the witness; and he said They are all equal. (Muslim& Sunan-E- Ibn Majah)
- 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. (Bukhari, Muslim and 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’. (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 Jewism. 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



FROM LEFT (STANDING)

- 1 **Janab Mohammad Asraful Hassan, FCA**
Chairman, Board Audit Committee
- 2 **Janab Md.Shahin ul Islam**
Chairman, Board Risk Management Committee
- 3 **Janab Khwaja Shahriar**
Chairman, Board of Directors
- 4 **Prof. Dr Mohammed Abu Eusuf**
Independent Director
- 5 **Janab Abdul Wadud**
Chairman, Executive Committee

The Board of Directors and its committees

as on 31 December, 2024

The Board of Directors

Sl	Name of the Directors	Designation
1	Khwaja Shahriar	Independent Director & Chairman
2	Md. Shahin ul Islam	Independent Director & Vice Chairman
3	Md. Abdul Wadud	Independent Director
4	Prof. Dr. Mohammed Abu Eusuf	Independent Director
5	Mohammad Asraful Hassan, FCA	Independent Director

The Board Executive Committee (EC)

Sl	Name of the Directors	Designation
1	Md. Abdul Wadud	Chairman
2	Khwaja Shahriar	Member
3	Md. Shahin ul Islam	Member

The Board Audit Committee (BAC)

Sl	Name of the Directors	Designation
1	Mohammad Asraful Hassan, FCA	Chairman
2	Prof. Dr. Mohammed Abu Eusuf	Member

The Board Risk Management Committee (RMC)

Sl	Name of the Directors	Designation
1	Md. Shahin ul Islam	Chairman
2	Khwaja Shahriar	Member
3	Md. Abdul Wadud	Member
4	Mohammad Asraful Hassan, FCA	Member
5	Prof. Dr. Mohammed Abu Eusuf	Member

Management Committee (MANCOM/SMT)

SL	Name	Wing/Div./Dept.	Designation	
1	Mohd. Rafat Ullah Khan	--	MD (C.C)	Chairman
2	Md. Abdullah Al-Mamun	--	DMD	Member
3	Md. Fazlur Rahman Chowdhury	--	DMD	Member
4	Md. Asaduzzaman Bhuiyan	--	DMD	Member
5	Mohammed Hossain	--	DMD	Member
6	S. M. Abu Jafar	--	DMD	Member
7	Engr. Md. Habib Ullah	GSD	SEVP	Member
8	Kamal Hossain FCA	ICCW	SEVP & CFO (CC)	Member
9	Md. Yahya	MLTFPD	EVP & CAMALCO (CC)	Member
10	Md. Soheb Ahmed	ICTW	EVP & CTO	Member
11	Mohammad Amir Hossain	HRD	SVP	Member
12	Mohammad Moniruzzaman FCA	Board Sectt.	SAVP & CS (Acting)	Member

The Board of Directors and it's committees

as on 31 December, 2024

Shariah Supervisory Committee

S.L.	NAME & ADDRESS	DESIGNATION
01	Mufti Sayeed Ahmad Muzaddedi Chief Mufti & Shaikhul Hadith Al-Jamiatus Siddiqia Darul Uloom (Madrasah-e-Furfura Sharif) Markaje Eshayat-e-Islam 2/2 Darus Salam, Mirpur, Dhaka-1216.	Chairman
02	Mufti Muinul Islam Chairman Islamic Fiqh Academy, Dhaka Principal & Rector Jamia Islamia Dhaka Former Chief Mufti Al-Markajul Islami, Dhaka House # 18, Masjid Rd # 03, North Kutubkhali Donia, Jatrabari, Dhaka-1236.	Member
03	Mufti Shahed Rahmani Chief Executive Officer (CEO) Centre for Islamic Economics Bangladesh Bashundhara R/A, Dhaka-1212.	Member
04	Mawlana Mohammad Abdul Hai Nadvi President & Pir Saheb Baitus Sharaf Anzuman-e-Ittehad Bangladesh Baitus Sharaf Complex, Dhoniala Para D.I.T. Road, Chattogram-4400.	Member
05	Mohammad Abul Hossain Al-Azhari Assistant Professor Department of Islamic Studies University of Chittagong, Chattogram-4331.	Member
06	Alhaji AZM Shamsul Alam Founder Chairman Navana Newbury Place, Holding : 4/1-A Sobhanbag, Mirpur Road, Dhaka-1207.	Member
07	Khwaja Shahriar Chairman & Independent Director Board of Directors Al-Arafah Islami Bank PLC. Head Office : Al-Arafah Tower 63, Purana Paltan, Dhaka-1000.	Member (By Holding Position)

Committee Secretariat

S.L.	NAME & ADDRESS	DESIGNATION
01	Md. Abdur Rahim Khan, CSAA Head Office : Shariah Supervisory Secretariate Surma Tower (Lift-18) 59/2, Purana Paltan, Dhaka-1000.	Secretary & SVP

Management Committee



FROM LEFT

- 1

Mohammad Amir Hossain
SVP, HRD
- 2

Md. Soheb Ahmed
EVP & CTO
- 3

Engr. Md. Habib Ullah
SEVP, GSD
- 4

Mohammed Hossain
DMD
- 5

Md. Fazlur Rahman Chowdhury
DMD
- 6

Mohd. Rafat Ullah Khan
Managing Director (Current Charge)



FROM LEFT

- 7** Md. Abdullah Al-Mamun
DMD
- 8** Md. Asaduzzaman Bhuiyan
DMD
- 9** S.M. Abu Jafar
DMD

- 10** Kamal Hossain FCA
SEVP & CFO (CC)
- 11** Md. Yahya
EVP & CAMLCO (CC)
- 12** Mohammad Moniruzzaman FCA
SAVP & CS (Acting)

Vision, Mission & Commitments



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.

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	11,516.92 Million
Local Partnership of Capital	100%
Equity	25,696.09 Million
Number of Branches	226
Deposit	522,377.23 Million
Investment	476,981.29 Million
Number of Employees	6,026
Number of Shareholders	15,766

Auditors

Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Rupali Bima Bhaban (5th & 6th Floor)

7, Rajuk Avenue, Motijheel, Dhaka- 1000

K.M. Alam & Co.

Chartered Accountants

46, Mohakhali (12th Floor)

Dhaka- 1212

Company Secretary (Acting)

Mohammad Moniruzzaman, FCA

Registered Office

Al-Arafah Tower,

63, Purana Paltan, Dhaka-1000.

Tel: +88-02-44850005, PABX: 44850005-20,

SWIFT : ALARBDDH

E-mail: info@aib.com.bd

Website: www.aibl.com.bd

NOTICE OF THE 30th ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 30th Annual General Meeting (AGM) of the Shareholders of Al-Arafah Islami Bank PLC. will be held on Thursday the 14th August, 2025 at 11.30 AM virtually by using digital platform through the link <https://albpplc.bdvirtualagm.com> (In pursuance with Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04-231/932, dated 24 March 2020 and SEC/SRMIC/94-231/91, dated 31 March 2021 and BSEC/ICAD/SRIC/2024/318/87, dated 27 March, 2024) to transact the following businesses and to adopt necessary resolutions:

AGENDA

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2024 along with the Reports of the Directors and the Auditors thereon.
- To approve Dividend for the year ended December 31, 2024 as recommended by the Board of Directors.
- To appoint External Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
- To appoint Certification Auditor of the Company as per Corporate Governance Code-2018 for the year 2025 and to fix their remuneration.
- Any other matter with the permission of the chairman (if any).

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

Date: Dhaka
July 17, 2025

By order of the Board

sd/-

(Mohammad Moniruzzaman FCA)
SAVP & Company Secretary (Acting)
Phone: 44850027

NOTES:

- This is to inform all concern that Bangladesh Bank vide its Letter Ref. No. DOS(CAMS)1157/41(Dividend)/2025-3094 date 21.05.2025, has ordered Bank can not declare any dividend for the year 2024. Accordingly, No Dividend shall be paid for the year ended on 31 December, 2024.
- This is also to inform all concern that, for the interest of all relevant stakeholders, the current Board, having been constituted by Bangladesh Bank under Section 45 of the Bank Companies Act, 1991 at extra-ordinary regulatory circumstances, there is no legal requirements for shareholder ratification, election/re-election or appointment through the AGM unless and until Bangladesh Bank revokes or modifies their appointment.
- Shareholders whose names appear in the Register of members as at the close of business on the "Record Date" i.e. 29th June, 2025 will be eligible to join the Annual General Meeting (AGM) and entitled to the dividend, as approved.
- 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;
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification, the soft copies of the Annual Report 2024, will be sent to the e-mail 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 2024, will also be available at the bank's website www.albl.com.bd.
- The shareholders will join the virtual AGM through the link <https://albpplc.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, their number of shares.
- The shareholders are requested to update their respective BO accounts with mailing address, e-mail ID, contact number, bank details and 12 digits Taxpayer Identification Number (e-TIN) through Depository Participant (DP).
- The Shareholders are requested to login to the system prior to starting of the meeting at 11.30 am on August 14, 2025 Thursday. On-line (real time) or e-voting option shall be opened at least 24 (twenty four) 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 www.albl.com.bd website.
- In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 and listing regulations of Stock Exchanges, No Gift/Gift Coupon/Food Box shall be distributed at the ensuing 30th AGM.

AGM Operational Manual

Online AGM & e-voting system with this simple step for Shareholder: **Supported Browser:** Latest version of Google Chrome , Microsoft Edge , Opera , Safari , Mozilla Firefox  **Supported Device:** Laptop, Desktop, Tab, Mobile (android/ iPhone)

Step - 1	Log in to the link- https://aibplc.bdvirtualagm.com		
Step - 2	Before Activation 30th AGM will be held on 14th August 2025 (Thursday) at 11:30 A.M. Login process/e-voting option activation on 13th August 2025 (Wednesday) at 10:30 A.M.	After Activation Sign In BO/Folio/Admin/Scrutinizer ID* Type your ID Next Web Link Annual Report Notice download User Manual	Pre-Registration: As per directive No. BSEC/CMRRCD/2009-193/08 dated 10 March 2021, Shareholders who would like to join the meeting and casting the votes may pre-register themselves by putting their BO/Folio ID and their registered e-mail address/mobile number 24 hours before the AGM. (AGM will be held on Thursday, 14th August 2025 at 11:30 a.m. BST).
Step - 3	Login screen: a) Type 16 digit BO number or Folio number* b) Click Next button then c) Number of Share(s) as on record date d) Click Login button		
Step - 4	Shareholders can see: a) Live Streaming, b) Total attendance (Number of Shareholders with Total Shares), c) Agenda & Agenda wise voting result d) Question & Comments.		
Step - 5	Shareholders can do: Shareholders can vote (Yes / No) for any Agenda Click on Green Button For Favor or Click on Red Button For Against	Shareholders can do: Shareholder can submit Question or Comments. Type your Question or Comments (English or Bangla) then click Submit Button.	
Step - 6	Shareholders can download: On login screen- Annual Report, Notice, User Manual & can see company's web site	On live streaming screen - Annual Report & can see company's web site	
Step - 7	Shareholders can Sign out: Shareholder can Sign out the AGM & e-voting system		

5 Year Financial Highlights

Figure in Million

Particulars	2020	2021	2022	2023	2024	Growth %
Income Statement						
Investment Income	26,331.28	23,446.01	25,221.42	31,299.69	42,370.52	35.37
Profit paid on Deposit	16,556.64	13,072.79	16,109.65	21,201.23	30,525.47	43.98
Net Investment Income	9,774.64	10,373.22	9,111.77	10,098.46	11,845.05	17.30
Non Investment Income	3,655.46	4,250.17	7,516.92	7,798.92	8,191.64	5.04
Non Investment Expenses	6,742.33	7,129.25	8,135.17	9,662.99	11,511.51	19.13
Net Non Investment Income	(3,086.87)	(2,879.08)	(618.25)	(1,864.07)	(3,319.87)	78.10
Profit Before Tax & Provision	6,687.77	7,494.14	8,493.52	8,234.39	8,525.18	3.53
Provision For Investment	1,887.90	2,655.58	3,229.51	2,752.74	4,416.42	60.44
Profit Before Tax	4,799.87	4,838.56	5,264.01	5,481.65	4,108.76	(25.05)
Provision For Tax (including Deferred Tax)	2,228.06	2,712.12	3,157.38	3,125.17	3,344.07	7.00
Profit After Tax	2,571.81	2,126.44	2,106.63	2,356.48	764.69	(67.55)
Balance Sheet						
Authorized Capital	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	-
Paid up Capital	10,649.02	10,649.02	10,649.02	10,968.49	11,516.92	5.00
Reserve Funds & Other Reserves	11,418.96	11,733.35	11,733.99	12,052.66	12,324.74	2.26
Shareholders' Equity (Capital & Reserve)	25,455.85	25,900.33	25,917.49	26,497.62	25,696.08	(3.02)
Deposits	326,023.41	353,287.97	394,045.83	419,395.25	454,507.46	8.37
Investment	308,620.66	336,890.72	406,787.79	447,121.45	476,981.29	6.68
Investment in Shares & Securities	21,563.67	30,156.14	36,946.92	47,316.26	58,089.16	22.77
Fixed Assets	5,833.88	5,470.27	5,144.43	5,010.42	5,575.43	11.28
Total Assets (Excluding off-balance sheet items)	418,298.65	462,687.05	534,756.11	573,308.83	621,743.57	8.45
Foreign Exchange Business						
Import Business	169,378.90	261,566.10	300,430.90	269,322.70	343,840.00	27.67
Export Business	104,939.40	135,786.90	181,070.20	200,352.30	255,800.00	27.68
Guarantee Business	10,511.21	13,673.41	17,155.97	18,675.06	16,501.45	(11.64)
Inward Foreign Remittance	43,807.00	52,662.10	88,531.70	113,797.20	90,140.60	(20.79)
Capital Measures						
Core Capital (Tier-I)	23,930.89	29,301.30	29,640.35	30,245.15	29,163.23	(3.58)
Supplementary Capital (Tier-II)	15,327.20	14,359.58	14,916.76	15,244.75	13,819.54	(9.35)
Tier-I Capital Ratio	9.59	10.37	9.43	9.34	8.44	(9.63)
Tier-II Capital Ratio	6.14	5.08	4.75	4.71	4.00	(15.04)
Total Capital	39,258.09	43660.88	44,557.11	45,489.90	42,982.77	(5.51)
Total Capital Ratio	15.74	15.46	14.17	14.05	12.44	(11.44)
Investment Quality						
Volume of Non-Performing investment	11,769.58	16,566.84	22,437.37	30,866.19	74,055.37	139.92
% of NPIs to Total Investment	3.80	4.81	5.41	6.76	15.14	123.96
Provision for Unclassified Investment	2,787.10	3,084.10	3,372.47	3,483.95	3,475.70	(0.24)
Provision for Classified Investment	6,436.96	8,173.23	10,973.86	14,133.02	17,681.70	25.11
Provision for Off Balance sheet Exposures	935.50	1,093.40	1,221.13	1,203.62	1,398.90	16.22
Share Information						
Number of Shares Outstanding	1,064,902,185	1,064,902,185	1,064,902,185	1,096,849,251	1,151,691,713	5.00
Earning per Share (Taka)	2.41	1.96	1.95	2.14	0.66	(67.89)
Book Value per Share (Taka)	22.35	22.73	22.75	22.63	20.85	(7.87)
Market Price per Share (Taka)	22.20	26.60	23.60	23.70	19.50	(17.72)
Price Earning Ratio (Times)	9.22	13.57	12.10	11.06	29.75	156.23
Price Equity Ratio (Times)	0.99	1.17	1.04	1.05	0.94	(10.69)
Dividend per Share						
Cash Dividend (%)	15.00	15.00	12.00	10.00	-	(100.00)
Bonus Share	-	-	3.00	5.00	-	(100.00)
Operating Performance Ratio						
Net Profit Margin%	3.45	3.26	2.11	1.95	2.17	11.40
Investment /Deposit Ratio	86.92	87.57	90.25	91.34	91.55	0.23
Return on Equity (ROE)%	10.10	8.21	8.13	8.89	2.98	(66.54)
Return on Assets (ROA)%	0.61	0.46	0.39	0.41	0.12	(70.08)
Cost of fund %	7.50	6.00	6.46	7.28	9.12	25.27
Cost /Income ratio in operating business (%)	50.20	48.75	48.92	53.99	57.45	6.41
Other Information						
Number of Branches	184	201	208	215	226	5.12
Number of Employees	3,866	4,247	5,184	5,768	6,026	4.47
Number of Shareholders	22,142	19,146	17,186	16,293	15,766	(3.23)

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 2024, total value added by AIBL was BDT 12,500.04 million as against BDT 12,610.87 million in 2023. Bank's direct contribution to the economy was BDT 3,344.07 million in the form of corporate income tax. The Bank distributed BDT 7,971.40 million for its total 6,026 officials in 2024 as against that of BDT 6,698.19 million for 5,768 in 2023.

At the end of 2024, the Bank mobilized total deposits of BDT 454,507.46 million and added the economy in meeting its growth target by deploying BDT 580,000.00 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.

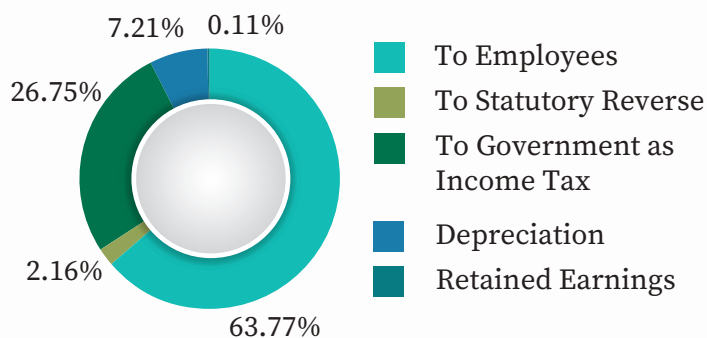
Value Added Statement

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	2024	2023
Income from Banking Service	50,562.16	39,098.61
Cost of Services & Supplies	(33,645.70)	(23,735.00)
Value added by Banking Services	16,916.46	15,353.61
Provision for Investment & Off balance Sheet Items	(4,416.42)	(2,752.74)
Total Value Addition	12,500.04	12,610.87
Value Distributed		
To Employees	7,971.40	6,698.19
To Statutory Reserve	270.00	319.47
To Government as Income Tax	3,344.07	3,125.17
Depreciation	901.06	870.96
Retained Earnings	13.51	1,597.08
Total Value Distributed	12,500.04	12,610.87

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 5,181.11 million as on 31 December 2024 as against that of BDT 3,463.95 million in 2023.

(BDT in million)

Particulars	2024	2023
Shareholders' Equity	25,696.08	26,152.42
Total Income	50,562.16	39,098.61
Total Expenses	(42,036.98)	(30,864.22)
Corporate Tax	(3,344.07)	(3,125.17)
Capital charge	(0.00)	(1,645.27)
Economic Value Addition	5,181.11	3,463.95

**Capital Charge=Paid up capital x Percentage of Dividend*



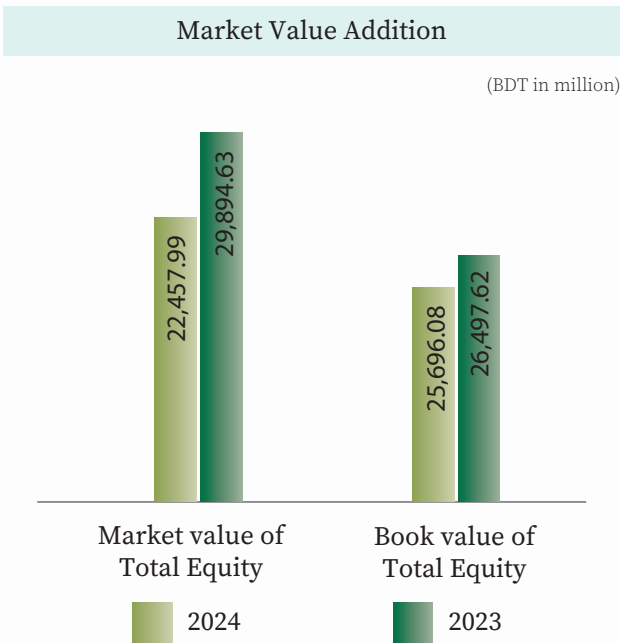
Market Value Added Statement

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	2024	2023
Market Value of Total Equity	22,457.99	29,894.63
Book Value of Total Equity	25,696.08	26,497.62
Market Value Addition	(3238.09)	3,397.01

Market Value Addition



Total number of share outstanding: 1,151,691,713 (1,096,849,251)*
Market value per share: BDT 19.50 (23.70)*

* Previous Year's figures in brackets.



LEADERSHIP
INSIGHT



Chairman's Address

Bismillahir Rahmanir Rahim

Assalamu Alaikum Warahmatullahi Wabarakatuh. All praises be to Allah (SWT), and peace and blessings be upon the beloved Prophet Muhammad (SM), his family, and companions.

I extend my deepest appreciation to our valued shareholders, esteemed members of the Board, respected Shariah Supervisory Committee, dedicated employees, and loyal customers for their unwavering trust and support.

A Year of Reform and Responsibility: From Crisis to Confidence

It is with a deep sense of duty and gratitude that I share this message as the Chairman of Al-Arafah Islami Bank PLC, at a time when our institution—and indeed our entire industry—has undergone extraordinary change. Our bold shift toward sustainability marked not just a strategic pivot, but a transformative commitment. The year 2024 was not merely another cycle of performance reporting; it was a year of reform, recalibration, and reaffirmation of our core values—our way of conducting business, operating responsibly, and engaging with our customers. It was a year in which the strength of our bank, the clarity of our governance, and the resilience of our people were tested—and stood firm.

Reflecting on the Past: Learning and Evolving

Last year's message centered on resilience, post-pandemic recovery, and our consistent dividend record. We highlighted our investments in technology and our steady growth in deposits and capital adequacy. The message recognized Bangladesh's macroeconomic strength and the imperative for restructuring outdated systems to remain competitive.

Bangladesh Economy:

Enduring Strength Admits Structured Transition

Bangladesh demonstrated commendable resilience in 2024, despite navigating a period of political unrest, economic stress, and institutional recalibration. The

year began with significant political agitation and widespread public mobilizations that eventually led to a major governance transition. In the aftermath, the interim administration prioritized reform—introducing measures to re-establish institutional accountability, improve regulatory oversight, and restore market discipline. These steps brought renewed clarity to fiscal and financial policymaking.

Macroeconomic conditions, however, remained under strain. Inflationary pressures persisted, and the foreign exchange market experienced volatility due to reduced remittance inflows and growing pressure on the taka at the beginning of the year. A noticeable slowdown in foreign remittance—partly triggered by informal channel preference and policy gaps—strained liquidity in the banking system. Simultaneously, confidence in Fixed Deposit Receipts (FDRs) declined amid public concern about governance in certain banks, causing premature withdrawals and disrupting balance sheet stability across several institutions.

Despite these disruptions, Bangladesh maintained relative macroeconomic stability, thanks to prudent monetary interventions, tightened fiscal spending, and strategic support from international partners. While GDP growth moderated compared to pre-pandemic levels, the country's economic base remained intact—driven by domestic consumption, resilient exports, infrastructure activity, and a sustained push for economic formalization.

The country's low-cost, labor-intensive advantage continues to position it as a strategic hub for manufacturing and services. Yet, the narrative is clearly shifting. The government and regulators are now focusing on building a more transparent, digital, and sustainable financial ecosystem—emphasizing digitization, formal sector growth, rural financial inclusion, sustainable agriculture, and green infrastructure. These are areas where Islamic banking, with its ethical framework and inclusive philosophy, has a vital and strategic role to play.

The Banking Sector: At a Crossroads of Reform

The banking sector in Bangladesh faced significant headwinds in 2024: rising non-performing loans (NPLs), deposit pressure, and mounting governance scrutiny. Liquidity constraints—exacerbated by inflation and declining real deposit returns—revealed systemic weaknesses in asset quality, internal controls, and oversight. The publication of a sector-wide white paper and the commissioning of regulatory and forensic audits brought to light the true extent of financial mismanagement and irregularities across several institutions—ushering in an era of transparency that the sector could no longer defer.

In response, Bangladesh Bank undertook sweeping reform initiatives. These included the devolvement and restructuring of several bank boards, the enforcement of fit-and-proper criteria, the implementation of robust governance frameworks, and the separation of business, risk, and credit oversight functions. The introduction of digital KYC, stricter loan classification protocols, enhanced provisioning standards, and the formation of a dedicated Islamic Banking Policy Division signaled a strong regulatory shift toward accountability, ethical compliance, and institutional discipline. These reforms have restored depositor vigilance, improved regulatory alignment, and compelled banks to adopt higher standards of risk discipline, transparency, and Shariah alignment.

At Al-Arafah Islami Bank PLC, we view this not as a crisis but as a call to lead by example—to uphold governance, deliver ethical value, and support national financial stability through principled Islamic banking.

A New Board, A New Beginning: Our Journey of Transformation

It was within this complex and volatile context that the new Board of Directors of Al-Arafah Islami Bank PLC was reconstituted in the latter part of 2024. We assumed responsibility at a time when public trust in the sector was fragile, regulatory scrutiny was intensifying, and institutional integrity had become a matter of national concern. The condition we inherited demanded urgent and decisive action—not

only to restore balance, but to redefine and transform the collective character of the organization. Our focus has been to embed strong corporate governance across all levels and to evolve into a more customer-centric and value-driven institution.

Internal Transformation:

Restructuring with System and Integrity

The reconstitution of the Board of Directors marked a defining moment in the transformation journey of Al-Arafah Islami Bank PLC. This change was not simply a leadership reshuffle—it was a reaffirmation of our commitment to governance, transparency, and ethical stewardship. From day one, we prioritized strengthening institutional accountability. Independent oversight committees have been restructured and empowered, including Audit, Risk, and Shariah Governance.

We are being going to introduce centralized reporting lines and start implementing automation in key operational areas to reduce dependency on manual processes and informal decision-making. As part of our transformation journey, we have initiated business process reengineering to adopt a more segment-focused approach—allowing us to align products and services with versatile customer needs. Our centralized operational framework is being reinforced to ensure that critical functions like Risk and Credit operate independently, free from undue influence. This structure strengthens transparency, governance, and accountability across all layers of decision-making.

Governance is the foundation of trust. We enforced the “fit and proper” criterion rigorously and dismantled all informal influences from within the decision-making framework. The institution is now more data-driven, system-led, and Shariah-aligned—placing the bank firmly on a path of long-term sustainability and responsible leadership in the Islamic banking sector.

These changes have significantly improved financial resilience, risk management, and regulatory compliance. Liquidity has stabilized, and deposits have started to return steadily—indicating renewed public trust in our bank.

Stability and Reform:

Foundations for Trust and Resilience

Throughout a year of sector-wide volatility, Al-Arafah Islami Bank PLC stood firm—anchored in values, guided by discipline, and committed to restoring trust. While many institutions struggled under liquidity stress, we did not request or receive central bank support. Not a single cheque was dishonoured. Our proactive liquidity management, deposit mix optimization, and trust-building campaigns—such as the Amwal Initiative—enabled us to retain depositor confidence and gradually regain market momentum.

This resilience was not incidental. It was the outcome of deliberate reform. The reconstitution of our Board of Directors in 2024 marked a pivotal shift in our institutional journey.

Reform from Within: Our Journey of Recovery

Loan recovery is not just an operational issue for us—it is a test of governance, financial discipline, and institutional integrity. Our approach is structured around three principles: prevention, early detection, and structured resolution.

We have transformed our credit approval process by mandating independent assessments and dual-layer approval for large investments. No credit decision is taken lightly—each is backed by feasibility studies, sectoral risk analysis, and Shariah compliance.

On monitoring, we now use a real-time early warning system that flags irregular repayment behavior before it escalates. This allows us to proactively intervene and protect both the bank and the client. For viable businesses, especially SMEs affected by market conditions, we offer tailored restructuring solutions. For willful defaulters, we use legal enforcement, asset seizure, and arbitration where appropriate.

Recovery teams work under centralized supervision with measurable KPIs. We do not evergreen loans to mask problems—we confront them, solve them, and move forward with a focus on long-term discipline and dignity for all stakeholders.

Digital Innovation:

A Pathway to Purposeful Progress

To promote financial inclusion, especially in

rural and underserved areas, we are accelerating the digitalization of our agent banking network, ensuring last-mile access to formal banking. At the same time, we are investing in technology-driven platforms to enhance deposit mobilization, payment infrastructure, and investment opportunities. Our roadmap includes the expansion of nano-investment schemes, strengthening our mobile financial services (MFS), and building a robust ecosystem for digital transactions. These initiatives reflect our commitment to inclusive growth, responsible innovation, and a future-ready Islamic banking model.

Operational Resilience:

Trust Regained through Discipline

This transformation bore results. In an environment where many banks experienced liquidity pressure and cheque dishonors, Al-Arafah Islami Bank remained stable. We did not require or seek central bank liquidity support. Our deposit base continued to grow steadily, reaching Tk. 454,507.44 million—an increase of over Tk. 35,000 million from the previous year, reflecting an 8.37% annual growth. Total assets stood at Tk. 621,743.57 million, up by 8.45%, while our investment-Deposit Ratio (IDR) was maintained at a compliant and healthy level throughout the year. This careful management of funds ensured risk-free liquidity and maximized earnings from the deployed capital.

Asset Quality and Recovery:

Improving Investment Discipline

Our focus on quality over volume was evident in the performance of our investment portfolio, which grew by 6.68% despite external sectoral bottlenecks. Overdue investments saw a significant reduction, falling to 2.65% of the total investment portfolio from 4.04% in the previous year. This progress reflects our commitment to prudent recovery strategies and tightened compliance at branch level. Rescheduled investments rose moderately to 8.19% of total investments, while recoveries from classified and written-off investments totaled Tk. 3,554.30 million—indicative of improved follow-up and recovery discipline under the new structure.

SME, Retail and OBU Operations:

Reaching New Frontiers

Our emphasis on realigning our asset mix also extended to the SME and retail sectors. In line with Bangladesh Bank's policy focus, we have achieved over 62% of our annual SME and retail financing target, distributing support across trade, industry, and service sectors. Through this, we are fostering grassroots entrepreneurship and local economic resilience. Our Off-Shore Banking Unit (OBU), based in Motijheel, continued to support external trade and export-linked investments under Shariah-compliant modes like Mudaraba and Musharaka, further expanding the bank's footprint in international trade finance.

Risk Mitigation:

Strengthening Institutional Safeguards

Risk management remained central to our operational philosophy. We strengthened our internal risk function, introduced additional compliance checkpoints, and built capacity through skilled manpower and real-time analytics. In line with the Bangladesh Bank's guidelines, we are now equipped to monitor, mitigate, and report risk with greater efficiency and accuracy.

Subsidiary Performance:

Laying the Groundwork for Diversification

We also continued to diversify through our subsidiary companies. AIBL Capital Market Services Limited, our stock brokerage and dealing arm, maintained modest profitability despite market volatility, earning an operating profit of Tk. 34.21 million. AIBL Capital Management Limited, engaged in merchant banking, faced a minor loss but remains integral to our long-term market strategy. Meanwhile, AIBL Asset Management Co. Ltd is preparing for full operational rollout, enabling us to further expand into investment management and capital market services in the near future.

Financial Performance:

Prudent Growth Anchored in Compliance

The performance of 2024 must be viewed not only through a financial lens, but through the lens of responsibility. Our operating profit reached Tk. 8,525.17 million. Return on equity stood at 2.98%

and earnings per share at Tk. 0.66. These outcomes, while modest, reflect a conscious shift toward conservative growth, risk reduction, and Shariah-aligned prudence—a strategy we believe will yield long-term value and stakeholder confidence.

Repositioning with Purpose and Building the Future: Trust, Transformation, and Tomorrow

This moment of change marks a pivotal opportunity to redefine how Al-Arafah Islami Bank PLC is perceived and experienced. As we enter our 30th year, we are not merely celebrating longevity—we are signaling a bold renewal of purpose. Our brand repositioning is rooted in the belief that Islamic banking must connect more meaningfully with today's diverse, digitally connected, and values-driven customers. While remaining firmly anchored in our Shariah-based principles, we are evolving to become more inclusive, modern, and emotionally resonant. This transformation includes a refreshed visual identity, a more engaging communication style, and an elevated customer experience—across both physical branches and digital platforms. Our ambition is to make the brand more approachable, trusted, and impactful—enabling every stakeholder to view Al-Arafah Islami Bank not just as a financial institution, but as a partner in purpose, prosperity, and progress.

The Path Forward:

Governance, Innovation, and Inclusiveness

We envision Al-Arafah Islami Bank as a benchmark institution for modern Islamic banking—one that is grounded in faith, driven by technology, and defined by governance. The future is fully centralized, automated, and insight-led. We are advancing towards a model where every core function—credit, deposit, risk, and treasury—is monitored in real time, free from discretionary anomalies. Fintech partnerships, ESG-aligned financing instruments like Waqf and green Sukuk, and digital onboarding platforms are part of this roadmap.

We aim to be a strategic partner for women-led enterprises, CMSMEs, rural entrepreneurs, and Sharia Based value chain industries. Inclusive banking will be delivered through a nationwide expansion of agent banking and smart digital

solutions. We are also collaborating with regulators to foster an enabling environment where Islamic finance can grow sustainably while upholding compliance. Through governance dashboards and innovation hubs, we intend to lead—not follow.

Our ambition is not limited to institutional recovery—it is to redefine what a trustworthy, inclusive, and visionary Islamic bank should be in the 21st century. With digital-first strategies, Shariah-centered governance, and a strong commitment to national development, we are committed to building an institution that will define the next era of Islamic banking in Bangladesh—and beyond.

Closing Reflections:

Anchored in Trust, Guided by Purpose

In every challenge lies the seed of transformation, and in every reform, the foundation of renewed trust. Al-Arafah Islami Bank PLC's journey in 2024 is a testament to that belief. We rebuilt confidence through principled leadership, reengineered systems with discipline, and multiplied our impact by staying true to our Shariah values.

We are not defined by the crises we faced, but by the strength, resilience, and character we displayed in overcoming them. That character now lives in

our people, our processes, and our purpose. As we build on our strengths—governance, compliance, and customer-centricity—we remain committed to driving meaningful change, empowering lives across all segments of society, and shaping a future rooted in ethics, innovation, and inclusivity.

On behalf of the Board of Directors, I extend sincere appreciation to our shareholders, customers, regulators, employees, and strategic partners. Together, we are charting a new course—one that redefines Islamic banking in Bangladesh with credibility, courage, and care.

May Allah (SWT) guide us in this journey and accept our sincere efforts.

Wa Assalamu Alaikum

Wa Rahmatullah Wa Barakatuh.



Khwaja Shahriar

Chairman

Al-Arafah Islami Bank PLC



Managing Director's Address

Assalamu Alaikum wa Rahmatullahi wa Barakatuhu.

All praise is due to Allah (SWT), and peace and blessings be upon our beloved Prophet Muhammad (SM), his family, and companions.

It is with a deep sense of responsibility and purpose that I present the message of Managing Director of Al-Arafah Islami Bank PLC, reflecting on a year marked by reform, recovery, and forward motion.

In a time of institutional scrutiny, economic recalibration, and sectoral transition, we remained steadfast in our values and decisive in our actions—emerging stronger, more transparent, and resolutely committed to our vision of Shariah-based, inclusive, and digitally empowered Islamic banking.

The legacy we carry—of making Islamic banking accessible to all—has never been more relevant. In 2024, that legacy was tested by structural challenges across the financial sector, yet we responded with purposeful reform, cultural renewal, and operational discipline. Our journey was not reactive, but guided by foresight and courage.

I express my sincere gratitude to our Board of Directors, Shariah Supervisory Committee, valued shareholders, employees, and loyal customers for their continued trust and support. Your faith inspires our continuous growth.

Macroeconomic and Political Landscape: Navigating Uncertainty with Strength

The global economy in 2024 remained under strain due to two key drivers: prolonged inflation and geopolitical instability. Persistent price pressures—despite tighter monetary policies—continued to weigh on consumption and investment, while conflicts in Eastern Europe and the Middle East disrupted supply chains and global trade flows. These headwinds led to a further slowdown in global growth, with the IMF projecting a modest 3.2% expansion for 2025.

In Bangladesh, the impact of the global slowdown was acutely felt in two of the country's most vital

economic pillars: Ready-Made Garments (RMG) and Remittances. Weaker external demand affected export earnings, while shifting labor dynamics and informal remittance channels reduced inflows, putting pressure on the foreign exchange market and overall liquidity.

Domestically, political turbulence in the first half of the year created uncertainty across financial markets. However, the formation of an interim administration marked a turning point—prioritizing governance reforms, institutional transparency, and macroeconomic stabilization. With law and order restored and public confidence gradually returning, the country is once again positioned to reclaim its growth trajectory.

Amid this volatile environment, Al-Arafah Islami Bank PLC demonstrated strategic resilience. We remained operationally sound, financially disciplined, and customer-focused—emerging as a stable and trustworthy institution at a time when sector-wide trust was being re-evaluated. Our response was grounded in governance, guided by Shariah principles, and driven by long-term institutional commitment.

Sectoral Reckoning and Institutional Response

The year 2024 marked a pivotal reckoning for Bangladesh's financial sector. Years of rising concerns over loan irregularities, manipulated classifications, and governance lapses finally culminated in a broad crisis of credibility. Confidence in the system had been steadily eroding—not just among investors, but also among ordinary depositors and enterprises—underscoring that reform was no longer optional; it was imperative.

In response, Bangladesh Bank, backed by policy leadership, launched a wave of regulatory interventions and structural reforms. Key measures included the rollout of real-time credit classification systems, stricter loan restructuring protocols to curb cosmetic recoveries, enhanced oversight on related-party exposures, reinforced capital adequacy requirements, and more assertive enforcement of AML and CFT regulations. These actions aimed to

restore discipline, transparency, and public trust across the banking landscape.

However, implementation outcomes varied. Institutions with deep-rooted governance weaknesses and legacy risks struggled to adjust. Sector-wide perceptions deteriorated, and unfortunately, the Islamic banking segment came under intensified scrutiny—often indiscriminately—regardless of individual institutional conduct or financial soundness.

It is with both humility and resolve that I affirm: Al-Arafah Islami Bank PLC stood apart.

We faced no liquidity stress. We sought no special regulatory support. We did not access central bank windows for survival. And above all, we retained the trust of our customers.

While others scrambled to recover credibility, we focused inward—on strengthening our fundamentals, deepening operational discipline, and staying anchored in our Shariah values. Our actions spoke louder than narratives. In an environment defined by skepticism, our performance became our voice.

This period was not only a test of resilience—it was a reaffirmation of our institutional identity and our unwavering commitment to principled Islamic banking.

Strategic Direction and Institutional Transformation

At Al-Arafah Islami Bank PLC, transformation is not a reaction—it is a deliberate roadmap. In 2024, we pursued a series of purposeful changes across governance, technology, operations, compliance, and customer engagement. Our strategy was clear: strengthen the core, modernize systems, expand inclusion, and build a values-driven institution ready for the future.

Centralized Operating Model

We are shifting ourselves to a fully centralized operating model to ensure consistency, discipline, and independence across all critical decision-making areas. From credit origination and risk evaluation to recovery oversight and branch performance, functions are now ringfenced from informal influence. Business, credit, and risk operations have been structurally segregated, empowering robust governance and sharper accountability. This shift

has allowed us to enforce institution-wide standards while enhancing transparency, risk integrity, and operational alignment with strategic goals.

Process Reengineering

Alongside centralization, we reengineered core operational workflows. Investment appraisal, Shariah compliance monitoring, and internal control mechanisms were redesigned with clear process maps and turnaround benchmarks. Our revamped reporting infrastructure provide real-time insights, enabling proactive governance and performance monitoring across zones and branches. This discipline has laid the foundation for a culture of evidence-based decision-making, operational efficiency, and long-term sustainability.

Risk and Credit Management

We overhauled our risk and credit governance. By separating business origination from credit evaluation, and anchoring all lending to structured criteria, we have created a firewall against bias, pressure, or politicization. We adopted risk-adjusted performance metrics, zone-wise monitoring, and early warning systems—ensuring portfolio resilience and accountability in every decision.

Corporate Governance, Transparency & Accountability

We institutionalized fit-and-proper criteria across leadership layers, strengthened board committee oversight, and established audit trails that reinforce discipline. With increased regulatory expectations and public scrutiny, our governance structure now reflects global best practices while preserving our Islamic identity. The result is not just internal control—it is reputational resilience.

Automation and Digital Transformation

Our digital transformation journey is beginning and going to evolve into full-scale automation of both customer-facing and back-office operations. Key initiatives include a fully operational e-KYC platform, Islamic Wallet expansion, and robotic process automation in high-impact areas. We also upgraded our API infrastructure to integrate seamlessly with fintechs and government platforms. Every digital initiative is not just technologically robust—but aligned with Shariah principles, data security, and customer-centricity.

Segmented Business Approach

Recognizing the diverse needs of our customer base, we pursued a segmented approach in product design, service delivery, and portfolio development. Whether for retail deposit, investment, CMSMEs, salaried professionals, corporates, or remitters—each segment is served through tailored offerings, dedicated officers, and targeted service models. This approach has enabled deeper financial inclusion, more relevant value propositions, and better relationship management across customer tiers.

Inclusiveness and Community Engagement

We embedded inclusion into our business model—not as a CSR narrative but as a core operational driver. Our ARDP (rural banking), women’s banking desks, and low-collateral financing platforms ensured underserved communities gained structured access to ethical financial solutions. This reflects our belief that dignity in finance must be universally accessible, regardless of geography, gender, or income level.

Human Resource Development

Our people are our greatest lever of change. In 2024, we introduced structured leadership development, compliance training, performance-linked KPIs, and inclusive promotion pathways. Talent development and gender equity became cultural imperatives, not HR checkboxes. This renewed focus is shaping a values-driven, digitally fluent, and service-oriented workforce capable of delivering on our mission with integrity and innovation.

Customer-Centricity and Experience Innovation

In an age where trust and convenience drive customer loyalty, we redefined experience delivery. From personalized onboarding and Shariah-based advisory to fast-track payroll solutions and smart merchant platforms—our offerings are designed around life needs, not just financial needs. Trust is now a product we offer—and our customers are responding.

ESG and Sustainability Commitment

Sustainability is no longer a future goal—it is an operational standard. We disbursed green finance across renewable and environmentally conscious projects, scaled up our ESMS framework, and activated branch-level Sustainable Finance Help Desks. Our AML and CFT systems were upgraded to use real-time monitoring, AI screening, and Shariah-

aligned compliance reporting.

Brand Repositioning and Institutional Trust

Our reputation in 2024 stood firm amid sector-wide turbulence. With ethical conduct, transparent communication, and consistent delivery, we repositioned Al-Arafah Islami Bank PLC as a values-led brand of trust. Our upcoming repositioning will reflect not just our legacy—but our future: modern, inclusive, digitally progressive, and ethically grounded.

Overall Banking Scenario

Banks’ Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 2,75610 million representing 1.58% point to point growth from Tk. 17,767,520 million as on 31 December 2024 to Tk. 17,491,910 million as on 31 December 2023.

Islamic Banks’ Deposits: All Islamic Banks’ deposits stood at TK. 4,397,580 million during the year 2024 as against Tk. 4,434,030 million in the previous year 2023 and it decreased by Tk. 36,450 million registering a growth of -0.82% in 2024. The share of Islamic Banks’ deposits as of 31 December 2024 stood at 24.75% as compared to at 25.35% on 31 December 2023.

Banks’ Advances /Investment: Total Advances/Investments (excluding bills) of the scheduled banks increased by Tk. 1,641,360 million representing 10.67% point to point growth from Tk. 17,025,890 million as on 31 December 2024 to Tk. 15,384530 million as on 31 December 2023.

Islamic Banks’ Investments: All Islamic Banks’ Investments stood at TK 4,793,100 million during the year 2024 as against Tk. 4,449,740 million in the previous year 2023 and the Investment increased by Tk 343,360 million registering a growth of 7.72% in 2024. The share of Islamic Banks’ Investments as of 31 December 2024 stood at 28.15% as compared to 28.92% on 31 December 2023.

Operating Profit: Despite a tough start of the year 2024 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.

Deposits and Borrowings

The total deposit and Borrowings of the bank reached Tk. 522,377.23 million recording 98.56% achievement of the Target of Tk. 530,000.00 million as on 31st December 2024 as against Tk. 480,747.92 million at 31st December 2023. The Deposits and Borrowings increased by Tk. 41,629.31 million registering a growth of 8.66% in 2024 as against national growth of 1.58%. Our deposit target for the year 2024 has been fixed at Tk. 580,000.00 million expecting growth of 11.03%.

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 2024 & 2023 are appended below:

Particulars	2024	2023
Yield on Investment	8.87%	7.11%
Cost of Deposit & Borrowings	6.70%	5.04%
Spread	2.17%	2.07%
Cost of Administration	2.42%	2.24%
Cost of Fund	9.12%	7.28%
Non- Funded Income	1.96%	2.02%
Net Spread	1.71%	1.85%

Deposit Mix

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

Deposit Mix	Achievement 2024	Achievement 2023
Cost Free Deposit	14.81%	15.48%
Low cost	21.03%	26.88%
High Cost	64.16%	57.63%
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 2025 the mix of no cost, low cost and high cost deposit has been set at 13%, 32% 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. 477,573.54 million recording 95.51 % achievement of the Target of Tk. 500,000.00 million as on 31st December 2024 as against Tk. 457,711.73 million on the same day of 2023. The investments increased by Tk. 19,861.81 million recording a 4.34% growth in 2024 as against national growth of 10.67%. The target for investment for the year 2025 has been fixed at Tk. 530,000.00 million with anticipated growth of 10.98%.

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

concentration as well as to ensure equitable deployment of fund

- To make investment covered by adequate securities as stated in the norms of existing business discretionary powers
- To change the nature, trend of investment depending on the economic activities
- To sanction investment ensuring proper appraisal as well as actual need of the client

Operating Profit

The bank earned operating profit of Tk.8,600.94 million during the year 2024. The operating profit of the Bank during the year 2023 was Tk. 8,234.39 million and thus the Bank attained growth of 4.45% 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 2025 has been fixed at Tk 10,000.00 million which equals a growth of approximately 16.27% from that of the previous year.

Our plan and strategies for increasing operating profit are-

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

International Banking Wing (IBW)

We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 27 AD Branches, One Trade Processing Unit at Chattogram to extend Trade Services to the Trade Customers of Non-AD branches of Chattogram Zone and Foreign Trade Processing Division (FTPD) at Head Office through which we have handled total foreign exchange business of Tk. 689,780.57 million

during the year 2024 as against the Target of Tk. 807,600.00 million. Our Foreign Exchange business has increased by Tk. 106,308.32 million recording a growth of 18.22%. Target of International Trade for the year 2025 has been fixed at Tk.861,000.00 million with 24.82% growth. To extend smooth Trade Services to the Trade Customers of Non-AD Branches other than Chattogram Zone a Trade Processing Unit at Dhaka is under consideration and hopefully we will start the operation within this year.

Import Business

Total import business of the bank for the year 2024 stood at Tk. 343,840.00 million as against Tk 360,000.00 million in the previous year. We recorded a 27.67% growth in import business in 2024 over 2023. Target for Import business for the year 2025 has been fixed at Tk. 425,000.00 million with an expected growth of 23.60%.

Export Business

Total Export business of the bank for the year 2024 stood at Tk. 255,800.00 million as against Tk. 277,600.00 million in year 2024 and thus recorded a growth of 27.68% over previous year. Our target for Export business for the year 2025 has been fixed at Tk 306,000.00 million with an expected growth of 19.62%.

Remittance

Total remittance of the bank stood at Tk. 90,140.60 million during the year 2024 as against Tk. 170,000.00 million, in the previous year. Our remittance business recorded (20.79%) growth in 2024 over 2023. Target for Remittance business for the year 2025 has been fixed at Tk. 130,000.00 million and thus expecting a growth of 44.22%.

Treasury Operations:

Global economic polarization and geo-political tension reining global production, supply chain disruption, inflationary interest rate movements 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, fiscal/monetary control from regulators. In line with the financial dynamics across the world, Treasury of the Bank 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. AIBPLC 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 year. 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 local and foreign counterparts for ensuring FC liquidity round the calendar. AIBPLC 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. During 2024, There have been 1073 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 504.10 million from cross currency deals, exchange gains & FC funding. In 2024, Treasury Back Office (TBO) team has handled 92,432 no. of FX transactions with turnover of USD 12.70 billion. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. Treasury Back Office is relentlessly driving 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. AIBPLC Treasury Money Market Desk also maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of the bank efficiently. The team has successfully managed liquidity as well as deployed surplus funds to the Islamic banks, Islamic windows & Islamic branches of conventional banks and NBFIs operated under shariah principles. The bank participated BGIIB 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. The Bank prepares ALCO paper & conducts ALCO meetings each month where all issues related with ALM are discussed and instructions are given.

2024 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 in the market, it was a real challenge to maintain a reasonable spread. ALM Desk was proactive to revise the profit rates of deposits and rate of return on investment aligning with market rates as well as ensuring liquidity. ALM Desk successfully recommended asset-liability slotting for maintaining a steady and reasonable spread. ALM Desk has properly maintained regulatory ratios like CRR, SLR, IDR,LCR,NSFR leverage ratio, commitment and wholesale borrowing position within set limit of Bangladesh Bank.

Corporate Service Desk

The Corporate service desk provides customized treasury solutions to the corporate clients matching with market practice. 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 the Bank.

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 2025

In 2024 BDT moved against USD from Tk. 110 to Tk.120.00 resulting depreciation of almost 9.09% which was parallel to peer currencies. Most of the south Asian countries devalued their currencies slightly which has posed challenge to our export destinations.

Compare to the devaluation of peer currencies and to retain export earnings, BDT may be under pressure for further devalue.

B. Bank open market operations and government spending dried up money market liquidity round the year. As a result of downward 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 for hunting retail depositors/investment clients.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank PLC 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 its 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 AIB 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. During the year Bank introduced International Banking Account upon regulatory changes of Bangladesh Bank vide FE Circular 19 of Nov 2023 and enactment of the Offshore Banking Act 2024. The Bank has also launched Digital Platform to attract Foreign Currency Deposit from Non-Resident 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;

Key Indicators	DEC-23 (Million USD)	DEC-24 (Million USD)	GROWTH (%)
Total Assets	106.1	71.07	-33.02
UPAS	70.19	40.79	-41.89
MDBFC	15.96	23.45	46.93
HPSM Machinery	6.31	6.2	-1.74
Placement from Parent Bank	55.38	68.84	24.30
Borrowing from Overseas Banks	49.19	0	-100.00
Net Operating Income	1.54	1.02	-33.77

Foreign Remittance Division:

The Foreign Remittance Division is a key business segment of the Bank, playing a vital role in its overall growth. By increasing the inflow of foreign currency, the division supports the Bank's financial stability, strengthens its customer base, and contributes to building low-cost deposits. Additionally, it enhances the Bank's reputation both locally and internationally, making a significant impact on its sustainable development.

The division facilitates remittance procurement from over 100 countries through 33 strategic remittance arrangements with international exchange houses and local banks. This extensive global network ensures a seamless and efficient flow of remittances, benefiting customers and boosting the Bank's financial position.

In recognition of its outstanding performance, AIBPLC was honored with the Remittance Award 2024 (8th Position) by the Ministry of Expatriates'

Welfare & Overseas Employment for the financial year 2023-2024.

Through its strong global partnerships and commitment to excellence, the Foreign Remittance Division continues to drive financial inclusion and economic growth.

Overseas Banking Division:

The Overseas Banking Division continues to play a pivotal role in managing relationships with foreign correspondent banks. In 2024, the Bank successfully established five new Relationship Management Applications (RMAs) with leading global banks across Asia, the Middle East, and Oceania, further

1. Performance of Foreign Inward Remittance -from 2020 to 2024:

Year	Remittance		No. of Transaction	Target BDT (In Crore)	Achievement (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2020	4,380.70	516.19	693,537	4,250.00	103%	16.16
2021	5,266.21	618.68	827,851	5,400.00	97.52%	20.21
2022	8,853.17	876.62	12,31,132	6,350.00	139.42%	68.11
2023	11,379.73	1,010.44	1,366,646	10,000.00	113.80	28.54%
2024	9,014.06	755.92	9,94,108	17,000.00	53.02%	-20.79%

In 2024, the Branches and Agent Banking Outlets of AIBPLC facilitated the procurement of foreign remittances amounting to BDT 1,532.36 crore, representing 17.00% of the total remittance inflow. Meanwhile, BDT 7,481.45 crore (or 83.00% of total remittances) was disbursed through BEFTN (A/c Credit with Other Banks), ensuring efficient and seamless fund transfers.

2. Remittance Drawing Arrangement:

In 2024, we successfully executed eight new remittance drawing arrangements with exchange houses in the UK, Japan, Malaysia, Singapore, UAE, and the USA. Additionally, ten more exchange houses from various global hubs are currently in the pipeline.

To further expand and strengthen the Bank’s remittance business, the division is making dedicated efforts to establish new drawing arrangements with exchange houses in Saudi Arabia (KSA), UAE, Oman, Bahrain, Kuwait, Qatar, Malaysia, and other key markets worldwide.

3. Foreign Remittance Operation at Agent Banking Outlets:

All Agent Banking Outlets have been actively disbursing foreign remittances with the support of the Foreign Remittance Division. In 2024, remittances processed through Agent Banking Outlets totaled BDT 433.22 crore, accounting for 4.81% of the Bank’s total remittance inflow.

facilitating international trade. Currently, the Bank maintains partnerships with over 340 banks and branches across 56 countries.

To ensure seamless treasury, remittance, and trade settlements, the Bank operates Nostro Accounts in major global currencies viz. USD, EUR, GBP, JPY, CHF, SAR, AED, SGD, and CNY. As of the end of 2024, the Bank managed 36 Nostro Accounts across 22 correspondent banks, ensuring efficient international transactions.

Despite global economic challenges, the Bank successfully arranged credit lines to support import trade. Our trusted foreign correspondents have continued to provide financial backing for the import of essential commodities, including fertilizers, industrial raw materials, and capital machinery.

The Bank conducts international trade operations through a centralized framework, strictly adhering to the Central Bank’s guidelines and international best practices. A team of highly experienced and professionally certified officials manages these operations, ensuring compliance and efficiency.

To enhance security and compliance, the Bank has implemented robust regulatory frameworks, including SWIFT integration with Core Banking Software and advanced Sanction Screening Tools provided by SWIFT Corp Ltd. Additionally, the Bank subscribes to globally recognized credit information

services such as Dun & Bradstreet (D&B) and Credit Safe. Vessel tracking services from Lloyd's List Intelligence further strengthen risk management.

Furthermore, the Bank has adopted a cutting-edge transaction monitoring system enabling trade transaction monitoring and reinforcing a strong compliance culture.

Through strategic initiatives and continuous advancements in technology, the Bank remains committed to fostering global banking relationships, ensuring regulatory compliance, and facilitating seamless international trade.

Foreign Trade Processing Division:

Al-Arafah islami bank Ltd introduced FTPD (Foreign Trade Processing Division) in 2014 with an aim to razor sharp sparkle service through state of the art technology pacify exposure to foreign exchange risk. Since its inception FTPD is striving to put forth a all out effort to come out with a service in excellence and gradually improve its operation which encompasses both external and internal compliance, monitoring and smooth trade operation subsequently boost up the sustainable foreign trade growth.

The division has the vision to set a fully centralized foreign trade services by the year 2024. FTPD now operating all the transaction and processing services cash and back to back import LCs from a single point except export and back to back LCs of Motijheel branch. FTPD has the plan to fully centralize the bank Trade operation shortly.

FTPD is strengthening its compliance effort by implementing strictest policy to outweigh the stringent regulatory fines ensuring the adherence to BFIU Circular No. 24 Dated December 10, 2019 Guidelines for Prevention of TBML. FTPD understand what is legally required for the institution, employees, and customers to a successful trade compliance program subsequently understand the robust regulatory effort and consequence of non-compliance thereby deliberately assessed the import item price Focusing on implementing appropriate systems and controls to mitigate risk arising out of TBML.

To guard the detrimental effect of USA PATRIOT ACT Section 319(a) forfeiture from US Correspondent

account and to implement the New York State Department of Financial Services (NYDFS) Final Rule Part 504 which require Monitor transactions prior to their execution to prevent unlawful transactions with targets of economic sanctions administered by OFAC, FTPD is implementing trade activity sanctions screening in AST (Automated Screening Tool) through SWIFT sanctions screening software. Moreover FTPD check the general ledger balancing regarding LC liability, bills liability and cash security and very keen to ensure there is no mismatch at any point of time along with this, FTPD is focusing that all relevant charges are realized strictly as par Head office sanction and BRPD circular no-11 Master circular on schedule of charges dt 10th June 2021. By this way FTPD is targeting to minimize the exposure to foreign exchange risk.

The division hit a tremendous stride on the volume of transaction in cash LC and back to back LC in 2023. The volume of workflow of the division is gradually increasing whereas the manpower remains almost alike. About 46% total workflow rose over 2022 to 2023 which has been accomplished by the same manpower probe the cost effectiveness implemented solely by the FTPD. By the year 2024 FTPD will execute fully centralized operation result in all types of cash and back to back LCs including export of all AD and Non AD dealt from a single point focusing on the minimization of exposure to foreign exchange risk which require greater challenges, hard work and FTPD is relentlessly work for continuous development and make exemplary trade processing center in the banking industry.

Asset Quality

Overdue investments stood at Tk. 21,343.10 million as on 31st December 2024 as against Tk. 16,379.80 million as of December, 2023. Total overdue increased by Tk. 4,963.30 million during the year 2024 bringing the same to 4.45% of our total investment as against 3.58% 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. 24,497.60 million from Tk. 37,405.30 million to Tk. 61,902.90 million (Term investments by Tk. 29,325.10 million plus Continuous and Demand investments

by Tk. 32,577.80 million) which was 12.90% of total Investment. Recovery against rescheduled investment during the year 2024 was Tk. 1,879.70 million.

Classified investments increased by Tk. 43,189.17 million in 2024 from Tk. 30,866.19 million to Tk. 74,055.36 million representing 15.14% of total investment as against 6.76% in the previous year. During the year 2024, recovery & regularization against classified investment stood at Tk. 13,077.75 million while recovery against written off investments stood at Tk. 320.52 million recording a total recovery of Tk. 152,777.97 million which includes a recovery Tk. 1,879.70 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 4,384.69 million from Commission Income during the year 2024 as against Tk. 4,612.48 million during 2023. The target for our ancillary business during the year 2025 has been fixed at Tk. 5,100.00 million with an anticipated growth of 16.31%.

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. As on 31.12.2024 our Eligible Capital (Solo Basis) stood at Tk. 40,763.14 million as against Tk. 42,288.41 million in December 2023, Tk. 41,234.00 million in December 2022, Tk. 41,358.68 million in December 2021, Tk. 37,486.33 million in December 2020, Tk. 30,802.44 million in December 2019, and Tk. 30,564.17 million in December 2018, recording a growth of -3.61% in 2024, 2.56 % in 2023, -0.30 % in 2022, 10.33 % in 2021, 21.70 % in 2020, 0.78 % in 2019, and 21.75% in 2018.

Risk Weighted Assets (RWA) of Tk. 345,484.64 million (Consolidated Basis) and Tk. 336,162.58 million (Solo Basis) recording a Capital Adequacy Ratio (CAR) of 12.44% (Consolidated Basis) and 12.13% (Solo Basis) in December 2023 as against 13.51% in 2023, 13.53% in 2022, 15.31 % 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 2021 AIBL issued Mudaraba perpetual Bond for Tk. 5,000.00 million that meet the qualifying criteria for Tier- 1 Capital as per Basel III Guidelines.

In the year 2015 AIBL issued Mudaraba Subordinated Bond for Tk. 3,000.00 million, in the year 2018 for Tk. 5,000.00 million, in the year 2020 for Tk. 5,000.00 million and in the year 2022 for Tk. 3,100 and 2023 for Tk.1,900 out of Tk. 5,000 that meet the qualifying criteria for Tier- 2 Capital as per annex 4 of Basel III Guidelines. Outstanding balance of AIBL Mudaraba Subordinated Bond was Tk.9,000 million as at 31-12-2024.

Money Laundering and Terrorist Financing Prevention

We all know that the term “money laundering” is not new to mankind. It has a long history and could be as old as the history of organized crime. These evil doers continuously keep on changing their color, ways and means to convert their ill-gotten proceeds into legally acceptable financial asset. Since banks are being as a conduit, we are facing increasing risk of losing our reputation every single minute. With the advancement of technology and globalization, as we are expanding our digital services to meet the customers’ demand, financial criminals are becoming even more sophisticated in their schemes to exploit the vulnerabilities. The stakes of these actions are too high for the bank which include hefty

noncompliance fines and enforcement actions, reputational damage as well as loss of revenue and increase of operational costs. Taking all these aspects into cognizance AIBPLC has recently introduced a sophisticated Anti Money Laundering compliance tool to keep the bank free from all financial crime risks.

We at AIBPLC are committed to supporting a secure, stable and resilient financial infrastructure. This includes applying a risk-based approach to detect and deter the use of the Bank's services and delivery channels for illegal purposes. Our tool helps us use analytics and technology to keep us informed on the latest anti-money laundering (AML) and anti-terrorist financing (ATF) sanctions, trends and typologies. Our specialists also have professional experience and certifications to detect and deter suspected money laundering, terrorist financing and activities prohibited by sanctions.

In addition, AIBPLC also include the following:

- Senior Management and Board's oversight
- Documented policies and procedures
- Ongoing AML and ATF and sanctions awareness training for employees
- Periodic risk-based due diligence and assessment of client relationships
- Ongoing monitoring of transactions and activity
- Screening against terrorist and other sanctions watchlists
- Reporting of prescribed transactions, as applicable
- Assessment of money laundering, terrorist financing and sanctions risk
- Independent testing of processes and controls

Additionally, we keep an ever-vigilant eye on the financial transactions and continue the approach of managing financial crime risks across all customer segments, channels and products within the business. We also closely monitor all our products and services to ensure that they are not misused by the wrong-doers. In a nutshell, AIBPLC has been able to successfully create an anti-money laundering compliance regime within the bank over the past year which is growing from strength to strength every day.

Shariah Compliance

Our Bank is based on Islamic Shariah and therefore

strict adherence to Shariah principles is the core strategy of our banking business. So, we have no other alternative but to comply with Shariah rules in all our activities under the guidance of our competent Shariah Supervisory Committee. Besides, we must understand the Maqasid al-Shariah and disseminate the same to our portfolio management. Our Shariah Supervisory Committee contributes a lot to run all the business activities of the Bank in accordance with Islamic Shariah. During the year 2024, 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 2024, a total of 226 branches (which includes 11 new branches as well) were inspected under the Shariah Supervisory Secretariat by the Shariah Secretary & Muraquibs. As per their report, investment Income of Tk. 20.04 million of 226 Branches and Head Office ID. has been segregated as Doubtful Income.

Financial Inclusion

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

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

According to the Bangladesh Bank guidelines, Al-Arafah Islami Bank PLC 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

By the December 2024, we had successfully established a network of 745 Agent Banking Outlets across 530 distinct agent locations. This initiative was specifically designed to extend financial services to

the previously unbanked population of Bangladesh. As a result, we have opened a total of 10,04,177 accounts under the agent banking program, effectively covering 304 Upazillas across 57 Districts. While certain restrictions and limitations may apply, the majority of standard banking services are readily accessible through our agent banking outlets. The impact of this program has been particularly pronounced in rural areas, where previously unbanked individuals now actively engage in financial transactions. Indeed, the total deposit volume for agent banking currently stands at Tk. 40083.80 Million, and this figure continues to exhibit significant upward trends. Clients readily open accounts, deposit and withdraw funds, receive foreign remittances, settle utility bills, and access a range of other essential financial services through our convenient network. This program serves as a compelling example of successful financial inclusion within the Bangladeshi context.

Agent Banking Performance At a Glance (As on 31-12-2024)
Taka in Million

Particular	December 2024	December 2023
Total Number of Outlet	745	737
Total Number of Agent	530	515
Number of Rural Outlet	656	648
Number of Urban Outlet	89	89
Number of Covered Upazilla	304	297
Number of Covered District	57	57
Number of Accounts	1004177	888931
Number of Male Customer	533769	470971
Number of Female Customer	470408	417960
Deposit of Agent Banking	40083.80	40072.69
Cost Free Deposit	1545.70	1775.82
Low Cost Deposit	14101.50	14432.34
High Cost Deposit	24436.60	23864.53
Amount of Foreign Remittance	4332.40	10115.97
Number of Utility Bills Collection	10716626	9366592
Amount of Utility Bills Collection	8307.00	6959.73
Net Amount of Profit	906.20	766.59

Retail Banking

In 2024, the Retail Banking Division of Al-Arafah

Islami Bank PLC demonstrated exceptional performance and continued its strategic journey toward sustainable growth, profitability, and customer-centric innovation. Our commitment to delivering Shariah-compliant financial solutions, exceptional value, and superior customer experiences remained unwavering, as we embraced innovation and personalized services to meet the evolving needs of our clients. By harnessing data analytics, we focused on delivering personalized experiences that connect with each customer, enhancing satisfaction and fostering loyalty.

Our approach is deeply rooted in Islamic values and guided by a humanitarian outlook, aiming not only to generate financial returns but also to uplift communities and contribute to the socio-economic development of the nation. We remain steadfast in promoting financial inclusion, particularly among underserved and rural populations, ensuring that our services contribute meaningfully to social welfare.

Driven by strategic initiatives and enhanced field-level execution, the Division achieved 114% of its profit target, reflecting a 46% growth in profit over 2023. This achievement underscores the effectiveness of our focused retail strategy and deepened customer engagement.

To strengthen our brand presence and reach a wider audience, we significantly enhanced our digital marketing efforts through online platforms, including social media and the corporate website. Recognizing the importance of skilled human capital, we conducted training programs across our branch network, equipping employees with the knowledge and tools to deliver superior Shariah-based retail financial services. These efforts also contributed to cultivating long-term customer loyalty and service excellence.

In alignment with our vision for long-term sustainable growth, we continue to invest in responsible banking practices that balance profitability with ethical responsibility, social impact, and environmental stewardship. The Retail Banking Division of AIBPLC remains committed to serving as a catalyst for equitable growth and prosperity, guided by Shariah-based principles and a dedication to the betterment of society.

Offering a diverse portfolio of retail investment products—including Home Investment, Semi-Pucca Home Investment, Auto Investment, Personal Investment, and Rapid Investment—we continued to provide accessible and tailored solutions to meet the varied needs of our clients. Our Payroll Banking Proposition, branded as AIBPLC Payroll Privilege Services (APPS), offers a consolidated Shariah-based package comprising Individual Salary Accounts, Retail Investment Facilities, and Card-related services for employees of partner organizations. In addition, three new retail deposit products are scheduled to launch soon, designed to empower customers across all segments by offering enhanced flexibility, higher monthly returns, free services, and digital convenience, along with value-driven features.

Retail Banking Highlights:

- Retail investment outstanding grew by 22% compared to the previous year, highlighting our sustained efforts to expand access to Islamic financial services across diverse retail segments, supported by innovative investment products and responsive service delivery.
- Introduced Mudaraba Advantage Deposit Scheme- an exclusive deposit product designed to deepen sustainable core deposits, tap new deposit segments, and drive CASA growth. This scheme also creates opportunities for cross-selling other banking products.
- Onboarded payroll clients and expanded the payroll customer base. These efforts contributed to building customer loyalty, increasing cross-sell opportunities, and strengthening recurring deposit inflows.
- Launched the first Retail Business Hub in Chattogram. The Hub promotes collaboration, performance tracking, and a business-oriented culture. We plan to inaugurate additional seven hubs shortly, replicating this model in strategic locations across Dhaka to ensure dedicated customer service and foster loyal customer creation.
- Strong focus was placed on less active low-value accounts through a targeted campaign. This initiative successfully revitalized customer relationships and contributed significantly to deposit growth and reinforcing our core deposit base.
- Conducted structured branch visits and training programs across the network, ensuring

alignment with retail business goals, reinforcing product knowledge, and strengthening frontline execution capacity.

- Embracing the digital shift, we significantly enhanced online visibility through dedicated retail campaigns on social media platforms and our official website, generating higher engagement and supporting business acquisition efforts.

Looking ahead, the Retail Banking Division is committed to accelerating its growth trajectory through a strong nationwide business drive, the launch of innovative Shariah-compliant retail products, targeted retail business campaigns and the delivery of value-based customer propositions tailored to diverse needs. Our focus will remain on customer segmentation, enabling us to design and deliver more targeted solutions for youth, professionals, salaried individuals, women, and entrepreneurs. As we continue to refine our strategy, particular attention will be given to digital customer onboarding—making the first point of contact as seamless and inclusive as possible. Efforts are also underway to digitize payroll banking solutions and streamline the onboarding process for corporate clients. Most notably, we are preparing to introduce a set of innovative investment products under new investment mode—set to be the first of its kind in Bangladesh—paving the way for broader financial inclusion and deeper market penetration through Shariah-aligned, technology-enabled platforms.

Al-Arafah Rural Development program (ARDP)

In front of the slogan “Village will be city” the activities of Al-Arafah Rural Development Program (ARDP) were started with the approval of the Board Directors. The ARDP Program was launched in an effort to serve the rural population of the country by developing their socio-economic conditions, conducting retail investment activities in the rural economy, developing saving attitude based on Islamic shariah and creating transaction opportunities with Islamic banks through investment. The main objective of the program is to include the large rural population through financial inclusion and implementation of Bangladesh Banks refinancing schemes as opposed to retail investment and employment generating initiative under the CMSME policy of Bangladesh bank.

The ARDP program supports the socio- economic development of farmers, labourer, fisherman, small traders and small entrepreneurs. Another important objective of this program is to prioritize the economic employment of rural woman entrepreneurs. ARDP Program are conducted on individual, group and association basis. Collateral is not required to get investment under the program. The mode of Investment repayment is based on weekly/monthly installments. ARDP activities are being conducted at a total 260 work stations, including 18 sub branches and 100 agent outlets through 142 link branches.

Essentially this program is a type of investment system with intensive monitoring and skilled staff working in various disciplines and ensuring constant supervision. As the Al-Arafah Rural Development program is conducted directly in rural and suburban areas, this program is directly related to the people, which is reaching the door-steps of the people at the door -to-door level as the branding of Al-Arafah Islami Bank PLC.

Summary of ARDP-2024

Sl	Particular	2023 (YTD)	2024 (YTD)
1	Designated Branch	145	166
2	Total Employee wit HO	407	441
3	Beneficiary Member	76116	83455
4	Client	60061	58057
5	Number of A/C	302220	381750
6	Deposit/Savings	336.57	550.64
7	Investment	381.88	436.99
8	Profit (Excluding provi- sion)	4.54	22.02

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. The contributions of cottage, micro, small, and medium enterprises (CMSMEs) play a crucial role in economic development, especially in a developing country like Bangladesh, by generating wealth and creating employment opportunities.

Al-Arafah Islami Bank PLC. playing a significant and positive role in in the banking sector in Bangladesh. The bank has already invested a total taka 483493.37 Million in investment sector out of which taka 159854.65 Million has been invested in the CMSME sector and participated in most of the refinance and pre-finance schemes announced by Bangladesh Bank.

Our aim is to minimize investment risk through small scale investments in CMSME and Agriculture and to distribute investments among the largest number of investment client rather than locking the investment in the hands of a single investment client. For this we need to bring forward branch managers and zonal heads in small investment CMSME and agricultural sector. Their positive outlook can bring back discipline in investment. Another thing to note is that which investment product has a higher spread and is more attractive to the customer and should be presented to the investment client. Government and Bangladesh Bank have provided refinancing facility at only 5% profit rate to women entrepreneur sector and 2% more cash facility if customer pays the investment on time of which customer will get 1% and bank will get 1%. Emphasis is placed on below-mentioned factors to minimize investment risk and maximize profit.

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 by Bangladesh Bank, Al-Arafah Islami bank PLC. is giving a priority over CMSME financing to three categories of enterprises viz. Industry, Trade & Services.

CMSME Investment at a glance

Figure in Million

Description	2024	2023
Total CMSME Portfolio	159854.65	146585.88
% of CMSME Portfolio to Total Portfolio	33.06%	32.47%
Target of CMSME Investment	115000	95000
Total CMSME Disbursement	71635.77	74252.88
% of Achievement	62.29%	78.16%

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 PLC. 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	7647.88
Amount of Disbursement to Women Entrepreneurs	4151.17

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. 25000 Crore Pre-finance Scheme Against CMSME investment:

Bangladesh Bank has set 8800 Million Taka disbursement target for AIBPLC. This scheme was formerly enrolled as refinance scheme but now it is converted to Pre-finance scheme by Bangladesh Bank. Bangladesh Bank has allotted 6555.30 Million Taka as Pre-finance fund in favour of AIBPLC in 03 phases. where the profit rate for the customers is 7% and Bangladesh Bank will be financed the fund at 2% profit rate.

2. Small Enterprise Refinance Scheme for Women Entrepreneurs

Under this Refinance scheme for women entrepreneur AIBPLC. is providing investment opportunities upto 5 Million at 5% profit rate where Bangladesh Bank refinanced the fund at 0.50%. Profit Spread for AIBPLC. will be 4.50%.

3. Agriculture Refinance Scheme (Food Security) 2023-24

Under this Refinance scheme Bangladesh Bank set the target of 940 Million where the profit rate for the customers is 4% and Bangladesh Bank will be financed the fund at 0.50% profit rate. Profit Spread for AIBPLC. will be 3.50%.

4. Concessional Profit at 4% Scheme 2023-24

Under this Refinance scheme Bangladesh Bank set the target of 47.05 Million where the Stimulus Profit rate for the customers is 4% and (SMART rate-4%) profit incentives provided by Bangladesh Bank.

5. '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 AIBPLC. will be 5.50%.

6. 10/50/100 Tk Account Holders' Refinance Scheme

Under this Refinance scheme Bangladesh Bank set the target of 200 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 AIBPLC. will be 6%.

7. 10000 Million Tk Refinance Scheme to increase Wheat, Maize Production (2023-24)

Under this Refinance scheme AIBPLC. has already achieved 100% target of 170 Million Investment at 4% profit rate where Bangladesh Bank refinanced the fund at 0.50%.

8. Start-up Fund Refinance Scheme

A fund was formed to invest in the Start-up enterprises and businesses. A fund of 66.0 Million was accumulated from where 9.70 Million have disbursed.

9. Credit Guarantee Scheme

From Credit Guarantee Department (CGD) of Bangladesh Bank AIBPLC. has enrolled in Credit Guarantee Scheme against 10/50/100 Tk. Account Holders' Refinance Scheme, Small Enterprise Refinance Scheme for Women Entrepreneurs and 25000 Crore Pre-finance Scheme Against CMSME investment where the target is 10 Million, 30 Million and 50 Million respectively for AIBPLC.

Financial Inclusion Department (FID):

Financial Inclusion indicates the availability and accessibility of financial services and products to all segments of society, particularly to individuals and communities who have traditionally been excluded from formal financial systems. It aims to provide opportunities for people to participate in the formal economy, manage their finances, and improve their overall economic well-being.

Fostering inclusive economic growth and sustainable development is one of the key objectives of Bangladesh Bank (BB). With this vision, BB is prioritizing a number of initiatives to promote financial inclusion henceforth inclusive economic growth.

To Execute this objective, according to Bangladesh Bank requirement AIBPLC has formed Financial Inclusion Department under Financial Literacy Wing which is supervised by Deputy Managing Director and headed by Executive Vice President.

To create an empowered nation with right knowledge and skills for making responsible financial decisions, FID is working to achieve the following set of objectives:

- Establishing sustainable financial literacy infrastructure at the community as well as national level.
- Reducing gender gap in financial services;
- Ensuring delivery of synchronized financial literacy based on the needs of different target groups through effective tools and monitoring mechanism;
- Capacitating people towards DFS and raise awareness against financial fraud, reduce associated risk
- Enhancing consumer financial rights protection.

Activity of FID:

- 1) Organizing Financial Literacy Programs (Training/Seminar/Workshop)
- 2) School Banking Conference.
- 3) Reporting
- 4) Investment
- 5) Monitoring & Recovery
- 6) Creating & Actualizing Financial Service Provider (FSP) Interactive Map
- 7) Compliances

Performance of FID in the year of 2024:

Particulars	Target	Achievement	(In %)
10/50/100 Taka Refinancing Investment Scheme	20.00 Core	4.055 Core	20.28%
School Banking A/C (number)	16000	9,166	57.88%
Financial Literacy Programs (FLP)	128	120	98%

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2019. In response to the overwhelming expansion in Bank's business, we extended our publicity to fulfill the market demand. We brought new dimension in our branding and publicity for establishing a positive image of the Bank. We acquired encouraging national attention towards AIBL throughout the year with our all-around activities. More than 96 news items of the Bank were broadcasted in 820 news coverage through 18 different TV Channels during the year 2019. We continued news branding on 6 major satellites TV channels such as, Channel-i, Bangla Vision, ATN Bangla, ATN News, Desh TV and DBC TV.

Promotion in the television media got a major hike during the Ramadan in this year. In 17 major TV channels which included NTV, ETV, Bangla TV, Jamuna TV, Channel-9, Boishakhi TV, SA TV, News 24, ATN Bangla, Desh TV and many more. The Bank sponsored 20 different programs to encourage true Islamic values. The initiative was praised by the stakeholders which had a positive impact on the business of the bank.

Positive branding was one of the vital supports that led the Bank to hold a firm position in the market. More than 8 interviews and talk shows of the Managing Director and other top executives were published or broadcasted in several medias. The Bank proved its engagements with people by sponsoring several occasions. Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, Fair of Chittagong Metropolitan Chamber of Commerce & Industry and many more people-related gatherings were sponsored by the Bank. These activities cemented the relationship with clients and uplifted the image as a people oriented bank.

We had 1960 Press Release items published in more than 65 different leading Newspapers and Media throughout the year. Besides, more than 900 advertisements were published in 125 different publications during that year. The Bank will touch the milestone of 25th Anniversary in 2020. To celebrate the moment, honorable Board of Directors has approved a rebranding campaign for the year. Therefore in 2020, our advertisement plan will focus to achieve the most outcome from the Rebranding Campaign though part of these activities have been subsequently postponed due to covid-19 pandemic.

Information & Communication Technology

In 2024, the ICT Division of Al-Arafah Islami Bank PLC has continued to play a transformative role in digitizing banking operations, enhancing infrastructure, ensuring cybersecurity, and expanding customer-focused digital services. This year was marked by critical system upgrades, regulatory compliance advancements, and strategic technology implementations—paving the way for a more secure, agile, and innovative banking ecosystem.

Key Achievements & Initiatives

1. Core Banking System (CBS) Upgrade:

Al-Arafah Islami Bank PLC (AIBL) embarked on its automation journey in 2006 and successfully launched its online banking operations in 2008. Since then, the bank has continuously enhanced its technology landscape to deliver secure, efficient, and customer-centric services.

- Migrating CBS to the Kubernetes platform Ababil NG for enhanced performance, security, and scalability.
- Initiated hardware installation to support real-time processing, resilience, and future digital service integration.
- Automation Journey and Technology Adoption at AIBPLC

In addition to the Core Banking System (CBS), AIB PLC has integrated a wide range of technology-driven solutions aimed at automating internal operations, strengthening security, and enhancing service delivery for our valued customers. These include:

1. Bangladesh Electronic Funds Transfer Network (BEFTN)

2. Real-Time Gross Settlement (RTGS)
3. Bangladesh Automated Cheque Processing System (BACH)
4. Integrated Supervision System (ISS) Reporting
5. Business Performance Assessment (BPA)
6. Credit Information Bureau (CIB) Integration
7. goAML – CTR Reporting
8. Return on Investment (RIT) Reporting
9. Internet Banking (i-Banking)
10. Sylvia – Human Resource Management System (HRMS)
11. Agent Banking Services
12. Utility Bill Collection Platform
13. Sanction Screening System
14. FATCA Compliance Solution
15. SWIFT Connectivity
16. Asset Management System
17. Centralized Anti-Virus Management
18. Enterprise Mail Server
19. Offshore Banking Unit (OBU)
20. Treasury Management System
21. ATM Services
22. Mobile ATM Services
23. Debit Card Services
24. Credit Card Services
25. SMS Alert System

2. Internet Banking Enhancement

- Launched fund transfer to bKash from AIBL accounts via Internet Banking (iBanking)—improving digital convenience.
- Achieved PCI-DSS certification for security compliance in Internet Banking.
- Upcoming 2025 enhancements:
 - o Auto-registration facility
 - o Mobile top-up
 - o Bangla QR payment acquiring
 - o ITD & MTDR account opening via iBanking

3. Cybersecurity & Compliance

- Achieved:
 - o ISO 27001 Certification (Information Security Management System)
 - o PCI-DSS Certification (Cardholder data security)
 - o EPI Certification for Data Center infrastructure
- Established Security Operations Center (SOC) for 24/7 monitoring and rapid incident response.
- Conducted regular security assessments for all applications and infrastructure.

4. Disaster Recovery (DR) Modernization

- Have started relocating DR site to Felicity IDC Data Center, Kaliakoir Hi-Tech Park for enhancing business continuity, recovery time, and resilience.

5. Infrastructure Expansion

- Increased network capacity at DC and DR sites.
- Strengthened Data Center infrastructure with improved tagging and documentation.
- Expanded secure Wi-Fi, upgraded networking equipment, and implemented network segmentation to support growing demands.

6. Litigation Management System

- Deployed a centralized legal case management solution to streamline operations in the Legal Division.

7. Anti-Money Laundering Dashboard (AMLDD)

- AML Monitoring software dashboard for:
 - o Regulatory reporting
 - o Risk-based alerting (GB, Trade, Remittance, Card)
 - o Proactive compliance tracking

8. Read, Learn and Do (RLD) – E-Learning Platform

- Implemented a structured internal learning portal for upskilling employees.
- Features interactive modules, certification, and self-paced assessments to drive continuous growth.

Looking Ahead – 2025 Priorities

- Further enriching digital platforms with customer-centric features.
- Enhancing disaster resilience through cloud-based redundancy.
- Strengthening ICT governance and vendor management frameworks.
- Promoting AI/ML-driven analytics in compliance and customer behavior insights.

Card Division

The transformation of digitalization in banking sector, the use of cards is constantly increasing. Interest in cards and ATMs has now extended beyond urban areas to rural areas. This division is constantly enhancing its card services to meet this demand. In 2024, It has achieved potential and remarkable growth in card count and profit. Compared to 2023, credit card growth was 26%, debit card growth was

25%, prepaid card growth 46%, net profit was Tk.4.51 crores. Card Division has issued more than 18000 credit cards, near about 500000 debit cards and 4500 prepaid cards and these numbers are increasing day by day. In addition to 134 EMI and 10000 discount outlet partners all over the country. It has buy 01 get 01, buy 01 get 02 and buy 01 get 03 offer with all the five stars hotels in Bangladesh by using La-Riba credit card. Also, card division often arranges up-to 50% cash back offer in different occasion with different merchants by using its credit card.

The La-Riba credit card has created a strong buzz in the market since its launch. Its Shariah-compliant, interest-free model has attracted wide attention from ethically conscious consumers. Customers appreciate the card's transparency and alignment with Islamic financial principles. It stands out as a unique offering in a market saturated with conventional credit products. Overall, La-Riba has successfully set a new trend and captured the interest of a growing intrinsic segment.

In 2024, Bank received 02 MasterCard Awards for excellence in issuing international debit card and prepaid domestic card. It has been issuing contactless cards for two years. Along with MasterCard, bank has got Visa Card membership approval and will start its operation very soon. The division has been issuing international debit card from early in the 2024.

As per new organogram, the division is positioned for a transformative phase. This restructuring aims to streamline operations and enhance efficiency across all units. With clearer roles and responsibilities, employees are expected to perform with greater focus and accountability. The revised structure also promotes better coordination and faster decision-making. As a result, innovation and productivity are anticipated to rise significantly. Stakeholders have expressed confidence in the leadership's vision and strategic direction. Overall, this organizational shift is expected to lead to massive positive change and sustained business growth.

Currently, banks prefer lending to retail customers rather than corporate clients due to lower default risks. This shift helps banks reduce their exposure to large-ticket corporate defaults. Retail lending also supports consumption-driven economic growth, making it a healthy asset class. As a result, banks are

strengthening their retail portfolios to ensure steady income and risk balance.

Our motto is to offer credit cards to all our existing potential investment and deposit customers. This initiative aims to deepen customer relationships and enhance their banking experience. By leveraging our existing customer base, we can ensure better credit quality and lower acquisition costs. Offering credit cards to these customers adds value and encourages greater engagement with our financial products. It also helps us grow our retail portfolio while maintaining a strong and trusted customer network.

Sustainable Finance Unit

The Sustainable Finance Unit (SFU) of Al-Arafah Islami Bank PLC (AIBPLC) drives responsible investment by integrating ESG principles into financial decisions, with a focus on climate resilience, social inclusion, and good governance. AIBPLC further advances these priorities through its Green Banking initiatives, Sustainable Finance practices, and Corporate Social Responsibility (CSR) activities. From this perspective, the Bank has undertaken the following activities through this Unit:

Under its Green Banking initiatives, the Bank has introduced Sensor-Based Lighting, Digital Training, E-Statements, SMS Alerts, Mobile Banking, Internet Banking, increased number of ATM booths and Business Process Automation (BPA) to reduce electricity and paper use. These measures support the Bank's shift toward low-carbon operations.

In line with Bangladesh Bank guidelines, all investments that fall under the scope of ESRM guideline are being addressed appropriately through Environmental and Social Risk Ratings (ESRR) checklist. The Bank is also set to implement Environmental and Social Management Systems (ESMS) with MIS reporting from mid-2024.

Adopting the Sustainability and Climate-Related Financial Disclosure framework, AIBPLC set 2024 as the base year, targeting a 5% CO₂e reduction across Scope 1, 2, and 3 emissions by 2029. Emissions in 2024 were: Scope 1 – 9,990.25 tCO₂e, Scope 2 – 2,812.93 tCO₂e, Scope 3 – 1,009,033.18 tCO₂e. Progress is monitored quarterly by the Sustainable Finance Committee.

The Sustainable Finance Policy (2021) covers 94 green and sustainable products. Help Desks at 226 branches assist clients, and staff training in 2024 strengthened implementation. That year, green finance disbursement reached BDT 11,113.34 million, and total sustainable finance stood at BDT 143,849.19 million, focused on sectors like LED lighting, recycling, green bricks, and eco-friendly industries. The Bank aimed to allocate 5% of term investments to green finance and 20% to sustainable finance, nearly achieving these goals.

AIBPLC also participates in Bangladesh Bank refinance schemes, including the Islamic Refinance Scheme, Technology Upgradation Fund, and Green Transformation Fund (GTF), earning recognition as one of the most sustainable banks in 2022.

Corporate Social Responsibility (CSR)

As part of CSR, AIBPLC always gives priority to any emergency of the country /society /institution /individual. In line with Bangladesh Bank (BB) guidelines, our main priority sectors of CSR are education, health, environment and climate change mitigation & adaptation and other sectors such as income generating activities, disaster management, infrastructure development, sports & culture. Under environment and climate change mitigation & adaptation, bank preserves a fund called Climate Risk Fund to facilitate financing at subsidized profit rate in some special environment friendly projects such as Climate resilience and disaster management, financing in green clean transportation project, financing in govt. approved eco-tourism projects, financing in sandwich panel, natural eco-system protection and restoration. AIBPLC spent BDT 299.21 million out of total approved budget of BDT 300.00 million in 2024. In Education sector, the bank has spent BDT 60.58 million to 564 underprivileged undergraduate students through its own Education Scholarship Program, helping them pursue higher studies. Additionally, it allocated BDT 143.81 million to Healthcare, BDT 89.1 million to Disaster Relief, BDT 3.24 million to Climate Risk initiatives, and BDT 2.48 million to Environment Protection significantly benefiting the society.

In 2024 our total expenditure in CSR is BDT 299.20 million which is shown sector wise in the table below:

(Amount in Million BDT)

Sl No.	Particulars	2024	2023
1	Health	143.81	286.67
2	Education	60.58	59.14
3	Disaster Management	89.10	123.89
4	Cultural Activities	0.00	0.43
5	Environmental Protection	5.71	43.06
Total		299.20	513.20

AIBL Foundation

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

- Al-Arafah Islamic International School and College: Al-Arafah Islami Bank Foundation has been established this institution with a view to building next generation according to the ideals of peace and equality of Islam and to establishing banking and other aspects of life in the way of Islam. The prime aim of this Islamic International School & College is to contribute towards building human resource and in the broader sense to ensure human welfare. With the view Al-Arafah Islami Bank Foundation has established Al-Arafah Islamic International School & College at Dhanmondi in 1998. Such institution upto O level of its kind is for the first time in Bangladesh. Now it is situated at Hazaribagh, Dhaka. Current students around 350 and Teachers with other staffs are 40.
- Al-Arafah Tahfizul Quran Madrasha: Previously it was a department of Al-Arafah Islamic International School and College but now it is a separate unit named Al-Arafah Tahfizul Quran Madrasha (residential). It is also situated at its own premises at Hazaribagh, Dhaka. Current students around 25 and Teachers with other staffs are 4. Already almost 100 Hafez passed.
- Al-Arafah Islami Bank Foundation Kidney Dialysis Center, Chattogram: Al-Arafah Islami Bank Foundation established this 10-bed dialysis center at Firingi Bazar, Chattogram to give the dialysis service of underprivileged people of this area at low cost. Presently annual number of dialysis almost 7000.

d. Al-Arafah Islami Bank Foundation Hospital, Chattogram: Al-Arafah Islami Bank Foundation are planning to stablish this 60-bed hospital at its own land, Sholoshohor, Muradpur, Chattogram to give the standard health care service of underprivileged people of this area at subsidized price. Almost 90% work is complete and planning to start its operation on January-2026 In Sha Allah. It's a general hospital including most common but critical services like ICU, NICU, Dialysis etc.

e. Al-Arafah Islami Bank Medical College and Hospital: Besides, it also has a future plan to establish another extension of Al-Arafah Islami Bank Medical College and Hospital at its own land, Hazaribagh, Dhaka.

In those above projects total BDT 27.02 million was expensed by AIB Foundation under CSR activities in 2024.

All of the above are established with the motive to provide quality service to poor /less income (underprivileged) 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 453 employees in different categories/ranks joined our fleet during the year 2024 raising our total employees to 6,026 which includes 424 Executives as on 31.12.2024.

We have nominated 203 employees in different outside training courses viz. BIBM, BBTA, BAB etc. in 2023 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 68 CDCS, 3 CSDG, 13 CAMS, CERM 7 and CISA 1 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 finances and Environment Risk Management, Basel-III and Islami banking guidelines etc. So, building of capacity, vis-à-vis efficiency and acquiring absolute knowledge of all the officials of the bank on the aforesaid Core Risks and Islami Banking guidelines is very important now-a-days. So, a Training Policy Guidelines 2018 was approved by the Board of Directors of the bank. The purpose of the Training Policy Guidelines is to create awareness and to equip the employees with proper knowledge on all the existing and new issues/ products/banking laws/ rules/ regulation/Islamic banking and core risk management guidelines of Bangladesh Bank and other regulators.

Training position in 2024:

AIBTRI conducted a total number of 145 Training Courses/Workshops/EDPs and Outreach Training Programs where 10,430 participants attended during the period from January to December, 2024. AIBTRI conducted a total of 21 (Twenty one) courses and 47 (Forty-Seven) workshops which includes 66 (Sixty Six) outreach training programs (OTP) during the year 2024.

Credit Rating

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

Long Term	:	AA (pronounced Double A Two)
Short Term	:	ST-2
Based on	:	Audited Financial Statement 2023
Date of Rating	:	27 June 2024
Validity	:	26 June 2025
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2024	AA	ST-2	Stable
30 June 2023	AA	ST-2	Stable
30 June 2022	AA	ST-2	Stable
30 June 2021	AA	ST-2	Stable
30 June 2020	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.

Conclusion Mark:

Looking Ahead: Purpose, Potential, and the Promise of 2025

As we step into 2025—marking 30 years of institutional legacy—we carry forward not just history, but a renewed strategic mandate: to convert legacy into leadership. The values that have defined our journey—trust, integrity, inclusion, and Shariah-based excellence—will now power our transformation as we reposition Al-Arafah Islami Bank PLC for a new era of ethical, resilient, and technology-enabled growth. This is not just a milestone—it is a moment to lead with purpose, innovate with conviction, and serve with deeper impact.

This is not merely a celebration of time—it is a recalibration of purpose. The world around us is changing. Customer expectations are evolving. Regulatory standards are becoming more stringent. And the financial ecosystem is undergoing digital, social, and structural shifts. Against this backdrop, we are not standing still—we are moving forward with discipline, with determination, and with direction.

In 2025, we will deepen our institutional reform, embed centralized discipline, and elevate governance to new benchmarks. We will accelerate

the rollout of smart, secure, and Shariah-aligned digital platforms—to make banking more intuitive, inclusive, and intelligent. We will reshape our branch and agent strategy to serve every corner of the country—not just to expand reach, but to extend impact. We will unlock new avenues for responsible investment through Sukuk and Islamic ESG products that meet both ethical and economic objectives. And above all, we will strengthen our role as a partner in progress—championing women’s banking, youth entrepreneurship, and financial literacy not as corporate responsibility, but as institutional conviction.

We are entering our fourth decade not as a conventional bank adapting to change—but as a purpose-driven institution leading it. We know the road ahead will require clarity of thought, courage in decision-making, and consistency in delivery. And we are ready.

To our colleagues across the organization—this is our moment to lead from every seat, with purpose, discipline, and unwavering integrity. Your dedication fuels the transformation we are driving. To our

partners and regulators—your trust and guidance continue to sharpen our focus and elevate our standards. To our customers—your confidence is our greatest responsibility, and the benchmark by which we measure our success. To our shareholders—your belief inspires our ambition and strengthens our resolve to create lasting value. And to Allah (SWT)—we offer our deepest gratitude, seeking His continued mercy and barakah as we strive to build a more just, inclusive, and values-driven financial future.

Together, we will build a future where Islamic banking is not just an alternative—but a benchmark. Where trust is earned, not assumed. And where growth is guided not only by numbers—but by principles.

Ma-Assalam



Mohd. Rafat Ullah Khan

Managing Director (Current Charge)

Date: 14 August 2025



BOARD OF

DIRECTORS' REPORT

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 30th 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 2024.

Economy Analyses

World Economy Outlook

The IMF has projected a decline in global growth following a period of steady but underwhelming performance, amidst policy shifts and emerging uncertainties. Global growth is projected to fall from an estimated 3.3% in 2024 to 2.8% in 2025, before recovering to 3% in 2026. This is lower than the projections in the January 2025 WEO Update, by 0.5 percentage point for 2025 and 0.3 percentage point for 2026.

Global inflation is expected to fall from an annual average of 5.7% in 2024 to 4.3% in 2025 and 3.6% in 2025. In the last quarter of 2024, the global economy continues to see steady growth, as inflation has moderated, private consumption has been sustained and monetary policy has started to ease in key markets. Nevertheless, short- and medium-term growth prospects are challenged by rising geopolitical risks and growing policy uncertainty.

In Euromonitor International's Q4 2024 baseline forecast, global real GDP growth is expected to reach 3.2% in 2024 and maintain this rate of growth in 2025,

thus staying below the pre-pandemic levels. Global inflation would ease to 3.8% in 2025, significantly down from 6.5% in 2024.

Real GDP growth forecasts for advanced economies are estimated to remain stable, but underwhelming at 1.7% for both 2024 and 2025, on the back of a still high rate environment and subdued consumer and business confidence. The pace of growth, however, diverges across economies.

Global economies ended more resilient in 2023 than many expected when the year began. Whether this can continue is the key question for 2024. We think the answer probably lies in the labour market and how inflation will fare in the coming year. The outlook for both factors will define the timing and scope of monetary policy easing that is to come. Economic activity thus far has been supported by the persistence of extremely low unemployment rates. This has helped households with cost-of-living pressures that have not been seen in generations. Furthermore, many borrowers have yet to experience the impact of interest rate increases. Inflation has been the biggest driver of economic growth in the past year, and it will be the key to watch in the year ahead. As the progress of disinflation continues around the globe, driven mainly by decelerating goods inflation, the services side remains uncertain. Broadly, we expect that central banks will be on hold well into 2024 to be sure inflation is sustainably anchored at respective targets before discussions shift to rate cutting. The central case, therefore, is a policy plateau where rates stay elevated for some time into 2024 before a 'slow and steady' rate cutting cycle to minimise risks of a secondary inflation outbreak (which would be particularly humbling for policymakers).

Downside surprises on inflation and/or upside surprises on unemployment may alter this view. Isolated downside inflation surprises speak to the soft-landing narrative, like what has occurred in the US through 2023. However, it is still likely that central banks would ease cautiously in this case. Upside surprises on unemployment are likely to be

far more economically destructive and risk a hard landing. In this case central banks could be expected to ease policy more aggressively. Despite the clear risks of the lags of monetary policy fostering a hard landing scenario, we remain in the soft landing camp, but it is a broad church. This is predicated on our expectation that every step inflation takes towards central bank targets brings greater freedom to address growth concerns by easing policy, should they arise. Geopolitical risks remain a wildcard. What may put a spanner in the works are heightened geopolitical risks. Outright conflicts will continue with the Russia-Ukraine conflict and now the Israel-Hamas conflict, both potentially imparting further shocks to the global economy, particularly via the energy complex. Slow-moving but tectonic shifts in geopolitical and economic alignments will continue to shape trade and capital flows. US-China tensions are notable, but also the broader BRICS-plus bloc against advanced economies threatens to be destabilising. Political polarisation and populism also threaten to be disruptive. Clearly, the US Presidential election is at the forefront of these concerns, with the contest, which may again be Biden versus Trump, having domestic and global implications. There are also elections in India, Mexico and Taiwan that will be closely watched. 2024 risks bringing the lowest growth of this cycle. Overall, we expect growth to be somewhat weaker in 2024 than in 2023. This is particularly true in the US, which has experienced the most robust growth of major advanced economies and will probably slow, coming from a relatively high base. The Eurozone and the UK are already stagnating. Growth through 2024 will be likely to remain weak, not too dissimilar to 2023. Recession risks in these economies remain the most acute. The UK will probably be a touch weaker than the Eurozone, with potentially more persistent inflation. Japan's growth will likely moderate after a better-than-expected 2023, with the Japanese economy being an exception to the global increase in policy rates. And then there's China — risks abound— yet policy support will likely stabilise growth.

Investment implications

It seems that 2024 is a year in which to be cautious as an investor. There is a strong view of where we are in the rates cycle, and this lends itself to asset allocations

that favour fixed income over equities despite some relatively surprising, though inconsistent, equity market performance in 2023. Nonetheless, the 60/40 fund model was again under pressure in 2023 as bonds had not yet delivered, and equity returns were highly dependent on jurisdiction and sector. Risk-averse investors and those experiencing a 'denominator effect' have shied away from private markets in 2023, especially unlisted infrastructure. This is despite very solid returns through both 2022 and 2023. The turbulent economic years exiting the pandemic may have made it difficult to allocate to private markets, but those already exposed have observed true 'mid-risk' performance through this unusual cycle and we believe the asset class is well positioned heading into 2024. Overall, we believe how the global economy will actually land is key as long-duration investors look to potentially rotate back to growth assets. A soft landing would facilitate this at the expense of returns in fixed income assets. Conversely, a hard landing would deter any rotation given the expectation of poor economic conditions and questions of how far rates might fall. Whatever the easing cycle, central banks will once again be looking to get a feel for the neutral rate, particularly in a soft landing scenario. While labour supply, better productivity and fiscal largesse may all support the notion of a higher neutral rate, we remain unconvinced that this could be sustained in a higher debt world.

Bangladesh Economic Outlook

According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), GDP growth rate for FY 2023-24 stood at 5.82 percent as against 5.78 percent in the final estimates for FY 2022-23. As per the provisional estimate for FY 2023-24, the size of GDP in current market prices is Tk.50,48,027 crore or USD 459 billion, which was Tk.44,90,842 crore or USD 452 billion in the previous fiscal year. Agriculture, industry and services are the broad three sectors of GDP. Broad sector-wise data shows that the provisional growth for FY 2023-24 in the agriculture sector stood at 3.21 percent, which was 3.37 percent in the final estimate of FY 2022-23. Growth rate of the agriculture sector decreased by 0.16 percentage point in FY 2023-24 compared to FY 2022-23. Growth of the industry sector for FY 2023-24 is estimated at 6.66 percent which was 8.37 percent in the final

estimate for FY 2022-23. Growth rate of the industry sector has decreased by 1.71 percentage points in FY 2023-24 as compared to FY 2022-23. On the other hand, growth of the service sector has been provisionally estimated at 5.80 percent for FY 2023-24, which was 5.37 percent as in the final estimate for FY 2022-23. The growth rate of service sector increased by 0.43 percentage point in FY 2023-24 over FY 2022-23. According to the provisional estimate of FY 2023-24, the ratio of investment, domestic savings and national savings to GDP stood at 30.98 percent, 27.61 percent and 31.86 percent respectively, which was 30.95 percent, 25.76 percent and 29.95 percent respectively in the final estimate of FY 2022-23. The per capita income stood at Tk.3,06,144 (USD 2,784) as of provisional estimates of FY 2023-24. In the previous fiscal year, the per capita income was Tk.2,73,360 (USD 2,749). As per the Consumer Price Index (CPI), the rate of inflation during FY 2022-23 was 9.02 percent. Of this food inflation stood at 8.71 percent while nonfood inflation stood at 9.39 percent. Inflation surged to 9.73 percent in FY 2023-24, with food inflation rising by 10.65 percent and non-food inflation by 8.86 percent. To contain inflation within a tolerable limit, various necessary adjustments are being made in monetary and fiscal policies. The scope of Open Market Sales (OMS) has been expanded and family card have been provided to low-income families to purchase essential goods at lower prices. In FY 2022-23, the total revenue mobilisation stood at Tk.3,66,658 crore (8.26% of GDP), of which tax revenue mobilised by the NBR was Tk.3,19,731 crore (7.20% of GDP), non-NBR tax revenue was Tk.7,994 crore (0.18% of GDP) and non-tax revenue was Tk.38,933 crore (0.88% of GDP). The revised revenue mobilisation target was set at Tk. 4,78,000 crore in FY 2023-24, which is 9.47 percent of GDP. Of them, revenue receipt from NBR sources was marked at Tk. 4,10,000 crore (8.12% of GDP), tax revenue from non-NBR sources at Tk. 19,000 crore (0.38% of GDP) and non-tax revenue at Tk. 49,000 crore (0.97 % of GDP). The total expenditure outlay was estimated to Tk.5,73,857 crore in FY 2022-23, which is 12.93 percent of GDP. Of them, ADP was Tk.1,91,927 crore (excluding autonomous bodies/corporations own funding), which is 4.32 percent of GDP. The total expenditure target for FY 2023-24 has been set at Tk. 7,14,418 crore (14.15% of GDP), of which, the allocation for the revised ADP is Tk. 2,45,000 crore.

In FY 2023-24, the revised budget deficit is set at 4.68 percent of GDP, where the budget deficit recorded at 4.67 percent of GDP in FY 2022-23. To tame inflation, Bangladesh Bank has initiated some policy measures under a contractionary policy stance. Included among those are: implementation of the interest rate corridor (IRC), establishment of a reference-based interest rate for lending, removal of the lending rate cap, elimination of the interest rate floor on deposits, unification of the exchange rate, and a cumulative 250 basis points increase in the policy rate during FY 2023-24. Besides, Bangladesh Bank also implemented several initiatives for curbing inflation and stabilising the exchange rate regime, of which significant steps included: narrowing IRC from ± 200 basis points to ± 150 basis points, discontinued practice of devolvement of T-bills and T-bonds on BB, introduction of currency swap and Resident Foreign Currency Deposit (RFCD) account, the SMART (Six Months Moving Average Rate of Treasury Bill) based system was scrapped, low cost credit to priority sectors (agriculture, CMSMEs, import substitution, and export-oriented industries) and introduction of the crawling peg system, etc. The trends of monetary aggregates show that at the end of June of FY 2023-24, the year-on-year growth of reserve money (RM), broad money (M2) and narrow money (M1) stood at 7.84 percent, 7.74 percent and 1.84 percent respectively. The growth rate (year-on-year) of domestic credit stood at 9.80 percent in FY 2023-24. It was much higher recorded at 15.25 percent in FY 2022-23. Of the components of domestic credit, private sector credit growth stood a little lower at 9.84 percent at the end of June 2024 against 10.58 percent of June 2023. The net credit to the government increased by 9.69 percent at the end of June 2024, which was excessively increased by 36.72 percent at the end of June 2023. During the period, the share of credit to government (net) (excluding other public sector) and the private sector to the total domestic credit stood at 20.08 percent and 77.58 percent respectively. In FY 2023-24, both stock markets, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), noticed some volatility. The market capitalisation of all securities decreased in both the markets. Compared to June 30, 2023, the market capitalisation of DSE and CSE decreased by 14.24 percent and 8.83 percent respectively at the end of June 30, 2024. During the same period, the DSE

Broad Index (DSEX) and CSE Overall Price Index decreased significantly by 16.01 percent and 19.44 percent respectively. The country's export earnings achieved USD 44,475 million during FY 2023-24, which is 4.34 percent lower than the export earnings of the previous fiscal year. During the period, imports (c&f) decreased by 11.1 percent to USD 66,725 million. Remittance inflow stood at USD 23,915 million, which is 10.65 percent higher than the previous fiscal year. The external position recovered with the improvement of the deficit situation in balance of payments (BoP) in FY 2023-24. During the period, current account deficit was narrowed down from USD 11,633 million in FY 2022-23 to USD 6,512 million in FY 2023-24, caused by declining trade deficit along with the increasing remittance inflows and sharp descend in import payments. On the other hand, with the shrinking of current account deficit, lower surplus financial inflows dominated by external loans under the period resulted in lesser the deficit in BoP. The net outcome of all these made the overall balance a deficit of USD 4,300 million in FY2023-24 compared to the deficit of USD 8,222 million in the previous fiscal year. As deficit in balance of payment created pressure on the exchange rate reflected in 11.65 percent depreciation of Taka against US dollar in FY 2023-24 compared to the FY 2022-23. To meet the excess demand of foreign currency, Bangladesh bank intervened into the foreign exchange though net selling USD 9.42 billion in FY 2023-24. The weighted average inter-bank rate stood at Taka 111.00 per USD on 30 June 2024, which was Taka 99.42 per USD in 30 June 2023. The gross foreign exchange reserves of Bangladesh Bank decreased to USD 26.82 billion at the end of June 2024, as compared to USD 31.20 billion at the of June 2023. Sector-wise Economic Situation In FY 2023-24, the total production of food grain is 501.174 lakh metric tonnes, compared to 467.04 lakh metric tonnes in FY 2022-23. In FY 2023-24, the amount of food grain distribution target was 34.05 lakh metric tonnes, where the actual food grain distribution was 32.61 lakh metric tonnes. In continuation of the past years, the amount of agricultural and rural loans disbursed in the country has been gradually increasing. By June 2024, a total of Tk.37,153.90 crore in agriculture and rural credit had been distributed against the target of Tk.35,000.00 crore, which is 106.15 percent of the target. Taking into consideration

the increase in domestic agricultural production, the revised budget for FY 2023-24 has allocated Tk.25,000 crore for subsidies on fertilisers and other agricultural activities and Tk.160 crore for seed production activities. In FY 2023-24, a total of 50.80 lakh metric tonnes of fish was produced from inland water bodies and marine sources. To prevent various disease and reduce financial risks caused by disease, 32.99 crore doses of vaccines for 17 diseases of livestock and poultry were produced and administered at the government level. According to the BBS, the Quantum Index of Industrial Production increased by 8.84 percent in FY 2023-24, compared to the previous fiscal year. A total of 456 business institutions are ongoing with production in the existing 8 EPZs of the country. An additional 103 industries are in the process of implementation. As of June 2024, the amount of cumulative investment in the EPZs is USD 6,787.79 million. During the same period, 4,86,304 Bangladeshis have been employed in the industrial establishments of EPZs under BEPZA. It is mentionable that 66 percent of Bangladeshi citizens working in EPZ are women, which is playing an important role in women's empowerment. The installed capacity of power generation of the country reached to 31,452 megawatts, including captive and renewable energy (up to June 2024). The maximum generation so far was 16,477 MW on 30 April, 2024. Per capita generation including captive and renewable energy has reached 640 kWh in FY 2023-24. On the other hand, total number of transmission lines has been increased to 15,624 circuit kilometers till June 2024. The power distribution line has now been stood at 6,43,000 km and the number of subscribers has been increased to 47.1 million up to June 2024. Natural gas met almost 54 percent of the country's total commercial use of energy. Up to June 2024, 29 gas fields have been discovered in the country. According to the latest estimate, total Gas Initial in Place (GIIP) is 38.21 trillion cubic feet (TCF), out of which 29.74 TCF is recoverable (proven and probable). From 1960 to June 2024, a total of 21.08 TCF gas was produced, leaving 8.66 TCF recoverable. At present, the fuel oil storage capacity of the country is about 13.69 lakh metric tonnes. The total length of highways in the country is 22,476 km as of June 2024. Parallel to the roads, development projects like bus rapid transit (BRT), Dhaka Elevated Express way and some other

mega-projects are being implemented. At present, about 3,254 km long network of railway lines connects almost all of the important places including 48 districts of the country. Several measures have been undertaken for the development and maintenance of navigability of different river routes, ensuring safe movement of watercraft, development of inland river ports, creating infrastructure facilities to carry container goods in inland waterways etc. As the national flagship carrier, Biman Bangladesh Airlines Limited is operating 7 national and 23 international flights in different routes. Besides, the total number of mobile phone subscribers and internet users exceeded 19.61 crore and 15.76 crore in June 2024 respectively. According to the Human Development Report, 2023/2024 by UNDP, Bangladesh ranked 129th out of 191 countries. At present (2023), the net enrollment rate in primary schools is 97.76 percent. Various programmes have been implemented with the goal of developing skilled and qualified human resources by providing access to education at all levels and enhancing the quality of education. Besides, significant progress has been made in reducing child and maternal mortality and increasing average life expectancy. According to the Household Income and Expenditure Survey (HIES) 2022, the poverty rate declined to 18.7 percent in 2022, which was 24.3 percent in 2016. However, the Gini coefficient rose to 0.4999 in 2022, compared to 0.482 in 2016, indicates an increase in income disparity over the period. Several poverty alleviation programmes in Bangladesh meant to address poverty alleviation directly or indirectly have been launched by the government. Apart from these, different government along with non-government institutions, carried out various activities involving introducing microcredit in order to expedite the government's efforts of poverty reduction. Bangladesh Investment Development Authority (BIDA) online One Stop Services (OSS) aims to bring together relevant government agencies in a coordinated and streamlined manner, providing efficient and transparent services to investors. Currently, the portal offers a total of 132 services from 43 agencies. During FY 2023-24, the amount of net FDI was USD 1,468.17 million. A total of 1,064 projects were registered with BIDA in FY 2023-24 under joint venture investment (local and foreign) and the amount involved with the proposal was Tk. 15,69,982

million. A total of 97 economic zones have been approved of which 13 zones have already been started commercial production and 29 are currently under development phase. Under the public-private partnership modality, 79 projects are being implemented by 26 organisations from 17 ministries. To accelerate climate risk mitigation and adaptation programmes, the government has approved the National Adaptation Plan (NAP) for 2023-2050 and submitted it to the United Nations Framework Convention on Climate Change (UNFCCC). Additionally, the Nationally Determined Contributions (NDC) were updated and submitted to the UNFCCC.

A significant portion of projects under the Bangladesh Climate Change Trust Fund (BCCTF) has been undertaken to tackle climate change adaptation. Projects focused on various areas such as skill development, institutional capacity strengthening, air pollution reduction, health protection impact assessment, riverbank conservation, innovation of climate-tolerant crops, safe water supply, installation of solar streetlights, and the creation of natural reservoirs have been financed by the BCCTF.

The International Monetary Fund (IMF) has maintained its economic growth forecast for Bangladesh at 3.8% for the current fiscal 2024-25, consistent with its December projection, but anticipates a stronger recovery, forecasting growth of 6.5% in FY26.

The multilateral lending agency also projected Bangladesh's inflation to remain elevated, reaching 10% in FY25, before cooling down to 5.2% in the next fiscal year, according to its latest edition of the World Economic Outlook. However, the inflation projection for FY25 is lower than the December forecast of 11%.

The IMF's projection comes after the Asian Development Bank (ADB), in its latest Asian Development Outlook, expected Bangladesh's economy to grow by 3.9% in FY25, before increasing to 5.1% in FY26. The ADB also warned that the 12-month average inflation in Bangladesh is expected to rise further to 10.2% in FY25, before easing to 8% in the next fiscal year.

In December last year, the government revised its GDP growth projection for FY25 downward to 5.25%, from the initial estimate of 6.75%, due to ongoing financial crisis and political volatility following the government changeover.

Banking sector analysis

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

Scheduled Banks:

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

Non-Scheduled Banks:

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

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

State Owned Commercial Banks (SOCBs):

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

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

A. Private Commercial Banks (PCBS):

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

B. Conventional PCBS:

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

C. Islami Shariah Based PCBS:

Al-Arafah Islami Bank Limited
Exim Bank Limited
First Security Bank Limited
Islami Bank Bangladesh Limited
ICB Islami Bank Limited
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Union Bank Limited
Standard Bank Limited
Global Islami Bank Limited

Overall Banking Scenario

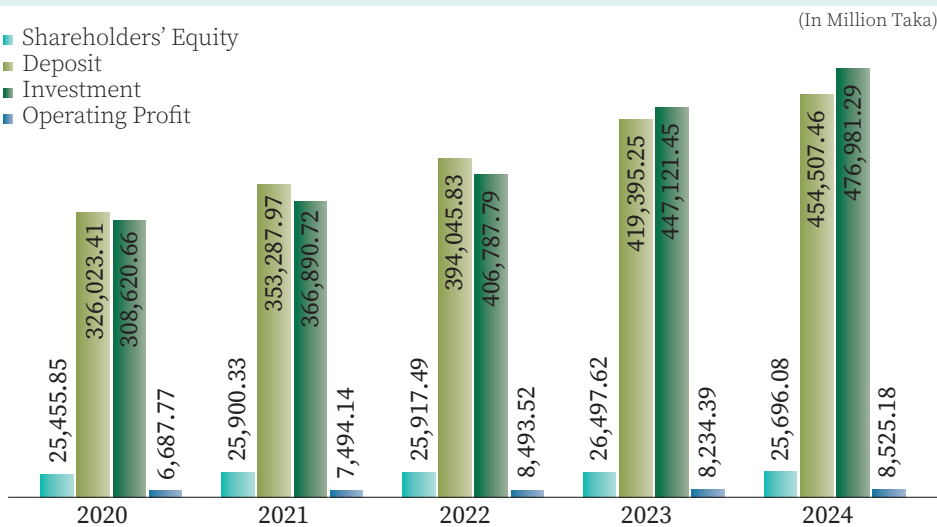
Banks' Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 2,75610 million representing 1.58% point to point growth from Tk. 17,767,520 million as on 31 December 2024 to Tk. 17,491,910 million as on 31 December 2023.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at TK. 4,397,580 million during the year 2024 as against Tk. 4,434,030 million in the previous year 2023 and it decreased by Tk. 36,450 million registering a growth of -0.82% in 2024. The share of Islamic Banks' deposits as of 31 December 2024 stood at 24.75% as compared to at 25.35% on 31 December 2023.

Banks' Advances /Investment: Total Advances/Investments (excluding bills) of the scheduled banks increased by Tk. 1,641,360 million representing 10.67% point to point growth from Tk. 17,025,890 million as on 31 December 2024 to Tk. 15,384530 million as on 31 December 2023.

Islamic Banks' Investments: All Islamic Banks' Investments stood at TK 4,793,100 million during the year 2024 as against Tk. 4,449,740 million in the previous year 2023 and the Investment increased by Tk 343,360 million registering a growth of 7.72% in 2024. The share of Islamic Banks' Investments as of 31 December 2024 stood at 28.15% as compared to 28.92% on 31 December 2023.

Performance at a glance



Operating Profit: Despite a tough start of the year 2024 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.

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 (BGIIB) is the milestone for shariah based banking practices in Bangladesh.

Al-Arafah Islami Bank PLC

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 PLC 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. 11,516.92 million as on 31.12.2024.

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

The equity of the bank has stood at Tk. 25,696.08 million as on 31 December 2024, the manpower was 6,026 and the number of shareholders was 15,766. 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.

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 2024

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 Iztihad.

Shariah Supervisory committee has by the grace of Al-mighty Allah managed to contribute a lot to run all the business activities of the Bank according to Shariah guidelines. During the year 2024 with some unavoidable circumstances our Honorable Members of the Shariah Supervisory Committee sat in 3 (Three) General Meetings and 2 (two) 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 15.60 million as doubtful income of the branches of the Bank. Besides, after analyzing balance sheet, the Supervisory committee identified Tk. 1,245.63 million as compensation realized in different branches and Tk. 45.72 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 2024 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 2024, 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 2024 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 34.21 million with Earning per Share (EPS) Tk. 0.06.

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 2024 the company earned Operating Profit (Before provision for investment & taxation) of Tk. (3.33) Million with Earning per Share (EPS) Tk. (0.0878).

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.

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 28.60 highest in 2024.The market trend of our bank’s share in Dhaka Stock Exchange from January 2024 to December 2024 is stated in the list:

Position in the Stock Market in the list:

Month	Opening	High	Low	Closing
January	23.70	24.90	23.40	23.80
February	23.80	25.30	23.50	24.00
March	24.00	24.20	22.00	24.00
April	24.00	24.20	23.50	23.60
May	23.60	25.00	23.10	23.90
June	23.90	24.10	21.80	23.60
July	23.60	23.90	22.10	23.00
August	23.00	28.60	22.60	24.20
September	24.20	24.80	23.00	23.50
October	23.50	23.90	21.90	22.00
November	22.00	22.20	19.10	19.50
December	19.50	21.20	19.10	19.50

Progress Analysis

At the end of 2024, the number of depositors stood at 36,37,240 and the accumulated deposit was Tk. 454,507.44 million. The total number of investors stood at 205,873 and total investment extended to them was Tk 476,981.29 million. During the year 2024 the total income was Tk. 50,562.16 million and total expenditure was Tk. 42,036.98 million. At the end of the year the profit before tax and provision stood Tk. 8,525.18 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. 45,489.90 million to Tk. 42,982.78 million (Consolidated Basis) and Tk. 42,288.41 million to Tk. 40,766.65 million (Solo Basis). Outstanding balance of AIBL Mudaraba Subordinated Bond Tk. 9,000 million as at 31st December 2024.

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 2022-23 for Tk. 5,000 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.11,516.92 million at 31st December 2024.The total reserve fund has stood at Tk.12,324.74 million in the current year against Tk. 12,052.66 million at 31st December2023. 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.

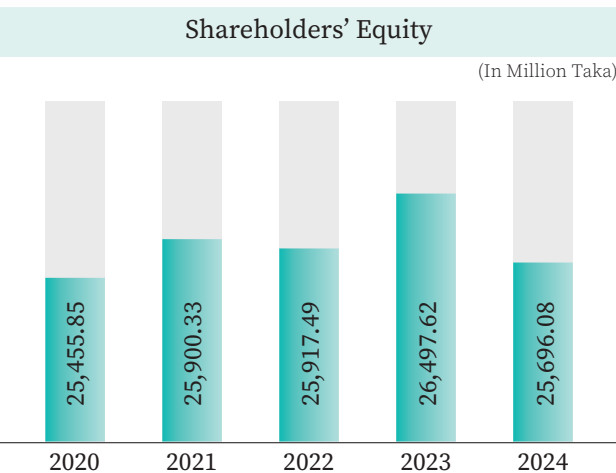
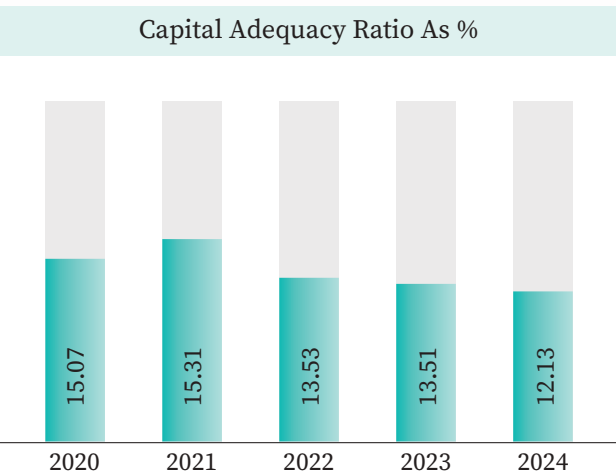
The Consolidated and Solo Basis capital adequacy ratio of the Bank as on 31.12.2024 are appended below:

Consolidated Basis

Tk. in million		
a) Core Capital (Tier-I)	2024	2023
Paid up Capital	11,516.92	10,968.49
Statutory Reserve	11,238.49	10,968.49
Retained Earnings	170.78	1802.54
AIBL Perpetual Bond	5000.00	5000.00
Non Controlling Interest	1673.93	1673.93
Total	30,413.45	30,413.45
Less Good will and other Intangible assets	446.60	168.30
Total Core Capital	29,163.23	30,245.15
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	4,874.60	4,899.89
Assets Revaluation Reserve	543.13	542.09
AIBL Sub Ordinate Bond	9,000.00	1,1000.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(543.13)	(542.09)
Less: Excess Amount over Maximum Limit of T-2	655.14	655.14
Total Supplementary Capital	13,819	15,244.75
Total Capital (a+b)	42,982.77	45,489.90
c) Capital Adequacy Ratio	12.44%	14.05%

Solo Basis

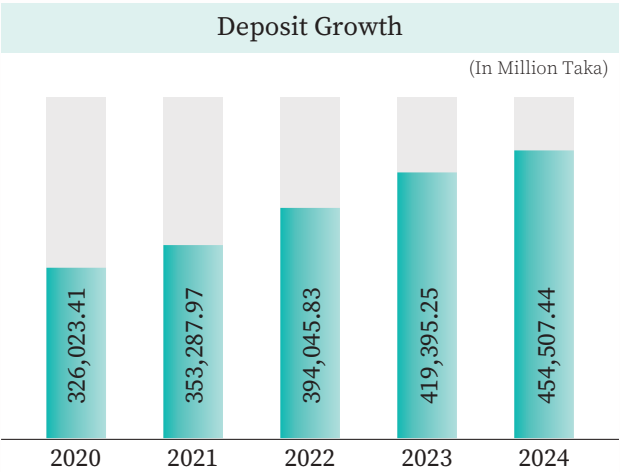
a) Core Capital (Tier-I)	2024	2023
Paid up Capital	11,516.92	10,968.49
Statutory Reserve	11,238.49	10,968.49
Retained Earnings	11.50	1,653.98
AIBL Perpetual Bond	5000.00	5000.00
Total	27,766.91	28,590.96
Less Good will and other Intangible assets	446.60	168.30
Total Core Capital	27,320.31	28,422.66
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	4,874.60	4,899.89
Assets Revaluation Reserve	543.13	542.09
AIBL Sub Ordinate Bond	9,000.00	11,000.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(543.13)	(542.09)
Less: Excess Amount over Maximum Limit of T-2	431.77	2034.14
Total Supplementary Capital	13,442.83	13,865.75
Total Capital (a+b)	40,763.14	42,288.41
c) Capital Adequacy Ratio	12.13	13.51



Deposits

The total deposit of the bank was Tk. 454,507.44 million at 31st December 2024 as against Tk. 419,395.25 million at 31st December 2023 a growth of 8.37 % of which Tk 3,401.40 million was bank deposit and Tk. 451,106.04 million was general deposit. The present strategy is to increase the deposit base through maintaining competitive profit rates and having low cost of funds to ensure a better spread with an average return on investment.

The mix deposit of the bank on December 31, 2024 was as follows:

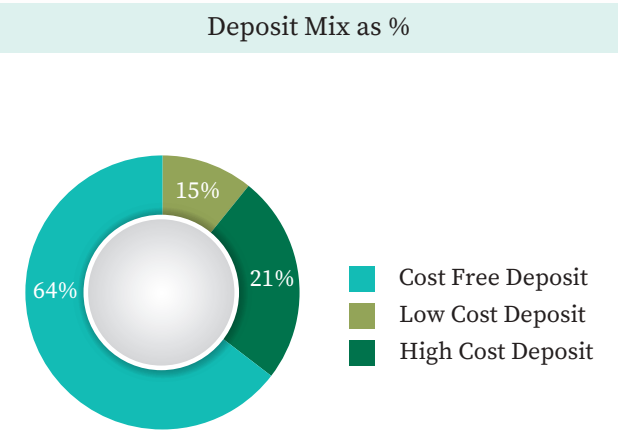


Deposit Mix

Products	Taka in Million
a) Al Wadia Current Account	68,344.72
b) Mudaraba Savings Deposit	73,317.46
c) Other Mudaraba Deposit	75,420.27
d) Mudaraba Term Deposit	233,363.89
e) Bills Payable	4,061.10
Total	454,507.44

Deposit Mix (%)

Products	Taka in Million	% of Total
a) Cost Free deposit	67,312.55	14.81%
b) Low Cost Deposit	95,582.92	21.03%
c) High Cost Deposit	291,611.97	64.16%
Total	454,507.44	100.00%



Various deposit product of the Bank in 2024:

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 (It'd)
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.	Mudaraba Somriddhi Deposit Scheme
17.	Excellent Benifit Deposit Scheme
18.	Ahsan Deposit Scheme
19.	Education Savings Scheme Scheme
20.	Shadhin Term Sanchay Prokalpa (As Wish)

21. Advantage Deposit Scheme
22. Probashikallyan Deposit Pension Scheme
23. Mudaraba Savings Deposit-Student,
24. Msd Farmers
25. Msd Freedom Fighters
26. Msd Senior Citizen.
27. Msd (Germents Ind. Workers)
28. Msd (Pathashishu)
29. Aibl Payroll Privilege Services
30. Non Resident Taka Deposit Account (Nrt)

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 semiannually. The highest prevailing published Mudaraba Term Deposit profit rate in 6-12 months tenor of the issuer will be applicable in semi annual profit rate fixation. Investors are getting an additional profit rate of 2.50% per annum to be paid 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 80% of the Bond amount was redeemed at the end of 31st December 2024. 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. In the meantime 40% of the Bond amount was redeemed at the end of 31st

December 2024. 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 in 2022 and 1990.00 million issued in 2023 out of 5,000.00 million. 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.

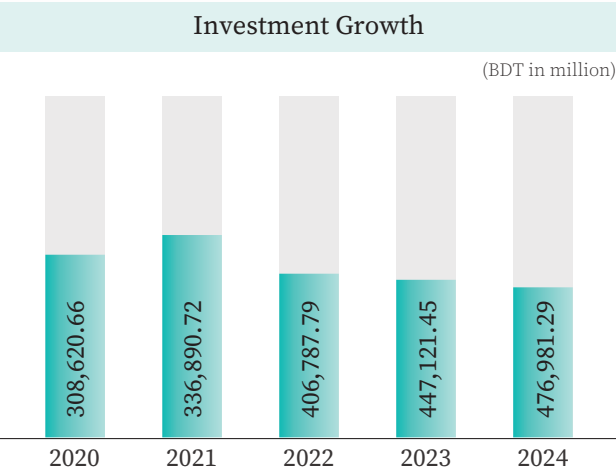
The details of Implementation Schedule of Mudaraba Subordinated Bond are stated as under:

Instrument Name	Particulars	Amount in Million BDT
AIBL Mudaraba Subordinated Bond	Term Deposit with other Banks (from Bond money received).	100% of the Bond amount has redeemed at the end of 31 st December 2022
	Disbursement to the Investment Clients of AIBL against Bond money received	
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 4 th Mudaraba Subordinated Bond	Term Deposit with other Banks (from Bond money received).	2,500/-
	Disbursement to the Investment Clients of AIBL against Bond money received	2,500/-

Investment

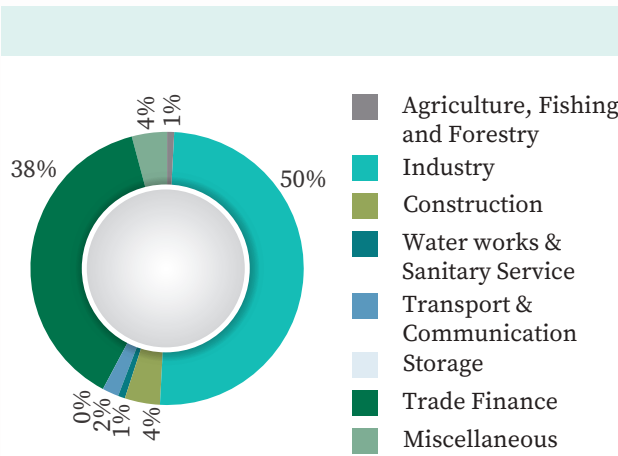
The investment of the bank has stood at Tk. 476,981.28 million as on 31st December 2023 as against Tk. 447,121.45 (Net off PR) million in the previous year showing an increased by 6.68% The investment portfolio of the bank is well diversified and covers a broad spectrum of businesses and industries including 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 15.14% in our bank as on 31 December 2024.



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 2024

Sectors	Taka in million
Agriculture, Fishing and Forestry	5,915.95
Industry	243,384.86
Construction	19,420.70
Water works & Sanitary Service	3,137.70
Transport & communication	9,117.61
Storage	1,100.20
Trade Finance	186,226.13
Miscellaneous	21,265.20
Total (Including Profit Receivable)	489,568.35
Less Unearned Profit on Investment	12,587.07
Total	476,981.28



Income

Investment income: The investment income was Tk. 42370.52 million during the year 2024 which was growth of 35.37% over the previous year. Investment income is 83.80% of the total income of Tk. 50,562.16 million.

Income from other than investment: The bank has earned Tk. 8,191.64 commission income, exchange income, locker rent etc. in the current year which is 16.20% of the total income. It indicates 3.53% growth over the year 2023.

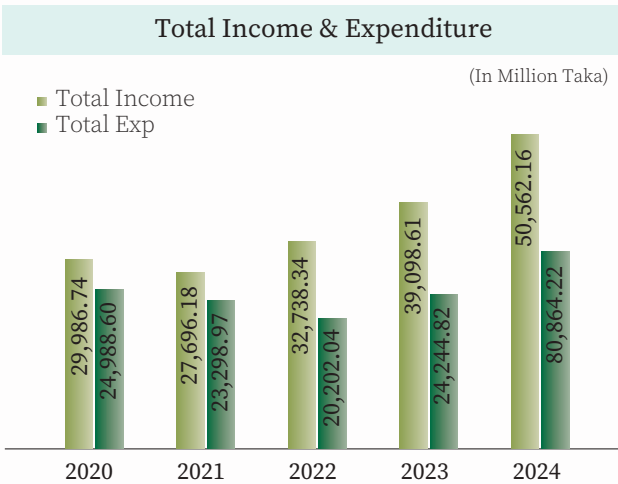
Expenditure

Profit paid to depositors:

The Bank has paid the depositors Tk. 30,525.47 million which is 72.04% of the investment income and 72.62% of the total expenditure for the year 2024. It was 43.98% growth over the year 2023.

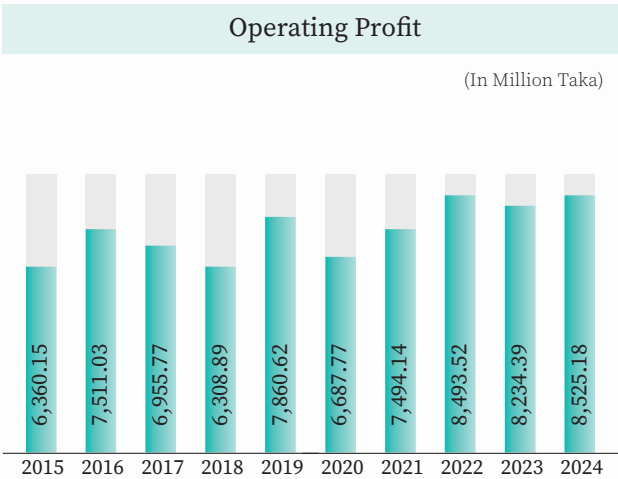
Administrative and Other Expenses:

The administrative and other expenses were Tk. 11,511.51 million during the year showing 19.13% growth over the year 2023. It is 27.38% of the total expenditure.



Operating Profit

The bank earned operating profit of Tk. 8,525.17 million during the year 2024. The operating profit of the Bank during the year 2023 was Tk. 8,234.39 million and thus the Bank attained growth of 3.53% in respect of operating profit. The provision for income tax for the year amounted to Tk. 3,344.07 million and divisible profit available for appropriation amounted to Tk. 13.51 million.



International Banking Wing (IBW)

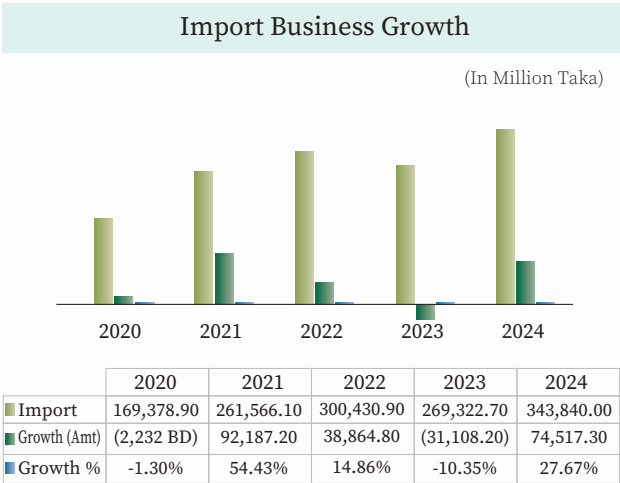
International Trade

We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 27 AD Branches, One Trade Processing Unit at

Chattogram to extend Trade Services to the Trade Customers of Non-AD branches of Chattogram Zone and Foreign Trade Processing Division (FTPD) at Head Office through which we have handled total foreign exchange business of Tk. 689,780.57 million during the year 2024 as against the Target of Tk. 807,600.00 million. Our Foreign Exchange business has increased by Tk. 106,308.32 million recording a growth of 18.22%. Target of International Trade for the year 2025 has been fixed at Tk.861,000.00 million with 24.82% growth. To extend smooth Trade Services to the Trade Customers of Non-AD Branches other than Chattogram Zone a Trade Processing Unit at Dhaka is under consideration and hopefully we will start the operation within this year.

Import Business

Total import business of the bank for the year 2024 stood at Tk. 343,840.00 million as against Tk 360,000.00 million in the previous year. We recorded a 27.67% growth in import business in 2024 over 2023. Target for Import business for the year 2025 has been fixed at Tk. 425,000.00 million with an expected growth of 23.60%.



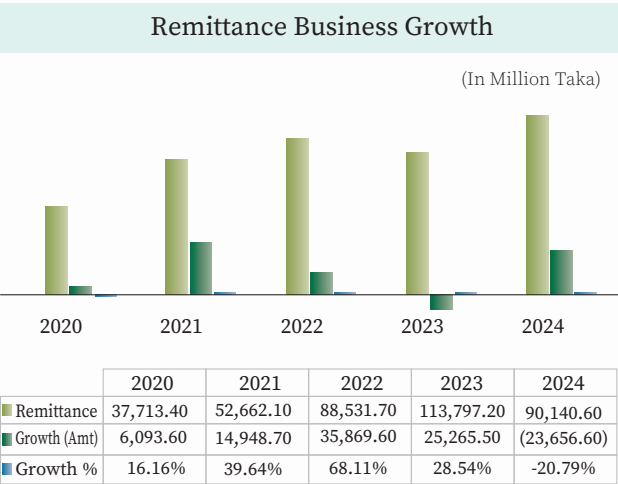
Export Business

Total Export business of the bank for the year 2024 stood at Tk. 255,800.00 million as against Tk. 277,600.00 million in year 2024 and thus recorded a growth of 27.68% over previous year. Our target for Export business for the year 2025 has been fixed at Tk 306,000.00 million with an expected growth of 19.62%.



Remittance

Total remittance of the bank stood at Tk. 90,140.60 million during the year 2024 as against Tk. 170,000.00 million, in the previous year. Our remittance business recorded (20.79%) growth in 2024 over 2023. Target for Remittance business for the year 2025 has been fixed at Tk. 130,000.00 million and thus expecting a growth of 44.22%.



Treasury Operations:

Global economic polarization and geo-political tension reining global production, supply chain disruption, inflationary interest rate movements 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, fiscal/monetary control from regulators. In line with the financial dynamics across the world, Treasury of the Bank 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. AIBPLC 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 year. 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 local and foreign counterparts for ensuring FC liquidity round the calendar. AIBPLC 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. During 2024, There have been 1073 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 504.10 million from cross currency deals, exchange gains & FC funding. In 2024, Treasury Back Office (TBO) team has handled 92,432 no. of FX transactions with turnover of USD 12.70 billion. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. Treasury Back Office is relentlessly driving 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. AIBPLC Treasury Money Market Desk also maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of the bank efficiently. The team has successfully managed liquidity as well as deployed surplus funds to the Islamic banks, Islamic windows & Islamic branches of conventional banks and NBFIs operated under shariah principles. The bank participated BGIIB 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. The Bank prepares ALCO paper & conducts ALCO meetings each month where all issues related with ALM are discussed and instructions are given.

2024 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 in the market, it was a real challenge to maintain a reasonable spread. ALM Desk was proactive to revise the profit rates of deposits and rate of return on investment aligning with market rates as well as ensuring liquidity. ALM Desk successfully recommended asset-liability slotting for maintaining a steady and reasonable spread. ALM Desk has properly maintained regulatory ratios like CRR, SLR, IDR,LCR,NSFR leverage ratio, commitment and wholesale borrowing position within set limit of Bangladesh Bank.

Corporate Service Desk

The Corporate service desk provides customized treasury solutions to the corporate clients matching with market practice. 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 the Bank.

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 2025

In 2024 BDT moved against USD from Tk. 110 to Tk.120.00 resulting depreciation of almost 9.09% which was parallel to peer currencies. Most of the south Asian countries devalued their currencies slightly which has posed challenge to our export destinations.

Compare to the devaluation of peer currencies and to retain export earnings, BDT may be under pressure for further devalue.

B. Bank open market operations and government spending dried up money market liquidity round the year. As a result of downward 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 for hunting retail depositors/investment clients.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank PLC 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 its 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), HPSMF (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 AIB 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. During the year Bank introduced International Banking Account upon regulatory changes of Bangladesh Bank vide FE Circular 19 of Nov 2023 and enactment of the Offshore Banking Act 2024. The Bank has also launched Digital Platform to attract Foreign Currency Deposit from Non-Resident 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;

Key Indicators	DEC-23 (Million USD)	DEC-24 (Million USD)	Growth (%)
Total Assets	106.1	71.07	-33.02
UPAS	70.19	40.79	-41.89
MDBFC	15.96	23.45	46.93
HPSM Machinery	6.31	6.2	-1.74
Placement from Parent Bank	55.38	68.84	24.30
Borrowing from Overseas Banks	49.19	0	-100.00
Net Operating Income	1.54	1.02	-33.77

Foreign Remittance Division:

The Foreign Remittance Division is a key business segment of the Bank, playing a vital role in its overall growth. By increasing the inflow of foreign currency, the division supports the Bank’s financial stability, strengthens its customer base, and contributes to building low-cost deposits. Additionally, it enhances the Bank’s reputation both locally and internationally, making a significant impact on its sustainable development.

The division facilitates remittance procurement from over 100 countries through 33 strategic remittance arrangements with international exchange houses and local banks. This extensive global network ensures a seamless and efficient flow of remittances, benefiting customers and boosting the Bank’s financial position.

In recognition of its outstanding performance, AIBPLC was honored with the Remittance Award 2024 (8th Position) by the Ministry of Expatriates’ Welfare & Overseas Employment for the financial year 2023-2024.

Through its strong global partnerships and commitment to excellence, the Foreign Remittance Division continues to drive financial inclusion and economic growth.

exchange houses in Saudi Arabia (KSA), UAE, Oman, Bahrain, Kuwait, Qatar, Malaysia, and other key markets worldwide.

3. Foreign Remittance Operation at Agent Banking Outlets:

All Agent Banking Outlets have been actively disbursing foreign remittances with the support of the Foreign Remittance Division. In 2024, remittances processed through Agent Banking Outlets totaled BDT 433.22 crore, accounting for 4.81% of the Bank’s total remittance inflow.

Overseas Banking Division:

The Overseas Banking Division continues to play a pivotal role in managing relationships with foreign correspondent banks. In 2024, the Bank successfully established five new Relationship Management

1. Performance of Foreign Inward Remittance -from 2020 to 2024:

Year	Remittance		No. of Transaction	Target BDT (In Crore)	Achievement (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2020	4,380.70	516.19	693,537	4,250.00	103%	16.16
2021	5,266.21	618.68	827,851	5,400.00	97.52%	20.21
2022	8,853.17	876.62	12,31,132	6,350.00	139.42%	68.11
2023	11,379.73	1,010.44	1,366,646	10,000.00	113.80	28.54%
2024	9,014.06	755.92	9,94,108	17,000.00	53.02%	-20.79%

In 2024, the Branches and Agent Banking Outlets of AIBPLC facilitated the procurement of foreign remittances amounting to BDT 1,532.36 crore, representing 17.00% of the total remittance inflow. Meanwhile, BDT 7,481.45 crore (or 83.00% of total remittances) was disbursed through BEFTN (A/c Credit with Other Banks), ensuring efficient and seamless fund transfers.

2. Remittance Drawing Arrangement:

In 2024, we successfully executed eight new remittance drawing arrangements with exchange houses in the UK, Japan, Malaysia, Singapore, UAE, and the USA. Additionally, ten more exchange houses from various global hubs are currently in the pipeline.

To further expand and strengthen the Bank’s remittance business, the division is making dedicated efforts to establish new drawing arrangements with

Applications (RMAs) with leading global banks across Asia, the Middle East, and Oceania, further facilitating international trade. Currently, the Bank maintains partnerships with over 340 banks and branches across 56 countries.

To ensure seamless treasury, remittance, and trade settlements, the Bank operates Nostro Accounts in major global currencies viz. USD, EUR, GBP, JPY, CHF, SAR, AED, SGD, and CNY. As of the end of 2024, the Bank managed 36 Nostro Accounts across 22 correspondent banks, ensuring efficient international transactions.

Despite global economic challenges, the Bank successfully arranged credit lines to support import trade. Our trusted foreign correspondents have continued to provide financial backing for the import of essential commodities, including fertilizers, industrial raw materials, and capital machinery.

The Bank conducts international trade operations through a centralized framework, strictly adhering to the Central Bank's guidelines and international best practices. A team of highly experienced and professionally certified officials manages these operations, ensuring compliance and efficiency.

To enhance security and compliance, the Bank has implemented robust regulatory frameworks, including SWIFT integration with Core Banking Software and advanced Sanction Screening Tools provided by SWIFT Corp Ltd. Additionally, the Bank subscribes to globally recognized credit information services such as Dun & Bradstreet (D&B) and Credit Safe. Vessel tracking services from Lloyd's List Intelligence further strengthen risk management.

Furthermore, the Bank has adopted a cutting-edge transaction monitoring system enabling trade transaction monitoring and reinforcing a strong compliance culture.

Through strategic initiatives and continuous advancements in technology, the Bank remains committed to fostering global banking relationships, ensuring regulatory compliance, and facilitating seamless international trade.

Foreign Trade Processing Division:

Al-Arafah islami bank Ltd introduced FTPD (Foreign Trade Processing Division) in 2014 with an aim to razor sharp sparkle service through state of the art technology pacify exposure to foreign exchange risk. Since its inception FTPD is striving to put forth a all out effort to come out with a service in excellence and gradually improve its operation which encompasses both external and internal compliance, monitoring and smooth trade operation subsequently boost up the sustainable foreign trade growth.

The division has the vision to set a fully centralized foreign trade services by the year 2024. FTPD now operating all the transaction and processing services cash and back to back import LCs from a single point except export and back to back LCs of Motijheel branch. FTPD has the plan to fully centralize the bank Trade operation shortly.

FTPD is strengthening its compliance effort by

implementing strictest policy to outweigh the stringent regulatory fines ensuring the adherence to BFIU Circular No. 24 Dated December 10, 2019 Guidelines for Prevention of TBML. FTPD understand what is legally required for the institution, employees, and customers to a successful trade compliance program subsequently understand the robust regulatory effort and consequence of non-compliance thereby deliberately assessed the import item price Focusing on implementing appropriate systems and controls to mitigate risk arising out of TBML.

To guard the detrimental effect of USA PATRIOT ACT Section 319(a) forfeiture from US Correspondent account and to implement the New York State Department of Financial Services (NYDFS) Final Rule Part 504 which require Monitor transactions prior to their execution to prevent unlawful transactions with targets of economic sanctions administered by OFAC, FTPD is implementing trade activity sanctions screening in AST (Automated Screening Tool) through SWIFT sanctions screening software.

Moreover FTPD check the general ledger balancing regarding LC liability, bills liability and cash security and very keen to ensure there is no mismatch at any point of time along with this, FTPD is focusing that all relevant charges are realized strictly as par Head office sanction and BRPD circular no-11 Master circular on schedule of charges dt 10th June 2021. By this way FTPD is targeting to minimize the exposure to foreign exchange risk.

The division hit a tremendous stride on the volume of transaction in cash LC and back to back LC in 2023. The volume of workflow of the division is gradually increasing whereas the manpower remains almost alike. About 46% total workflow rose over 2022 to 2023 which has been accomplished by the same manpower probe the cost effectiveness implemented solely by the FTPD. By the year 2024 FTPD will execute fully centralized operation result in all types of cash and back to back LCs including export of all AD and Non AD dealt from a single point focusing on the minimization of exposure to foreign exchange risk which require greater challenges, hard work and FTPD is relentlessly work for continuous development and make exemplary trade processing

center in the banking industry.

Internal Control & Compliance Wing

At Al-Arafah Islami Bank PLC, internal control is regarded as an integral and enduring part of corporate governance, designed to uphold the Bank's values of transparency, Shari'ah compliance, and ethical responsibility. It is a structured system of policies, procedures, and oversight measures implemented by the Board of Directors, Management, and employees at all levels to ensure effective operations, accurate financial reporting, and strict adherence to applicable laws, regulatory guidelines, and internal policies.

The Internal Control System of Al-Arafah Islami Bank PLC is designed to support sound governance, operational excellence, and compliance with both regulatory and Shari'ah principles. It functions as a structured and risk-based framework that enables the Bank to achieve its goals while safeguarding stakeholders' interests.

Objectives of Internal Control System:

Prime objectives of Al-Arafah Islami Bank is to ensure the utilization of resources in a manner aligned with the Bank's strategic goals and Islamic financial principles, enhance communication within the organization and with external stakeholders to support informed decision-making and make sure that full compliance with all applicable laws, regulations, and internal policies, including Shari'ah compliance are maintained.

Detailed Objectives

1. Operational Objective

- Ensure the effective and efficient execution of banking operations that contribute to the achievement of the Bank's vision, mission, and strategic priorities.
- Promote a control-aware environment that reduces risk and supports ethical, Shari'ah-compliant practices.

2. Reporting Objective

- Provide timely, accurate, complete, and transparent reporting, both financial and non-financial, to internal management and external

stakeholders.

- Enable data-driven decision-making by ensuring the integrity and reliability of all information systems.

3. Compliance Objective

- Conduct all business activities in strict adherence to relevant laws, regulations, and internal guidelines, particularly those related to Islamic banking, AML/CFT, and prudential standards.
- Foster a culture of integrity and accountability across the organization to minimize legal and reputational risks.

These three objectives—operations, reporting, and compliance—are supported by five components of internal control.

a) Control Environment: The bank fosters a culture of integrity, ethical behavior, and accountability among its employees. Bank's board as well as management always promote a strong control environment through effective leadership, clear communication, and a well-defined organizational structure.

b) Risk Assessment: Al-Arafah Islami Bank PLC conducts regular risk assessments to identify and evaluate potential risks. This enables the bank to develop appropriate strategies and controls to mitigate these risks effectively. This assessment is being conducted at every level of operations e.g. branch level as first line of defense, head office level at second line of defense and through internal audit as the third line of defense.

c) Control Activities: The bank has implemented a range of control activities, such as segregation of duties, authorization procedures, and regular monitoring and review processes. These activities ensure that transactions are executed accurately, assets are safeguarded, and compliance with regulatory requirements is maintained.

d) Information and Communication: Al-Arafah Islami Bank PLC emphasizes the importance of timely and accurate information flow across all levels of the organization. Bank has a software-based online platform for dissemination of

circulars/policies/guidelines across all level. Regular meetings (online and physical) are being conducted with the top management which ensures effective decision-making, risk management, and compliance.

e) Monitoring: The bank has established a robust monitoring system to assess the effectiveness of internal controls. Apart from regular internal audits, external audits and management reviews, concurrent auditors are deployed at branch level who are regularly reporting risk areas and control weaknesses that helps taking corrective actions promptly.

In the last year (2024), the Board of Directors of Al-Arafah Islami Bank PLC played a pivotal role in strengthening the internal control and compliance environment. The Board provided strategic direction by establishing a sound control framework, forming essential committees (e.g., Executive Committee, Audit Committee, and Risk Management Committee), reviewing key audit reports, and ensuring regulatory compliance and ethical conduct across the Bank.

The Board Audit Committee actively monitored the Bank's internal control mechanisms by evaluating management's control practices, reviewing IT systems and fraud risk indicators, and assessing the implementation status of audit recommendations. The Committee also emphasized accurate financial reporting, ensured the independence and effectiveness of both internal and external audits, and verified adherence to laws, regulations, and internal policies.

The Senior Management Team (SMT)/ MANCOM remained committed to internal control excellence by regularly monitoring control effectiveness, allocating adequate resources to audit functions, ensuring full regulatory compliance, and providing annual assurance to the Board regarding internal control soundness. Audit findings and compliance issues were addressed promptly and systematically.

To ensure independence and accountability, the Bank's Internal Control & Compliance Wing (ICCW) is structured into three dedicated and functionally distinct divisions:

- Audit & Inspection Division
- Compliance Division
- Monitoring Division

These divisions collectively ensure a robust, transparent, and Shari'ah-compliant internal control system throughout the organization.

Activities performed by several divisions under ICCW in the year 2024 are as follows:

a) Audit & Inspection Division:

i) Risk Based Internal Audit: As per the approved audit plan, the Audit & Inspection Division successfully completed 100% of the scheduled audits in 211 branches, along with 22 divisional audits and 21 surprise inspections. Moreover, special inspections were conducted from time to time based on specific requirements.

ii) In 2024, a total of approximately 148,670 findings—comprising High Risk, Medium Risk, and Low Risk items—were detected by Internal Audit in the branches, and 48% of the lapses were rectified on the spot.

iii) Reviewed & updated Audit Manuals of the bank.

iv) During 2024, internal auditors and concurrent auditors collectively identified income leakage amounting to Tk. 16.59 crore in the Bank's operations. Of this amount, approximately Tk. 13.00 crore was realized on the spot during the course of the audits.

b) Compliance Division:

i) Compliance Status:

Internal Audit: In 2024, a total of 46,514 lapses were rectified through follow-up actions, representing approximately 41% of the total unrectified audit observations.

Bangladesh Bank Inspection: Compliance reports for 100% of the comprehensive inspections and foreign exchange inspections conducted by Bangladesh Bank were submitted on time.

ii) Memo Submission:

The Division submitted 30 memos related to branches, 6 memos concerning Head Office, and 24 memos on important miscellaneous issues to the Board Audit Committee (BAC) and the Board, based on risk prioritization.

iii) Reviewed & updated Compliance Policy and Operational Manuals of the bank.

iv) Audit File Closure: A total of 247 audit files were closed in 2024.

v) Others: Other activities performed by the Division include assessing branch-wise ICC performance gradation based on audit findings and submitting reports to the Board regarding the implementation status of decisions made by the Board Audit Committee (BAC) and Bangladesh Bank.

c) Monitoring Division:

Works accomplished by this division in 2024 are as follows: -

1. Monitoring & follow up the activities of concurrent auditors.
2. Follow up of Mandatory Leave.
3. Follow-up of Quarterly Operation Report (QOR).
4. Follow-up employee Job Rotation.
5. Employees/Staff Account Monitoring.
6. Follow-up of MPI/Murabaha Godown visit report.
7. Review & update the monitoring policy & operation guidelines.

Whistleblowers' Protection Policy:

Al-Arafah Islami Bank PLC has implemented a comprehensive Whistleblowers' Protection Policy to promote transparency, accountability, and ethical conduct within the organization. This policy, embedded in the Bank's Internal Control and Compliance (ICC) framework, encourages employees to report misconduct, malpractice, or any unethical behavior without fear of retaliation. It ensures confidentiality, outlines clear reporting channels—including the Chairman, Managing Director, and Head of ICCW—and provides structured procedures for investigation, assessment, and corrective action. The policy clearly distinguishes

between whistleblowing and personal grievances, emphasizing good faith reporting for genuine organizational concerns such as fraud, abuse of authority, and regulatory breaches.

To protect whistleblowers, the Bank guarantees confidentiality, job security, and safeguards against harassment or victimization. An internal committee under ICCW is responsible for assessing and investigating disclosures. Anonymous complaints may be considered based on credibility and seriousness, while knowingly false or malicious allegations may lead to disciplinary action. Furthermore, whistleblowers may be rewarded—financially or otherwise—if their disclosures help prevent significant financial or reputational loss. The Bank is also committed to training staff on whistleblowing procedures to foster a culture of openness, compliance, and integrity.

Overall, it aims to foster a culture of transparency, accountability, and good governance within the Bank.

Sustainable Finance Unit

The Sustainable Finance Unit (SFU) of Al-Arafah Islami Bank PLC (AIBPLC) drives responsible investment by integrating ESG principles into financial decisions, with a focus on climate resilience, social inclusion, and good governance. AIBPLC further advances these priorities through its Green Banking initiatives, Sustainable Finance practices, and Corporate Social Responsibility (CSR) activities. From this perspective, the Bank has undertaken the following activities through this Unit:

Under its Green Banking initiatives, the Bank has introduced Sensor-Based Lighting, Digital Training, E-Statements, SMS Alerts, Mobile Banking, Internet Banking, increased number of ATM booths and Business Process Automation (BPA) to reduce electricity and paper use. These measures support the Bank's shift toward low-carbon operations.

In line with Bangladesh Bank guidelines, all investments that fall under the scope of ESRM guideline are being addressed appropriately through Environmental and Social Risk Ratings (ESRR) checklist. The Bank is also set to implement

Environmental and Social Management Systems (ESMS) with MIS reporting from mid-2024.

Adopting the Sustainability and Climate-Related Financial Disclosure framework, AIBPLC set 2024 as the base year, targeting a 5% CO₂e reduction across Scope 1, 2, and 3 emissions by 2029. Emissions in 2024 were: Scope 1 – 9,990.25 tCO₂e, Scope 2 – 2,812.93 tCO₂e, Scope 3 – 1,009,033.18 tCO₂e. Progress is monitored quarterly by the Sustainable Finance Committee.

The Sustainable Finance Policy (2021) covers 94 green and sustainable products. Help Desks at 226 branches assist clients, and staff training in 2024 strengthened implementation. That year, green finance disbursement reached BDT 11,113.34 million, and total sustainable finance stood at BDT 143,849.19 million, focused on sectors like LED lighting, recycling, green bricks, and eco-friendly industries. The Bank aimed to allocate 5% of term investments to green finance and 20% to sustainable finance, nearly achieving these goals. AIBPLC also participates in Bangladesh Bank refinance schemes, including the Islamic Refinance Scheme, Technology Upgradation Fund, and Green Transformation Fund (GTF), earning recognition as one of the most sustainable banks in 2022.

Corporate Social Responsibility (CSR)

As part of CSR, AIBPLC always gives priority to any emergency of the country /society /institution /individual. In line with Bangladesh Bank (BB) guidelines, our main priority sectors of CSR are education, health, environment and climate change mitigation & adaptation and other sectors such as income generating activities, disaster management, infrastructure development, sports & culture. Under environment and climate change mitigation & adaptation, bank preserves a fund called Climate Risk Fund to facilitate financing at subsidized profit rate in some special environment friendly projects such as Climate resilience and disaster management, financing in green clean transportation project, financing in govt. approved eco-tourism projects, financing in sandwich panel, natural eco-system protection and restoration. AIBPLC spent BDT 299.21 million out of total approved budget of BDT 300.00

million in 2024. In Education sector, the bank has spent BDT 60.58 million to 564 underprivileged undergraduate students through its own Education Scholarship Program, helping them pursue higher studies. Additionally, it allocated BDT 143.81 million to Healthcare, BDT 89.1 million to Disaster Relief, BDT 3.24 million to Climate Risk initiatives, and BDT 2.48 million to Environment Protection significantly benefiting the society.

In 2024 our total expenditure in CSR is BDT 299.20 million which is shown sector wise in the table below:

(Amount in Million BDT)

Sl No.	Particulars	2024	2023
1	Health	143.81	286.67
2	Education	60.58	59.14
3	Disaster Management	89.10	123.89
4	Cultural Activities	0.00	0.43
5	Environmental Protection	5.72	43.06
Total		299.21	513.20

AIBL Foundation

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

- Al-Arafah Islamic International School and College:** Al-Arafah Islami Bank Foundation has been established this institution with a view to building next generation according to the ideals of peace and equality of Islam and to establishing banking and other aspects of life in the way of Islam. The prime aim of this Islamic International School & College is to contribute towards building human resource and in the broader sense to ensure human welfare. With the view Al-Arafah Islami Bank Foundation has established Al-Arafah Islamic International School & College at Dhanmondi in 1998. Such institution upto O level of its kind is for the first time in Bangladesh. Now it is situated at Hazaribagh, Dhaka. Current students around 350 and Teachers with other staffs are 40.

b. Al-Arafah Tahfizul Quran Madrasa: Previously it was a department of Al-Arafah Islamic International School and College but now it is a separate unit named Al-Arafah Tahfizul Quran Madrasa (residential). It is also situated at its own premises at Hazaribagh, Dhaka. Current students around 25 and Teachers with other staffs are 4. Already almost 100 Hafez passed.

c. Al-Arafah Islami Bank Foundation Kidney Dialysis Center, Chattogram: Al-Arafah Islami Bank Foundation established this 10-bed dialysis center at Firingi Bazar, Chattogram to give the dialysis service of underprivileged people of this area at low cost. Presently annual number of dialysis almost 7000.

d. Al-Arafah Islami Bank Foundation Hospital, Chattogram: Al-Arafah Islami Bank Foundation are planning to establish this 60-bed hospital at its own land, Sholoshohor, Muradpur, Chattogram to give the standard health care service of underprivileged people of this area at subsidized price. Almost 90% work is complete and planning to start its operation on January-2026 In Sha Allah. It's a general hospital including most common but critical services like ICU, NICU, Dialysis etc.

e. Al-Arafah Islami Bank Medical College and Hospital: Besides, it also has a future plan to establish another extension of Al-Arafah Islami Bank Medical College and Hospital at its own land, Hazaribagh, Dhaka.

In those above projects total BDT 27.02 million was expended by AIB Foundation under CSR activities in 2024.

All of the above are established with the motive to provide quality service to poor /less income (underprivileged) 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. The contributions of cottage, micro, small, and medium enterprises (CMSMEs) play a crucial role in economic development, especially in a developing country like Bangladesh, by generating wealth and creating employment opportunities.

Al-Arafah Islami Bank PLC. playing a significant and positive role in in the banking sector in Bangladesh. The bank has already invested a total taka 483493.37 Million in investment sector out of which taka 159854.65 Million has been invested in the CMSME sector and participated in most of the refinance and pre-finance schemes announced by Bangladesh Bank.

Our aim is to minimize investment risk through small scale investments in CMSME and Agriculture and to distribute investments among the largest number of investment client rather than locking the investment in the hands of a single investment client. For this we need to bring forward branch managers and zonal heads in small investment CMSME and agricultural sector. Their positive outlook can bring back discipline in investment. Another thing to note is that which investment product has a higher spread and is more attractive to the customer and should be presented to the investment client. Government and Bangladesh Bank have provided refinancing facility at only 5% profit rate to women entrepreneur sector and 2% more cash facility if customer pays the investment on time of which customer will get 1% and bank will get 1%. Emphasis is placed on below-mentioned factors to minimize investment risk and maximize profit.

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 by Bangladesh Bank, Al-Arafah Islami bank PLC. is giving a priority over CMSME financing to three categories of enterprises viz. Industry, Trade & Services.

CMSME Investment at a glance

Figure in Million

Description	2024	2023
Total CMSME Portfolio	159854.65	146585.88
% of CMSME Portfolio to Total Portfolio	33.06%	32.47%
Target of CMSME Investment	115000	95000
Total CMSME Disbursement	71635.77	74252.88
% of Achievement	62.29%	78.16%

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 PLC. 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	7647.88
Amount of Disbursement to Women Entrepreneurs	4151.17

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. 25000 Crore Pre-finance Scheme Against CMSME investment:
Bangladesh Bank has set 8800 Million Taka disbursement target for AIBPLC. This scheme was formerly enrolled as refinance scheme but now it is converted to Pre-finance scheme by Bangladesh Bank. Bangladesh Bank has allotted 6555.30 Million Taka as Pre-finance fund in favour of AIBPLC in 03 phases. where the profit rate for

the customers is 7% and Bangladesh Bank will be financed the fund at 2% profit rate.

2. Small Enterprise Refinance Scheme for Women Entrepreneurs
Under this Refinance scheme for women entrepreneur AIBPLC. is providing investment opportunities upto 5 Million at 5% profit rate where Bangladesh Bank refinanced the fund at 0.50%. Profit Spread for AIBPLC. will be 4.50%.
3. Agriculture Refinance Scheme (Food Security) 2023-24
Under this Refinance scheme Bangladesh Bank set the target of 940 Million where the profit rate for the customers is 4% and Bangladesh Bank will be financed the fund at 0.50% profit rate. Profit Spread for AIBPLC. will be 3.50%.
4. Concessional Profit at 4% Scheme 2023-24
Under this Refinance scheme Bangladesh Bank set the target of 47.05 Million where the Stimulus Profit rate for the customers is 4% and (SMART rate-4%) profit incentives provided by Bangladesh Bank.
5. ‘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 AIBPLC. will be 5.50%.
6. 10/50/100 Tk Account Holders’ Refinance Scheme
Under this Refinance scheme Bangladesh Bank set the target of 200 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 AIBPLC. will be 6%.
7. 10000 Million Tk Refinance Scheme to increase Wheat, Maize Production (2023-24)
Under this Refinance scheme AIBPLC. has already achieved 100% target of 170 Million Investment at 4% profit rate where Bangladesh Bank refinanced the fund at 0.50%.
8. Start-up Fund Refinance Scheme
A fund was formed to invest in the Start-up

enterprises and businesses. A fund of 66.0 Million was accumulated from where 9.70 Million have disbursed.

9. Credit Guarantee Scheme

From Credit Guarantee Department (CGD) of Bangladesh Bank AIBPLC. has enrolled in Credit Guarantee Scheme against 10/50/100 Tk. Account Holders’ Refinance Scheme, Small Enterprise Refinance Scheme for Women Entrepreneurs and 25000 Crore Pre-finance Scheme Against CMSME investment where the target is 10 Million, 30 Million and 50 Million respectively for AIBPLC.

Financial Inclusion Department (FID):

Financial Inclusion indicates the availability and accessibility of financial services and products to all segments of society, particularly to individuals and communities who have traditionally been excluded from formal financial systems. It aims to provide opportunities for people to participate in the formal economy, manage their finances, and improve their overall economic well-being.

Fostering inclusive economic growth and sustainable development is one of the key objectives of Bangladesh Bank (BB). With this vision, BB is prioritizing a number of initiatives to promote financial inclusion henceforth inclusive economic growth.

To Execute this objective, according to Bangladesh Bank requirement AIBPLC has formed Financial Inclusion Department under Financial Literacy Wing which is supervised by Deputy Managing Director and headed by Executive Vice President.

To create an empowered nation with right knowledge and skills for making responsible financial decisions, FID is working to achieve the following set of objectives:

- Establishing sustainable financial literacy infrastructure at the community as well as national level.
- Reducing gender gap in financial services;
- Ensuring delivery of synchronized financial literacy based on the needs of different target groups through effective tools and monitoring

mechanism;

- Capacitating people towards DFS and raise awareness against financial fraud, reduce associated risk

- Enhancing consumer financial rights protection.

Activity of FID:

- 1) Organizing Financial Literacy Programs (Training/Seminar/Workshop)
- 2) School Banking Conference.
- 3) Reporting
- 4) Investment
- 5) Monitoring & Recovery
- 6) Creating & Actualizing Financial Service Provider (FSP) Interactive Map
- 7) Compliances

Performance of FID in the year of 2024:

Particulars	Target	Achievement	(In %)
10/50/100 Taka Refinancing Investment Scheme	20.00 Core	4.055 Core	20.28%
School Banking A/C (number)	16000	9,166	57.88%
Financial Literacy Programs (FLP)	128	120	98%

Agent Banking

By the December 2024, we had successfully established a network of 745 Agent Banking Outlets across 530 distinct agent locations. This initiative was specifically designed to extend financial services to the previously unbanked population of Bangladesh. As a result, we have opened a total of 10,04,177 accounts under the agent banking program, effectively covering 304 Upazillas across 57 Districts. While certain restrictions and limitations may apply, the majority of standard banking services are readily accessible through our agent banking outlets.

The impact of this program has been particularly pronounced in rural areas, where previously unbanked individuals now actively engage in financial transactions. Indeed, the total deposit volume for agent banking currently stands at Tk. 40083.80 Million, and this figure continues to exhibit significant upward trends. Clients readily open accounts, deposit and withdraw funds, receive foreign remittances, settle utility bills, and access a range of other essential financial services through

our convenient network. This program serves as a compelling example of successful financial inclusion within the Bangladeshi context.

Agent Banking Performance At a Glance
(As on 31-12-2024)

Taka in Million		
Particular	December 2024	December 2023
Total Number of Outlet	745	737
Total Number of Agent	530	515
Number of Rural Outlet	656	648
Number of Urban Outlet	89	89
Number of Covered Upazilla	304	297
Number of Covered District	57	57
Number of Accounts	1004177	888931
Number of Male Customer	533769	470971
Number of Female Customer	470408	417960
Deposit of Agent Banking	40083.80	40072.69
Cost Free Deposit	1545.70	1775.82
Low Cost Deposit	14101.50	14432.34
High Cost Deposit	24436.60	23864.53
Amount of Foreign Remittance	4332.40	10115.97
Number of Utility Bills Collection	10716626	9366592
Amount of Utility Bills Collection	8307.00	6959.73
Net Amount of Profit	906.20	766.59

Retail Banking

In 2024, the Retail Banking Division of Al-Arafah Islami Bank PLC demonstrated exceptional performance and continued its strategic journey toward sustainable growth, profitability, and customer-centric innovation. Our commitment to delivering Shariah-compliant financial solutions, exceptional value, and superior customer experiences remained unwavering, as we embraced innovation and personalized services to meet the evolving needs of our clients. By harnessing data analytics, we focused on delivering personalized experiences that connect with each customer, enhancing satisfaction and fostering loyalty.

Our approach is deeply rooted in Islamic values and guided by a humanitarian outlook, aiming not only to generate financial returns but also to uplift

communities and contribute to the socio-economic development of the nation. We remain steadfast in promoting financial inclusion, particularly among underserved and rural populations, ensuring that our services contribute meaningfully to social welfare.

Driven by strategic initiatives and enhanced field-level execution, the Division achieved 114% of its profit target, reflecting a 46% growth in profit over 2023. This achievement underscores the effectiveness of our focused retail strategy and deepened customer engagement.

To strengthen our brand presence and reach a wider audience, we significantly enhanced our digital marketing efforts through online platforms, including social media and the corporate website. Recognizing the importance of skilled human capital, we conducted training programs across our branch network, equipping employees with the knowledge and tools to deliver superior Shariah-based retail financial services. These efforts also contributed to cultivating long-term customer loyalty and service excellence.

In alignment with our vision for long-term sustainable growth, we continue to invest in responsible banking practices that balance profitability with ethical responsibility, social impact, and environmental stewardship. The Retail Banking Division of AIBPLC remains committed to serving as a catalyst for equitable growth and prosperity, guided by Shariah-based principles and a dedication to the betterment of society.

Offering a diverse portfolio of retail investment products—including Home Investment, Semi-Pucca Home Investment, Auto Investment, Personal Investment, and Rapid Investment—we continued to provide accessible and tailored solutions to meet the varied needs of our clients. Our Payroll Banking Proposition, branded as AIBPLC Payroll Privilege Services (APPS), offers a consolidated Shariah-based package comprising Individual Salary Accounts, Retail Investment Facilities, and Card-related services for employees of partner organizations. In addition, three new retail deposit products are scheduled to launch soon, designed to empower

customers across all segments by offering enhanced flexibility, higher monthly returns, free services, and digital convenience, along with value-driven features.

Retail Banking Highlights:

Retail investment outstanding grew by 22% compared to the previous year, highlighting our sustained efforts to expand access to Islamic financial services across diverse retail segments, supported by innovative investment products and responsive service delivery.

Introduced Mudaraba Advantage Deposit Scheme—an exclusive deposit product designed to deepen sustainable core deposits, tap new deposit segments, and drive CASA growth. This scheme also creates opportunities for cross-selling other banking products.

Onboarded payroll clients and expanded the payroll customer base. These efforts contributed to building customer loyalty, increasing cross-sell opportunities, and strengthening recurring deposit inflows.

Launched the first Retail Business Hub in Chattogram. The Hub promotes collaboration, performance tracking, and a business-oriented culture. We plan to inaugurate additional seven hubs shortly, replicating this model in strategic locations across Dhaka to ensure dedicated customer service and foster loyal customer creation.

Strong focus was placed on less active low-value accounts through a targeted campaign. This initiative successfully revitalized customer relationships and contributed significantly to deposit growth and reinforcing our core deposit base.

Conducted structured branch visits and training programs across the network, ensuring alignment with retail business goals, reinforcing product knowledge, and strengthening frontline execution capacity.

Embracing the digital shift, we significantly enhanced online visibility through dedicated retail campaigns on social media platforms and our official website, generating higher engagement and

supporting business acquisition efforts.

Looking ahead, the Retail Banking Division is committed to accelerating its growth trajectory through a strong nationwide business drive, the launch of innovative Shariah-compliant retail products, targeted retail business campaigns and the delivery of value-based customer propositions tailored to diverse needs. Our focus will remain on customer segmentation, enabling us to design and deliver more targeted solutions for youth, professionals, salaried individuals, women, and entrepreneurs. As we continue to refine our strategy, particular attention will be given to digital customer onboarding—making the first point of contact as seamless and inclusive as possible. Efforts are also underway to digitize payroll banking solutions and streamline the onboarding process for corporate clients. Most notably, we are preparing to introduce a set of innovative investment products under new investment mode—set to be the first of its kind in Bangladesh—paving the way for broader financial inclusion and deeper market penetration through Shariah-aligned, technology-enabled platforms.

Al-Arafah Rural Development program (ARDP)

In front of the slogan “Village will be city” the activities of Al-Arafah Rural Development Program (ARDP) were started with the approval of the Board Directors. The ARDP Program was launched in an effort to serve the rural population of the country by developing their socio-economic conditions, conducting retail investment activities in the rural economy, developing saving attitude based on Islamic shariah and creating transaction opportunities with Islamic banks through investment. The main objective of the program is to include the large rural population through financial inclusion and implementation of Bangladesh Banks refinancing schemes as opposed to retail investment and employment generating initiative under the CMSME policy of Bangladesh bank.

The ARDP program supports the socio- economic development of farmers, labourer, fisherman, small traders and small entrepreneurs. Another important objective of this program is to prioritize the economic employment of rural woman entrepreneurs. ARDP Program are conducted on individual, group and

association basis. Collateral is not required to get investment under the program. The mode of Investment repayment is based on weekly/monthly installments. ARDP activities are being conducted at a total 260 work stations, including 18 sub branches and 100 agent outlets through 142 link branches.

Essentially this program is a type of investment system with intensive monitoring and skilled staff working in various disciplines and ensuring constant supervision. As the Al-Arafah Rural Development program is conducted directly in rural and suburban areas, this program is directly related to the people, which is reaching the door-steps of the people at the door -to-door level as the branding of Al-Arafah Islami Bank PLC.

Summary of ARDP-2024

Sl	Particular	2023 (YTD)	2024 (YTD)
1	Designated Branch	145	166
2	Total Employee wit HO	407	441
3	Beneficiary Member	76116	83455
4	Client	60061	58057
5	Number of A/C	302220	381750
6	Deposit/Savings	336.57	550.64
7	Investment	381.88	436.99
8	Profit (Excluding provision)	4.54	22.02

Brand Communications and Marketing Division

In 2024, the Brand Communications and Marketing Division of Al-Arafah Islami Bank PLC. focused on enhancing its media visibility and strengthening its reputation through consistent, multi-channel branding efforts.

To meet the demands of an expanding business and to promote Shariah-based banking across diverse customer segments, including SME and CMSME, the Division prioritized strategic engagement across both traditional and digital platforms. Our goal: to deepen trust, drive awareness, and reinforce our image as a transparent and people-centric Islamic financial institution.

During the reporting year, over 74 major events were featured in 915 news coverages across 23 television

channels. Continuous presence was maintained on 8 leading satellite TV channels, including Channel-i, BanglaVision, ATN Bangla, ATN News, DBC News, ETV, Desh TV and Channel 71. Our branding efforts during Ramadan received additional focus through promotions on 17 major networks, reinforcing our values during the most spiritually significant time of the year.

We also saw impactful engagement through traditional media. 2,220 press releases were published in more than 70 newspapers and media outlets, while over 720 advertisements appeared across 120 publications. More than 21 favorable interviews and countless positive news placements helped bolster a transparent and credible image of the Bank.

Our branding extended into high-visibility spaces with billboards and roadside signage, including major hubs such as Mawa Chowrasta near Padma Bridge, and through digital display technologies such as LED boards and screen projections, ensuring extensive reach despite regulatory constraints.

Digital branding saw remarkable traction in 2024:

- Facebook: 752,294 followers (+94,574); 446 posts; 481,279 engagements
- YouTube: 2,610 subscribers; 289 videos; 126,231 lifetime views
- Instagram: 1,647 followers; 235 posts
- LinkedIn: 431 followers; 267 posts

These numbers reflect an increasingly vibrant digital presence and higher levels of engagement with customers, especially younger, tech-savvy segments.

Customer satisfaction continues to be a cornerstone of our branding strategy. Whether through targeted Eid Shopping and SME campaigns, or through our rebranding initiatives, we aim to deepen long-term relationships and position AIBPLC as not just a bank, but a trusted financial partner.

Looking ahead, our branding roadmap is guided by the principles of Trust, Transparency, and Transformation. Through a three-year strategic communication plan, we will deploy a 360-degree media matrix focused on storytelling, community

engagement, inclusive finance, women’s empowerment, and youth development. Internally, we will enhance alignment through leadership branding and value-driven internal communication. Externally, our goal is to elevate visibility, expand digital infrastructure, and ensure inclusive growth.

Branding Summary of 2024:

SL	Branding Activity	Frequency / Coverage
1	TV News Items	74 events, 915 coverages
2	TV Channel Coverage	23 channels
3	Satellite TV Branding (Year-round)	8 major channels
4	TV Branding during Ramadan	17 networks
5	Press Releases Published	2,220 times
6	Print Media Coverage	70+ media houses
7	Promotional Advertisements	720+ placements
8	Publications Used	120 publications
9	Digital Followers (Facebook)	752K+ followers, 481K+ engagements

Information Technology

In 2024, the ICT Division of Al-Arafah Islami Bank PLC has continued to play a transformative role in digitizing banking operations, enhancing infrastructure, ensuring cybersecurity, and expanding customer-focused digital services. This year was marked by critical system upgrades, regulatory compliance advancements, and strategic technology implementations—paving the way for a more secure, agile, and innovative banking ecosystem.

Key Achievements & Initiatives

1. Core Banking System (CBS) Upgrade:

- Al-Arafah Islami Bank PLC (AIBL) embarked on its automation journey in 2006 and successfully launched its online banking operations in 2008. Since then, the bank has continuously enhanced its technology landscape to deliver secure, efficient, and customer-centric services.
- Migrating CBS to the Kubernetes platform Ababil NG for enhanced performance, security, and scalability.
 - Initiated hardware installation to support real-

time processing, resilience, and future digital service integration.

➤ **Automation Journey and Technology Adoption at AIBPLC**

In addition to the Core Banking System (CBS), AIB PLC has integrated a wide range of technology-driven solutions aimed at automating internal operations, strengthening security, and enhancing service delivery for our valued customers. These include:

1. Bangladesh Electronic Funds Transfer Network (BEFTN)
2. Real-Time Gross Settlement (RTGS)
3. Bangladesh Automated Cheque Processing System (BACH)
4. Integrated Supervision System (ISS) Reporting
5. Business Performance Assessment (BPA)
6. Credit Information Bureau (CIB) Integration
7. goAML – CTR Reporting
8. Return on Investment (RIT) Reporting
9. Internet Banking (i-Banking)
10. Sylvia – Human Resource Management System (HRMS)
11. Agent Banking Services
12. Utility Bill Collection Platform
13. Sanction Screening System
14. FATCA Compliance Solution
15. SWIFT Connectivity
16. Asset Management System
17. Centralized Anti-Virus Management
18. Enterprise Mail Server
19. Offshore Banking Unit (OBU)
20. Treasury Management System
21. ATM Services
22. Mobile ATM Services
23. Debit Card Services
24. Credit Card Services
25. SMS Alert System

2. Internet Banking Enhancement

- Launched fund transfer to bKash from AIBL accounts via Internet Banking (iBanking)—improving digital convenience.
- Achieved PCI-DSS certification for security compliance in Internet Banking.
- Upcoming 2025 enhancements:
 - o Auto-registration facility

- o Mobile top-up
- o Bangla QR payment acquiring
- o ITD & MTDR account opening via iBanking

3. Cybersecurity & Compliance

- Achieved:
 - o ISO 27001 Certification (Information Security Management System)
 - o PCI-DSS Certification (Cardholder data security)
 - o EPI Certification for Data Center infrastructure
- Established Security Operations Center (SOC) for 24/7 monitoring and rapid incident response.
- Conducted regular security assessments for all applications and infrastructure.

4. Disaster Recovery (DR) Modernization

- Have started relocating DR site to Felicity IDC Data Center, Kaliakoir Hi-Tech Park for enhancing business continuity, recovery time, and resilience.

5. Infrastructure Expansion

- Increased network capacity at DC and DR sites.
- Strengthened Data Center infrastructure with improved tagging and documentation.
- Expanded secure Wi-Fi, upgraded networking equipment, and implemented network segmentation to support growing demands.

6. Litigation Management System

- Deployed a centralized legal case management solution to streamline operations in the Legal Division.

7. Anti-Money Laundering Dashboard (AMLD)

- AML Monitoring software dashboard for:
 - o Regulatory reporting
 - o Risk-based alerting (GB, Trade, Remittance, Card)
 - o Proactive compliance tracking

8. Read, Learn and Do (RLD) – E-Learning Platform

- Implemented a structured internal learning portal for upskilling employees.
- Features interactive modules, certification, and self-paced assessments to drive continuous growth.

Looking Ahead – 2025 Priorities

- Further enriching digital platforms with customer-centric features.
- Enhancing disaster resilience through cloud-based redundancy.
- Strengthening ICT governance and vendor management frameworks.
- Promoting AI/ML-driven analytics in compliance and customer behavior insights.

Card Division

The transformation of digitalization in banking sector, the use of cards is constantly increasing. Interest in cards and ATMs has now extended beyond urban areas to rural areas. This division is constantly enhancing its card services to meet this demand. In 2024, It has achieved potential and remarkable growth in card count and profit. Compared to 2023, credit card growth was 26%, debit card growth was 25%, prepaid card growth 46%, net profit was Tk.4.51 crores. Card Division has issued more than 18000 credit cards, near about 500000 debit cards and 4500 prepaid cards and these numbers are increasing day by day. In addition to 134 EMI and 10000 discount outlet partners all over the country. It has buy 01 get 01, buy 01 get 02 and buy 01 get 03 offer with all the five stars hotels in Bangladesh by using La-Riba credit card. Also, card division often arranges up-to 50% cash back offer in different occasion with different merchants by using its credit card.

The La-Riba credit card has created a strong buzz in the market since its launch. Its Shariah-compliant, interest-free model has attracted wide attention from ethically conscious consumers. Customers appreciate the card's transparency and alignment with Islamic financial principles. It stands out as a unique offering in a market saturated with conventional credit products. Overall, La-Riba has successfully set a new trend and captured the interest of a growing intrinsic segment.

In 2024, Bank received 02 MasterCard Awards for excellence in issuing international debit card and prepaid domestic card. It has been issuing contactless cards for two years. Along with MasterCard, bank has got Visa Card membership approval and will start its operation very soon. The division has been issuing international debit card from early in the 2024.

As per new organogram, the division is positioned for a transformative phase. This restructuring aims to streamline operations and enhance efficiency across all units. With clearer roles and responsibilities, employees are expected to perform with greater focus and accountability. The revised structure also promotes better coordination and faster decision-making. As a result, innovation and productivity are anticipated to rise significantly. Stakeholders have expressed confidence in the leadership's vision and strategic direction. Overall, this organizational shift is expected to lead to massive positive change and sustained business growth.

Currently, banks prefer lending to retail customers rather than corporate clients due to lower default risks. This shift helps banks reduce their exposure to large-ticket corporate defaults. Retail lending also supports consumption-driven economic growth, making it a healthy asset class. As a result, banks are strengthening their retail portfolios to ensure steady income and risk balance.

Our motto is to offer credit cards to all our existing potential investment and deposit customers. This initiative aims to deepen customer relationships and enhance their banking experience. By leveraging our existing customer base, we can ensure better credit quality and lower acquisition costs. Offering credit cards to these customers adds value and encourages greater engagement with our financial products. It also helps us grow our retail portfolio while maintaining a strong and trusted customer network.

Asset Quality

Overdue investments stood at Tk. 21,343.10 million as on 31st December 2024 as against Tk. 16,379.80 million as of December, 2023. Total overdue increased by Tk. 4,963.30 million during the year 2024 bringing the same to 4.45% of our total investment as against 3.58% 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. 24,497.60 million from Tk. 37,405.30 million to Tk. 61,902.90 million (Term investments by Tk. 29,325.10 million plus Continuous and Demand investments

by Tk. 32,577.80 million) which was 12.90% of total Investment. Recovery against rescheduled investment during the year 2024 was Tk. 1,879.70 million.

Classified investments increased by Tk. 43,189.17 million in 2024 from Tk. 30,866.19 million to Tk. 74,055.36 million representing 15.14% of total investment as against 6.76% in the previous year. During the year 2024, recovery & regularization against classified investment stood at Tk. 13,077.75 million while recovery against written off investments stood at Tk. 320.52 million recording a total recovery of Tk. 152,777.97 million which includes a recovery Tk. 1,879.70 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.

Investment Administration Division

Investment Administration is one of the most important functions of a bank like ours for maintaining a healthy and effective Shariah based investment portfolio in a fair and diligent manner for enhancing Shareholders value by increasing profitability and reducing Non-Performing Investment (NPI) in a minimum level. As a result, Investment Administration Division (IAD) is

recognized as one of the crucial components at AIBPLC in managing sound investment portpolio and supporting investment processes through Policy formulations.

IAD plays its role through the following key departments;

- i) Investment Implementation and Compliance Department (IICD)
- ii) Investment Monitoring and Supervision Department (IMSD)
- iii) Investment Policy Department (IPD)

The principal functions of IAD are focused on safeguarding invested funds through proper documentation and close monitoring & strong Supervision through implementing on-site & off-site monitoring tools & techniques during currency of the investment. Besides the departments of the division performs following key functions amongst others:

- 1) IICD issues NOC after the collection of the required documents including Mortgage documents if any through the Business Process Automation (BPA) system as per sanction advice before disbursement of Investment facilities to the customers.
- 2) IMSD monitors all investment customers for adjustment/repayment of each and every deal/installments before expiry to avoid possible income leakages.
- 3) IMSD issues Early Warning Letter (EWL) on customer-wise investment deals before two months of its expiry and follow-up letters with reference to the EWL for the past due investment deals for recovery before further degradation of the investments.
- 4) IMSD monitors disbursement of investments to confirm proper end-use of invested funds for the purpose for which investment was given.
- 5) IPD formulates and updates Bank's policies / guidelines /manuals/ circulars as per Business to maintain a sustainable shariah based sound investment portpolio of the Bank.

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:

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.

1. 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,

Top-20 Investment Risk Assessment and Resolution

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.

2. Operational risk:

Operational risk is the risk that is not inherent in financial, systematic or market wide risk. It is the risk of loss or harm resulting from inadequate or failure of internal processes, people and systems or from external events. The policy for measuring and managing operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. As a part of continue surveillance, the Management Committee (MANCOM), All Risk Committee (ARC), Board Risk Management Committee regularly review different aspects of operational risks and suggest formulating policies, tools and techniques for mitigation of operational risks. This risk is dealt by the operational desk of the RMD.

Managing other specific risks:

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

Residual Risk:

Residual risk is the amount of risk that remains in the process after all the risks have been calculated,

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

Liquidity Risk:

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

Strategic Risk:

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

Reputation Risk:

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

Environmental Risk:

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

Basel Accord Implementation:

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

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

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

All Risk Committee (ARC) at Management level:

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

Risk Management and Other regulatory reports:

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

etc. to Bangladesh Bank annually duly reviewed and approved by the meeting of Board Risk Management Committee and Board of Directors' of the Bank as well.

Money Laundering and Terrorist Financing Prevention:

We all know that the term "money laundering" is not new to mankind. It has a long history and could be as old as the history of organized crime. These evil doers continuously keep on changing their color, ways and means to convert their ill-gotten proceeds into legally acceptable financial asset. Since banks are being as a conduit, we are facing increasing risk of losing our reputation every single minute. With the advancement of technology and globalization, as we are expanding our digital services to meet the customers' demand, financial criminals are becoming even more sophisticated in their schemes to exploit the vulnerabilities. The stakes of these actions are too high for the bank which include hefty noncompliance fines and enforcement actions, reputational damage as well as loss of revenue and increase of operational costs. Taking all these aspects into cognizance AIBPLC has recently introduced a sophisticated Anti Money Laundering compliance tool to keep the bank free from all financial crime risks.

We at AIBPLC are committed to supporting a secure, stable and resilient financial infrastructure. This includes applying a risk-based approach to detect and deter the use of the Bank's services and delivery channels for illegal purposes. Our tool helps us use analytics and technology to keep us informed on the latest anti-money laundering (AML) and anti-terrorist financing (ATF) sanctions, trends and typologies. Our specialists also have professional experience and certifications to detect and deter suspected money laundering, terrorist financing and activities prohibited by sanctions.

In addition, AIBPLC also include the following:

- Senior Management and Board's oversight
- Documented policies and procedures
- Ongoing AML and ATF and sanctions awareness training for employees
- Periodic risk-based due diligence and

- assessment of client relationships
- Ongoing monitoring of transactions and activity
- Screening against terrorist and other sanctions watchlists
- Reporting of prescribed transactions, as applicable
- Assessment of money laundering, terrorist financing and sanctions risk
- Independent testing of processes and controls

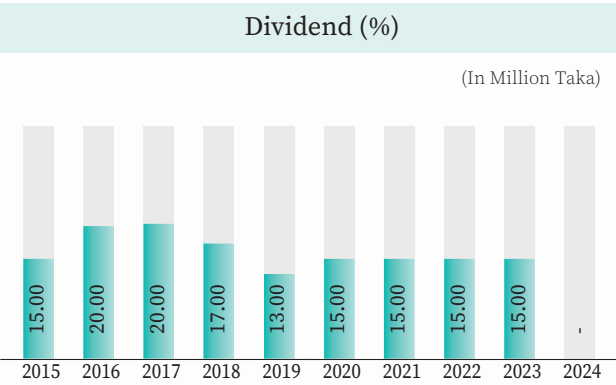
Additionally, we keep an ever-vigilant eye on the financial transactions and continue the approach of managing financial crime risks across all customer segments, channels and products within the business. We also closely monitor all our products and services to ensure that they are not misused by the wrong-doers. In a nutshell, AIBPLC has been able to successfully create an anti-money laundering compliance regime within the bank over the past year which is growing from strength to strength every day.

Dividend

- The bank has been paying dividend every year since 1998 just after conversion of a public limited company. The Board of Directors of Al-Arafah Islami Bank PLC has recommended no dividend to the shareholders for the year ended December 31, 2024, which will increase financial strength of the Bank.

Table of Historical Dividend Payment Percentage are as follows:

Year	Dividend
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
2023	10% Cash &3% Bonus
2024	0.00



Credit Rating

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

Long Term	:	AA (pronounced Double A Two)
Short Term	:	ST-2
Based on	:	Audited Financial Statement 2023
Date of Rating	:	27 June 2024
Validity	:	26 June 2025
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2024	AA	ST-2	Stable
30 June 2023	AA	ST-2	Stable
30 June 2022	AA	ST-2	Stable
30 June 2021	AA	ST-2	Stable
30 June 2020	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 453 employees in different categories/ranks joined and exit 237 during the year 2024 raising our total employees to 6,026 as on 31.12.2024.

We have 6,026 staff in the Bank of whom 424 are executives 4,788 are officers and 814 other staff as on 31st December 2024.

SI No	Designation	Category Number
1	Executives	424
2	Officers	4,788
3	Others	814
	Total	6,026

We nominated 203 employees in outside training course viz. BIBM, BBTA, BAB etc. in 2024 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 68 CDCS, 3 CSDG, 13 CAMS, CERM 7 and CISA 1 officials, of which 1 official completed CAMS during the year 2024.

AIBTRI: Centre of Excellence for Human Capital Development

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.

The institute’s training programs are meticulously designed, scheduled, and tailored based on need-based assessments conducted by a dedicated team of faculty members. AIBTRI places paramount importance on training for human capital development, focusing on industry-leading skills, knowledge, and wisdom. The institute is actively working towards achieving its desired level of competency through various training courses, including a three-month AIB-CACP certification course for BAMLCOs, EDPs, workshops, and more, addressing topical banking and financial issues.

AIBTRI has adopted new strategies and methods to enhance the knowledge base of its workforce. The institute is committed to responding to the need for capacity building among AIB PLC officials, providing them with innovative ideas and clear concepts to navigate the objectives of the various reform measures initiated by financial regulators.

Overall Training Scenario in 2024:

During the year 2024, AIBTRI conducted a wide range of activities to attain objectives of imparting quality training to the officers of the Bank. AIBTRI conducted a total number of 145 (One Hundred and Forty-Five) Training Courses, Workshops, Executive Development Programs, Lead Bank Program, Outreach Program, Specialized Training Course called AIB-CACP and Foreign Training Programs where 10430 participants were trained in the endeavor to establish a knowledge-based Islamic Bank.

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, e-payment through RTGS etc. AIBTRI conducted a total of 21 (Twenty-One) training courses in its modern classroom.

Training Workshops (TW):

A total of 47 (Forty-Seven) 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 a number of in-house discussions on topical issues of Islamic Shari'ah and banking.

Outreach Training Programs (OTP):

AIBTRI conducted 66 (Sixty-Six) outreach training programs (OTP) during the year 2023 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, AML & CFT issues, Retail banking management, Environmental Risk Rating, Agent Banking etc. The participants of OTPs were very much attentive and they raised very pertinent questions for elucidation of the themes of the topics discussed.

Certified AML & CFT Professional (AIB-CACP):

During 2024, the AIBTRI with the cooperation of BFIU & BIBM conducted two 3-month long specialized Training Courses (STCs) titled "AIB PLC Certified AML & CFT Professional (AIB-CACP)" to create 176 certified expert officials on AML & CFT issues especially aiming at developing the BAMLCOs of the Bank with knowledge and enhanced capacity. BFIU and BIBM Officials had conducted various sessions of the program. The primary objective of these programs is to cultivate a group of well-informed and proficient BAMLCOs and to equip them with comprehensive theoretical knowledge and practical insights related to AML & CFT issues. The aim is to empower them as proactive officials capable of addressing AML & CFT concerns within the Branches efficiently to establish 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. It is an encouraging message that the Bank has achieved 'Satisfactory Ranking' in 2023 by the BFIU for its wholehearted attempts to address the AML & CFT issues of the Bank with knowledge, courage and capacity. AIBTRI feels proud to help the Bank by developing knowledgeable BAMLCOs to achieve this prestigious rating from BFIU.

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.

Presently BPMD consists of four (3) Departments as:

- i) Business Development & Marketing Department
- ii) Branch Expansion Department
- iii) Product Development & Evaluation Department

Function of BPMD:

Main focus/function 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.

Generally, BPMD 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 the last 3 Years i.e., 2022,2023 &2024 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 different year.
- 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, this division Organized different Campaigns. In the year of 2024 the Division organized 02(two) Campaign i.e. Chairman's Award for Deposit Mobilization (Achieved TK.1,645.96Cr.) & Al-Amanah Deposit Campaign (Achieved TK.9,527.00 Cr. Crore) Successfully.

- 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.

- BPMD made different agreement up to Dec-2024 on the following organizations: - Bangladesh Polly Biddut Board, Dhaka wasa, Jalalabad Gas Field, Northern Electricity Supply Company (Nesco), Titas Gas Transmission & Distribution, Dhaka Elec. Supply.Co. Ltd., International Standard University, ABG Technology Ltd, UCB Fintech Company Ltd. Upay, Southeast University, National Polymer Industry Ltd., BD Election Commission, Dhaka Power Distribution, NAGAD Ltd., BRTA (CNS), CPTU (e-GP), Karnaphuli Gas, Bakrabad

GasDistribution, National Pension Authority, Chattogram Metropolitan Hospital Limited, Padma Diagnostic Centre Limited, Popular Diagnostic Center .Ltd., Ever Care Hospital, (STS Holding), Farazy Hospital Ltd., Farazy Dental Hospital Anowar Kha Modern Hospital, The IBN Sina Trust, MIOT Hospital Ltd., Apollo Multispecialty Hospital Ltd.

- BPMD survey for the place, location, business position, rental status & feasibility report of New & Existing Branches/Sub-branches.
- Mangers Award, Export Trophy, letter of appreciation/congratulation, Crest are given on different criteria for excellent achievement.

Plan for 2025:

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 2025.
- Under the Brand development program, we will go for Strategic Alliance contact with different renowned govt./Semi-govt./Private organization i.e. Titas Gas Bill Collection, Pilgrim Pre-Registration, DESA, BRTA, DESCO, Gas Registration fees, DPDC, DESCO, NESCO, PDB, REB, KGTCL, WASA, City Corporation, Govt. Universal Pension Scheme, National Polymer Ind. Ltd. etc. Beside these we are going

to agreement with US Bangla Airlines, RFL-Gonga Foudry, Dhaka Central International Medical College & Hospitals,(Shyamoli), Aurora Specialized Hospital

- 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, Madrsaha, Hospital, Diagnostic Center, Club, Association, Samity, Market, owners Association.
- Appointed Relation-Ship Manager (RM) All of the Branches and Zones/Head Office (BPMD) for hunting and serving Area based Corporate Clients (New/Existing / Proposed)

Branch Network

At present we have 226 branches all over the country. In a bid to expand our network of Branches we got approval to open 11 (Eleven) new branches in 2024.

Appointment of Statutory Auditor

In the 29th Annual General Meeting of the Bank M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants and M/S K M Alam & Co. Chartered Accountants was appointed External Auditors of the Bank for a term till conclusion of the 30th Annual General Meeting.

The Board has approved M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants and M/S K M Alam & Co. Chartered Accountants for appointment as External Auditors by the shareholders till the 31st Annual General Meeting.

Board Meeting

During the year 2024, 18 regular Board Meeting had been held. Besides, 11 meetings of Executive Committee, 9 meetings of Audit Committee and 6 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 2024. 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 2025. 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,



Khwaja Shahriar

Chairman

Date: 14 August 2025

Investment Projects



Ahmed Wood Crafts (Pvt.) Limited financed by Al-Arafah Islami Bank PLC is a leading manufacturer and supplier in the wood and particle board industry, specializing in high-quality plywood, melamine boards located in Saidpur, Nilphamari District, Bangladesh



Fakir Group of Industries is one of the largest 100% export-oriented and LEED-certified readymade garment (RMG) manufacturers in Bangladesh, proudly financed by Al-Arafah Islami Bank PLC. Headquartered in Narayanganj, Fakir Group is a renowned industrial conglomerate with deep-rooted expertise in textile and apparel manufacturing. Over the decades, it has evolved into a vertically integrated, globally competitive enterprise, catering to leading international fashion brands. In addition to its strong presence in the RMG sector, the group has successfully diversified into logistics, paper production, IT, packaging, renewable energy, and aviation.



H & S Glass Ware Limited, financed by Al-Arafah Islami Bank PLC, is Bangladesh's largest manufacturer and supplier of glass household items, jars, and bottles. It operates the country's only fully automatic glass plant, with an annual production capacity exceeding 100 tons per day of opal glass and soda lime glass. The factory is situated on its own project land measuring 1200 decimals at 150 Moshan, Baruipara, Mirpur, Kushtia, along a paved road approximately 10 km from Kushtia district center. The site benefits from excellent infrastructure, including reliable electricity, water supply, skilled labor, and good road connectivity. Over 2,000 employees work diligently to ensure the smooth operation of the facility, which significantly contributes to both the socio-economic development of the local community and the broader national economy.



Mahbub Group of Industries, financed by Al-Arafah Islami Bank PLC, is one of Bangladesh's prominent conglomerates with diversified interests across multiple sectors including flour milling, melamine products, animal feeds, fiber, fish hatchery, transport, seed crushing, and auto bricks. Among its subsidiaries is KBC Agro Products Pvt. Ltd. MGI stands out as a leading producer of animal feed, recognized both nationally and globally for its scale. Its Health Care brand offers a range of Halal-certified, organic, and high-quality products such as rice, edible oils, milk powder, atta, and suji, catering to the growing demand for safe and nutritious food.



Maf Footwear Ltd is a First LEED Platinum Shoe Factory in Bangladesh financed by Al-Arafah Islami Bank PLC, scored: 85/100 points. It is a promising and valued 100% synthetic shoe exporter. MAF Footwear Ltd. & its sister concern MAF Shoes Ltd have the ability to deliver impeccable quality and punctual shipment with in a framework through a professional, reliable and sincere business atmosphere. The Companies are currently operating in the export market of France, Spain, Japan, Brazil and other EU countries and exploring new export markets to establish its strong footprint. These companies have installed all modern machinery and operate by foreign expertise to achieve world class standard.



M. S. Dyeing, Printing & Finishing Limited is a 100% export-oriented textile and apparel company financed by Al-Arafah Islami Bank PLC. The company manufactures composite knit fabrics and various types of ready-made garments such as T-shirt, Polo Shirt, Tank Top, Jackets and fancy ladies and kid's items. The export proceeds comes from UK, Netherland, South Africa, Germany, Italy etc.



Financed by Al-Arafah Islami Bank PLC, Nahar Agro has been a vital contributor to employment generation and meeting the nutritional needs of Bangladesh's agriculture-based population. Starting from a small backyard venture, Nahar Agro Group has grown into one of the country's leading agro-industrial conglomerates, specializing in poultry, dairy, feed production, hatchery operations, horticulture, and organic farming.



SM Sourcing is a 100% export-oriented, LEED Platinum-certified readymade garment (RMG) manufacturer in Bangladesh, proudly financed by Al-Arafah Islami Bank PLC. It holds the distinction of receiving the highest-ever LEED Platinum score awarded by the U.S. Green Building Council (USGBC), marking it as one of the most environmentally advanced garment factories in the world. Specializing in knitwear, SM Sourcing produces a wide range of tops including T-shirts, tank tops, leggings, and other knit items for leading export markets in Europe and the U.S. Additionally, it operates as a full-service buying house, working with over 100 vendor factories and sourcing fabrics and trims globally to meet diverse buyer requirements.



Voyager Apparels Ltd., a concern of Shangu Group, is a 100% export-oriented ready-made garment (RMG) manufacturer financed by Al-Arafah Islami Bank PLC. Specializing in men's, women's, boys', and ladies' shirts, blouses, and woven jackets, the company is equipped with modern machinery and a skilled workforce to produce both knit and woven garments. Its product line includes shirts, blouses, T-shirts, and infants' wear. Voyager primarily exports to Europe and Oceania, with major markets including New Zealand, Italy, and Spain. As a BGMEA and EPB-registered company, with in-house embroidery and dedicated quality control teams, Voyager Apparels Ltd. has established itself as a trusted name in the global apparel industry.

Eventful Year



Members of the Board of Directors of the Bank in session at the Head Office



Members of the Executive Committee of the Bank in session at the Head Office



Members of the Board Risk Management Committee of the Bank in session at the Head Office.



Members of the Board Audit Committee of the Bank in session at the Head Office.



30th Anniversary celebration of Al-Arafah Islami Bank PLC with the Board of Directors and Management Team.



Al-Arafah Islami Bank PLC, as the proud title sponsor of NCL T20 2024, joined the prize-giving ceremony where the Chairman, senior officials, and the winning team were present.



The Bank inaugurated a month-long foundation training program on 'Overall Bank Management' for its newly appointed MTOs



Inauguration of the Bank's Trade Processing Unit at Chattogram by the Managing Director & CEO (CC), accompanied by senior executives



As part of its CSR activities, the Bank has provided a water purifier to Sardar Mohila University College in the capital.



School Banking Conference 2024 was organized by the Bank in Bagerhat, promoting financial literacy among students



The Bank celebrated International MSME Day 2024 at its Head Office, highlighting its commitment to supporting small and medium enterprises



As the title sponsor, the Bank supported Shomoyer Shera Hafez 2024, a special program organized by Channel 24

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. 52-58
- ii. The segment-wise or product-wise performance; Page No. 62 & 65.
- iii. Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; Page No. 84-88
- iv. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; Page No. 99
- 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. 218-219
- vii. A statement of utilization of proceeds raised through public issues, rights issues and /or any other instruments (AIBL Mudaraba Subordinate Bond) Page: 64;
- 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	2024 Amount in million	2023 Amount in million	Growth (%)
Investment income	42,038.25	31,124.05	35.07%
Profit paid to depositors	30,284.98	20,977.45	44.37%
Net Investment Income	11,753.27	10,146.60	15.83%
Commission, Exchange and other Income	8,107.89	7,577.69	7.00%
Total Operating Income	19,861.16	17,724.29	12.06%
Total Operating Expense	11,366.88	9,504.17	19.60%
Profit before tax and provision	8,494.28	8,220.12	3.34%
Provision on Investment and others	4,416.42	2,752.74	60.44%
Profit Before tax	4,077.86	5,467.38	(25.41%)
Provision for taxation	3,333.62	3,119.82	6.85%
Net Profit after tax	744.24	2,347.56	(68.30%)
EPS	0.65	2.14	(69.81%)

A statement of remuneration paid to the directors including independent directors; Page no. 189

- x. 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;
- xi. Proper books of account of the Bank have been maintained;
- xii. 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;

- xiii. 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;
- xiv. The system of internal control is sound in design and has been effectively implemented and monitored;
- xv. 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;
- xvi. There is no significant doubt upon the Bank's ability to continue as a going concern;
- xvii. 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 99;
- xviii. A statement where key operating and financial data of at least preceding5 (five) years shall be summarized; Page No. 16
- xix. The Bank has declared no dividend (cash or stock) for the year 2024;
- xx. Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; Page No. 89
- xxi. The total number of Board meetings held during the year and attendance by each director; Page No. 119
- xxii. A report on the pattern of share holding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:
- Parent or Subsidiary or Associated Companies and other related parties (name-wise details); Page No. 121
 - 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. 122
 - Executives; and); page no. 8
 - Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Not applicable
- 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. 218-219
 - nature of his or her expertise in specific functional areas; and Page No. 218-219
 - names of companies in which the person also holds the directorship and the membership of committees of the Board; Page No. 218-219
- xxv. A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:
- Bank has an accounting policy 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 52-56
 - Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and page no. 84-88
 - Future plan or projection or forecast for Bank's operation, performance and financial position, with justification thereof,

Explanation: For the purpose of this clause, the

Budgeted Deposit, Investment, Classified Investment, Foreign Exchange and Operating Profit for the year 2024

(Amount in million Taka)

SL No	Particulars	Achievement December 2023	Budget 2024	Achievement December 2024	Achievement Of Budget 2024	% Growth on 2023	Budget 2025	Budgeted Growth on 2024 (In Taka)	(%) Growth on 2024
1	2	3	4	5	6= (5/4) %	7= (5-3)/3	8	9= (8-5)	10= (8-5)/5
1	Deposit & Borrowings	475,691.55	530,000	517,302.05	97.60%	8.75%	580,000	62,698	12.12%
2	Investment	456,782.80	500,000	488,976.08	97.80%	7.05%	539,000	50,024	10.23%
3	No. of Accounts	3,328,189.00	3,800,000	3,595,882.00	94.63%	8.04%	4,500,000	904,118	25.14%
4	Classified Investment	30,866.19	25,000	74,055.37	296.22%	139.92%	53,900	-	-
5	Percentage (%) of Classified Investments	6.76%	5.00%	15.14%	-	-	10.00%	-	-
6	Foreign Exchange Business	613,472.20	800,000	689,780.00	86.22%	12.44%	861,000	171,220	24.82%
	a) Import	299,322.70	360,000	343,840.00	95.51%	14.87%	425,000	81,160	23.60%
	b) Export	200,352.30	270,000	255,800.00	94.74%	27.68%	306,000	50,200	19.62%
	c) Remittance	113,797.20	170,000	90,140.00	53.02%	-20.79	130,000	39,860	44.22%
7	Operating Profit	8,220.00	9,500	8,494.28	89.41%	3.34%	10,000	1,506	17.73%

Corporate Governance Compliance Certification

Annexure-B

[(Certificate as per condition No. 1(5) (xxvii)]

Report to the Shareholders of Al Arafah Islami Bank PLC. on compliance on the Corporate Governance Code For the year ended on 31st December 2024

We have examined the compliance status to the Corporate Governance Code by Al Arafah Islami Bank PLC. for the year ended on December 31, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006.-158/207/Admin/80 dated June 03, 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 conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions 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 as those standards are not inconsistent with any condition of this Corporate Governance Code.

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

- a. The company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- b. The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institution of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- c. Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws, and other relevant laws; and
- d. The Governance of the company is highly satisfactory.

Signed for & on behalf of

Ahsan Manzur & Co.

Chartered Accountants

Firm Registration No. With FRC: CAF- 001-127



Md. Raghib Ahsan, FCA

Managing Partner

Enrolment: #689

Place: Dhaka
Date: 25 June 2025

Compliance Status on BSEC Notification On Corporate Governance

The Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance Code in 2018 which is being followed by the banks on ‘Comply’ basis. Status of compliance by Al Arafah Islami Bank PLC. with the said CG code issued by BSEC through Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under the Section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors			
1(1)	Size of the Board of Directors: The total number of members of a company’s Board of Directors (hereinafter referred to as “Board”) shall not be less than 5 (five) and more than 20 (twenty).	√		-
1(2)	Independent Directors			
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company’s Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);		√	Bangladesh Bank dissolved the regular Board of Directors of the Bank through their Order No. BRPD(BMMA)651/9 (19) DA/2024-7778 dated 03 September, 2024 and directly reformed the Board of Directors with 05 new independent Directors vide their Letter No. BRPD (BMMA)651/9(19) DA/2024-7780 dated 03 September, 2024.
1(2) (b)	Without contravention of any provision of any other laws, for the purpose of this clause, an “independent director” means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		-
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company’s any sponsor or director or nominated director or shareholder of the company 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 of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		-
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		-
1(2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		-
1(2) (b) (vi)	who is not a shareholder, director excepting independent director or officer of any member or the holder of stock exchange or an intermediary of the capital market;	√		-
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		-
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	√		
1(2) (b) (ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and	√		-
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		-
1(2) (c)	The Independent Director(s) shall be appointed by the Board and approved by the Shareholders in the Annual General Meeting (AGM);	--	--	Bangladesh Bank dissolved the regular Board of Directors of the Bank through their Order No. BRPD(BMMA)651/9(19) DA/ 2024-7778 dated 03 September, 2024 and directly appointed 05 new independent Directors vide their Letter No. BRPD(BMMA) 651/9(19) DA /2024-7780 dated 03 September, 2024.
	Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;			
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and	√	--	No such incidence occurred
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	√	--	-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)	Qualification of Independent Director: -			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		-
1(3) (b)	Independent Director shall have following Qualification.			
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	√		Bangladesh Bank directly reformed the Board of Directors containing with 05 new independent Directors vide their Letter No. BRPD(BMMA) 651/9 (19)DA/2024-7780 dated 03 September, 2024. Among them, one is a former CEO of a financial institution, one is a former Executive Director of Bangladesh Bank, one is a professor at Dhaka University, one is a banker and one is a practicing partner in a CA firm.
1(3) (b) (ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		Bangladesh Bank directly reformed the Board of Directors containing with 05 new independent Directors vide their Letter No. BRPD(BMMA)651/9(19) DA/2024-7780 dated 03 September, 2024. Among them, one is a former CEO of a financial institution & one is a senior banker as DMD.
1(3) (b) (iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	√		Bangladesh Bank directly reformed the Board of Directors containing with 05 new independent Directors vide their Letter No. BRPD(BMMA)651/9(19) DA/2024-7780 dated 03 September, 2024. Among them, one is a former Executive Director of Bangladesh Bank.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓	-	Bangladesh Bank directly reformed the Board of Directors containing with 05 new independent Directors vide their Letter No. BRPD (BMMA)651/9(19) DA/2024-7780 dated 03 September, 2024. Among them, one is a professor at Dhaka University.
1(3) (b) (v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	-	Bangladesh Bank directly reformed the Board of Directors containing with 05 new independent Directors vide their Letter No. BRPD(BMMA)651/9(19) DA/2024-7780 dated 03 September, 2024. Among them, one is a practicing partner in a CA firm
1(3) (c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		-
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.	-	-	N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (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 of the company;	✓		Bangladesh Bank directly appointed 05 new Independent Directors as well as Chairman of the Board vide their Letter No. BRPD(BMMA) 651/9(19)DA/2024-7780 dated 03 September, 2024.
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		As Bangladesh Bank directly reformed the Board of Directors containing with 05 new independent Directors vide their Letter No. BRPD (BMMA)651/9(19) DA/2024-7780 dated 03 September, 2024. For that reason, the board elects a vice chairman from among the board members and in the absence of the chairman, the vice chairman presides over the meeting in accordance with the Articles of Associations of the Bank.
1(5)	Directors' Report to Shareholders: -			
1(5) (i)	An industry outlook and possible future developments in the industry;	✓		-
1(5) (ii)	The segment-wise or product-wise performance;	✓		-
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		-
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		-
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		-
1(5) (vi)	A detailed discussion 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;	✓		-
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)	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.;	-	-	N/A
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	-	-	N/A
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		-
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		-
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xiii)	A statement that 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;	✓		-
1(5) (xiv)	A statement that 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;	✓		-
1(5) (xv)	A statement that 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)	A statement that there is no significant doubt 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 there of shall be disclosed;	✓		-
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		-
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Separately Disclosed
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	-	-	The Board of Directors of the Bank has recommended No Dividend to the shareholders for the year ended December 31, 2024 due to regulatory restrictions & inadequacy of distributable fund.
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;	-	-	The Board of Directors of the Bank has recommended No Dividend to the shareholders for the year ended December 31, 2024 due to regulatory restrictions & inadequacy of distributable fund.
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Total 18 nos. of Meeting held during the year 2024 & average attendance per meeting 92.89%.
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		-
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		-
1(5) (xxiii) (c)	Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit)	√		-
1(5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	--	--	N/A
1(5) (xxiv)	In case of the appointment or re-appointment of a Director a disclosure on 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; and	√		-
1(5) (xxiv) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		-
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		-
1(5) (xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		-
1(5) (xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with 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 the globe;	√		-
1(5) (xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		-
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;	√		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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; and	✓		-
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 Annexure-C.	✓		-
1(5) (xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		-
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) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; 2681	✓		According to the instructions of Bangladesh Bank (BRPD Circular No. 2, dated 11 February, 2024), only 3 committees (EC, BAC & RMC). can be formed in any bank company.
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; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		-
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	-	-	No Director of the holding or parent company can be a member of the Board of Directors of a subsidiary company as per Bank Company (Amendment) Act, 2023.
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		-
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (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;	√		-
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission;			
	Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;			
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		-
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		-
3 (2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	√		-
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		-
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 or CEO and CFO shall be disclosed in the Annual Report.	✓		Included in this Annual Report
4	Board of Directors' Committee: -			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee.	-		N/A
5	Audit Committee: -			
5 (i)	Responsibility to the Board of Directors.			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(i) (b)	The 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(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the 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;	-	-	As per Section 11.2(ka) (u) of Bangladesh Bank Circular No. 2, dt 11 February, 2024 no member of the Audit Committee can be a member of the Executive Committee. As per the instructions of the said Circular of Bangladesh Bank, in special circumstances, the Executive Committee has been formed with 3 members/directors and the Audit Committee has been formed with the remaining 2 members/directors.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5 (2)(b)	The 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 1 (one) independent director;	✓		
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 (ten) years of such experience;	✓		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		No such event occurred.
5 (2)(e)	The company secretary shall act as the secretary of the 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 shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		-
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		-
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		-
5 (4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		Audit Committee conducted 09 meetings in 2024
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5 (5)	Role of Audit Committee			
	The audit committee shall: -			
5(5) (a)	Oversee the financial reporting process;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5) (b)	Monitor choice of accounting policies and principles.	✓		-
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		-
5(5) (d)	Oversee hiring and performance of external auditors.	✓		-
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		-
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		-
5(5) (h)	Review the 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; and	✓		-
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		-
5 (6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of Interests.	-		No such event occurred
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;	-		No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	-		No such event occurred

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such event occurred
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.	-		No such event occurred
5 (7)	Reporting to the Shareholders and General Investors: - Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 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)	According to the instructions of Bangladesh Bank (BRPD Circular No. 2, dated 11 February, 2024), only 3 committees (EC, BAC & RMC). can be formed in any bank company.		
6 (1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-		N/A
6 (1)(b)	The NRC shall assist the Board in 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;	-		N/A
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).	-		N/A
6 (2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		N/A
6(2)(b)	At least 02 (two) 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)	The Board shall have authority to remove and appoint any member of the Committee;	-		N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		N/A
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be 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 attendance of at least an independent director;	-		N/A
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-		N/A
6 (3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		N/A
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	-		N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	-		N/A
6 (4)	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	-		N/A
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		N/A
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where 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 the NRC			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-		N/A
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		N/A
6(5) (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-		N/A
6(5) (b)(i)(a)	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)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-		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 the 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 during the year 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any 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); and	✓		
7(1)(ix)	Any other service that creates 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 members also 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.	✓		www.aibl.com.bd the official website & it is linked with websites of DSE & CSE.
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 or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
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 2024 and attendance by each Director:

Sl. No.	Composition of the Board		No. of meeting held	Entitlement to attend	Attended	Remarks
	Name	Position				
1	Khwaja Shahriar	Chairman & Independent Director	18	9	9	
2	Md. Shahin Ul Islam	Independent Director	18	9	9	
3	Md. Abdul Wadud	Independent Director	18	9	9	
4	Prof. Dr. Mohammed Abu Eusuf	Independent Director	18	9	9	
5	Mohammed Asraful Hasan FCA	Independent Director	18	9	9	
6	Salim Rahman	Ex-Director	18	9	7	
7	Abu Naser Md. Yeahea	Ex-Director	18	9	7	
8	Abdus Samad	Ex-Director	18	9	9	
9	Mohammad Abdus Salam	Ex-Director	18	9	9	
10	Mahbub Ahmed	Ex-Nominee Director	18	9	5	
11	Md. Abdul Hamid Miah	Ex-Independent Director	18	9	9	
12	Md. Enayet Ullah	Ex-Director	18	9	7	
13	Ahamedul Hoque	Ex-Director	18	9	9	
14	Niaz Ahmed	Ex-Director	18	9	9	
15	Mohammed Emadur Rahman	Ex-Director	18	9	6	
16	Liakat Ali Chowdhury	Ex-Director	18	9	8	
17	Md. Anowar Hossain	Ex-Director	18	9	9	
18	Naisr Uddin	Ex-Nominee Director	18	9	8	
19	Md. Rafiqul Islam	Ex-Director	18	9	9	
20	Anwar Hossain	Ex-Director	18	9	9	
21	Md.Kamrul Hasan Siddiqui	Ex-Nominee Director	18	9	8	
22	Quazi Osman Ali	Ex-Nominee Director	18	9	9	
23	A.A.M. Zakaria	Ex-Nominee Director	18	9	9	
24	M. Kamal Uddin Chowdhury	Ex-Independent Director	18	9	9	
25	Mahbubul Alam	Ex-Independent Director	18	9	9	

Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.

b) Board of Executive Committee meeting held during the year 2024 and attendance by each Director:

Sl. No.	Composition of the Committee		No. of meeting held	Entitlement to attend	Attended
	Name	Position			
1	Md. Abdul Wadud	Chairman	11	5	5
2	Khwaja Shahriar	Member	11	5	5
3	Md. Shahin Ul Islam	Member	11	5	5
4	Abdus Samad	Ex- Member	11	0	0
5	Salim Rahman	Ex- Member	11	6	6
6	Mohammad Abdus Salam	Ex- Member	11	6	6
7	Md. Enayet Ullah	Ex- Member	11	6	6
8	Ahamedul Hoque	Ex- Member	11	6	4
9	Liakat Ali Chowdhury	Ex- Member	11	6	6
10	Md. Anowar Hossain	Ex- Member	11	6	6
11	Nasir Uddin	Ex- Member	11	6	5

Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.

c) Board of Audit Committee meeting held during the year 2024 and attendance by each Director:

Sl. No.	Composition of the Committee		No. of meeting held	Entitlement to attend	Attended
	Name	Position			
1	Mohammed Asraful Hasan FCA	Chairman	9	5	5
2	Prof. Dr. Mohammed Abu Eusuf	Member	9	5	5
3	Md. Abdul Hamid Miah	Ex- Member	9	4	4
4	Mohammed Emadur Rahman	Ex- Member	9	4	3
5	Md. Anowar Hossain	Ex- Member	9	4	4
6	A.A.M. Zakaria	Ex- Member	9	4	4
7	Mahbubul Alam	Ex- Member	9	4	4

Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.

d) Board of Risk Management Committee meeting held during the year 2024 and attendance by each Director:

Sl. No.	Composition of the Committee		No. of meeting held	Entitlement to attend	Attended
	Name	Position			
1	Md. Shahin Ul Islam	Chairman	6	4	4
2	Khwaja Shahriar	Member	6	4	4
3	Md. Abdul Wadud	Member	6	4	4
4	Prof. Dr. Mohammed Abu Eusuf	Member	6	4	4
5	Mohammed Asraful Hasan FCA	Member	6	4	4
6	Mahbub Ahmed	Ex- Member	6	2	2
7	Niaz Ahmed	Ex- Member	6	2	2
8	Md. Rafiqul Islam	Ex- Member	6	2	2
9	Quazi Osman Ali	Ex- Member	6	2	2
10	M. Kamal Uddin Chowdhury	Ex- Member	6	2	2

Notes:

- Directors who could not attend meetings were granted leave of absence by the Board.

2. Compliance of section 1.5 (xxiii)

The Pattern of Shareholding:

a. Parent/Subsidiary/Associated Companies and other related party

- i. Al Arafah Islami Bank PLC. is the parent company, while Al Arafah Islami Bank PLC. Securities and Financial Services Limited is a subsidiary company of the Bank. The Board of the parent company is aware of the material risks and issues that might affect both the Bank as a whole and its subsidiaries. It exercises adequate control over its subsidiary while respecting the independent legal and governance responsibilities that may apply to the Board of Directors of the subsidiary. The composition of the Board of Directors of the subsidiary company is given below:

Sl. No.	Name	Position in Bank	Position in Subsidiary	
1.	AIBL Capital Management Ltd.	Related Party		98.00%
2.	AIBL Capital Market Services Ltd.	Related Party		60.50%

- ii. Details of Shareholding of Sponsors/Promoters and Directors of the Bank.

S/N	Name	Status (Sponsor/ Promoter/Directors/ Sponsor Director/ Nominated Director/ Independent Director/ Depositor Director etc.)	No of Securities held as on End of the Month	% of Total No. of Paid-up Securities as on End of the Month
			Dec-24	Dec-24
1	KDS Garments Industries Ltd. Rep: Khalilur Rahman	Chairman	20,000,000	5.00
2	Al-Arafah Islami Bank Limited Rep: Farman R. Chowdhury	Director	242,000,000	60.50
3	Badiur Rahman	Director	2,500,000	0.63
4	Nazmul Ahsan Khaled	Director	2,000,000	0.50
5	Abdus Salam	Director	5,000,000	1.25
6	Badshah Meah	Director	7,000,000	1.75
7	Eng. Kh.Mesbahuddin Ahmed	Director	7,000,000	1.75
8	Farid Ahmed	Director	2,000,000	0.50
9	Mollah Mazharul Malek	Director	1,000,000	0.25
10	Islami Commercial Insurance Co. Ltd. Rep: Md. Ashik Hossain	Director	5,000,000	1.25
11	Samsun Nahar Begum	Director	1,000,000	0.25
12	Mohammed Fazlur Rahman	Director	1,000,000	0.25
13	Bangladesh Ship Brake Ltd. Rep: Ishrat Hasina Chowdhury	Director	2,000,000	0.50
14	China Builders & Machineries Ltd. Rep: Tahreer Nawas	Director	2,500,000	0.63
15	Farhana Ahmed	Director	2,000,000	0.50
16	Purbachal Exclusive Ltd. Rep: Md. Nazmus Sadat	Director	1,000,000	0.25
17	Savoy Ice Cream Factory Ltd. Rep: Azmat Niaz	Director	1,000,000	0.25

b. Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children as on 31 December 2024:

Sl. No.	Designation		Shares held
1	a)	Khwaja Shahriar Independent Director & Chairman, Board of Directors	Nil
	b)	Spouse/Minor Children of Chairman, Board of Directors	Nil
2	a)	Md. Abdul Wadud Independent Director & Chairman, Executive Committee (EC)	Nil
	b)	Spouse/Minor Children of Director & Chairman, Executive Committee (EC)	Nil
3	a)	Mohammed Asraful Hasan FCA Independent Director & Chairman, Board Audit Committee (BAC)	Nil
	b)	Spouse/Minor Children of Director & Chairman, Board Audit Committee (BAC)	Nil
4	a)	Md. Shahin Ul Islam Independent Director & Chairman, Risk Management Committee (RMD)	Nil
	b)	Spouse/Minor Children of Director & Chairman, Risk Management Committee (RMD)	Nil
5	a)	Prof. Dr. Mohammed Abu Eusuf Independent Director	Nil
	b)	Spouse/Minor Children of Independent Director	Nil
6	a)	Farman R. Chowdhury Managing Director (MD) & Chief Executive Officer (CEO)	Nil
	b)	Spouse/Minor Children of Managing Director MD) & Chief Executive Officer (CEO)	Nil
7	a)	Muhammed Nadim Deputy Managing Director & Chief Financial Officer (CFO)	Nil
	b)	Spouse/Minor Children of Deputy Managing Director (DMD) & Chief Executive Officer (CFO)	Nil
8	a)	Mohammed Nizam Uddin Bhuiyan Vice President & Company Secretary (CS)	Nil
	b)	Spouse/Minor Children of Vice President (VP) & Company Secretary (CS)	Nil
9	a)	Kamal Hossain FCA Senior Executive Vice President (SEVP) & HIAC	Nil
	b)	Spouse/Minor Children of Senior Executive Vice President (SEVP) & HIAC	Nil

c. Executives (top five salaried employees of the company, other than Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance) as on 31 December 2024

Sl. No.	Name	Relation	Shares held
1	Md. Abdullah Al- Mamun	Deputy Managing Director	-
2	Syed Masodul Bari	Deputy Managing Director	-
3	Kazi Mahmood Karim	Deputy Managing Director	-
4	Mohammed Fazlur Rahman Chowdhury	Deputy Managing Director	-
5	Md. Habib Ullah	Senior Executive Vice President	-

d. Shareholders holding ten percent (10%) or more voting interest in the company: None



ANNUAL REPORT OF THE
SHARIAH
SUPERVISORY COMMITTEE

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

শরী'আহ সুপারভাইজরী কমিটি-এর বার্ষিক প্রতিবেদন

(৩১ ডিসেম্বর, ২০২৪ ঈসাবী তারিখে সমাপ্ত বছরের জন্য)

আল-আরাফাহ ইসলামী ব্যাংক পিএলসি.-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ!

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

আলহামদুলিল্লাহ! আল-আরাফাহ ইসলামী ব্যাংক পিএলসি. 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-আরাফাহ ইসলামী ব্যাংক পিএলসি.-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 করেছে কি না-তা যাচাইকরণে পর্যালোচনাপূর্বক একটি স্বাধীন মতামত আপনাদের নিকট উপস্থাপন করা।

আল-আরাফাহ ইসলামী ব্যাংক পিএলসি.-এর শরী'আহ সুপারভাইজরী কমিটি ও শরী'আহ সুপারভাইজরী সচিবালয় কর্তৃক বিগত ২০২৪ ঈসাবী বছর, ১৪৪৫-১৪৪৬ হিজরীতে প্রধান কার্যালয়সহ ব্যাংকের সকল শাখায় অনুসৃত কার্যক্রম সাধ্যমত পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র এবং লেনদেন যাচাই-বাছাইপূর্বক ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত বার্ষিক ব্যালেন্সশীট পর্যালোচনা করে নিম্নোক্ত অভিমত ও পরামর্শ প্রদান করেছে :

অভিমত

- বিগত অর্থবছরে আল-আরাফাহ ইসলামী ব্যাংক পিএলসি. 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-আরাফাহ ইসলামী ব্যাংক ডিপোজিটর ও শেয়ারহোল্ডারদের একাউন্ট 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 সুদ 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-মুরাবাহা ও বাই-মুয়াজ্জাল বিনিয়োগে পণ্য ক্রয়-বিক্রয়ের বিষয়টি নিশ্চিতকরণ এবং ডিপোজিট সংক্রান্ত ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক বিভিন্ন সার্কুলার ইস্যুতে শাখা ব্যবস্থাপকগণ যাতে শরী'আহ পরিপালনে উদ্বুদ্ধ হতে পারেন সে ব্যাপারে 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 প্রয়োজনীয় প্রশিক্ষণের ব্যবস্থা গ্রহণ করা;
- আল-আরাফাহ ইসলামী ব্যাংক ফাউন্ডেশনের মাধ্যমে দেশের দরিদ্র জনগোষ্ঠীর মাঝে সম্ভবপর জনকল্যাণমূলক কার্যক্রম বৃদ্ধির প্রচেষ্টা জোরদার করা;
- ব্যাংকের সর্বস্তরের সকলকে সর্বদা মনে রাখা একান্ত জরুরী যে, শরী'আহ নীতিমালা পরিপালনে ইসলামী ব্যাংকিং-এর ক্ষেত্রে সবাই নিজ নিজ পর্যায় থেকে দায়িত্বশীল। তাই আমাদের সবাইকে সর্বোচ্চ সতর্কতার সাথে দায়িত্ব পালন করতে হবে।

আল্লাহ তা'আলা আমাদের জানা-অজানা ভুল-ত্রুটিগুলো ক্ষমা করে যাবতীয় ভাল কাজ একমাত্র তাঁর সন্তুষ্টির জন্য কবুল করুন।

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



(মো. আব্দুর রহীম খান)

এসভিপি এন্ড সচিব

শরী'আহ সুপারভাইজরী কমিটি



(মুফতী ছাঈদ আহমাদ মুজাদ্দেদী)

চেয়ারম্যান

শরী'আহ সুপারভাইজরী কমিটি।

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Annual Report of the Shariah Supervisory Committee

(For the year ended on 31 December 2024)

Honourable Shareholders of Al-Arafah Islami Bank PLC. (AIBPLC)

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 226 Branches of AIBPLC during the year ended on 31.12.2024 (Esayee) (Hijri 1445-1446). 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.

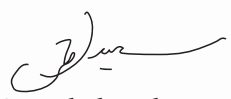
Suggestions

- Have to ensure buy and sell through Bai-murbaha and Bai-muajjal Investment modes and various Circular issued by the management authority regarding Deposit by which Branch manger should be interested to perform Shariah, in that case have to maintain more cautious.
- 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 provide necessary 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 AIBPLC & National Integrity Strategy of the Government

Integrity stands as the cornerstone of Al-Arafah Islami Bank PLC (AIBPLC)'s corporate ethos. The Bank defines integrity as more than a compliance requirement—it is moral uprightness in action, grounded in decency, honesty, and unwavering ethics that build trust. At both the individual and organizational levels, integrity means strict adherence to time-honored values and principles, with every employee remaining duty-bound and honest in all their endeavors. This ethical foundation guides how AIBPLC conducts its business and serves its stakeholders.

This steadfast commitment aligns with the broader national agenda. In 2012, the Government of Bangladesh adopted the National Integrity Strategy (NIS) to institutionalize good governance, justice, transparency, and anti-corruption measures across the country. The NIS was introduced to uphold the rule of law, protect fundamental human rights, ensure equality and organizational accountability, and ultimately foster a prosperous, corruption-free society. Inspired by the nation's vision, the strategy laid out a comprehensive roadmap to strengthen integrity at all levels of public and private life.

Purpose of the National Integrity Strategy (NIS)

The primary objective of the National Integrity Strategy is to establish and uphold good governance through the promotion of ethical values, transparency, and accountability in both public and private sectors. It aims to eradicate corruption, protect human rights, ensure social and economic justice, and enhance organizational discipline. Since 2013, Bangladesh Bank alongside all scheduled banks has been implementing the NIS through annual Integrity Action Plans and structured implementation progress monitoring frameworks at institutional and field levels.

Implementation Status of Integrity of AIBPLC in line with National Integrity Strategy

Al-Arafah Islami Bank PLC has undertaken a series of structured initiatives to align with the National Integrity Strategy (NIS) under the supervision of Bangladesh Bank. The Bank's commitment is reflected in both strategic planning and day-to-day operational practices. The following actions have

been taken to institutionalize integrity across all levels of the organization:

- 1. Formation of Central Integrity Committee**
A seven-member Central Integrity Committee, headed by the Managing Director as its President, has been established to guide, monitor, and review the implementation of the NIS within the Bank. The Committee meets regularly to assess progress, identify challenges, and recommend necessary corrective actions.
- 2. Annual Integrity Action Plan and Reporting**
In accordance with Bangladesh Bank guidelines, AIBPLC prepares an annual Integrity Action Plan and submits quarterly implementation progress reports to the central bank. These reports ensure transparency and continuous improvement in integrity performance.
- 3. Instruction Circulars for Compliance**
Circulars are issued to all branches, zones, and offices with directives to strictly comply with integrity-related instructions. These communications help address and mitigate operational challenges while reinforcing ethical standards at all administrative levels.
- 4. Revised Code of Conduct**
The Bank has updated its Code of Conduct for all employees and stakeholders in alignment with Bangladesh Bank's policy framework. The revised Code has been circulated organization-wide for thorough compliance and practice.
- 5. Ethical Awareness Meetings at Branch Level**
Quarterly discussion meetings on ethics and morality are held in each branch and zone, as per directives of the Central Integrity Committee. Minutes of these meetings are submitted to the Head Office for monitoring, ensuring grassroots-level commitment to integrity.
- 6. Integrity in Staff Training and Development**
The Bank's Training Institute has incorporated ethics as a compulsory topic in all staff training programs. Additionally, Executive Development Programs (EDPs) are conducted at regular

intervals to cultivate moral and ethical values among employees of all levels.

7. Innovation Team for Ethical Enhancement

A five-member Innovation Team has been formed to devise creative strategies and improvements related to integrity in deposit, investment, and service operations.

8. Grievance Redress Mechanism (ONIK & CMRO)

AIBPLC has designated an Obijog Nishpotti Kormokorta (ONIK), a Complaint Management & Resolving Officer (CMRO), and an appellate authority in line with the Right to Information Act, 2009. These positions ensure fair, transparent, and timely resolution of customer complaints.

9. Compliance with Dismissal Reporting Protocols

The Bank uploads the particulars of any dismissed, removed, or terminated officials to the Bangladesh Bank web portal. Quarterly compliance reports are also submitted, reinforcing the Bank's zero-tolerance stance on misconduct.

10. Publication of "Integrity Rhymes"

To promote ethical awareness, AIBPLC publishes "Integrity Rhymes" (Shorol Shudhdhachar Chorra)—endorsed by Bangladesh Bank—in national newspapers and social media every quarter, encouraging moral reflection among employees and the general public.

11. Digital Transparency via NIS Web Portal

A dedicated "NIS" icon has been added to the Bank's official website (www.aibl.com.bd), linking to a comprehensive integrity portal. This section provides open access to the Bank's Integrity Action Plan, Integrity Rhymes, Code of Conduct, Citizen Charter, and other relevant resources.

12. Annual Integrity Award Program

AIBPLC has institutionalized the "Integrity Award" as a core initiative to promote, recognize, and reinforce ethical behavior and professional excellence among its employees. This program serves both as a motivational tool and a benchmark for maintaining high standards of morality and integrity within the organization.

The program was introduced in 2016, and in its inaugural year, 38 employees were honored with

crests and certificates as recognition for upholding high standards of integrity. These awardees were selected based on 13 predefined criteria. In 2017, the Bank further expanded its evaluation framework and recognized 63 employees with crests and certificates, based on 25 selection criteria, to encourage broader participation and the institutionalization of ethical best practices throughout the Bank.

In alignment with the Government's National Integrity Strategy 2012 and in compliance with Bangladesh Bank's BRPD Circular No. 08, issued in 2018, the Bank was directed to award one month's basic salary as a financial incentive to five employees or officials annually in each scheduled bank under the "Integrity Award" initiative. To ensure regulatory compliance and enhance internal integrity practices, the Board of Directors of AIBPLC formally approved the "Integrity Award Policy" in its 330th Meeting held on 24 November 2018.

Following this policy adoption, AIBPLC has been awarding five selected employees every year from its total workforce with a financial incentive equivalent to one month's basic salary, based on 25 rigorous selection criteria, in accordance with Bangladesh Bank's instructions. This recognition not only strengthens the ethical commitment of the recipients but also inspires a broader culture of honesty, transparency, and accountability across the organization.

The Bank firmly believes that the introduction of such a structured and incentivized recognition program significantly enhances employee morale, encourages sincerity, reduces irregularities in banking operations, and improves asset quality through heightened responsibility and ethical awareness. The Annual Integrity Award stands as a testament to AIBPLC's unwavering dedication to fostering a value-driven institutional culture.

AIBPLC remains firmly committed to upholding and advancing integrity as a cornerstone of responsible banking. The continued implementation of National Integrity Strategy principles throughout its operations, training programs, and governance systems reflects the Bank's strategic priority to foster ethical leadership, accountability, and trust. Looking ahead, AIBPLC will continue contributing to the Government's national vision of a transparent, corruption-free, and ethically grounded society—anchored in a banking culture that upholds honesty, fairness, and public trust.

Report of the Board Audit Committee (BAC)

In compliance with the guidelines of Banking Companies (amended) Act, 2023, 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 PLC. 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 AIBPLC have been formulated on the basis of BRPD Circular No. 02 dated 11 February, 2024, 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 404th Meeting held on 15 September, 2024. The Board Audit Committee (BAC) consists of the following 02 (two) members:

SL. No	Name	Educational Qualification	Status with the Bank	Status with the Committee
1	Jb. Mohammad Asraful Hassan, FCA	BBA (Hons), MBA in Accounting and Information System, University of Dhaka. FCA in ICAB.	Independent Director	Chairman
2	Prof. Dr. Mohammed Abu Eusuf	BSS (Hons), MSS in Economics, Jahangir Nagar University. MA, Netherlands. PhD, UK.	Independent Director	Member

Meetings of Board Audit Committee:

During the Year 2024, 09 (nine) meetings of the Committee were held.

Activities during the year:

The Board Audit Committee carried out the following activities during the year 2024:-

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, 2024.
3. Reviewed audited accounts and report of 2024 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, 2024.
8. Reviewed comparative position of half yearly income - expenditure statement.
9. Recommended various measures for improvement of performance of the bank.
10. Reviewed Annual Health Report on ICCW and Integrated Health report of the Bank.
11. The committee reviewed the monthly summary report of Very Serious Lapses (VSL) received by compliance division.

12. The committee reviewed the quarterly summary report of material documentation error.
13. The committee advised Human Resources Division (HRD) to prepare succession plan for ensuring transfer-posting as per Bangladesh Bank guidelines.
14. The committee advised management to develop & to implement Fixed Asset Management Software and Procurement Management Software.
15. The committee advised to implement effective Valuation Policy of Collateral Security against Bank's Investment & Surveyor Enlistment Policy.
16. The committee advised to evaluate enlisted Lawyer as per their performance regularly.
17. The committee reviewed the enlistment policy of security and logistics company as well as recommended to revise it.

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.



Mohammad Asraful Hassan, FCA

Chairman
Board Audit Committee (BAC)
Al-Arafah Islami Bank PLC.

Activities of the Board Risk Management Committee in the year 2024

The major activities of the Board Risk Management Committee (BRMC) of Al-Arafah Islami Bank PLC. in the year 2024 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.
- r) Reviewed the Quarterly Risk Management Report (QRMR).
- s) Reviewed & evaluated the Quarterly Report/ Functions of Sustainable Finance Unit (SFU). of the Bank.
- t) Reviewed the Liquidity Management Plan.
- u) Reviewed investment accounts under litigation, expedite the settlement of cases within the shortest possible time, and provide necessary recommendations for filing lawsuits against defaulting investment clients where applicable.
- v) Reviewed & evaluated the Recovery Plan 2024 of the Bank & provided necessary recommendations to strengthen the investment recovery activities.
- w) Reviewed the Investment Risk Management Policy of the Bank.
- x) Reviewed the Sector Wise Investment, Overdue, Special Mentioned Account (SMA) & Classified Investment (CL) as on September 30, 2024.
- y) Reviewed the Information and Communication Technology (ICT) Risk.

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.



Md. Shahin ul Islam

Chairman
Board Risk Management Committee
Al-Arafah Islami Bank PLC.

CEO and CFO's Declaration to the Board

May 28, 2025

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

Subject: Declaration on Financial Statements for the year ended on December 31, 2024

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 PLC for the year ended on December 31, 2024 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.

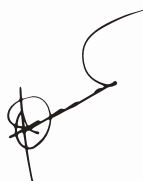
In this regard, we also certify that: -

- i. We have reviewed the financial statements for the year ended on December 31, 2024 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,



Mohd. Rafat Ullah Khan
Managing Director (Current Charge)



Kamal Hossain FCA
Chief Financial Officer (Current Charge)

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 PLC in its 358th Board Meeting held on 9th May 2021 has approved the policy 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 is formulated and shall be disclosed in the Annual Report & official website of Al-Arafah Islami Bank PLC.

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 PLC dedicated for this purpose only;
- ii. Cash dividend shall be paid off to the entailed 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 Dividend

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.	Dividend Year	% of Dividend & Right	Unpaid/Undistributed/Unclaimed/Unsettled Stock Dividend			Unpaid/Undistributed/Unclaimed/Cash & Fraction Dividend			Balance of Unpaid/Undistributed/Unclaimed/Unsettled Stock/Right/Cash & Fraction Dividend on 31-12-2024	
			3 years & above Stock and Right (Share)	Stock and Right transferred to CMSF (Share)	Stock and Right Share date of transfer to CMSF	3 years & above Cash & Fraction Dividend (Tk.)	Cash & Fraction Dividend transferred to CMSF (Tk.)	Cash & Fraction Dividend date of transfer to CMSF	Stock and Right (Share)	Cash and Fraction Dividend (Tk.)
01	2020	15%	-	-	-	14,556,423.06	-	-	-	14,272,168.60
02	2021	15%	-	-	-	11,945,589.50	-	-	-	11,660,369.87
03	2022	12% C & 3% S	99,163	-	-	6,273,897.37	-	-	45,420	5,943,816.41
04	2023	10% C & 5% S	162,562	-	-	199,236,952.42	-	-	66,118	195,346,095.54
Total			261,725	-	-	232,012,862.35	-	-	111,538	227,222,450.42



FINANCIAL STATEMENTS

OF AL-ARAFAH ISLAMI BANK PLC

Independent Auditors' Report to the Shareholders of **Al-Arafah Islami Bank PLC**

Report on the Audit of the Consolidated and Separate Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Al-Arafah Islami Bank PLC and its subsidiaries (the "Group") as well as the separate financial statements of Al-Arafah Islami Bank PLC (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2024 and the consolidated and separate profit or loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 2024, 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 Qualified Opinion

The Bank had reported Tk. 568.28 crore as provision expense in profit or loss accounts in the published financial statements for the period ended September 2024, but Tk. 373.41 crore in the annual financial statements as provision against investments & contingent liabilities, despite having no improvement in NPIs or realisation of the investments. The reduced figure of provision charges has an impact on the reported profit.

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 qualified opinion.

Emphasis of Matter

Without further qualifying our audit opinion in the above section, we would like to draw the attention of the users of this report to the following issues:

- a) Based on the tripartite meeting among Bangladesh Bank, external auditors and the bank, held on 23 April 2025 and as per Bangladesh Bank letter DBI-7/4(1)/2025-350 dated 29 April 2025, the required provision against investments, off balance sheet items and others is Tk. 6,358.35 crore, while the Bank reported Tk. 2,371.14 crore, resulting in a shortfall of Tk. 3,987.21 crore (3,939 crore against investments), against an NPI ratio of 15.55% as per Bangladesh Bank letter DOS(CAMS)1157/41(Dividend)/2025-3094 dated 21.05.2025 and dividend is not distributable this year. As a result, the financial statements of the bank exhibited financial performance with a net profit after tax of Tk. 74.42 crore. Had the bank made full provision, the total loss after tax would have amounted to TK. 3912.79 crore, with a negative effect on CRAR.
- b) As per financial statements, the Bank's Capital to Risk Weighted Asset Ratio (CRAR) as at 31 December 2024 stood at 12.13% (Core: 8.13%, Supplementary: 4.00%) against the regulatory requirement of 12.50%, reflecting a shortfall of 0.37% or Tk. 125.37 crore.
- c) As per Section 24 of the Bank Company Act, 1991 (as amended), at least 20% of the pre-tax profit should be transferred to the statutory reserve until such reserve is equal to the paid-up capital. The bank has not made the required appropriation, and an additional amount of Tk. 27.84 crore is needed to comply with the statutory reserve requirement.
- d) As per the audited financial statements of AIB Capital Market Services Limited, the market value of investment made by the subsidiary has declined by Tk. 265.69 crore against which provision of only Tk. 50.38 crore was accounted for. As a result, there is a shortfall of provision for Tk. 215.31 crore, of which the portion of the bank is Tk. 129.19 crore, being the shareholder of 60.5% of the share capital. The subsidiary did not account for the required provision as per the press release no. BSEC/Mukhopatro/02/2024/106 dated 24.04.2025 issued by of Bangladesh Securities and Exchange Commission (BSEC) that allows the stockbroker to defer such provision till 31.12.2025.
- e) Agency commission was disclosed under Note 24 rather than as a separate line item. In the case of corporate deposits through agent banking, the Bank paid commissions exceeding the average cost of funds. Furthermore, tax was not deducted at source on the commissions paid to agents.

- f) The Bank exceeded the single borrower exposure limits of BDT 612 crore for funded exposure (15% of capital of BDT 4,076.67 crore) and BDT 1,019 crore for total exposure (25% of capital) for multiple clients.
- g) We draw attention to Note 2.1.1, where the bank has disclosed the matters related to the preparation of financial statements following going concern basis for the year.

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
Investments and measurement of provision for investment	
The estimation of provisions for the Bank's investment portfolio, associated with credit risk, is a significant and complex process. As of 31 December 2024, the Bank reported total investments of BDT 47,638.90 crore (2023: BDT 44,619.25 crore), with provisions totalling BDT 2,115.74 crore (2023: BDT 1,776.71 crore). The Bank reported classified investments of BDT 7,405.54 crore in 2024, compared to BDT 3,086.62 crore in 2023, representing an average of 15.55% of total investments. The Bank's provision estimates involve complex calculations and rely heavily on management's judgment. Furthermore, as per Bangladesh Bank letter DBI-7/4(1)/2025-350 dated 29 April 2025, the required provision against investments and Off-Balance Sheet Items is Tk. 6,194.63 crore, while the Bank reported Tk. 2,255.63 crore, resulting in a shortfall of BDT Tk. 3,939 crore, against an NPI ratio of 15.55%. Key areas of focus include: Loss Event Recognition: We checked if loss events were recognized timely per BRPD rules and noted adjustments in classifying bad and rescheduled investments, potentially leading to income from unrecoverable investments. Single borrower exposure limit exceeds for several clients including exposure to City Group, Mahmud Fabrics and Finishing Ltd., S Suhi Industrial Park Ltd., Bashundhara Group indicating significant concentration risk and potential non-compliance with regulatory exposure thresholds. We also noted that the investment disbursed to S. Suhi was made at a reduced profit rate compared to cost of fund of the bank, which may also be challenging for bank's profitability. The Bank classified a good number of investments as standard instead of classifying the same though those investments should have been classified under objective criteria e.g. Shishir Knitting & Dyeing Ltd., Mahmud Fabrics and Finishing Ltd. etc. Regulatory Compliance: The Bank's provisioning policies should comply with the guidelines established in various BRPD circulars, but there are concerns about the upgrading of bad classification status for investments and failure to adjust provisions accordingly, which may lead to the recognition of income from non-recoverable investments.	We tested the design and operating effectiveness of key controls focusing on the following: • 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 are not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Investments (CL). Our substantive procedures in relation to the provision for investments portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank to the actual amount of provision maintained.
See note # 9 and 15.2 to the financial statements	
Significant Decline in Earnings and Net Asset Value	
The Bank's Earnings Per Share (EPS) decreased to BDT 0.65 in 2024 (2023: BDT 2.04), and Net Asset Value (NAV) per share dropped to BDT 20.71 (2023: BDT 21.43).	We evaluated the Bank's provisioning policies for NPIs and tested the adequacy of the provisions in accordance with Bangladesh Bank's guidelines and IFRS.

The decrease in these metrics is primarily attributed to the high cost of funds and increased provisions for non-performing investments (NPIs). The bank's net operating cash flow per share increased significantly to Tk. 21.29 in 2024 from Tk. 0.40 in 2023, primarily due to a substantial rise in depositor inflows during the year. This decline materially affects the financial position and performance of the Bank, and we identified it as a key audit matter due to its significance to the users of the financial statements.	We reviewed the underlying causes of the increased cost of funds and assessed the reasonableness of the Bank's explanations. Analytical procedures were applied to evaluate the trends in EPS, NAV, and related financial metrics over the period. Finally, we considered the implications of these factors on the overall financial health of the Bank.
See note 41, 42 and 43 to the financial statements	
Risk	Our response to the risk
Recognition and Recoverability of Investment and other Income	
For the year ended 31 December 2024, the Bank reported investment income of Tk. 4,203.83 crore (2023: Tk. 3,112.40 crore), marking a 35.07% increase from the prior year. This growth primarily reflects a rise in profit rates. In some cases, recovery risk exists due to profit accruals on classifiable non-performing investments, particularly from clients under deferral, rescheduled, and restructured arrangements. The valuation and recognition of such income involve significant estimation uncertainty and indicate potential need for additional provisions, which has not been addressed. Given that investment income is a key driver of the Bank's profitability and EPS, and considering the inherent risks of misstatement due to complex IT systems, management estimates, and potential recoverability concerns, this area was a principal focus of our audit.	We tested the design and operating effectiveness of key controls, including automated controls, over the recognition and measurement of investment income. For selected customers and investment files on a sample basis, we performed substantive testing of details, including recalculations and cut-off testing, to assess the accuracy of recognized investment income following Bangladesh Bank guidelines. We also conducted substantive analytical procedures to evaluate the reasonableness of income recognized during the year with reference to product-wise outstanding investment balances, historical trends, and profitability patterns. Further, we considered broader economic factors, including political instability, exchange rate volatility, inflationary pressures, and the rising trend of non-performing investments (NPIs) within the banking sector. While our procedures were designed to obtain reasonable assurance over the recognition and recoverability of investment income, inherent uncertainties remain given the evolving economic and political environment. Accordingly, actual recoveries, specially from clients under deferral, rescheduled and restructuring arrangements, may differ materially from current estimates.
See note 23 to the financial statements	
Valuation of bonds, sukuk and other investments and assets	
The Bank holds significant investments in various fixed-term financial instruments, including Bangladesh Government Islamic Investment Bonds, Sukuk, Mudaraba Perpetual Bonds, and Sukuk Al Istisna. These investments require complex judgment and estimates for proper classification and measurement, particularly in the absence of quoted prices in active markets. The fair value of these bonds and Sukuk is determined using complex valuation techniques, considering both direct and indirect unobservable market data and pricing models that require elevated judgment. The unquoted shares include an investment of Tk. 820 crore in bank bonds, which are facing significant liquidity issues and potential recoverability concerns. The appropriate provision for these investments has not been fully accounted for. Which has an impact on the bank's profitability and control process for the current year.	We assessed the Bank's classification and measurement process for these financial instruments and reviewed the valuation techniques applied. To further assess the adequacy of the provisions, we tested a sample of the assets held by the Bank, focusing on the liquidity and recoverability of these investments. We reviewed the inputs and assumptions used in the valuation models and compared them with available market data and external sources. We obtained and reviewed the portfolio of quoted shares, verified market prices as of the reporting date, and assessed management's provisioning policy. We evaluated whether the provision reflects the fair value loss in accordance with applicable financial reporting standards. We reviewed available supporting documents, and assessed management's controls in the absence of a formal fixed asset register. We reviewed the composition of other assets, assessed the provisioning made, and inquired with management regarding ageing and recoverability.

See note 8 to the financial statements	
Recoverability of Balances and Placements with Banks and Financial Institutions Facing Liquidity Challenges	
As at 31 December 2024, the Bank reported balances with other banks and financial institutions of Tk. 997.78 crore (2023: Tk. 746.17 crore) and placements with bank and financial institutions of Tk. 695.00 crore (2023: Tk. 825.00 crore). Included within these are Tk. 640 crore in placements and Tk. 16.45 crore in balances held with banks are currently experiencing significant liquidity challenges. Despite having recoverability risks, the Bank has neither performed impairment testing nor recognized provisions, with inadequate credit risk disclosures. Given the materiality of the exposures and the potential impact on the Bank's financial position, this issue was a key area of focus during our audit.	Our audit processes were as follows: • Understanding management's assessment and provisioning process regarding liquidity risks of counterparts; • Independently evaluating the financial conditions of the counterparties through external credit reports and publicly available financial data; • Reviewing subsequent events for indicators of recoverability or further deterioration; and • Assessing the adequacy and appropriateness of related disclosures in the financial statements.
See note 6 and 7 to the financial statements	
Liquidity Pressure and failure to maintain mandatory ratios	
During 2024, the Bank faced significant liquidity pressures, requiring frequent external financing and increased borrowings from Bangladesh Bank. The year-end placement balance rose to BDT 6,258.53 crore (2023: BDT 5,604.59 crore), reflecting a growing reliance on the central bank's support under Mudaraba profit structures. Additionally, profit paid on deposits and borrowings escalated to BDT 3,028.50 crore (2023: BDT 2,097.75 crore), indicating intensified liquidity stress. Sector-wide liquidity challenges, driven by political uncertainty, further impacted funding stability. Compounding these concerns, the Bank failed to maintain the mandatory Cash Reserve Ratio (CRR) on multiple occasions (93 days) during the year 2024, violating the Banking Companies Act, 1991 (as amended) and Bangladesh Bank MPD Circular No. 03 dated 9 April 2020. Prior period penalties were incorrectly classified under "Bank Charges (Note 35.00)" instead of disclosing separately and additional unrecognized penalties arising from these liquidity shortfalls may lead to an overstatement of profit, and which created challenges for bank's sustainability. The bank granted a special rate against deposits through branches and agents to meet the liquidity pressure. Given the combined liquidity stress and regulatory compliance challenges, we determined this area to be a key audit matter.	Our audit procedures in connection with them are as follows: • Assessed liquidity management strategies through review of external borrowings, maturity profiles, and associated costs with performing analytical procedures. • Recalculated daily CRR and SLR requirements and evaluated the recognition of provisions for penalties in accordance with IAS 37 and Bangladesh Bank requirements, along with the classification of penalty-related expenses. • Considered the liquidity crisis in the Islamic banking sector, driven by political uncertainties, impacting the Bank's funding and depositor base. • Reviewed the adequacy and appropriateness of disclosures in the financial statements related to liquidity risk, external borrowings, and financial impacts.
See note 5 and 13 to the financial statements	
IT systems and controls	
Our audit focused on IT systems and controls due to their complexity, high transaction volume, and reliance on automated processes. Key areas included user access, developer access, and system changes. The Bank lacks a fixed asset register. Moreover, the IT system cannot fully implement complex Bangladesh Bank circulars for investment classification, requiring manual adjustments, leading to inaccurate CL information being recorded and reported.	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 in 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 for changes to systems for appropriate approval and authorization. We reviewed the reconciliation process between CL summaries and underlying schedules and evaluated the Bank's manual adjustments. Additionally, we tested the implementation of Bangladesh Bank's guidance for investment classification in the IT system.

	We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Our findings on the IT system have been communicated to those charged with governance.
Legal and regulatory matters and related party transactions	
The Bank and its subsidiaries operate in a legal and regulatory environment subject to significant litigation, regulatory risks, and disputes, creating material uncertainties around provisions and contingent liabilities. Disclosures were inadequate regarding: - Accelerated promotions and appointments and benefits to the personnels linked to members of the former Board. - Bonuses to key management personnel. - We found that CSR expenditures amounting Tk. 10 crore (Tk. 5 crore in 2024 and Tk. 5 crore in 2023) for which no board approval was found. Given these matters, additional legal expenses, penalties, and provisioning requirements may arise, which management has not yet addressed in the financial statements.	- We evaluated the Bank's processes for identifying, assessing, and disclosing legal and regulatory matters, including discussions with the Bank's legal and compliance departments. - We reviewed Board and Audit Committee minutes, internal investigation reports, regulatory correspondences, and external legal opinions (where available) to assess ongoing and potential exposures. - For agent banking activities, we inspected selected contracts and payment structures to assess appropriateness and compliance with regulatory guidance. - For related party transactions, we assessed the adequacy of disclosures against IAS 24 Related Party Disclosures and verified supporting documents for the promotions, bonuses, and CSR expenditures. - We evaluated management's assessment of the likelihood of outflows arising from investigations and disputes, and the completeness of related disclosures in the financial statements. - We assessed the need for additional provisioning based on the nature of the investigations and regulatory correspondence.
Impairment Testing of Investments in subsidiaries	
The Bank holds equity investments in its subsidiaries, AIB Capital Market Services Limited (CMSL) and AIB Capital Management Limited (CML), with a carrying value of BDT 291 crore as of 31 December 2024 (2023: BDT 291 crore). In our audit of the standalone financial statements for the year ended 31 December 2024, we identified that the Bank did not recognize an impairment loss for its investments in these subsidiaries. Despite a significant decline in the recoverable amount of CMSL's net assets and a provision shortfall in CML, driven by a decrease in the market value of CMSL's margin investment and investment portfolio, the Bank did not perform an adequate impairment assessment in accordance with IAS 36. The failure to recognize the impairment resulted in an overstated carrying value of the investments, which could affect the financial position and profit before tax of the Bank.	We reviewed Management's impairment assessment process, focusing on the analysis of the recoverable values and the continued appropriateness of the value-in-use model used. We gathered information from external market sources and third-party references to challenge and validate the assumptions used. Furthermore, we noted that, in accordance with the deferral of the Bangladesh Securities and Exchange Commission (BSEC), the Bank's subsidiaries have not made provisions for the client margin investments, as per the BSEC press release no. BSEC/spokesperson/02/2024/106 dated 24.04.2025 that allows the stock-broker to defer such provision till 31.12.2025, subsequently requiring additional provisions.
See note 8.b to the financial statements	

Other Matter

As per BSEC directive no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, all sponsors and directors, other than independent directors, of a listed company are required to jointly hold a minimum of 30% of the paid-up capital, whereas the bank has 15.11% shares of sponsors and directors, which falls short of the regulatory requirement.

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 (amended as up to date), the Securities and Exchange Rules 2020, the Bangladesh Bank and other applicable laws and 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 forgery.

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

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

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

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

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

Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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 for Financial Statements:

In accordance with the applicable provisions of Companies Act, 1994, the Securities and Exchange Rules 2020, the Bank Company Act, 1991 (as amended up to date) and the rules and regulations issued by Bangladesh Bank for these financial statements, 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 except for the matters described in the basis for qualified opinion and emphasis of matters section of our report;
- 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;
- III. internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- IV. 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);
- V. financial statements for the year ended 31 December 2024 of subsidiaries, namely AIB Capital Market Service Ltd. and AIB Capital Management Ltd., have been audited by M/s. Khan Wahab Shafique Rahman & Co., Chartered Accountants and who has expressed modified audit opinion for AIB Capital Management Ltd. on inadequate provision against diminution in the value of its investment, unavailability of explanation and supporting documentation for receivable suspense account, difference in authorized share capital between schedule X and financial statements and non-adjustment of advance income tax since 2012. Unqualified audit opinion was expressed for AIB Capital Market Service Ltd. The results of the subsidiaries have been properly reflected in the Group's consolidated financial statements.
- VI. 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;
- VII. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- VIII. 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;
- IX. 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 as mentioned in Note 2;
- X. provisions have been made for investment and others based on the financial statements for the year ended on 31 December 2024 which are in our opinion, doubtful of recovery as per Bangladesh Bank approval given vide letter no "DBI-7/4(1)/2025-350 dated 29 April 2025 and letter no "DOS(CAMS)1157/41(Dividend)/2025-3094, dated-21 May 2025. Please see paragraph (A) under the Emphasis of Matter section of our report;
- XI. The information and explanations required by us have been received and found satisfactory;
- XII. We reviewed 80% of the risk-weighted assets of the Bank at the head office and branch level. We spent over 8,556 person-hours; and
- XIII. Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has not been maintained by the bank.



Faruk Ahmed FCA, Partner
ICAB Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2505281591AS402295
Place: Dhaka
Date : 28 May 2025



Kazi Ahmed Monowar FCA, Partner
ICAB Enrolment number- 822
K.M. Alam & Co.
Chartered Accountants
DVC : 2505280822AS502913

Al-Arafah Islami Bank PLC

Consolidated Balance Sheet

As at December 31, 2024

PROPERTY AND ASSETS	Notes	2024 Taka	2023 Taka
Cash in hand			
Cash in hand (including foreign currencies)	5.A	5,807,425,610	5,024,421,374
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	5.a.i	28,483,472,625	21,693,213,398
		34,290,898,235	26,717,634,772
Balance with other Banks and Financial Institutions	6.A		
In Bangladesh	6.a	770,652,712	340,845,460
Outside Bangladesh	6.b	9,207,091,130	7,120,874,692
		9,977,743,842	7,461,720,152
Placement with Banks & Other Financial Institutions	7.A	6,950,000,000	8,250,000,000
Investment in Share & Securities	8.A	58,089,158,017	47,316,259,141
Government	8.a	44,322,655,000	33,910,280,000
Others	8.A.i	13,766,503,017	13,405,979,141
Investments	9.A		
General Investments etc.		444,690,947,363	421,320,285,331
Bills purchased and discounted		32,290,338,048	25,801,162,624
		476,981,285,411	447,121,447,955
Fixed assets less Accumulated Depreciation	10.A	5,575,430,442	5,010,423,080
Other Assets	11.A	29,841,372,108	31,380,474,309
Non-Banking Assets	12	37,683,927	50,875,037
		621,743,571,983	573,308,834,446
Total Assets			
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions	13.A	67,869,786,285	61,352,670,161
Deposits and other Accounts	14.A		
Mudaraba Savings Deposits		73,317,455,413	64,023,414,249
Mudaraba Term Deposits	14.A.ii.	233,363,886,307	209,448,376,827
Other Mudaraba Deposits		75,420,266,080	61,872,438,235
Al-wadeeah Current Accounts and Other Accounts etc.		68,344,740,499	79,747,947,782
Bills Payable		4,061,095,218	4,303,072,543
		454,507,443,518	419,395,249,636
Other Liabilities	15.A	59,633,168,967	50,023,051,470
Deferred tax Liabilities	16.A	37,087,625	40,237,761
AIBL Mudaraba Bond	17	14,000,000,000	16,000,000,000
		596,047,486,395	546,811,209,029
Total Liabilities			
Capital/Share holders Equity			
Paid -up Capital	18	11,516,917,130	10,968,492,510
Statutory Reserve	19	11,238,492,510	10,968,492,510
Asset revaluation Reserve	20.a	1,084,174,318	1,084,174,318
Foreign Currency Translation Reserve	20.b	2,080,247	-
Retained Earnings	21.A	170,780,664	1,802,540,592
Total Equity attributable to equity holders of the bank		24,012,444,869	24,823,699,930
Non-Controlling Interest	18.A	1,683,640,721	1,673,925,487
		25,696,085,590	26,497,625,417
Total Equity			
Total Liability and Share holders equity		621,743,571,983	573,308,834,446
Net assets value per share (NAV) (Previous year's figure restated)	42	20.85	21.55

Al-Arafah Islami Bank PLC

Consolidated Balance Sheet

As at December 31, 2024

OFF BALANCE SHEET ITEMS	Notes	2024 Taka	2023 Taka
Acceptance and endorsement		65,507,108,327	49,478,084,782
Letters of Guarantee	22	16,501,446,000	18,675,058,521
Letters of Credit		57,081,681,230	52,208,895,309
Bills for Collection		43,012,066,290	34,011,963,639
Other Contingent Liabilities		-	-
Total		182,102,301,846	154,374,002,251
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		182,102,301,846	154,374,002,251


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.


Faruk Ahmed FCA
Engagement Partner
ICAB Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2505281591AS402295
Place: Dhaka
Date : 28 May 2025


Kazi Ahmmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822
K.M. Alam & Co.
Chartered Accountants
DVC : 2505280822AS502913

Al-Arafah Islami Bank PLC

Consolidated Profit or Loss Accounts

For the period ended December 31, 2024

	Notes	2024 Taka	2023 Taka
Investment Income	23.A	42,370,515,468	31,299,693,298
Profit paid on deposits & Borrowing	24.A	(30,525,469,163)	(21,201,231,194)
Net Investment Income		11,845,046,305	10,098,462,104
Income from Investment in Shares /Securities	25.A	2,723,807,235	2,009,875,626
Commission, Exchange and Brokerage	26.A	4,384,685,469	4,612,480,036
Other Operating Income	27.A	1,083,146,243	1,176,569,019
		8,191,638,947	7,798,924,681
Total operating income		20,036,685,252	17,897,386,785
Salaries and allowances & contribution to P.F	28.A	7,946,067,703	6,674,445,655
Directors' fees & expenses	29.A	11,505,382	9,570,275
Shariah Supervisory Committee's fees & expenses	30	526,355	491,793
Rent, taxes, insurance and lighting etc.	31.A	506,972,644	560,892,815
Postage, telegram, telephone and stamp etc.	32.A	148,226,738	82,328,831
Legal charges		25,258,289	21,702,380
Auditors' fee		2,093,000	1,880,250
Salary & Allowances to the Managing Director		25,332,000	23,743,000
Depreciation and repairs to the bank's properties	33.A	1,075,102,497	996,348,142
Stationery, printing & advertisement etc.	34.A	286,309,786	235,078,237
Other expenses	35.A	1,484,120,272	1,056,513,088
Total operating expenses		11,511,514,666	9,662,994,466
Profit/(Loss) before Tax & provision		8,525,170,585	8,234,392,319
Provision against Investments & Contingent Liabilities	36.A	3,734,066,075	2,762,580,466
Provision for diminution in value of investment		176,394,157	(9,843,101)
Other Provision		505,963,773	-
Total provision		4,416,424,005	2,752,737,365
Profit/(Loss) before Tax		4,108,746,580	5,481,654,954
Current tax	15.1.A	3,347,237,541	3,129,347,988
Deferred tax		(3,162,568)	(4,179,107)
Provision for Taxation		3,344,074,973	3,125,168,881
Net Profit/(Loss) after tax		764,671,608	2,356,486,072
Net Profit attributable to:			
Equity holders of the bank		754,956,374	2,351,024,653
Non-controlling Interest		9,715,234	5,461,419
Profit for the year		764,671,608	2,356,486,072
Appropriation			
Statutory Reserve		270,000,000	319,470,660
General Reserve (1 % start-Up fund)		7,442,421	23,475,597
Profit paid on aibl mudaraba perpetual bond		464,000,000	411,000,000
Tax settlement previous year		-	-
Non-Controlling Interest		9,715,234	5,461,419
		751,157,655	759,407,677
Transfer to Retained Earnings		13,513,952	1,597,078,396
Earning per Ordinary Share (EPS) (Previous year's figure restated)	41.A	0.66	2.04


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.


Faruk Ahmed FCA
Engagement Partner
ICAB Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2505281591AS402295
Place: Dhaka
Date : 28 May 2025


Kazi Ahmmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822
K.M. Alam & Co.
Chartered Accountants
DVC : 2505280822AS502913

Al-Arafah Islami Bank PLC

Consolidated Cash Flow Statement

For the period ended December 31, 2024

	Notes	2024 Taka	2023 Taka
Cash flows from operating activities			
Investment income receipt in Cash		46,147,621,262	33,827,983,836
Profit paid on deposits and borrowing		(28,484,443,271)	(20,647,559,851)
Dividend received		68,489,460	34,669,290
Fees & Commission received in cash		4,384,685,469	4,612,480,036
Recoveries from written off investments		320,676,379	360,670,397
Cash payments to employees		(7,971,399,703)	(6,698,188,655)
Cash payments to suppliers		(286,309,786)	(235,078,237)
Received from other operating activities (item-wise)		1,083,146,243	1,176,569,019
Paid for other operating activities (item-wise)	37.A	(2,348,862,219)	(1,855,954,852)
Advance income tax paid		(3,405,692,920)	(2,939,366,615)
Operating profit before changes in operating assets and liabilities		9,507,910,914	7,636,224,366
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(360,523,876)	(3,869,334,739)
Increase/(Decrease) of placement to other banks		1,300,000,000	(271,084,600)
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(19,435,008,053)	(36,144,895,581)
Increase/Decrease of other assets (item-wise)	38.A	3,522,330,724	6,581,233,864
Increase/ (Decrease of placement from other banks and financial institution		6,517,116,124	7,229,427,448
Increase/(Decrease) of Deposits from customers (other than Banks)		33,071,167,990	24,795,740,782
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39.A	(9,610,117,497)	(5,407,933,526)
Cash receipt from operating activities		15,004,965,411	(7,086,846,351)
A. Net Cash from operating activities		24,512,876,325	549,378,015
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(1,469,950,321)	(793,652,417)
Sales proceeds of Fixed assets		5,080,532	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(1,464,869,789)	(793,652,417)
Cash flows from financing activities			
Increase in Exchange Equalization Account		2,080,247	(796,741)
Issue of AIBL Subordinate Bond / Perpetual Bond		(2,000,000,000)	(10,000,000)
Increase in Share Capital		548,424,620	319,470,660
Dividend paid		(1,096,849,251)	(1,316,118,623)
C. Net cash flows from financing activities		(2,546,344,384)	(1,007,444,704)
D. Net increase in cash and cash equivalent (A+B+C)		20,501,662,153	(1,251,719,106)
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent D+E		20,501,662,153	(1,251,719,106)
G. Cash & Cash Equivalents at the beginning of the year		68,089,634,924	69,341,354,030
H. Cash & Cash Equivalents period ended	40.A	88,591,297,077	68,089,634,924
Net Operating Cash Flow per Share (NOCFPS)(Previous year's figure restated)	43	21.28	0.48


Managing Director


Director


Director


Chairman

Consolidated Statement of Changes in Equity

For the period ended December 31, 2024

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2024	10,968,492,510	10,968,492,510	1,802,540,592	1,084,174,318	-	24,823,699,930	1,673,925,487	26,497,625,418
Changes in accounting policy offload share	-	-	-	-	-	-	-	-
Restated Adjustment	-	-	(10)	-	-	(10)	-	(10)
Restated balance	10,968,492,510	10,968,492,510	1,802,540,582	1,084,174,318	-	24,823,699,920	1,673,925,487	26,497,625,408
Tax adjustment previous year	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	2,080,247	2,080,247	-	2,080,247
Share premium	-	-	-	-	-	-	-	-
Net profit for the year	-	-	754,956,375	-	-	754,956,375	9,715,234	764,671,608
Cash Dividend	-	-	(1,096,849,251)	-	-	(1,096,849,251)	-	(1,096,849,251)
Bonus Share	548,424,620	-	(548,424,620)	-	-	-	-	-
Asset revaluation Reserve	-	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(464,000,000)	-	-	(464,000,000)	-	(464,000,000)
Transfer to 1 % strat-Up fund	-	-	(7,442,421)	-	-	(7,442,421)	-	(7,442,421)
Appropriations during the year	-	270,000,000	(270,000,000)	-	-	-	-	-
Balance as at December 31, 2024	11,516,917,130	11,238,492,510	170,780,664	1,084,174,318	2,080,247	24,012,444,869	1,683,640,721	25,696,085,590
Balance as at December 31, 2023	10,968,492,510	10,968,492,510	1,802,540,592	1,084,174,318	-	24,823,699,930	1,673,925,487	26,497,625,417


Managing Director


Director


Director


Chairman

Al-Arafah Islami Bank PLC

Consolidated Statement of Liquidity

(Maturity Analysis of Assets and Liabilities)

For the year ended December 31, 2024

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	5,807,425,610	-	-	-	28,483,472,625	34,290,898,235
	Balance with other Bank and Financial Institution	8,132,700,000	1,000,000,000	-	-	845,043,842	9,977,743,842
	Placement with Banks & Other Financial Institutions	1,000,000,000	3,650,000,000	1,200,000,000	-	1,100,000,000	6,950,000,000
	Investments (in Shares & Securities)	-	-	1,498,900,000	-	56,590,258,017	58,089,158,017
	Investments	77,749,288,353	142,676,500,000	142,539,600,000	82,368,520,000	31,647,377,058	476,981,285,411
	Fixed Assets including premises (Land & Bulding)	-	-	-	-	5,575,430,442	5,575,430,442
	Other Assets	32,300,000	298,900,000	1,327,900,000	2,647,500,000	25,534,772,108	29,841,372,109
	Deferred tax Liabilities/ (Assets)					-	-
	Non Banking Assets	-	-	-	-	37,683,927	37,683,927
	Total Assets	92,721,713,963	147,625,400,000	146,566,400,000	85,016,020,000	149,814,038,020	621,743,571,983
2	Liabilities :						
	Placement from Banks & Other Financial institutions	2,007,700,000	21,577,000,000	40,025,338,807	4,259,747,478	-	67,869,786,285
	Deposits	88,847,696,601	140,058,300,000	129,328,038,994	77,766,900,000	18,506,507,923	454,507,443,517
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	17,947,042,933	460,300,000	-	-	41,225,826,034	59,633,168,967
	Deferred tax Liabilities/ (Assets)	-	-	-	-	37,087,625	37,087,625
	AIBL Mudaraba Subordinated Bond	-	-	-	-	14,000,000,000	14,000,000,000
	Total Liabilities	108,802,439,533	162,095,600,000	169,353,377,801	82,026,647,478	73,769,421,582	596,047,486,394
	Net Liquidity Gap	(16,080,725,571)	(14,470,200,000)	(22,786,977,801)	2,989,372,522	76,044,616,438	25,696,085,590

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.



Managing Director



Director



Director



Chairman

Al-Arafah Islami Bank PLC

Balance Sheet

As at December 31, 2024

PROPERTY AND ASSETS	Notes	2024 Taka	2023 Taka
Cash in hand	5		
Cash in hand (including foreign currencies)	5.a	5,804,554,951	5,019,152,420
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		28,483,472,625	21,693,213,398
		34,288,027,576	26,712,365,818
Balance with other Banks and Financial Institutions	6		
In Bangladesh		770,652,712	340,845,460
Outside Bangladesh		9,207,091,130	7,120,874,692
		9,977,743,842	7,461,720,152
Placement with Banks & Other Financial Institutions	7	6,950,000,000	8,250,000,000
Investment in Share & Securities	8		
Government	8.a	44,322,655,000	33,910,280,000
Others	8.b	12,608,907,981	12,211,799,751
		56,931,562,981	46,122,079,751
Investments	9		
General Investments etc.		444,098,680,171	420,391,350,382
Bills purchased and discounted		32,290,338,049	25,801,162,624
		76,389,018,219	446,192,513,006
Fixed assets less Accumulated Depreciation	10	5,574,059,500	5,006,643,571
Other Assets	11	22,941,966,162	23,467,407,146
Non-Banking Assets	12	37,683,927	50,875,037
Total Assets		613,090,062,207	563,263,604,482
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial institutions	13	62,585,347,478	56,045,837,392
Deposits and other Accounts	14		
Mudaraba Savings Deposits		73,317,455,413	64,023,414,249
Mudaraba Term Deposits		233,573,147,313	209,698,833,234
Other Mudaraba Deposits	14.i	75,420,266,080	61,872,438,235
Al-wadeeah Current Accounts and Other Accounts etc.	14.ii	68,344,740,499	79,747,947,782
Bills Payable		4,061,095,218	4,303,072,543
		454,716,704,524	419,645,706,043
Other Liabilities	15	57,897,757,094	46,856,688,490
Deferred tax Liabilities	16	37,087,625	40,237,761
AIBL Mudaraba Bond	17	14,000,000,000	16,000,000,000
Total Liabilities		589,236,896,721	538,588,469,687
Capital/Share Holders Equity			
Paid up Capital	18	11,516,917,130	10,968,492,510
Statutory Reserve	19	11,238,492,510	10,968,492,510
Asset revaluation Reserve	20.a	1,084,174,318	1,084,174,318
Foreign Currency Translation Reserve	20.b	2,080,247	-
Retained Earnings	21	11,501,281	1,653,975,457
Total Share holders equity		23,853,165,486	24,675,134,795
Total Liability and Share holders equity		613,090,062,207	563,263,604,482
Net assets value per share (NAV) (Previous year's figure restated)	42	20.71	21.43

Al-Arafah Islami Bank PLC

Balance Sheet

As at December 31, 2024

	Notes	2024 Taka	2023 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		65,507,108,327	49,478,084,782
Letters of Guarantee	22	16,501,446,000	18,675,058,521
Letters of Credit		57,081,681,230	52,208,895,309
Bills for Collection		43,012,066,290	34,011,963,639
Other Contingent Liabilities		-	-
Total		182,102,301,846	154,374,002,251
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		182,102,301,846	154,374,002,251

Accompanying notes form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.


Faruk Ahmed FCA
Engagement Partner
ICAB Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2505281591AS402295
Place: Dhaka
Date : 28 May 2025


Kazi Ahmmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822
K.M. Alam & Co.
Chartered Accountants
DVC : 2505280822AS502913

Al-Arafah Islami Bank PLC

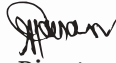
PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2024

	Notes	2024 Taka	2023 Taka
Investment Income	23	42,038,251,080	31,124,054,322
Profit paid on deposits & Borrowing	24	(30,284,975,308)	(20,977,445,095)
Net Investment Income		11,753,275,772	10,146,609,227
Income from Investment in Shares /Securities	25	2,718,977,082	2,006,314,093
Commission, Exchange and Brokerage	26	4,263,791,337	4,489,384,046
Other Operating Income	27	1,125,118,846	1,081,989,759
		8,107,887,265	7,577,687,898
Total operating income		19,861,163,037	17,724,297,125
Salaries and allowances & contribution to P.F	28	7,865,157,945	6,590,135,336
Directors' fees & expenses	29	11,505,382	9,570,275
Shariah Supervisory Committee's fees & expenses	30	526,355	491,793
Rent, taxes, insurance and lighting etc.	31	486,888,090	541,347,752
Postage, telegram, telephone and stamp etc.	32	148,083,756	82,164,981
Legal charges		25,099,962	20,414,480
Auditors' fee		2,035,500	1,822,750
Salary & Allowances to the Managing Director		25,332,000	23,743,000
Depreciation and repairs to the bank's properties	33	1,071,217,692	992,182,707
Stationery, printing and advertisement etc.	34	284,982,064	233,530,169
Other expenses	35	1,446,050,736	1,008,771,543
Total operating expenses		11,366,879,482	9,504,174,786
Profit/(Loss) before Tax & provision		8,494,283,555	8,220,122,339
Provision against Investments & Contingent Liabilities	36	3,734,066,075	2,762,580,466
Provision for diminution in value of investment		176,394,157	(9,843,101)
Other Provision		505,963,773	-
Total provision		4,416,424,005	2,752,737,365
Profit/(Loss) before Tax		4,077,859,549	5,467,384,974
Current tax	15.1	3,336,767,557	3,124,004,373
Deferred tax	16	(3,150,137)	(4,179,107)
Provision for Taxation		3,333,617,422	3,119,825,266
Net Profit/(Loss) after tax		744,242,128	2,347,559,707
Appropriation			
Statutory Reserve		270,000,000	319,470,660
Profit paid on aibl mudaraba perpetual bond		464,000,000	411,000,000
General Reserve (1 % Start-Up Fund)		7,442,421	23,475,597
		741,442,421	753,946,258
Retained Earnings		2,799,708	1,593,613,450
Earning per Ordinary share (EPS)(Previous year's figure restated)	41	0.65	2.04

Accompanying notes form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.


Faruk Ahmed FCA
Engagement Partner
ICAB Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2505281591AS402295
Place: Dhaka
Date : 28 May 2025


Kazi Ahmmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822
K.M. Alam & Co.
Chartered Accountants
DVC : 2505280822AS502913

Al-Arafah Islami Bank PLC

CASH FLOW STATEMENT

For the year ended December 31, 2024

	Notes	2024 Taka	2023 Taka
Cash flows from operating activities			
Investment income receipt in Cash		43,993,584,401	32,215,328,196
Profit paid on deposits and borrowings		(28,243,949,416)	(20,423,773,752)
Dividend recieved		45,216,830	25,660,023
Fees & Commission received in cash		4,263,791,337	4,489,384,046
Recoveries from write off investments		320,676,379	360,670,397
Cash payments to employees		(7,890,489,945)	(6,613,878,336)
Cash payments to suppliers		(284,982,064)	(233,530,169)
Received from other operating activities (item-wise)		1,125,118,846	1,081,989,759
Paid for other operating activities (item-wise)	37	(2,290,349,320)	(1,785,811,056)
Advance income tax paid		(3,380,294,798)	(2,922,042,394)
Operating profit before changes in operating assets and liabilities		7,658,322,250	6,193,996,712
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(397,108,230)	(3,869,130,404)
Increase/(Decrease) of placement to other banks		1,300,000,000	(271,084,600)
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(27,049,943,588)	(43,076,530,425)
Increase/(Decrease) of other assets (item-wise)	38	4,303,486,334	7,914,462,117
Increase/(Decrease) of placement from other banks and financial institution		6,539,510,086	7,014,951,669
Increase/(Decrease) of Deposits from customers (other than Banks)		33,029,972,589	24,754,742,557
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39	(870,441,059)	1,794,758,163
Cash receipt from operating activities		16,855,476,131	(5,737,830,922)
A. Net Cash from operating activities		24,513,798,381	456,165,790
Cash flows from investing activities:			
Proceeds from sale of securites		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(1,468,474,082)	(739,093,102)
Sales proceeds of Fixed assets		5,080,532	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(1,463,393,550)	(739,093,102)
Cash flows from financing activities			
Increase in Exchange Equalization Account		2,080,247	(796,741)
Issue of AIBL Subordinate Bond / Perpetual Bond		(2,000,000,000)	(10,000,000)
Increase in Share Capital		548,424,620	319,470,660
Dividend paid		(1,096,849,251)	(1,277,882,622)
C. Net cash flows from financing activities		(2,546,344,384)	(969,208,703)
D. Net increase in cash and cash equivalent (A+B+C)		20,504,060,448	(1,252,136,015)
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent (D+E)		20,504,060,448	(1,252,136,015)
G. Cash & Cash Equivalents at the beginning of the year		68,084,365,970	69,336,501,985
H. Cash & Cash Equivalents at the end of the year	40	88,588,426,418	68,084,365,970
Net Operating Cash Flow per Share (NOCFPS) (Previous year's figure restated)	43	21.29	0.40

Accompanying notes form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

Statement of Changes Equity

For the year ended December 31, 2024

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total Taka
Balance at 1st January, 2024	10,968,492,510	10,968,492,510	1,653,975,457	1,084,174,318	-	24,675,134,795
Changes in accounting policy	-	-	-	-	-	-
Issue of the share capital	-	-	(10)	-	-	(10)
Restated balance	10,968,492,510	10,968,492,510	1,653,975,447	1,084,174,318	-	24,675,134,785
Tax adjustment previous year	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	2,080,247	2,080,247
Net gain and losses not recognised in Income Statement	-	-	-	-	-	-
Net profit for the year	-	-	744,242,128	-	-	744,242,128
Cash Dividend	-	-	(1,096,849,251)	-	-	(1,096,849,251)
Bonus Share	548,424,620	-	(548,424,620)	-	-	-
Asset revaluation Reserve	-	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(464,000,000)	-	-	(464,000,000)
Transfer to 1 % strat-Up fund	-	-	(7,442,421)	-	-	(7,442,421)
Appropriations during the year	-	270,000,000	(270,000,000)	-	-	-
Total shareholders' equity as on December 31,2024	11,516,917,130	11,238,492,510	11,501,281	1,084,174,318	2,080,247	23,853,165,486
Total shareholders' equity as on December 31,2023	10,968,492,510	10,968,492,510	1,653,975,457	1,084,174,318	-	24,675,134,795


Managing Director


Director


Director


Chairman

Al-Arafah Islami Bank PLC

Statement of Liquidity

(Maturity Analysis of Assets and Liabilities)
For the year ended December 31, 2024

SL No	Particulars	Less than 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	More then 5 Years	Total
1	2	3	4	5	6	7	8
1	Assets :						
	Cash in hand	5,804,554,951	-	-	-	28,483,472,625	34,288,027,576
	Balance with other Bank and Financial Institution	8,132,700,000	1,000,000,000	-	-	845,043,842	9,977,743,842
	Placement with Banks & Other Financial Institutions	1,000,000,000	3,650,000,000	1,200,000,000	-	1,100,000,000	6,950,000,000
	Investments (in Shares & Securities)	-	-	1,498,900,000	-	55,432,662,981	56,931,562,981
	Investments	77,749,288,353	142,676,500,000	142,539,600,000	82,368,520,000	31,055,109,866	476,389,018,218
	Fixed Assets including premises (Land & Bulding)	-	-	-	-	5,574,059,500	5,574,059,500
	Other Assets	32,300,000	298,900,000	1,327,900,000	2,647,500,000	18,635,366,162	22,941,966,162
	Deferred tax Liabilities/ (Assets)					-	-
	Non Banking Assets	-	-	-	-	37,683,927	37,683,927
	Total Assets	92,718,843,304	147,625,400,000	146,566,400,000	85,016,020,000	141,163,398,902	613,090,062,206
2	Liabilities :						
	Placement from Banks & Other Financial Institutions	2,007,700,000	21,577,000,000	34,740,900,000	4,259,747,478	-	62,585,347,478
	Deposits	88,847,696,601	140,058,300,000	129,537,300,000	77,766,900,000	18,506,507,923	454,716,704,524
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	17,947,042,933	460,300,000	-	-	39,490,414,162	57,897,757,094
	Deferred tax Liabilities/ (Assets)	-	-	-	-	37,087,625	37,087,625
	AIBL Mudaraba Subordinated Bond	-	-	-	-	14,000,000,000	14,000,000,000
	Total Liabilities	108,802,439,533	162,095,600,000	164,278,200,000	82,026,647,478	72,034,009,709	589,236,896,721
	Net Liquidity Gap	(16,083,596,230)	(14,470,200,000)	(17,711,800,000)	2,989,372,522	69,129,389,193	23,853,165,486

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.



Managing Director



Director



Director



Chairman

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

1. The Bank and its activities

Al-Arafah Islami Bank was established in 1995 under the Companies Act, 1994 as a Banking Company with 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 upto date) . 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 percepts of Islam.

1.1 The Shariah Supervisory Committee consists of prominent Islamic Scholars and reputed Bankers. The Bank went for public issue of share in the year 1998 and its share are listed with Dhaka Stock Exchange (DSE) and Chaittagong Stock Exchange (CSE). Presently the bank has 226 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 2018), Bangladesh Bank's directives and the principles of Islamic Shariah.

1.2 Subsidiaries of the Bank

Al-Arafah Islami Bank PLC 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 AIB PLC Capital Market Services Limited

Al-Arafah Islami Bank PLC. owned 60.50% shares of AIB PLC Capital Market Services Ltd. a subsidiary company of Al-Arafah Islami Bank. AIB PLC Capital Market Services Ltd. was incorporated in Bangladesh on 20 September, 2010 as a Public 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 clients.
- iii. Full service depository participant of Central Depository of Bangladesh Ltd.

Copy of the audited financial statement is attached Appendix A

1.2.2 AIB PLC Capital Management Limited

Al-Arafah Islami Bank PLC. owned 98% shares of AIB PLC Capital Management Limited, a subsidiary company of Al-Arafah Islami Bank Limited. AIB PLC Capital Management Limited was incorporated under the Companies Act (Act XVIII) of 1994 as a Private Limited Company by shares 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 International Financial Reporting Standard and International Accounting Standard 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 upto date), 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.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

2.1.1 Going Concern Disclosure

The bank decided to address the non-performing investments for sustainability, which is high compared to the previous year. For addressing high non-performing investments, the required provision is high, as well as the Bank's Capital to Risk Weighted Asset Ratio (CRAR) stood at 12.13% against the regulatory requirement of 12.50%. In spite of some constraints, the Bank management has prioritized maintaining adequate provision to enhance the institution's financial stability. Significant efforts have already been made in this regard. For the remaining portion of the provision, the bank has obtained deferral approval through letter no. DOS(CAMS)1157/41(Dividend)/2025-3094 dated May 21, 2025. Furthermore, the bank has developed a plan to establish a specialized recovery department staffed with sufficient personnel to focus on recovering non-performing investments. The bank has adequate resources to continue its operation for the foreseeable future. The current investment facilities and adequate resources of the bank provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

2.2 Statement of compliance with applicable laws, regulations and standards

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 2018), 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.

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020. The consolidated and separate financial statements of the Group and the bank have been prepared in accordance with the IFRS adopted by FRC and in addition to this, the bank also complied with the requirements of the following laws and regulations from various government bodies:

- i) The Banking Companies Act, 1991 (as amended up to date);
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Ordinance, 1969; Bangladesh Securities and Exchange Rules 2020; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;
- v) The Income Tax Act, 2023;
- vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
- vii) Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
- viii) Financial Reporting Act, 2015 and
- ix) Other applicable laws and regulations.

In case any requirement of the Banking Companies Act, 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Banking Companies Act, 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank have departed from those which are the requirements of IFRSs and IASs in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

i) Presentation of Financial Statements

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

IFRS/IAS: As per IAS 1: Presentation of Financial Statements, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e., balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) is prescribed in the “First Schedule” of Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD circular no. 15 dated 09 November 2009 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Name of the Financial Statements

IFRS/IAS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of significant accounting policies and other explanatory information.

Bangladesh Bank: The forms of financial statements and directives for preparation thereof of the Islamic banking companies in Bangladesh are guided by BRPD circular no. 15 dated 09 November 2009 Bangladesh Bank. BRPD circular no. 15 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

iii) Investments in Shares and Securities

IFRS/IAS: As per requirements of IFRS 9: Financial Instruments, classification and measurement of investments in shares and securities will depend on how these are managed (the entity’s business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under “at fair value through profit or loss account” or under “at fair value through other comprehensive income” 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 other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, 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 investments; otherwise, investments are recognised at cost.

iv) Revaluation Gains/Losses on Government Securities

IFRS/IAS: As per requirement of IFRS 9, where securities will fall under the category of fair value through profit or loss and other comprehensive income any change in fair value of the asset is recognised through profit or loss and other comprehensive income. Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit or loss and other comprehensive income. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit or loss and other comprehensive income.

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. 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.

v) Provision on Investments and Off-balance Sheet Items

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

IFRS/IAS: As per IFRS 9, an entity shall recognise an impairment allowance on investments (loans) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investments (loans) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 (23 September 2012), BRPD Circular No.-15 (23 September 2012), BRPD Circular No.-03 (21 April 2019), BRPD Circular No.-17 (28 September 2020), BRPD Circular Letter No.-56 (10 December 2020), BRPD Circulars No.-3 (31 January 2021), BRPD Circulars No.-5 (24 March 2021), BRPD Circular Letter No.-51 (29 December 2021), BRPD Circular Letter No.-53 (30 December 2021), BRPD Circular No.-16 (18 July 2022), BRPD Circular Letter No.-33 (03 August 2022), BRPD Circular No.-51 (18 December 2022), BRPD Circular No.-14 (22 June 2022), BRPD Circular Letter No.-03 (02 February 2023), BRPD Circular No.-11 (20 June 2023), BRPD Circular No.-09 (08 April 2024), BRPD Circular No.-16 (21 July 2020), BRPD Circular No.-01 (20 February 2018), BRPD Circular No.-12 (20 August 2017), BRPD Circular Letter No.-52 (20 Oct 2020), a general provision at 0.25% to 2% 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 except (a) short-term agricultural and micro-credits where 5% for sub-standard and doubtful loans and 100% for bad & loss loans; and (b) cottage micro and small credits where 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans depending on the duration of overdue. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0.50% to 1% is required to be provided for all off-balance sheet exposures except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively. Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of Investment Income in Suspense

IFRS/IAS: Investments (loans) to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortised cost of the investment (loan).

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once an investment (loan) is classified, investment income on such investment is not allowed to be recognised as income, rather the corresponding amount needs to be credited to an investment income in suspense account, which is presented as liability in the balance sheet.

vii) Other Comprehensive Income

IFRS/IAS: 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 issued templates for financial statements which will strictly be followed by all Banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income 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.

viii) 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 cannot be made in the financial statements.

ix) Financial Guarantees

Notes to the Financial Statements

As at and for the year ended December 31, 2024

IFRS/IAS: As per IFRS 9, financial guarantees are contracts that require the issuer 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 original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, 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.

x) Cash and Cash Equivalents

IFRS/IAS: Cash and cash equivalent items should be reported as cash items as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: Some cash and cash equivalent items such as 'Placement with other banks', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Placement with other banks is presented on the balance sheet, and treasury bills, prize bonds are shown in investments.

xi) Non-Banking Assets

IFRS/IAS: No indication of non-banking assets is found in any IFRSs.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, there must exist a face item named Non- Banking Asset.

xii) Cash Flow Statement

IFRS/IAS: 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.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

Investment in Bangladesh govt. Islamic investment bonds have been reported under cash and cash equivalent in The Cash Flow Statement though such investments do not qualify cash and cash equivalent as per definition of IAS-7.

xiii) Balance with Bangladesh Bank (Cash Reserve Requirement)

IFRS/IAS: 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.

xiv) Presentation of Intangible Asset

IFRS/IAS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 15 dated 09 November 2009.

xv) Off-balance Sheet Items

IFRS/IAS: 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. 15 dated 09 November 2009, off-balance sheet items (e.g., letter of credit, letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xvi) Disclosure of Appropriation of Profit

IFRS/IAS: There is no requirement to show appropriation of profit in the face of statement of profit or loss and other comprehensive income.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, an appropriation of profit should be disclosed in the face of profit and loss account.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

xvii) Investments Net off Provision

IFRS/IAS: Investments/loans and advances should be presented net off provision.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, provisions on investments/loans and advances are presented separately as liability and cannot be net off against investments/loans and advances.

xviii) Recovery of Written off Investments/Loans

IFRS/IAS: As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRSs. Again, recovery of written off investments/loans should be recognized in statement of profit or loss and other comprehensive income as per IFRS 15: Revenue from Contracts with Customers.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, recoveries of amount previously written off should be adjusted with the specific provision for investments/loans and advances.

xix) Revenue

As per IFRS 15, revenue should be recognized on accrual basis, but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Quard, IDBP and FDBP modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

xx) Recognition of Investment in suspense

IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in statement of profit or loss and other comprehensive income 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.

xxi) 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.

Departure from BSEC Directive to comply with the rules and regulations of Bangladesh Bank:

As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, unclaimed dividend is required to be presented as a separate line item in the statement of financial position but the financial statements of the Bank are prepared as per the "First Schedule" and Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD Circular No. 15 dated 09 November 2009.

2.3 Basis of Consolidation

A separate set of records for consolidating the Statements of Affairs and Income & Expenditure Statements of the branches are maintained at the Head Office of the Bank in Dhaka from which the financial statements are drawn up.

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities. The consolidated financial statements incorporate the financial statements of Al-Arafah Islami Bank PLC 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.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

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, placement with other banks, 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 year from January 01, 2024 to December 31, 2024.

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

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.

2.8.1 Investments

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

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 Investment in subsidiaries

The bank has made investment in subsidiary company named AIB PLC Capital Market Service Ltd Tk. 242.00 crore holding 60.50% shares. The rest of 39.50% shares are held by others and another subsidiary Company named AIB PLC 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 PLC in its 226th meeting held on 11 July, 2012 approved "Fixed Assets accounting & depreciation and Intangible Assets accounting & amortization Policy" which has been effected from January 2012.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

- 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.

- ii) Land was recognised at cost at the time of acquisition and subsequently measured at revalued amounts which was 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 was 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 was Tk. 1,518,000,000. Total asset revaluation gains was amounting to 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.

- iii) 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

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

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

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

vi) Presentation of intangible asset

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

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

2.8.4 IFRS 16: Leases

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

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

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 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.

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 Reconciliation of inter bank/branch books of accounts

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

2.9 Share Capital

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

2.10 Statutory reserve

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

2.11 Revaluation reserve

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

2.12 Non-controlling interest

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

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

2.13 Basis for valuation of liabilities and provisions

2.13.1 Provisions on Investment

As per As per BRPD circular no. 14 (23 September 2012), BRPD Circular No.-15 (23 September 2012), BRPD Circular No.-03 (21 April 2019), BRPD Circular No.-17 (28 September 2020), BRPD Circular Letter No.-56 (10 December 2020), BRPD Circulars No.-3 (31 January 2021), BRPD Circulars No.-5 (24 March 2021), BRPD Circular Letter No.-51 (29 December 2021), BRPD Circular Letter No.-53 (30 December 2021), BRPD Circular No.-16 (18 July 2022), BRPD Circular Letter No.-33 (03 August 2022), BRPD Circular No.-51 (18 December 2022), BRPD Circular No.-14 (22 June 2022), BRPD Circular Letter No.-03 (02 February 2023), BRPD Circular No.-11 (20 June 2023), BRPD Circular No.-09 (08 April 2024), BRPD Circular No.-16 (21 July 2020), BRPD Circular No.-01 (20 February 2018), BRPD Circular No.-12 (20 August 2017), BRPD Circular Letter No.-52 (20 Oct 2020), a general provision at 0.25% to 2% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment. 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	N/A
Start-up Fund on Net Profit	1%

2.13.2 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.

vii) 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.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

viii) 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 & @15% for Capital Gain on share as prescribed in the Finance Act 2023 and Income Tax Act, 2023 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 2023 (Assessment year 2024-2025 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 detail calculation of deferred tax for the year ended 31 December 2024, has given below:

ix) 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 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 AIB PLC are normally entitled to get gratuity equivalent to one month's basic salary of the employees for their completed years of services in the Bank. So that actuarial valuation is not considered essential.

x) 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.

xi) 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.

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.

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 Dividend Income

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

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Dividend Income from investment is recognised at the time when it is declared, ascertained, and right to receive the payment is established.

2.15 Management and other expenses

Expenses incurred by the bank are recognised on actual and accrual basis.

2.16 Sharing of investment income

The investment income (except exchange and commission income) is shared between depositors and the bank at the ratio of 70 : 30.

2.17 Foreign currency transactions

- i) The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates prevailed on the dates of such transactions.
- ii) The assets and liabilities denominated in foreign currencies as at 31 December, 2024 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 year 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.

2.21 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.

2.21.1 Approval of the financial statements

Financial Statements were approved by the Board of Directors on 427th meeting held on 28 May 2025 has approved the audited financial statements for the year ended 31 December 2024. The Board has not recommended any dividend for the year ended 31 December 2024 as per Bangladesh Bank letter no DOS (CAMS) 1157/41(Dividend)/2025-3094 dated 21 May 2025.

2.22 General

- i) The financial statements have been prepared in accordance with the formats prescribed under the Banking Companies Act, 1991 (as amended 2018 & upto date) and in compliance with the rules of Islamic Law (Shariah) related to the banking business activities.
- ii) The figures appearing in these accounts have been rounded off to the nearest taka.
- iii) Wherever necessary previous years' figures have been rearranged to conform to the current years' presentation.

3.A Risk Management

The risk of Al-Arafah Islami Bank PLC 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

Notes to the Financial Statements

As at and for the year ended December 31, 2024

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 was 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 help the bank management to safeguard the bank's resources, produce reliable financial and managerial report, and comply with laws and regulations.

AIB PLC 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 a Senior Vice President. The ICC division has been segregated to three departments which are audit & inspection department, audit monitoring department and regulatory compliance department. AIB PLC 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 carry 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.

Notes to the Financial Statements

As at and for the year ended December 31, 2024

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 Report (STR) and records them properly. Manuals have been established for the prevention of money laundering and transaction profile has been introduced. Officers and executives of all categories receive regular training for developing awareness and skill for identifying suspicious activities. The bank submits the STR, CTR and other periodical reports to Bangladesh Bank on time. No suspicious money laundering issue has been occurred during the year under audit.

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 31 December, 2024 Audit and Inspection department of ICCD, detected some incidents/irregularities as fraud-forgeries relating to cash misappropriation and investment disbursement in 02 branches of the Bank, which were 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.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

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 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 was made as on the effective date viz. January 01, 2015.

3.C Compliance status on Bangladesh Accounting Standards (IAS) and Bangladesh Financial Reporting Standards (IFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, the bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates & Joint Ventures	28	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
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 PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

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 404th Meeting held on 15 September, 2024 as per BRPD Circular No. 11 Dated 27.10.2013 as under:

SL	Name	Status with Committee	Educational Qualification
1	Janab Mohammad Asraful Hassan, FCA	Chairman	BBA (Hons), MBA in Accounting and Information System, University of Dhaka, FCA in ICAB
2	Janab Prof. Dr. Mohammed Abu Eusuf	Member	BSS (Hons), MSS in Economics, Jahangir Nagar University. MA, Netherlands. PhD, UK.

During the year 2024 the audit committee of the bank conducted 09 (Nine) meetings in which among others, the following issues were discussed:-

- i) Reviewing the inspection report of different branches of AIB PLC 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 AIB PLC conducted by Bangladesh Bank and status of compliance thereof.
- iii) Reviewing the financial statements of the bank for the year ended 31 December, 2024.

4.01

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 2024 compared to 2023.

4.02

Workers’ Profit Participation Fund (WPPF)

As per Bangladesh Labour Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. The Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as the provision of Bangladesh Labour Act 2006 as amended contradicts with that of the Bank Company Act 1991(as ammanded upto date). As such consistent with widely accepted industry practice as well lawyer opinion the Bank did not make any provision during the year for WPPF.

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

			2024 Taka	2023 Taka
5. Cash in hand				
a) Cash in hand				
In local currency			5,776,417,551	4,977,059,493
In Foreign currency (Note 5.a.ii)			28,137,400	42,092,927
			5,804,554,951	5,019,152,420
b) Balance with Bangladesh Bank				
In local currency			25,287,205,494	19,659,136,122
In Foreign currency			1,784,167,390	869,370,431
			27,071,372,884	20,528,506,553
c) Balance with Sonali Bank Plc.				
In local currency			1,412,099,741	1,164,706,845
In Foreign currency			-	-
			1,412,099,741	1,164,706,845
5.a.i Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)			28,483,472,625	21,693,213,398
5.a.ii In Foreign currency		2024		
	Currency Name	Amount in FC	Ex. Rate	Amount in BDT
	US Dollar	233,010	120.03	27,968,420
	Great Britain Pound			-
	EURO			-
	REYAL	5,200	32.50	168,980
				28,137,400
				42,092,927
5.d Cash Reserve Requirements (CRR) and Statutory Liquidity Requirements (SLR)				
Cash Reserve Requirements (CRR) and Statutory Liquidity Requirements (SLR) have been calculated and maintained in accordance with Section 33 of Bank Companies Act.1991(As amended in 2018) & as per Bangladesh Bank Circular No: MPD/03 Dated:09.04.2020				
5.e Cash Reserve Requirements (CRR)				
Required Reserve(DBO 4.00 % of Average Demand and Time Liabilities)			17,798,936,000	18,175,858,000
Actual reserve held with Bangladesh Bank			24,273,402,000	20,188,632,000
Surplus/(Deficit)			6,474,466,000	2,012,774,000
Statutory Liquidity Requirements (SLR)				
Required Reserve(DBO 5.50 % of Average Demand and Time Liabilities)			24,519,999,000	25,233,949,000
Actual reserve held			27,226,150,000	27,019,696,000
Surplus/(Deficit)			2,706,151,000	1,785,747,000
5.A Cash in hand				
Al-Arafah Islami Bank Plc.			5,804,554,951	5,019,152,420
AIBL Capital Management Ltd.			2,870,659	5,268,954
			5,807,425,610	5,024,421,374
6. Balance with other Banks and Financial Institutions				
a) In Bangladesh:				
Al-Wadia Current Accounts				
Islami Bank Bangladesh Plc.			2,356,615	35,337,298
Dutch Bangla Bank Plc.			124,938	229,548
National Bank Plc.			65,435	220,125
Agrani Bank Plc.			36,548,110	24,994,377
			39,095,098	60,781,348
Short Term Deposits				
Dhaka Bank Plc.			10,653,027	2,982,139
Prime Bank Plc.			361,169	323,819
Social Islami Bank Plc.			162,619	70,442,203
Shahjalal Islami Bank Plc.			9,847,598	3,207,104
EXIM Bank Plc.			10,429	3,974,140
ICB Islamic Bank Plc.			161,928,154	161,978,384

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Jamuna Bank Plc.	7,952,980	20,096,838
The City Bank Plc.	16,677,540	3,120,811
Southeast Bank Plc.	2,635,091	730,899
AB Bank Plc.	18,720,786	11,857,186
Mercantile bank Plc.	1,220,902	-
Bank Alfah Plc.	886,846	850,589
Rajshahi krishi unnayan bank	500,500,475	500,000
	731,557,615	280,064,112
	770,652,712	340,845,460

* (AIB Plc is maintaining constant communication with ICB Islamic Bank Plc and Bangladesh Bank for Recovering their money from ICB Islamic bank Plc)

b.	Outside Bangladesh (NOSTRO A/C)	2024	2024	2024		
Name of bank	Curre- ncy Name	Amuont in Foreign Currency	Conversion rate per unit F.C	Amount In BDT.	Amount In BDT.	
HABIB BANK AMERICAN BANK, NEW YORK, USA	USD	(290,171)	118.67	(34,435,603)	32,758,406	
ICICI BANK LIMITED, HONGKONG	USD	627,071	120.07	75,292,216	5,963,741	
MASHREQUE BANK PSC, NEW YORK	USD	450,929	125.82	56,735,908	62,638,432	
CITIBANK N.A., NEW YORK, USA	USD	(174,572)	115.70	(20,198,671)	217,056,162	
STANDARD CHARTERD BANK LTD, NEW YORK	USD	(103,848)	109.75	(11,397,429)	639,139,692	
COMMERZBANK AG, FRANKFURT	USD	69,855	120.00	8,382,550	5,540,593	
SONALI BANK LTD, LONDON, USD	USD	92,953	120.00	11,154,382	7,214,657	
ZHEJIANG CHOUZHOU COMM. BANK, USD	USD	19,984	120.00	2,398,020	15,919,046	
AB BANK LTD, MUMBAI	ACUD	12,133	120.00	1,455,911	8,911,562	
AXIS BANK LTD, MUMBAI	ACUD	251,076	0.00	30,156,545	21,487,146	
BANK OF BHUTAN, BHUTAN	ACUD	122,985	120.00	14,758,250	4,498,386	
ICICI BANK LIMITED, MUMBAI	ACUD	41,667	120.00	5,000,032	29,649,060	
SHANGHAI PUDONG DEVELOPMENT BANK, CHINA	ACUD	-	0.00	-	10,912,226	
SONALI BANK LTD, KOLKATA	ACUD	312,787	120.00	37,534,402	12,797,635	
STANDARD CHARTERD BANK LTD, KARACHI	ACUD	78,324	120.00	9,398,928	6,014,734	
STANDARD CHARTERD BANK LTD, MUMBAI	ACUD	247,694	120.00	29,723,303	5,882,710	
HABIB METROPOLITAN BANK LTD, KARACHI	ACUD	127,666	120.00	15,319,948	23,015	
KUMARI BANK LTD, NEPAL	ACUD	48,010	120.00	5,761,200	13,925,450	
PUNJAB NATIONAL BANK, KOLKATA	ACUD	103,816	120.00	12,457,918	-	
PUNJAB NATIONAL BANK	ACUD	-	0.00	-	12,820,103	
AL RAJI BANKING & INV CORP, KSA	SAR	674,883	31.98	21,584,709	13,911,734	
EMIRATES NBD, RIYADH, KSA	SAR	190,435	31.98	6,090,652	5,585,943	
RIYAD BANK, KSA	SAR	450,577	31.98	14,410,759	12,490,173	
STANDARD CHARTERD BANK LTD, JAPAN	JPY	966,104	0.76	734,819	857,258	
STANDARD CHARTERD BANK LTD, LONDON	GBP	274,072	150.91	41,360,770	(72,637,591)	
COMMERZBANK AG, FRANKFURT AM	GBP	144,777	150.91	21,848,567	11,189,979	
COMMERZBANK AG, FRANKFURT AM	EURO	104,767	125.10	13,106,350	5,296,793	
STANDARD CHARTERD BANK LTD, FRANKFURT	EURO	2,564,052	125.10	320,762,944	(157,971,977)	
INTESA SANPAOLO SPA, ITALY	EURO	417,153	125.10	52,185,895	5,052,118	
PUNJAB NATIONAL BANK, KOLKATA, ACUE	ACUE	7,812	125.10	977,312	955,508	
SHANGHAI PUDONG DEVELOPMENT BANK, CHINA	CNY	6,160,308	16.44	101,280,394	34,485,380	
HABIB BANK AG, ZURICH	CHF	75,479	133.10	10,045,974	(2,549,931)	
ABU DHABI COMMERCIAL BANK PJSC, UAE	AED	1,274,591	32.67	41,643,046	50,832,847	
ZHEJIANG CHOUZHOU COMM . BANK. CNY	CNY	844,597	16.44	13,885,843	8,097,279	
STANDARD CHARTERD BANK LTD, SINGAPORE	SGD	104,194	88.44	9,215,296	-	
				918,631,138	1,028,748,270	

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

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	2024 Taka	2023 Taka
Placement to OBU-USD	8,261,642,760	6,092,126,423
	9,207,091,130	7,120,874,692
	9,977,743,842	7,461,720,152
6.A. Consolidated Balance with other Banks and financial institutions		
a) In Bangladesh:		
Al-Arafah Islami Bank Plc. [Note-6.a]	770,652,712	340,845,460
AIBL Capital Market Services Ltd.	209,261,006	250,456,407
	979,913,718	591,301,867
Less: Inter-Company Adjustment	(209,261,006)	(250,456,407)
	770,652,712	340,845,460
b. Outside Bangladesh	9,207,091,130	7,120,874,692
	9,977,743,842	7,461,720,152
6.A.i Maturity - wise Groupings (Inside & Outside Bangladesh)		
Payable on Demand		
Up to 1 (one) month	8,132,700,000	157,880,000
Over 1 (one) Month but not more than 3 (three) Months	1,000,000,000	-
Over 3 (three) Months but not more than 1 (one) year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	845,043,842	7,303,840,152
	9,977,743,843	7,461,720,152
7. Placement with Banks & Other Financial institutions		
Islami bank bangladesh Plc.	2,000,000,000	2,600,000,000
First security islami bank Plc.	1,000,000,000	1,000,000,000
Global islami Bank Plc.	450,000,000	450,000,000
Islamic Finance and Investment Plc.	550,000,000	900,000,000
Union Bank Plc.	2,500,000,000	2,500,000,000
Social Islami Bank Plc.	450,000,000	800,000,000
	6,950,000,000	8,250,000,000
F.c. placement local (usd)	-	-
	6,950,000,000	8,250,000,000
7.A Al-Arafah Islami Bank Plc.	6,950,000,000	8,250,000,000
AIBL Capital Market Services Ltd.	-	-
	6,950,000,000	8,250,000,000
8. Investment in Shares & Securities		
Bangladesh Govt. Islami Bond Fund (8.a)	19,500,000,000	18,000,000,000
Bangladesh government investment sukuk (BGIS) (8.a)	16,472,780,000	15,410,280,000
Investment In Islamic Refinance Fund (8.a)	500,000,000	500,000,000
Bangladesh govt. Shariah (aibplc) special bond power 10 yrs (8.a)	230,414,000	-
Bangladesh govt. Shariah (aibplc) special bond fertilizer 10 yrs (8.a)	7,619,461,000	-
Investment in Share (8.b)	12,608,907,981	12,211,799,751
	56,931,562,981	46,122,079,751
8.a Investments in Share & Securities		
Government Securities	44,322,655,000	33,910,280,000
Bangladesh Govt. Islami Bond Fund	19,500,000,000	18,000,000,000
Bangladesh government investment sukuk (BGIS)	16,472,780,000	15,410,280,000
Bangladesh govt. Shariah (aibplc) special bond power 10 yrs (8.a)	230,414,000	-
Bangladesh govt. Shariah (aibplc) special bond fertilizer 10 yrs (8.a)	7,619,461,000	-

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

		2024 Taka	2023 Taka
	Investment In Islamic Refinance Fund	500,000,000	500,000,000
8.b	In shares (quoted and unquoted)		
	Quoted		
	Private (8.b.i)	1,443,016,425	961,723,123
	Unquoted		
	Private (8.b.ii)	11,165,891,556	11,250,076,628
		12,608,907,981	12,211,799,751
8.b.i	Book value of share as on 31 December 2024 as follows		
	Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
	Dafodilcom	398,980,623	241,065,596
	Padmaoil	395,722	395,722
	Jamunaoil	230,796,024	8,855,453
	Primelife	114,905,548	114,905,548
	Bbscables	7,740,115	7,740,115
	Sinobangla	31,866,848	16,715,030
	Premiercem	32,357,061	55,614,308
	Unionins	1,485,527	1,485,527
	Bdthaifood	-	35,540
	Beximco	15,099,579	9,737,924
	Bsc	4,274,995	4,274,995
	Ehl	6,014,454	6,014,454
	Itc	4,305,621	9,406,125
	Titasgas	77,147,434	20,464,885
	Uniquehrl	46,874,069	46,874,069
	Spcl	35,433,157	12,821,739
	Aciformula	2,828,826	2,828,826
	Acmelab	4,351,600	4,351,600
	Malekspin	-	4,170,750
	Bsccl	12,078,337	12,078,337
	Lhbl	5,487,803	5,487,803
	Naheeacp	1,451,039	1,451,039
	Runnerauto	2,296,135	2,296,135
	Ibnsina	8,305,539	2,918,118
	Lindbd	18,286,086	18,286,086
	Kdsaltd	28,667,990	22,499,689
	Deltalife	12,465,436	12,465,436
	Anwargalv	11,985,211	11,985,211
	Confidcem	2,977,804	894,539
	Navanapha	4,495,615	11,214,395
	Renata	826,361	826,361
	Continins	1,561,770	1,561,770
	Aamranet	4,982,862	-
	Nhfil	12,803,440	-
	Rakceramic	6,234,602	-
	Meghnacem	9,204,502	-
	Powergrid	12,210,798	-
	Agnisysl	-	20,000,000
	Pli Aml 1St Unit Fund	-	100,000,000
	Bexgsukuk	101,837,894	-
	AIBL 1st Islamic Mutual Fund	170,000,000	170,000,000

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Notes to the Financial Statements

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	2024 Taka	2023 Taka
	1,443,016,425	961,723,123
8.b.ii Unquoted shares in		
Swift Share	23,268,161	7,453,233
Central Depository Bangladesh Limited	3,138,890	3,138,890
Inv in union bank mudaraba sub-ordinated bond	200,000,000	300,000,000
Investment in sibl perpetual bond	1,000,000,000	1,000,000,000
Investment in ibbl second mudaraba perpetual bond	2,000,000,000	2,000,000,000
Investment in sibl 4th sub-ordinated bond	2,000,000,000	2,000,000,000
Investment in ibbl 4th sub-ordinated bond	2,000,000,000	2,000,000,000
Investment for Subsidiary Companies	2,910,000,000	2,910,000,000
Investment in sbl perpetual bond	1,000,000,000	1,000,000,000
Investment in Millennium Information Solution Limited	29,484,505	29,484,505
	11,165,891,556	11,250,076,628
	12,608,907,981	12,211,799,751
8.A Investment in Shares & Securities		
Al-Arafah Islami Bank Plc.	56,931,562,981	46,122,079,751
AIBL Capital Market Services Ltd. 8.A.i	646,043,188	662,120,683
AIBL Capital Management Ltd. 8.A.i	511,551,848	532,058,707
	58,089,158,017	47,316,259,141
8.A.i Investment in Shares & Securities		
Al-Arafah Islami Bank Plc.	12,608,907,981	12,211,799,751
AIBL Capital Market Services Ltd.	646,043,188	662,120,683
AIBL Capital Management Ltd.	511,551,848	532,058,707
	13,766,503,017	13,405,979,141
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	1,498,900,000	1,001,800,000
Over 1 year but not more than 5 years	-	-
More than 5 years	56,590,258,017	46,314,459,141
	58,089,158,017	47,316,259,141
9. Investments		
a) General Investment		
i. in Bangladesh		
Murabaha Investment	116,692,052,508	107,863,550,581
Bai-Muazzal Investment	175,268,099,245	168,469,241,171
Hire Purchase Investment	155,714,991,984	146,111,513,544
Quard	2,809,917,300	2,821,680,925
Other Investment	6,200,685,070	5,715,647,688
	456,685,746,107	430,981,633,909
Less: Unearned profit on Investment	12,587,065,936	10,590,283,527
	444,098,680,171	420,391,350,382
b) Bill Purchased & Discounted		
Payable in Bangladesh	30,489,709,398	24,948,301,799
Payable out side Bangladesh	1,800,628,651	852,860,825
	32,290,338,049	25,801,162,624
	476,389,018,219	446,192,513,006
c) Maturity grouping of Investment		
Including bills purchased and discounted		
Payable on Demand		

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

			2024 Taka	2023 Taka
Up to 1 (one) month			77,749,288,353	86,552,900,000
Over 1 (one) month but not more than 3 (three) months			142,676,500,000	135,654,600,000
Over 3 (three) months but not more than 1 (one) year			142,539,600,000	133,395,700,000
Over 1 year but not more than 5 years			82,368,520,000	65,600,500,000
Over 5 years			31,055,109,866	24,988,813,006
			476,389,018,219	446,192,513,006
d) An analysis to disclose following Significant concentration:				
i. Investment to Directors and others			-	-
ii. Investment to Managing Director and Chief Executive			-	-
iii. Investment to customer (No. of clients with amount of outstanding and classified loan to whom loans and Investment sanctioned more than 10% of total capital of the Bank)			212,257,200,000	202,743,500,000
iv. Investments to customers for more than 10% of Bank's Total Capital				
Number of clients			30	46
Amount of outstanding Investment			182,760,200,000	164,053,700,000
Amount of Classified Investment			10,898,100,000	-
Name of Clients	Funded	Non-Funded	Figure in crore	Figure in crore
1 City Group	736.84	319.17	1,056.01	940.20
2 Thermax Group	433.42	36.64	470.06	402.71
3 Abul Khair Steel Industries Ltd.	121.55	618.45	740.00	731.86
4 AIBL Capital Market Services Ltd.	399.57	40.00	439.57	426.08
5 Techno Electricals ltd	199.74	292.87	492.61	571.35
6 Badsha Group	170.79	362.11	532.90	521.50
7 Masihata Sweaters Ltd.	552.55	253.58	806.13	731.48
8 Sheikh Brother & its Sister Concern	282.36	573.19	855.55	614.84
9 Bangladesh Steel Re-rolling Mills	-	0.79	0.79	437.34
10 NICE Denim Mills Ltd.	458.60	324.00	782.60	703.43
11 Momtex	492.29	18.69	510.98	477.54
12 Kabir Steel Re-rolling Mills	309.29	518.41	827.70	467.03
13 IBN Sina	388.75	131.87	520.62	362.49
14 Aman Group	512.39	168.73	681.12	565.21
15 Creative paper Mills	282.55	196.45	479.00	482.99
16 Biswas Poultry & Fish Feeds Ltd.	202.85	0.08	202.93	756.79
17 M S Dyeing, Printing & Finishing Ltd.	563.91	386.74	950.65	873.98
18 Mahmud Fabrics And Finishing Ltd.	843.67	67.71	911.38	900.38
19 S Suhi industrial Park Ltd	912.02	19.26	931.28	877.04
20 H.R. Re-Rolling Mills	362.56	72.09	434.65	330.60
21 Healthcare pharmaceuticals Ltd.	393.87	152.13	546.00	325.50
22 Nassa Taipei Denim & Textile Ltd	565.75	2.22	567.97	567.20
23 Bashundhara Group	680.60	-	680.60	739.47
24 Esquire Knit Composite & Esquire Dyeing Industries Limited	263.41	242.57	505.98	337.54
25 GMS Trims Ltd., GMS Composite Knitting Ltd	281.50	214.74	496.24	54.79
26 Unique Hotel & Resortes Ltd.	-	-	-	531.14
27 Mondal Group	384.48	110.38	494.86	421.40
28 H.R Textile Mills Ltd.	267.96	233.35	501.31	209.04
29 Crown Cement, GPH Ispat & Molla Salt	29.84	441.84	471.68	87.20
30 Ifad Group	410.66	16.96	427.62	357.91
31 Woodland Plywood and Particle Board Mills Ltd., H & S Glassware Ltd.	341.18	66.05	407.23	136.16
32 Premier Steel Re-Rolling Mills Pvt. Ltd.	546.41	3.59	550.00	463.18

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

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		2024 Taka	2023 Taka	
	12,391.36	5,884.66	18,276.02	16,405.37
v) Industry/Sector wise Investments				
Agriculture		5,915,946,716	5,105,049,000	
Industry		243,384,863,150	214,084,351,000	
Constraction		19,420,700,000	24,483,500,000	
Power, Gas, Water & Sanitary Services		3,137,700,000	14,037,100,000	
Transport & communication		9,117,608,354	125,794,000,000	
Trade Service		185,633,865,936	23,639,000,000	
Storage		1,100,200,000	28,290,000,000	
Professional & Miscellaneous Service		21,265,200,000	21,349,796,533	
		488,976,084,155	456,782,796,533	
Less:Unearned profit on Investment		12,587,065,936	10,590,283,527	
		476,389,018,219	446,192,513,006	
vi) Geographical Location -wise Investment				
Urban:		450,079,935,354	420,308,200,000	
Dhaka Region		363,076,395,000	337,534,400,000	
Chittagong Region		45,210,770,000	45,976,300,000	
Sylhet Region		2,682,051,000	3,429,500,000	
Rajshahi Region		8,399,967,354	8,336,400,000	
Mymensing		2,146,629,000	2,279,300,000	
Khulna Region		19,211,163,000	13,835,500,000	
Rangpur Region		6,020,746,000	5,537,200,000	
Barisal Region		3,332,214,000	3,379,600,000	
Rural:		38,896,148,801	36,474,596,533	
Dhaka Region		17,193,246,801	16,602,496,533	
Chittagong Region		12,053,163,000	10,505,500,000	
Sylhet Region		479,381,000	428,100,000	
Mymensing		3,708,295,000	3,628,300,000	
Rajshahi Region		388,961,000	227,500,000	
Khulna Region		3,308,945,000	3,260,800,000	
Rangpur Region		1,167,040,000	1,209,200,000	
Barisal Region		597,117,000	612,700,000	
		488,976,084,155	456,782,796,533	
Less: Unearned profit on Investment		12,587,065,936	10,590,283,527	
		476,389,018,219	446,192,513,006	
e) Classification of Investment including bills purchased and discounted				
Unclassified		414,920,719,155	425,916,607,533	
Standard including (Staff investment)		405,222,057,155	408,932,507,533	
Special Mention Accounts (SMA)		9,698,662,000	16,984,100,000	
Classified		74,055,365,000	30,866,189,000	
Sub Standard		14,054,663,000	5,541,397,000	
Doubtful		5,532,428,000	7,439,355,000	
Bad / Loss		54,468,274,000	17,885,437,000	
		488,976,084,155	456,782,796,533	
Less: Unearned profit on Investment		12,587,065,936	10,590,283,527	
		476,389,018,219	446,192,513,006	
f) Required Provision on Investment & Off -balance sheet exposures				
Unclassified				
General provision on unclassified Investment		2,841,954,000	2,836,746,000	
General provision on small enterprise Investment		327,643,000	306,280,000	

Al-Arafah Islami Bank PLC

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	2024 Taka	2023 Taka
General provision on Housing financing Investment	22,103,000	45,385,000
General provision on consumer financing Investment	99,335,000	51,135,000
General provision on Micro Investment	79,761,000	73,044,000
General provision on special mention Investment	103,624,000	123,490,000
General provision on BHS/MHS/SDS	1,280,000	47,872,000
	3,475,700,000	3,483,952,000
Classified		
Specific provision on substandard Investment	742,000,000	396,855,000
Specific provision on doubtful Investment	379,000,000	1,954,657,000
Specific provision on bad/loss Investment	55,950,763,000	11,781,506,000
Unclassified	57,071,763,000	14,133,018,000
General provision on Off-balance sheet	1,398,900,000	1,203,620,000
	61,946,363,000	18,820,590,000
g) Provision made on Investment & Off-balance sheet exposures		
Unclassified		
General provision on unclassified Investment	2,841,954,000	2,836,746,000
General provision on small enterprise Investment	327,643,000	306,280,000
General provision on Housing financing Investment	22,103,000	45,385,000
General provision on consumer financing Investment	99,335,000	51,135,000
General provision on Micro Investment	79,761,000	73,044,000
General provision on special mention Investment	103,624,000	123,490,000
General provision on BHS/MHS/SDS	1,280,000	47,872,000
	3,475,700,000	3,483,952,000
Classified		
Specific provision on substandard Investment	742,000,000	396,855,000
Specific provision on doubtful Investment	379,000,000	1,954,657,000
Specific provision on bad/loss Investment	16,560,700,000	11,781,506,000
Unclassified	17,681,700,000	14,133,018,000
General provision on Off-balance sheet	1,398,900,000	1,203,620,000
	22,556,300,000	18,820,590,000
Provision Excess/(Shortfall)	(39,390,063,000)	-
Department of Banking Inspection -7 (DBI-7) has calculated Tk. 6,194.63 Crore as total required provision for classified & unclassified Investment of the Bank. Among which Tk. 2,255.63 crore is kept as General & specific provision in Current financial year's statement (Ref: DBI-7/4(1)/2025-350, dated: 29/04/2025). Rest of the Provision Tk. (6,194.63-2,255.63) 3,939.00 crore will be kept later as per Department of Off-Site Supervision approval bearing ref: DOS(CAMS)1157/41(dividend)/2025-3094, dated 21/05/2025.		
h) Particulars of Investments		
i) Investment considered good in respect of which of the bank company is fully secured;	312,815,435,911	288,607,303,475
ii) Investment considered good against which the banking company holds no security other then the debtors personal guarantee.	184,554,428,523	167,368,665,645
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;	39,390,063,000	-
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;	27,462,950	61,151,847

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
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	54,468,274,000	17,885,437,000
i) Decrease/Increase in provision (Specific)	3,548,682,000	3,159,159,001
ii) Amount of Investment written off;	8,231,970,000	7,903,343,000
iii) Amount realised against Investment previously written off;	320,676,379	360,670,397
b) Amount of provision kept against Investment classified as "bad/loss" on the date of preparing the balance sheet ;	-	-
c) Profit creditable to the profit suspense/Compensation A/c;	-	-
xi) i) Cumulative amount of the written of Investment;	10,410,294,000	9,761,148,000
ii) Amount written off during the current year;	649,146,000	94,355,000
iii) The amount of written off Investment for which lawsuit has been filed;	8,231,970,000	7,903,342,000
9.A. Investments		
Al-Arafah Islami Bank Plc.	476,389,018,219	446,192,513,006
AIBL Capital Market Services Ltd.	570,952,323	923,319,899
AIBL Capital Management Ltd.	21,314,870	5,615,050
	476,981,285,411	447,121,447,955
Less : Inter company Adjustment	-	-
	476,981,285,411	447,121,447,955
9.A.i Maturity grouping of Investment		
Including bills purchased and discounted		
Payable on Demand	-	-
Up to 1 (one) month	77,749,288,353	86,552,900,000
Over 1 (one) month but not more than 3 (three) months	142,676,500,000	135,654,600,000
Over 3 (three) months but not more than 1 (one) year	142,539,600,000	133,395,700,000
Over 1 year but not more than 5 years	82,368,520,000	65,600,500,000
Over 5 years	31,647,377,058	25,917,747,955
	476,981,285,411	447,121,447,955
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)	1,606,561,168	1,391,605,831
Furniture (Steel)	247,152,732	220,662,707
Computer	426,203,225	450,521,499
Computer (Accessories)	188,279,465	177,127,865
Motor Car	238,304,298	230,077,400
Machine equipment & appliance	1,666,132,655	1,504,281,432
Online Hardware	1,264,533,065	1,011,675,711
Interior Decoration	182,116,168	181,580,243
Right of use Assets as per IFRS-16*	2,402,163,720	2,053,100,000
Books & Library	9,664,835	9,485,710

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Intangible Assets	10,971,578,352	9,970,585,419
Online Software	1,044,949,003	662,913,122
Total	12,016,527,355	10,633,498,540
Less: Accumulated Depreciation & Amortization	6,442,467,855	5,626,854,969
	5,574,059,500	5,006,643,571
Schedule of Fixed Assets are given in Annexure - A.		
10.A. Fixed Assets		
Al-Arafah Islami Bank Plc.	5,574,059,500	5,006,643,571
AIBL Capital Market Services Ltd.	1,153,847	3,318,698
AIBL Capital Management Ltd.	217,096	460,811
	5,575,430,442	5,010,423,080
11. Other Assets		
Suspense account	32,279,819	39,442,076
Stock of stationary	285,233,815	132,273,994
Stamp in hand	13,669,687	12,691,677
Security deposit	5,179,947	5,179,947
Advance rent	399,612,039	376,239,217
Clearing adjustment	141,576,453	269,727,012
Protested bill	43,613,309	24,178,154
Accrued income	2,647,472,425	2,249,721,873
Prepaid expenses	14,693,564	2,749,581
Advance Income Tax & TDS [Note 11.2]	17,364,969,955	15,948,992,836
Membership cost	4,461,181	7,647,739
Dividend receivable	27,031,317	12,271,554
Balance with cmsl for portfolio a	980,523,543	1,470,693,467
Sch mc settlement a/c (local)	35,005,477	38,209,666
Acquiring settlement	569,903,792	2,292,934,254
Parking for overdue claims (ibw	-	2,392,930
Remittance adjustment a/c	150,001,000	150,000,099
Iw cash-in & cash-out prefund (dfs	100,000	100,000
Cash incentive from b. Bank (f. Rem	280,000,000	800,000,000
P.r (bb) against stimulus fund	3,894,128	66,564
Parking for rtgs outgoing usd	(57,755,290)	(368,105,493)
Islamic wallet - prefund	500,000	-
Due from off-shore Banking unit	8,261,642,760	11,586,600,211
	31,203,608,922	35,054,007,357
Less: Balance with OBU for elimination investment with OBU	8,261,642,760	11,586,600,211
	22,941,966,162	23,467,407,146
11.1 Classification of other Assets under the following catagories		
i) Investment in shares of subsidiary companies;	-	-
In Bangladesh	-	-
ii) Stationery, Stamps, Printing materials etc.	298,903,502	144,965,671
iii) Advance rent and advertisement;	399,612,039	376,239,217
iv) Profit accrued on Investment but not collected, commission & brokerage receivable on shares and debenture and other income receivable	2,647,472,425	2,249,721,873
v) Security deposit	5,179,947	5,179,947
vi) Preliminary, formation and organization expenses, renovation development expenses and prepaid expenses	14,693,564	2,749,581
vii) Acquiring settlement	569,903,792	2,292,934,254

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
viii) Suspense account	32,279,819	39,442,076
ix) Cash incentive from b. Bank (f. Rem	280,000,000	800,000,000
x) Protested bill	43,613,309	24,178,154
xi) P.r (bb) against stimulus fund	3,894,128	66,564
xii) Membership cost	4,461,181	7,647,739
xiii) Iw cash-in & cash-out prefund (dfs	100,000	100,000
xiv) Others	18,641,852,456	17,524,182,072
	22,941,966,162	23,467,407,146
Others		
Parking for rtgs outgoing usd	(57,755,290)	(368,105,493)
Clearing adjustment	141,576,453	269,727,012
Advance Income Tax & TDS	17,364,969,955	15,948,992,836
Parking for overdue claims (ibw	-	2,392,930
Balance with cmsl for portfolio a	980,523,543	1,470,693,467
Sch mc settlement a/c (local)	35,005,477	38,209,666
Islamic wallet - prefund	500,000	-
Remittance adjustment a/c	150,001,000	150,000,099
	18,641,852,456	17,524,182,072
11.2 Advance Income Tax & TDS		
i) Beginning of the year	15,948,992,836	19,486,759,040
Advance tax paid during the year	3,070,178,452	2,688,442,844
Tax deducted at Source during the year	310,116,346	233,506,525
Settlement for previous year	(1,964,317,679)	(6,459,715,572)
Advance income tax at the end of the year	17,364,969,955	15,948,992,836
11.A. Consolidated Other Assets		
Al-Arafah Islami Bank Plc.	22,941,966,162	23,467,407,146
AIBL Capital Market Services Ltd.	10,759,020,996	10,794,975,886
AIBL Capital Management Ltd.	30,908,494	28,091,277
	33,731,895,652	34,290,474,309
Less: Inter-Company Adjustment	(3,890,523,543)	(2,910,000,000)
	29,841,372,108	31,380,474,309
12. Non-Banking Assets	37,683,927	50,875,037
13. Placement from Banks & Other financial Institutions		

The Bank has taken finance from Islami Investment Bond (Islami Bond) at banks' own mudaraba savings rate (i.e.as on 31st December,2024 MTDR provisional rate) for 180 days tenure which introduced by the Government for islami banks and financial institutes in December 2004 through Bangladesh Bank. The borrowing has been secured by MTDR, Accepted bills and Demand Promissory Note.

	Name of the Bank	Mature	Nature	Amount	Amount
a.	In Bangladesh	Date			
	Borrowing from Bangladesh Bank	05.10.2024	D.P Note	2,500,000,000	1,000,000,000
	Borrowing from Bangladesh Bank	06.10.2024	D.P Note	2,000,000,000	2,000,000,000
	Borrowing from Bangladesh Bank	12.10.2024	D.P Note	500,000,000	500,000,000
	Borrowing from Bangladesh Bank	14.10.2024	D.P Note	1,000,000,000	2,000,000,000
	Borrowing from Bangladesh Bank	27.10.2024	D.P Note	500,000,000	500,000,000
	Borrowing from Bangladesh Bank	02.11.2024	D.P Note	1,000,000,000	500,000,000
	Borrowing from Bangladesh Bank	09.11.2024	D.P Note	3,500,000,000	1,000,000,000
	Borrowing from Bangladesh Bank	16.11.2024	D.P Note	1,000,000,000	1,000,000,000
	Borrowing from Bangladesh Bank	23.11.2024	D.P Note	500,000,000	2,000,000,000
	Borrowing from Bangladesh Bank	01.12.2024	D.P Note	2,500,000,000	1,500,000,000
	Borrowing from Bangladesh Bank	03.12.2024	D.P Note	500,000,000	1,000,000,000

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Notes to the Financial Statements

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			2024 Taka	2023 Taka	
	Borrowing from Bangladesh Bank	08.12.2024	D.P Note	1,500,000,000	2,500,000,000
	Borrowing from Bangladesh Bank	21.12.2024	D.P Note	1,000,000,000	1,500,000,000
	Borrowing from Bangladesh Bank	23.12.2024	D.P Note	500,000,000	-
	Borrowing from Bangladesh Bank	28.12.2024	D.P Note	1,000,000,000	1,000,000,000
			19,500,000,000	18,000,000,000	
b.	Borrowing From Bangladesh Bank		43,085,347,478	38,045,837,392	
	F.c. Borrowing From Bangladesh B		12,386,260,684	14,754,186,966	
	Borrowing From B. Bank, Stimulus		898,000,678	1,194,398,711	
	Borrowing From B. Bank Refinance		1,038,811,520	434,990,903	
	Borrowing From B. Bank Refinance		1	5,650,128	
	Borrowing From B. Bank Bai-Istishn		374,200,000	63,610,000	
	Borrowing From Bb, Cmsme (Term) R		3,361,760,586	6,533,800,273	
	Borrowing From Bb, Women Enterp		261,913,952	145,267,870	
	Borrowing From Bb, 10/50/1000 Taka		196,343,124	245,132,540	
	Borrowing From Bb, Ghore Fera Re-		73,450,000	48,800,000	
	Borrowing From B.bank Sukuk Fun		15,640,000,000	14,620,000,000	
	Borrowing From B.bank, Agricultu		12,770,000	-	
	Mudaraba Short Term Fc Borrowin		14,000,000	-	
	Borrowing From B.bank Sls Fund (P		230,414,000	-	
	Borrowing From B.bank Sls Fund (F		7,619,461,000	-	
	Refinancing (Gtf Fund)		977,961,933	-	
c.	Out side Bangladesh		-	-	
			62,585,347,478	56,045,837,392	
13.A	Placement from Banks & Other financial Institutions				
	Al-Arafah Islami Bank Plc.		62,585,347,478	56,045,837,392	
	AIBL Capital Market Services Ltd.		5,284,438,807	5,306,832,769	
			67,869,786,285	61,352,670,161	
14.	Deposit and Other Accounts				
	Mudaraba Savings Deposits		73,317,455,413	64,023,414,249	
	Mudaraba Term Deposits		233,573,147,313	209,698,833,234	
	Other Mudaraba Deposits [Note :14.i]		75,420,266,080	61,872,438,235	
	Al-Wadeah Current Accounts and Others Accounts etc.[Note: 14.ii]		68,344,740,499	79,747,947,782	
	Bills Payable		4,061,095,218	4,303,072,543	
			454,716,704,524	419,645,706,043	
14.i.	Other Mudaraba Deposits				
	Mudaraba Short Term Deposit		27,019,769,877	23,979,163,126	
	Installment Term Deposit (ltd)		23,811,611,870	24,246,828,349	
	Savings Inv. Deposit (Sid)		2,524,272	7,568,044	
	P/P Term Deposit (Ptd)		11,492,734,105	6,199,983,928	
	Monthly Hajj Deposit (Mhd)		212,913,083	224,826,805	
	Term Hajj Deposit (Thd)		2,729,665	3,244,083	
	Marriage Savings & Invt. Scheme		820,165	5,156,553	
	Special Pension Dep. Scheme		9,608,156	16,818,385	
	Mudaraba Term Cash Waqf Deposit		89,782,734	78,627,495	
	Lakhapati Deposit Scheme (Lds)		44,873,152	60,742,769	
	Millionaire Dep. Scheme (Mmds)		2,020,657,926	2,366,223,132	
	Kotipoti Deposit Scheme (Mkds)		1,996,264,679	2,074,785,920	
	Double Benefit Dep. Scheme (Dbds)		5,956,389,098	206,935,311	
	Pension Dep. Scheme (Pds)		2,347,587,325	2,318,769,780	
	Triple Benefit Dep. Scheme (Tbds)		411,999,973	82,764,555	
			75,420,266,080	61,872,438,235	
14.ii	Al-wadeah Current Accounts and Other Accounts				
	Al-wadeah Current Deposits		25,628,543,973	25,182,322,357	

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Sundry Deposit	24,335,361,810	25,094,454,808
Profit Payable For All Deposit Ac	6,613,081,229	4,536,267,671
F.C Held against EDF	636,577,260	231,817,254
F.C Deposit Account :	11,131,176,227	24,703,085,691
	68,344,740,499	79,747,947,782
14.A. Consolidated Deposit and other Accounts		
Mudaraba Savings Deposits	73,317,455,413	64,023,414,249
Mudaraba Term Deposits [Note :14.A.ii]	233,363,886,307	209,448,376,827
Other Mudaraba Deposits	75,420,266,080	61,872,438,235
Al-wadeah Current Accounts and Others Accounts etc.	68,344,740,499	79,747,947,782
Bills Payable	4,061,095,218	4,303,072,543
	454,507,443,518	419,395,249,636
14.A.i Maturity-wise Classification of Deposits		
i. Repayable on Demand With a residual maturity of	4,937,000,000	10,787,600,000
ii. Repayable within 1 (one) month	83,910,696,601	75,398,317,918
iii. Over 1 (one) month but within 6 (six) months	170,684,420,000	141,494,710,835
iv. Over 6 (six) months within 1 (one) year	113,722,150,000	116,721,237,500
v. Over 1 (one) year within 5 (five) years	77,766,900,000	60,201,300,000
vi. Over 5 (five) years within 10 (ten) years	3,485,264,367	14,791,260,723
vii. Unclaimed Deposits 10 (ten) years and above	1,012,550	822,660
	454,507,443,518	419,395,249,636
14.A.ii Mudaraba Term Deposits	233,573,147,313	209,698,833,234
Less: Inter-Company Adjustment	(209,261,006)	(250,456,407)
	233,363,886,307	209,448,376,827
15. Other Liabilities		
Provision for unclassified investment	3,475,700,000	3,483,952,000
1% general provision - covid-19	-	150,113,000
Provision for classified investment	17,681,700,000	14,133,018,000
Provision for off balance sheet item	1,398,900,000	1,203,620,000
Provision for Outstanding expense	175,376,858	7,646,178
Provision for taxation	18,556,739,460	17,184,289,582
provision for Others	546,471,309	40,507,536
Bank charge Payable(penalty)	75,765,922	-
Provision for diminution in value of investment	238,600,330	62,206,173
Provident fund	-	1,500
Dividend payable	1	-
Adjustment a/c credit balance	4,603,949	2,967,572
Clearing adjustment	(4,979,155)	2,012,028,378
Interest income	21,494	21,494
Cib collection charge	41,737,576	35,524,400
Risk fund for shbis	13,704,323	11,766,916
Parking account	660,650,957	-
F.c. held against bb l/c	94,973	94,973
Credit card payment (local)	30,068,219	29,744,990
Supervision fees (sme)	433,648	507,300
b.b borrowing Settlements	303,532,920	187,265,127
Electronic govt procurement	907,967	996,984
Settlement npsb (issuing)	647,215,973	-
Profit rent suspense	1,428,660,368	750,011,359

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Compensation receivable	11,827,543,643	6,161,233,717
Mastercard Settlement Account	6,857,138	413,097,246
1 % start-Up fund	96,916,482	89,474,061
Lease Liabilities as per IFRS-16 Leases	690,532,737	896,600,002
	57,897,757,094	46,856,688,490
15.1 Provision for income Tax		
Current tax		
Provision held at the beginning of the year	17,184,289,582	20,454,150,493
Tax settlement previous year	205,278,646	-
Provision made during the year	3,131,488,911	3,124,004,373
Settlement for previous year	(1,964,317,679)	(6,393,865,285)
Provision held at the end of the year	18,556,739,460	17,184,289,582
15.1.a Provision for Current Tax made during the year		
Income Tax on Business income	3,120,614,523	3,115,654,157
Capital gain	1,831,023	3,218,212
Cash Dividend	9,043,366	5,132,005
Estimated Provision Required as at December 31,2024	3,131,488,911	3,124,004,373
A. Computation of Taxable Profit		
Profit before tax	4,077,859,549	5,467,384,974
Add: Inadmissible expenditure	5,621,915,750	3,823,767,730
Less: Item of income for separate Consideration	57,423,648	57,842,140
Less: Further allowable Expenditure	1,320,712,924	791,565,785
Estimated Business income other than 82(C)	8,321,638,727	8,441,744,779
Add: Capital Gain	12,206,818	3,218,212
Add: Cash dividend	45,216,830	5,132,005
Total Taxable Income	8,379,062,375	8,450,094,995
15.2 Provision on Investment & Others		
Provision against Classified Investments (Specific) [15.2.a.i]	17,681,700,000	14,133,018,000
Provision against Unclassified Investments (general) [15.2.a.ii]	3,475,700,000	3,483,952,000
Provision against Off-balance Sheet exposures [15.2.a.iii]	1,398,900,000	1,203,620,000
Provision for diminution in value of investments [15.3]	238,600,330	62,206,174
Total Provision Held (a)	22,794,900,330	18,882,796,174
a) The movement in Specific provision on classified Investment :		
i) Provision held at the beginning of the year	14,133,018,000	10,973,859,000
Fully provision debt written off	(469,145,454)	(63,322,634)
Recoveries of amount previously written off	320,676,379	360,670,397
Specific provision for the year	3,547,038,075	2,668,611,238
Provision transferred from covid-19	150,113,000	193,200,000
Provision held at the end of the year	17,681,700,000	14,133,018,000
ii) The movement in general provision on unclassified Investment :		
Provision held at the beginning of the year	3,483,952,000	3,372,472,000
Provision during the year	(8,252,000)	111,480,000
Provision transferred from classified investment	-	-
	3,475,700,000	3,483,952,000
iii) The movement in provision against Off-balance sheet exposures		
Provision held at the beginning of the year	1,203,620,000	1,221,130,772
Provision during the year	195,280,000	(17,510,772)
Provision held at the end of the year	1,398,900,000	1,203,620,000
Total general provision on Investment	22,556,300,000	18,820,590,000
b) Provision for Others		

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Provision held at the beginning of the year	40,507,536	40,507,536
Provision during the year	505,963,773	-
	546,471,309	40,507,536
Less, Adjustment durring the year	-	-
Provision held at the end of the year	546,471,309	40,507,536
Department of Banking Inspection -7 (DBI-7) has calculated Tk. 102.86 Crore as total required provision for other assets of the Banks. Among which Tk. 54.65 crore is kept as provision in Current financial year's statement (Ref: DBI-7/4(1)/2025-350, dated: 29/04/2025). Rest of the Provision Tk. (102.86-54.65) 48.21 crore will be kept later as per Department of Off-Site Supervision approval bearing ref: DOS(CAMS)1157/41(dividend)/2025-3094, dated 21/05/2025.		
15.3 Provision for diminution in value of investment in share		
Provision held at the beginning of the year	62,206,173	72,049,275
Provision during the year	176,394,157	(9,843,102)
Provision held at the end of the year	238,600,330	62,206,173
15.4 General provision -COVID-19 :	150,113,000	343,313,000
Provision transferred to classified investment	(150,113,000)	(193,200,000)
Provision held at the end of the year	-	150,113,000
15.5 General Reserve (1 % Start-Up Fund)	89,474,060	65,998,463
Provision during the year	7,442,421	23,475,597
Provision held at the end of the year	96,916,482	89,474,060
15.A. Consolidated Other Liabilities		
Al-Arafah Islami Bank Plc.	57,897,757,094	46,856,688,490
AIBL Capital Market Services Ltd.	2,665,773,036	3,115,957,005
AIBL Capital Management Ltd.	50,162,380	50,405,975
	60,613,692,510	50,023,051,470
Less: Inter-Company Adjustment	(980,523,543)	-
	59,633,168,967	50,023,051,470
15.I.A Consolidated Current tax		
Al-Arafah Islami Bank Plc.	3,336,767,557	3,124,004,373
AIBL Capital Market Services Ltd.	9,408,901	5,343,615
AIBL Capital Management Ltd.	1,061,083	-
	3,347,237,541	3,129,347,988
15.3.A Provision for diminution in value of investment		
Al-Arafah Islami Bank Plc.	238,600,330	62,206,173
	238,600,330	62,206,173
16. Deferred tax Liabilities/ (Assets)		
Opening balance	40,237,761	44,416,868
Add: Addition for the year	(3,150,135)	(4,179,107)
Provision held at the end of the year	37,087,625	40,237,761
Presented after appropriate offsetting as follows:	40,237,761	44,416,868
Deferred tax Liabilities (+)	(3,150,135)	(4,179,107)
Deferred tax Liabilities	37,087,625	40,237,761
Deferred Tax Liabilities(net)		
16.A Deferred tax Liabilities/ (Assets)		
Al-Arafah Islami Bank Plc.	37,087,625	40,237,761
AIBL Capital Market Services Ltd.	-	-
Provision held at the end of the year	37,087,625	40,237,761
17. AIBL Mudaraba Bond		
AIBL Mudaraba Bond	9,000,000,000	11,000,000,000
Perpetual bond	5,000,000,000	5,000,000,000
	14,000,000,000	16,000,000,000

Notes to the Financial Statements

As at and for the year ended December 31, 2024

			2024 Taka	2023 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)	8,697,577,450	8,149,152,830
			11,516,917,130	10,968,492,510
	c)	Issued and paid up Capital of the Bank is 1,151,691,713 nos. of shares of Tk. 10 each as follows		

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
C. Capital Adequacy Ratio (CAR) (A / B)	12.13%	13.51%
D. Core Capital to RWA	8.13%	9.08%
E. Supplementary Capital to RWA	4.00%	4.43%
F. Minimum Capital Requirement (MCR) 10.00% of RWA	33,616,264,147	31,294,831,664
G. Capital surplus on risk weighted assets based (A-F)	7,150,388,496	10,993,580,996
H. Required Capital with Conservation Buffer @ 12.50% on RWA	42,020,330,184	39,118,539,579
I. Excess/(Deficit) Over Capital with Conservation Buffer (A-H)	(1,253,677,541)	3,169,873,080
18.A. Non-Controlling Interest		
Opening balance	1,673,925,487	1,693,428,067
Add: Non-Controlling Interest in Profit for the year	9,715,234	(19,502,580)
	1,683,640,721	1,673,925,487
19. Statutory Reserve		
Opening balance beginning of the year	10,968,492,510	10,649,021,850
Add. Reserve during the year	270,000,000	319,470,660
Balance at the end of the year.	11,238,492,510	10,968,492,510
At least 20% of net profit before tax is to be transferred to statutory reserve account each year until the cumulative balance equal to the amount of paid up capital account as per Section 24 of the Bank Company Act 1991 as amended. Though there is not enough balance after keeping provision and tax, that's why bank kept 27,00,00,000/- crore statutory reserve in current year.		
20. Revaluation Reserve		
Asset revaluation Reserve	1,084,174,318	1,084,174,318
20.a Total Asset revaluation Reserve	1,084,174,318	1,084,174,318
20.b FC Revaluation Reserve	2,080,247	-
	1,086,254,565	1,084,174,318
21. Retained Earnings		
Opening balance beginning of the year	1,653,975,457	1,657,715,288
Restated Adjustment	(10)	-
Less : Cash Dividend	(1,096,849,251)	(1,277,882,621)
Less : Bonus Share	(548,424,620)	(319,470,660)
Add: Net Profit / (loss) after tax during the year	744,242,129	2,347,559,707
	752,943,703	2,407,921,714
Less : Transfer to Statutory Reserve	270,000,000	319,470,660
Less : transfer to 1 % start-Up fund	7,442,421	23,475,597
Less : Profit paid on aibl mudaraba perpetual bond	464,000,000	411,000,000
	11,501,281	1,653,975,457
21.A. Consolidated Retained Earnings		
Opening balance beginning of the year	1,802,540,592	1,841,051,480
Add: Net profit after tax during the year	754,956,375	2,351,024,653
Restated Adjustment	(10)	-
Less: Stock dividend to equity holders of the bank	(548,424,620)	(319,470,660)
Less: Cash dividend to equity holders of the bank	(1,096,849,251)	(1,316,118,623)
Less: Transfer to statutory reserve	(270,000,000)	(319,470,660)
Less : transfer to 1 % start-Up fund	(7,442,421)	(23,475,597)
Less : Profit paid on aibl mudaraba perpetual bond	(464,000,000)	(411,000,000)
	170,780,664	1,802,540,592
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		

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
i. Directors	-	-
ii. Government	-	-
iii. Bank and other financial institution	-	-
iv. Others	16,501,446,000	18,675,058,521
	16,501,446,000	18,675,058,521
23. Investment Income		
i. Income from General Investments		
Murabaha	1,036,899,518	916,462,748
Bai-Muazzal	14,232,641,087	10,316,434,999
Hire-Purchase	14,643,412,964	9,661,660,357
Others mode income	11,093,035,781	9,510,865,471
	41,005,989,350	30,405,423,575
ii. Profit received from other Islamic Bank	1,032,261,730	718,630,747
Total (i + ii)	42,038,251,080	31,124,054,322
23.A. Consolidated Investment Income		
Al-Arafah Islami Bank Plc.	42,038,251,080	31,124,054,322
AIBL Capital Market Services Ltd.	283,167,289	139,117,946
AIBL Capital Management Ltd.	1,216,166	278,877
	42,322,634,535	31,263,451,145
Less : Inter company Adjustment	47,880,933	36,242,153
	42,370,515,468	31,299,693,298
24. Profit paid on Deposits & Borrowing		
Mudaraba Savings Deposit	1,712,512,980	2,084,559,601
Mudaraba Short Term Deposit	1,630,030,860	1,239,891,961
Mudaraba Term Deposit	19,553,410,107	12,760,013,466
Mudaraba Special Deposit	3,692,819,992	2,881,032,132
AIBL Mudaraba subordinate debt.	979,190,684	901,980,613
Mudaraba BD. Govt. Islamic Bond fund	2,622,141,671	1,028,767,323
Profit Expenses of Lease Liabilities	94,869,015	81,200,000
	30,284,975,308	20,977,445,095
24.A. Profit paid on Deposits & Borrowing		
Al-Arafah Islami Bank Plc.	30,284,975,308	20,977,445,095
AIBL Capital Market Services Ltd.	192,612,922	187,543,946
	30,477,588,230	21,164,989,041
Less : Inter company Adjustment	47,880,933	36,242,153
	30,525,469,163	21,201,231,194
25. Income from Investment in Share /Securities		
Dividend income (cash)	45,216,830	25,660,023
Gain on sale of Shares/Securities	12,206,818	32,182,116
Profit received from other Islamic Bond	2,661,553,434	1,948,471,954
	2,718,977,082	2,006,314,093
25.A. Income from Investment in Share /Securities		
Al-Arafah Islami Bank Plc.	2,718,977,082	2,006,314,093
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	4,830,153	3,561,533
	2,723,807,235	2,009,875,626
Less : Inter company Adjustment	-	-
	2,723,807,235	2,009,875,626

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

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		2024 Taka	2023 Taka
26. Commission, Exchange & Brokerage Income			
Commission		2,546,519,187	2,147,064,372
Exchange		1,717,272,150	2,342,319,674
Brokerage commission		-	-
		4,263,791,337	4,489,384,046
26.A Commission, Exchange & Brokerage Income			
Al-Arafah Islami Bank Plc.		4,263,791,337	4,489,384,046
AIBL Capital Market Services Ltd.		116,308,725	113,379,109
AIBL Capital Management Ltd.		4,585,407	9,716,881
		4,384,685,469	4,612,480,036
Less : Inter company Adjustment		-	-
		4,384,685,469	4,612,480,036
27. Other Operating Income			
Processing fee on investment		108,992,296	122,259,284
Supervision fee		214,755,207	288,658,718
Service charge		4,570	7,108
Capital gain or loss from fixed asset		4,729,694	673,000
Passbook sales(gsis)		123,466	185,748
Account maintenance fee		186,668,295	185,148,972
Sms banking fees		241,525,992	158,178,412
legal expenses recovered		39,861,892	20,558,653
Printing & stationary		1,720,662	1,803,167
P & t charge recovered		1,435,569	1,662,562
Application form sales(seis)		200	88,377
Card income		271,605,204	252,337,786
Misc.income		53,615,800	40,480,787
		1,125,118,846	1,081,989,759
27.A. Other Operating Income			
Al-Arafah Islami Bank Plc.		1,125,118,846	1,081,989,759
AIBL Capital Market Services Ltd.		(41,972,603)	94,579,260
		1,083,146,243	1,176,569,019
Less : Inter company Adjustment		-	-
		1,083,146,243	1,176,569,019
28. Salaries, Allowances & Contribution to P.F			
Basic Pay		2,920,095,838	2,654,260,057
House Rent Expenses		1,647,792,779	1,454,577,536
House Maintenance		94,920	844,792
Medical Expenses		836,283,338	743,446,061
Bonus (28.i)		1,117,469,399	562,523,176
Bank's contribution to P.F		236,234,358	240,047,912
Utility		2,426,878	5,150,545
Conveyance Expenses		145,368,322	122,845,475
LFA Allowance		114,394,663	88,148,536
Lunch and entertainment allowance		1,025,217	1,176,116
Leave encashment expenses		191,370,520	126,266,872
Car Expenses		282,601,713	240,848,258
Gratuity Expenses		370,000,000	350,000,000
		7,865,157,945	6,590,135,336
28.i Bonus			

Al-Arafah Islami Bank PLC

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	2024 Taka	2023 Taka
Incentive bonus	586,152,785	80,365,903
Bangla new year	48,155,956	43,915,737
Eid-ul-fitr bonus	241,931,232	217,907,938
Eid-ul-adha bonus	241,229,426	220,333,598
	1,117,469,399	562,523,176
28.A. Salaries, Allowances & Contribution to P.F		
Al-Arafah Islami Bank Plc.	7,865,157,945	6,590,135,336
AIBL Capital Market Services Ltd.	71,355,193	69,942,827
AIBL Capital Management Ltd.	9,554,565	14,367,492
	7,946,067,703	6,674,445,655
29. Director & Sharia Council Fees & Expenses		
i. Directors fees for attending Board/executive Committee/other committee meeting	4,293,200	2,995,200
ii. TA/DA/ Hotel fare & Foreign Directors	7,212,182	6,575,075
iii. Others	-	-
	11,505,382	9,570,275
29.A. Director & Sharia Council Fees & Expenses		
Al-Arafah Islami Bank Plc.	11,505,382	9,570,275
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	11,505,382	9,570,275
30. Sharia Supervisory Committee's Fees & Expenses		
i. Sharia fees for attending meeting	526,355	491,793
ii. TA/DA/ Hotel fare & Foreign Directors	-	-
iii. Others	-	-
	526,355	491,793
31. Rent,Taxes,Insurance & Electricity Bill		
Rent Office		
Transfer to depreciation and profit expenses (Lease Assets)	16,870,915	83,082,687
Electricity Bill	166,821,606	122,591,277
Insurance	303,195,569	335,673,788
	486,888,090	541,347,752
31.A. Rent, Taxes, Insurance & Electricity Bill		
Al-Arafah Islami Bank Plc.	486,888,090	541,347,752
AIBL Capital Market Services Ltd.	17,978,657	19,545,063
AIBL Capital Management Ltd.	2,105,897	-
	506,972,644	560,892,815
32. Postage,Telegram,Telephone & Stamp		
Air condition charge	-	-
Postage	43,804,025	14,592,961
Telephone (Office)	3,698,598	3,542,357
Telephone (Mobile)	16,254,922	14,274,510
SWIFT Charge	31,299,603	4,939,206
Internet Charges	1,152,291	706,436
Online Charge	51,874,317	44,109,511
	148,083,756	82,164,981
32.A. Postage,Telegram,Telephone & Stamp		
Al-Arafah Islami Bank Plc.	148,083,756	82,164,981
AIBL Capital Market Services Ltd.	86,670	78,093
AIBL Capital Management Ltd.	56,312	85,757

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

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	2024 Taka	2023 Taka
33. Depreciation and Repairs to the Bank's property	148,226,738	82,328,831
Repairs to the Bank's property		
R.R. Furniture & Fixture (Wooden)	4,125,473	3,447,943
R.R. Furniture & Fixture (Steel)	4,824,205	3,303,027
R.R. Computer	3,274,414	3,245,320
Maint. of Motor Car and other Vehicle	806,374	1,017,583
R.R. Machine equipment & appliances	31,695,531	27,231,025
Maintenance of Land & Building	243,274	247,231
R.R. Computer Accessories	1,771,870	1,222,708
R.R. Others	9,230,266	8,268,998
Software Maintenance Fee	101,261,362	58,137,640
Hardware Maintenance Fee	12,926,770	15,106,007
	170,159,539	121,227,482
Depreciation to the Bank's property		
Depr. Furniture (Wood)	130,190,234	118,518,324
Depr. Furniture (Steel)	17,161,607	16,106,053
Depr. Computer	39,984,356	34,971,869
Depr. Motor Car	11,564,865	15,485,135
Depr. Machine equip & Appliance	92,130,131	115,427,459
Depr. Books & Library	72,834	58,488
Depr. Land & Building	30,667,308	30,667,308
Depr. Online Hardware	83,854,889	95,264,022
Depr. Online Software	103,572,088	76,980,681
Depr. Computer Accessories	16,216,768	15,772,291
Right of use (ROU) Assets	371,633,838	347,068,915
Depr. Interior Decoration	4,009,235	4,634,680
	901,058,153	870,955,225
	1,071,217,692	992,182,707
33.A Depreciation Repairs to the Bank's property		
Al-Arafah Islami Bank Plc.	1,071,217,692	992,182,707
AIBL Capital Market Services Ltd.	3,641,090	3,815,214
AIBL Capital Management Ltd.	243,715	350,221
	1,075,102,497	996,348,142
34. Stationary, Printing & Advertisement		
Printing & Stationery	67,451,380	29,089,616
Paper & Table Stationery	67,935,051	54,261,041
Advertisement & Publicity Expenses	149,595,633	150,179,512
	284,982,064	233,530,169
34.A. Stationary, Printing & Advertisement		
Al-Arafah Islami Bank Plc.	284,982,064	233,530,169
AIBL Capital Market Services Ltd.	1,296,366	1,430,187
AIBL Capital Management Ltd.	31,356	117,881
	286,309,786	235,078,237
35. Other expenses		
Local conveyance expenses	23,959,904	15,977,461
Petroleum oil lubricant motors	49,100,640	36,750,766
Cng motor car	1,608,136	1,858,292
Entertainment expenses	44,354,946	27,717,165
Travelling expenses	44,990,528	39,920,515

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Bank charge	289,309,526	22,062,339
Wages (salary-casual staff)	83,814,920	55,786,911
Security guard service	252,411,982	179,845,698
Subscription	19,615,772	15,380,720
Leveries & uniforms	821,980	355,000
Donations	584,665	566,912
Wasa charge	9,711,400	8,612,414
Gas charge	2,435,486	2,004,709
Excise duty	1,739,500	2,410,150
News paper journal & periodical	5,749,551	5,047,005
Evening banking expenses	-	6,600
Upkeep branches premises	7,140,555	4,606,478
Washing charge	4,987,853	3,274,545
Hill track allowance	2,937,115	2,045,002
Computer Accessories	8,457,991	6,164,915
Photo Copy Machine Accessories	3,758,753	2,873,151
Business development	78,046,560	39,774,277
Closing expenses	18,143,750	13,470,250
Holding tax of own premises	1,615,097	6,657,845
Capital loss from sale of fixed ass	3,947,917	468,897
Overtime expense	2,722,917	173,977,791
Registration expenses	56,669,677	25,216,487
Remittance expense through agent	21,987,185	724,729
Agm/egm	934,954	1,112,030
Crocarige	1,069,530	1,476,343
Creditrating charge	838,800	892,250
Tax token expenditure	693,039	542,475
Misc. Expenses	5,830,945	3,282,264
Training expenses	21,399,245	17,705,595
Card expense	242,130,359	198,744,040
It allowance	7,793,505	7,409,542
Saturday working allowance (Overtime)	2,859,670	2,790,448
Risk expenses	9,861,492	5,921,171
Staff welfare	66,956,640	39,911,659
Data info service charge	9,490,889	6,955,148
Electronics & fittings item	9,913,675	6,522,438
Honorarium	10,020,388	3,398,600
	1,446,050,736	1,008,771,543
35.A. Consolidated Other expenses		
Al-Arafah Islami Bank Plc.	1,446,050,736	1,008,771,543
AIBL Capital Market Services Ltd.	36,160,000	44,001,758
AIBL Capital Management Ltd.	1,909,536	3,739,787
	1,484,120,272	1,056,513,088
36. Provision against Investments & Off-Balance sheet exposures		
On Classified Investment	3,547,038,075	2,668,611,238
On Un-classified Investment	(8,252,000)	111,480,000
On Off-balance sheet	195,280,000	(17,510,772)
	3,734,066,075	2,762,580,466
36.A. Provision against Investments & Off-Balance sheet exposures		
Al-Arafah Islami Bank Plc.	3,734,066,075	2,762,580,466

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	3,734,066,075	2,762,580,466
37. Paid for other operating activities		
Directors fees & expenses	11,505,382	9,570,275
Shariah Supervisory Committee's fees & expenses	526,355	491,793
Rent, taxes, insurance and lighting etc.	486,888,090	541,347,752
Postage, telegram, telephone and stamp etc.	148,083,756	82,164,981
Legal charges	25,099,962	20,414,480
Auditors' fee	2,035,500	1,822,750
Repairs to the bank's properties	170,159,539	121,227,482
Other expenses	1,446,050,736	1,008,771,543
	(2,290,349,320)	(1,785,811,056)
37.A. Paid for other operating Activities		
Al-Arafah Islami Bank Plc.	(2,290,349,320)	(1,785,811,056)
Inter company Adjustment	(58,512,899)	(70,143,796)
	(2,348,862,219)	(1,855,954,852)
38. Increase/Decrease of other assets (item-wise)		
Acquiring settlement	(1,723,030,462)	2,040,409,662
cash incentive from b. Bank (f. Rem	(520,000,000)	(100,000)
Suspense account	(7,162,257)	4,200,964
Adjustment a/c debit balance	(7,647,738)	7,647,738
Stock of stationary	152,959,821	(16,726,439)
Stamp in hand	978,010	30,460
security deposit	-	(35,640)
Advance rent	23,372,822	(37,285,851)
Parking for rtgs outgoing usd	460,951,203	(368,105,493)
P.r (bb) against stimulus fund	3,827,564	-
Advance Income Tax & TDS [Note 11.2]	(1,964,317,679)	(9,369,808,598)
Protested bill	19,435,155	13,049,620
Prepaid expenses	11,943,983	(3,044,773)
Balance with cmsl for portfolio account	(490,169,924)	57,280
Parking for overdue claims (ibw)	2,068,251	(309,455,298)
Sch mc settlement a/c (local)	(3,304,189)	27,210,556
Remittance adjustment a/c	(150,000,099)	-
Clearing adjustment	(128,149,347)	95,331,360
Dividend receivable	14,759,763	2,162,335
Revaluation adjustment a/c	(1,211)	-
	4,303,486,334	7,914,462,117
38.A Increase/Decrease of other assets (item-wise)		
Al-Arafah Islami Bank Plc.	4,303,486,334	7,914,462,117
Inter company Adjustment	(781,155,610)	(1,333,228,253)
	3,522,330,724	6,581,233,864
39. Increase/Decrease of Trading liabilities (item-wise)		
Hajj foundation	62,206,173	72,049,274
Provident fund	(1,500)	-
Adjustment a/c credit balance	1,636,376	(386,403)
Clearing adjustment	(2,017,007,549)	1,960,851,461
Interest income	-	(6,271,594)
Cib collection charge	6,213,176	6,151,697

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Risk fund for shbis	1,937,407	1,968,714
Parking account	660,650,957	-
Credit card payment (local)	323,229	9,899,587
Supervision fees (sme)	(73,652)	(82,676)
b.b borrowing Settlements	116,267,793	116,930,507
Electronic govt procurement	(89,017)	(428,275)
Compensation receivable	56,519,683	56,519,683
Mastercard Settlement Account	(406,240,108)	(422,443,811)
	(870,441,059)	1,794,758,163
39.A Increase/Decrease of Trading liabilities (item-wise)		
Al-Arafah Islami Bank Plc.	(870,441,059)	1,794,758,163
Inter company Adjustment	(8,739,676,438)	(7,202,691,688)
	(9,610,117,497)	(5,407,933,526)
40. Cash and Cash Equivalent at the end of the year		
Cash in hand	5,804,554,951	5,019,152,420
Balance with Bangladesh Bank & Sonali Bank Plc.	28,483,472,625	21,693,213,398
Balance with Other Banks	9,977,743,842	7,461,720,152
Bangladesh Government Islamic Investment Bond	44,322,655,000	33,910,280,000
	88,588,426,418	68,084,365,970
40.A Cash and Cash Equivalent at the end of the year		
Al-Arafah Islami Bank Plc.	88,588,426,418	68,084,365,970
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	2,870,659	5,268,954
	88,591,297,077	68,089,634,924
41. Calculation of Earning Per Share (EPS)		
The earning per share of the bank has been calculated in accordance with IAS-33 under basic Earning per share method as follows:		
Earnings Per Share (EPS)		
Basic earning (net profit after tax) for the year	744,242,129	2,347,559,707
Number of ordinary shares outstanding as of the reporting date	1,151,691,713	1,151,691,713
Earning per Share (Previous year's figure restated)	0.65	2.04
41.A Consolidated Earnings Per Share (CEPS)		
Net profit after tax	754,956,375	2,351,024,653
Number of ordinary shares outstanding as of the reporting date	1,151,691,713	1,151,691,713
Consolidated earnings per share as per share (Previous year's figure restated)	0.66	2.04
42. Net Asset Value		
Net Assets Value (Consolidated)	24,012,444,869	24,823,699,930
Net Assets Value (Bank's)	23,853,165,486	24,675,134,795
No. of Outstanding Share	1,151,691,713	1,151,691,713
Net Asset Value (NAV) per Share (Consolidated) (Previous year's figure restated)	20.85	21.55
Net Asset Value (NAV) per Share (Bank's) (Previous year's figure restated)	20.71	21.43
43. Net Operating Cash Flows per share (NOCFPS);		
Net cash flows from operating activities (Consolidated)	24,512,876,325	549,378,015
Net cash flows from operating activities (Banks)	24,513,798,381	456,165,790
No. of outstanding share	1,151,691,713	1,151,691,713
Net Operating Cash Flow per share (NOCFPS) (Consolidated) (previous year's figure restated)	21.28	0.48
Net Operating Cash Flow per share (NOCFPS) (Bank's) (Previous year's figure restated)	21.29	0.40
44 Reconciliation of Operating Cash flow:		
Profit before provision & tax (A)	8,494,283,555	8,220,122,339
Adjustment of Non-Cash Items (B):		

Al-Arafah Islami Bank PLC

Notes to the Financial Statements

As at and for the year ended December 31, 2024

	2024 Taka	2023 Taka
Depreciation	901,058,153	870,955,225
Net loss/(gain) on sale of fixed assets	(4,729,694)	(204,103)
Foreign Exchange gain/ loss	(1,717,272,150)	(2,171,192,235)
Total Non-Cash Items (B)	(820,943,692)	(1,300,441,113)
Adjustment of accrued income /expenses (C) :		
(increase)/decrease of profit income receivable on investment	(786,782,409)	(34,788,705)
Increase/(decrease) of profit payable on deposits	3,974,412,167	1,702,436,785
Increase/(decrease) of accrued expenses payable	177,647,427	528,709,800
Total adjustment of accrued income/expenses (C)	3,365,277,185	2,196,357,880
Income tax payment (D)	(3,380,294,798)	(2,922,042,394)
Cash flows before changes in operating assets and liabilities (A+B+C+D)	7,658,322,250	6,193,996,712

45. Events after the balance sheet date

The Board of Directors in its 399th meeting held on 25 April, 2024 has approved the audited financial statements for the year ended 31 December 2023. The Board has also recommended 10% cash And 5% stock dividend for the year ended 31 December 2023 subject to approval of the shareholders at the 29th Annual General Meeting (AGM).

Consolidated Schedule of Fixed Assets

As at a December 31, 2024

Annexure - A.I

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-2024
		Balance at 1st January 2024	Reval-ution	Addition during the year	Transfer/ Disposal during the year	Balance at 31 st December 2024	Balance at 1st January 2024	Charge for the year	Transfer/ 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	247,991,006	30,667,308	-	278,658,314
3	Furniture & Fixture (Wood)	1,394,955,389	-	225,758,277	10,802,940	1,609,910,726	705,510,083	130,190,234	6,776,983	828,923,334
4	Furniture & Fixture (Steel)	221,383,996	-	26,490,025	-	247,874,021	128,354,209	17,231,462	-	145,585,671
5	Computer	459,320,111	-	32,847,000	57,165,274	435,001,837	345,649,968	40,109,149	57,165,274	328,593,843
6	Computer Accessories	177,353,568	-	13,884,872	2,720,272	188,518,168	134,021,009	16,467,319	2,720,272	147,768,056
7	Motor Car	248,140,339	-	16,475,788	8,248,890	256,367,237	212,356,262	11,564,865	8,250,724	215,670,403
8	Machine Equipment & Appliance	1,517,075,676	-	166,792,026	4,831,837	1,679,035,865	1,291,621,469	92,249,053	4,557,204	1,379,313,318
9	Books & Library	9,485,710	-	179,125	-	9,664,835	9,165,492	72,834	-	9,238,326
10	Online Hardware	1,014,622,595	-	257,983,215	5,125,861	1,267,479,949	889,495,297	83,854,889	5,125,861	968,224,325
11	Interior Decoration	200,756,849	-	1,384,874	848,949	201,292,774	183,381,848	5,926,896	848,949	188,459,795
12	Right of use Aseets (ROU)	2,053,100,000	-	349,063,720	-	2,402,163,720	1,046,874,920	371,633,838	-	1,418,508,758
Sub-Total		8,907,313,006	-	1,090,858,922	89,744,023	9,908,427,905	5,194,421,563	799,967,847	85,445,268	5,908,944,142
B. Intangible Assets										
13	Online Software	665,741,890	-	382,105,181	-	1,047,847,071	497,558,501	103,690,138	-	601,248,639
Sub-Total		665,741,890	-	382,105,181	-	1,047,847,071	497,558,501	103,690,138	-	601,248,639
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. 2024		10,702,403,144	-	1,472,964,103	89,744,023	12,085,623,224	5,691,980,064	903,657,985	85,445,268	6,510,192,781
December 31. 2023		9,967,206,724	-	740,118,942	4,922,522	10,702,403,144	4,822,777,274	874,125,310	4,922,522	5,691,980,062
										5,010,423,080

As at a December 31, 2024

3583568Annexure - A

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-2024
		Balance at 1st January 2024	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31 st December 2024	Balance at 1st January 2024	Charge for the year	Transfer/ Disposal during the year	
A. Fixed Assests										
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	389,802,443
2	Building	1,221,316,331	-	-	-	1,221,316,331	247,991,006	30,667,308	-	278,658,314
3	Furniture & Fixture (Wood)	1,391,605,831	-	225,758,277	10,802,940	1,606,561,168	702,365,311	130,190,234	6,776,983	825,778,563
4	Furniture & Fixture (Steel)	220,662,707	-	26,490,025	-	247,152,732	128,162,020	17,161,607	-	145,323,627
5	Computer	450,521,499	-	32,847,000	57,165,274	426,203,225	337,950,365	39,984,356	57,165,274	320,769,447
6	Computer Aecessories	177,127,865	-	13,871,872	2,720,272	188,279,465	133,248,249	16,216,768	2,720,272	146,744,745
7	Motor Car	230,077,400	-	16,475,788	8,248,890	238,304,298	194,284,666	11,564,865	8,250,724	197,598,807
8	Machine Equipment & Appliance	1,504,281,432	-	166,683,060	4,831,837	1,666,132,655	1,278,797,755	92,130,131	4,557,204	1,366,370,682
9	Books & Library	9,485,710	-	179,125	-	9,664,835	9,151,968	72,834	-	9,224,802
10	Online Hardware	1,011,675,711	-	257,983,215	5,125,861	1,264,533,065	886,303,635	83,854,889	5,125,861	965,032,663
11	Interior Decoration	181,580,243	-	1,384,874	848,949	182,116,168	167,112,097	4,009,235	848,949	170,272,383
12	Right of use Aseets (ROU)	2,053,100,000	-	349,063,720	-	2,402,163,720	1,046,874,920	371,633,838	-	1,418,508,758
Sub-Total		8,841,237,172	-	1,090,736,956	89,744,023	9,842,230,105	5,132,241,992	797,486,066	85,445,266	5,844,282,791
B. Intangible Assets										
13	Online Software	662,913,122	-	382,035,881	-	1,044,949,003	494,612,976	103,572,088	-	598,185,064
Sub-Total		662,913,122	-	382,035,881	-	1,044,949,003	494,612,976	103,572,088	-	598,185,064
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. 2024		10,633,498,542	-	1,472,772,837	89,744,023	12,016,527,356	5,626,854,968	901,058,154	85,445,266	6,442,467,855
December 31. 2023		9,899,327,960	-	739,093,104	4,922,522	10,633,498,542	4,760,822,265	870,955,225	4,922,522	5,626,854,968
										5,006,643,571

Disclosure / Information as per Bangladesh Securities and Exchange Commission requirement SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

- (a) Fully secured Loans, advances and leases considered good in respect of Bank is in amount of 312,815,435,911/- in year ending 2024. This 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 184,554,428,523/- in year ending 2024. 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 184,554,428,523/- in year ending 2024.
- (d) Provision maintained all kind of classified investments as either sub-standard or bad as per Bangladesh Bank Circular is presented in note 9 (e).f of Audited financial statement.

Classified	57,071,763,000	14,133,018,000
Sub Standard	742,000,000	396,855,000
Doubtful	379,000,000	1,954,657,000
Bad / Loss	55,950,763,000	11,781,506,000

- (e) List of borrowers and amount of loans, advances and leases which remained outstanding for more than one year and exceeding 5% of total equity of the bank. Provide borrower's specifics including managing director, directors and chairman of the board of directors of the borrowing entity's is:

(Figure in crore)

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
1	Jatrabari Branch	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	602.00	787.68	1389.68	736.84	319.17	1056.01
2	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	187.16	161.51	348.67
3	Ho Corporate	M S Dyeing, Printing & Finishing Ltd.	Md. Mamunur Rashid, Managing Director		607.60	386.75	994.35	563.99	386.75	950.74

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
4	Motijheel	Techno Electricals Ltd & Sister Concern S.q Lights Ltd, S.q Trading & Engineering,S.q Wire & Cable Co. Ltd,S.q Woods Preservatives,Srn Electronics,Power Add, Global Marketing Service	Abu Zafar Mohammad Shofiuddin (Chairman) Shohel Ahmed (Managing Director) Nurul Kader (Director) Afroza Sultana (Director) Shirin Akter (Director) Jb. Monzurul Quader (Director)	Sq Group	452.55	509.90	962.45	199.74	292.89	492.63
5	Khatun-gonj	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	Shafiqul Islam, Abul Hashem, Abul Kashem,Abu Syed Chowdhury	Abul Khair Group	340.00	600.00	940.00	121.55	618.45	740.00
6	Dilkusha	Kamal Yarn Ltd.	Md. Badsha Mia, Asma Begum,Kamal Uddin Ahmed, Mohiuddin Ahmed	Badsha Group	217.58	655.00	872.58	136.02	0.00	136.02
7	Motijheel Corporate	Nice Denim Mills Ltd.	Md. Nurul Islam		447.81	400.00	847.81	318.82	0.00	318.82
8	Motijheel	Shaikh Brothers & Sister Concern M/S Islam Fertilizer, M/S Fertilizer House, Nipa Enterprise, Jessor Traders, Jannat Enterprise	Hafizur Rahman Babu	Shaikh Brothers	394.76	450.00	844.76	282.36	14.58	296.94
9	Motijheel	Unique Hotel & Resorts Ltd.	Mohammed Noor Ali	Unique Group	500.00	248.00	748.00	334.50	0.00	334.50
10	Gulshan	Gms Composite Knitting Ind. Ltd., Gms Trims Ltd.	Jb. Golam Mostafa (Managing Director)		356.00	290.00	646.00	281.50	0.00	281.50
11	North South Road	Premier Steel Re-Rolling Mills (Pvt.) Ltd	Md. Sharif Ahmed (Chairman)	Psrn	460.00	95.00	555.00	546.40	0.00	546.40
12	Dilkusha	Healthcare Pharmaceuticals Limited	Alauddin Ahammad, Suraya Bilkis, Md. Halimuzzaman , Mokarram Hossain (Liton)		393.86	152.00	545.86	392.31	0.00	392.31

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
13	Gulshan	Mahmud Fabrics And Finishing Ltd	A. K. M. Aminul Islam	Mahmud Group	386.65	150.00	536.65	622.38	2.41	624.79
14	Khatun-gonj	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	247.65	284.00	531.65	127.24	0.00	127.24
15	Motijheel	Interstoff Apparels Ltd	Nazim Uddin Ahmed	Interstoff	350.10	179.00	529.10	184.86	0.61	185.47
16	Motijheel	Max Infrastructure Ltd.	Ghulam Mohammed		225.83	299.80	525.63	100.00	0.00	100.00
17	Gulshan	Esquire Knit Composite Ltd, Esquire Dyesing Ind. Ltd.	Jb. Ehsanul Habib (Managing Director)		231.21	282.28	513.49	245.18	0.00	245.18
18	Motijheel	H. R. Re-Rolling Mills Ltd	Syfur Rahman Khokon (Md) , Md. Saydur Rahman Sumon (Director), Md. Arifur Rahman (Director), Md. Mizanur Rahman (Director)		390.35	111.48	501.83	362.56	0.00	362.56
19	Motijheel Corporate	Creative Paper Mills Ltd.	Feroz Ahmed		333.26	166.62	499.88	282.55	0.00	282.55
20	Motijheel	Formula One Spinning	Md. Rezaul Karim		182.21	310.00	492.21	195.98	0.00	195.98
21	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	361.66	130.00	491.66	290.97	5.40	296.37
22	Dhanmon-di	Momtexp Expo Ltd	Md. Reajul Islam, Managing Director	Pakiza Group	255.81	235.65	491.46	320.68	0.00	320.68
23	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	399.57	281.89	681.46
24	Narayan-ganj	Ibrahim Knit Garments (Pvt) Ltd	Kaniz Fatema Rima (Managing Director) Md. Yusuf (Chairman)		147.81	324.00	471.81	195.75	80.22	275.97

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
25	Motijheel	Majumder Traders & Sister Concern Majumder Products Ltd	Chitta Majumder (Proprietor)	Majumder Group	255.03	200.00	455.03	177.03	0.00	177.03
26	Uttara Model Town	Mondol Spinning Mills Ltd.	Abdul Momin Mondol(Md)	Mondol Group	161	285.00	446.00	247.06	0.00	247.06
27	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),Rokeya Nargis	Birds Group	111.56	328.00	439.56	102.93	1.44	104.37
28	Jubilee Road	Gph Ispat Ltd	Md. Alamgir Kabir (Chairman),Mohammad Jahangir Alam (Md)	Gph Group	86.50	340.90	427.40	29.84	0.02	29.86
29	Motijheel	Nitol Motors Ltd	Abdul Matlub Ahmad	Nitol Niloy Group	410.12	15.00	425.12	148.74	151.89	300.63
30	Kawran Bazar	Shabnam Vegetable Oil Industries Limited, Super Oil Refinery Limited	Laila Bilkis & Mohammad Abul Kalam	Joint Venture Company Of T.k. Group	10.00	400.00	410.00	2.62	0.00	2.62
31	Motijheel Corporate	Msa Spinning	Shahabuddin Ahmed		305.40	100.00	405.40	330.35	0.73	331.08
32	Ho Corporate	Z & Z Intimates Ltd.	Sharif Zahir, Managing Director		306.76	97.91	404.67	272.29	67.49	339.78
33	Uttara Model Town	Aman Tex Limited	Rafiqul Islam (Md)	Aman Group	98.12	305.00	403.12	374.06	53.15	427.21
34	Ho Corporate	Tafrid Cotton Mills Ltd.	Shaikh Md. Shamiul Islam, Managing Director	Tafrid Group	311.53	84.50	396.03	283.07	110.73	393.80
35	Laldighir-par	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)		145.00	250.00	395.00	85.57	0.00	85.57
36	Motijheel	Muazuddin Textile Ltd.	Jb. Morzina Begum (Chairman), Jb. Lutfar Rahman (Managing Director)	Muazuddin Group	108.71	285.08	393.79	65.55	0.00	65.55

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
37	Dilkusha	Partex Jute Mills Ltd.	Rubel Aziz	Partex Group	156.00	236.16	392.16	37.00	0.00	37.00
38	Banani	Masihata Sweater Ltd.	Khaled Hossain Mahboob(Md), Sayeda Mahfuza Akter(Chairman)	Masihata Group	168.54	220.58	389.12	349.26	0.00	349.26
39	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	348.07	0.00	348.07
40	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	358.88	314.96	673.84
41	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	95.00	280.00	375.00	80.68	2.48	83.16
42	Motijheel	Buildstone Construction Co Ltd	Omor Goni Chowdhury		0.00	370.71	370.71	0.00	0.00	0.00
43	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	307.78	7.92	315.70
44	Kushtia	H & S Glassware Ltd	(Md)-Md Habibur Rahman	Woodland Group	245.50	120.00	365.50	190.86	59.27	250.13
45	Motijheel	Hanif Meritime & Its Sister Concern	Mohammed Hanif	Hanif	312.37	46.53	358.90	262.59	0.00	262.59
46	Dilkusha	Pioneer Denim Ltd	Md. Badsha Mia, Asma Begum, Kamal Uddin Ahmed, Mohiuddin Ahmed	Badsha Group	105.06	250.00	355.06	34.77	21.81	56.58
47	Jatrabari	Salam Steel Concast Re-Rolling Mills Madanpur Unit Limited	Md. Abdus Salam	Scrm	150.00	200.00	350.00	68.08	0.39	68.47
48	Islampur	Nannu Spinning Mills Ltd.	B.m. Shoeb, Managing Director		186.98	156.00	342.98	141.36	68.26	209.62

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
49	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	237.49	105.00	342.49	291.57	133.68	425.25
50	Ho Corporate	Bonafide Knitting Mills Ltd	Md. Wahiduzzaman, Managing Director	Bonafide Group	239.19	91.42	330.61	206.47	5.38	211.85
51	Banani	Ayman Textile & Hosiery Ltd.	Bahauddin Mohammad Yousuf(Md),Zi-auddin Muhammad Yeahyea, Md. Irtejaur Rahman, Ahmad, Maleka Akter	Ayman Group	322.31	7.65	329.96	413.60	0.00	413.60
52	Mohakhali	Sarker Steel Ltd	Md. Zakir Hossain Sarker (Md)	Sarker Group	238.38	83.05	321.43	312.74	4.92	317.66
53	Dilkusha	Islam Brothers & Com.	Md. Rafiqul Islam	Aman Group	297.42	20.00	317.42	2.09	17.06	19.15
54	New Elephant Road	Younus Paper Mills Ltd & Sister Concern	Mohammed Younus, Mahfuza Younus	Younus Group	205.00	107.00	312.00	243.00	3.37	246.37
55	Khulna	M/S Khorshed Metal Industries	Ahmed Talukder,Abdul Malike,Kabir Hossain,A.t.m Mostafa, Abdullah Al Mahmud,Mrs Hazera Begum	Hamko Group	271.89	40.00	311.89	297.67	0.00	297.67
56	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	10.40	10.40
57	Motijheel	East West Property Dev.pvt. Ltd.	Ahmed Akbar Sobhan	Bashundhara Group	300.00	0.00	300.00	401.36	0.00	401.36
58	Gollamari	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	94.79	11.35	106.14

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
59	Station Road	Smile Food Products Limited.	Mohammad Mahafuzul Hoque (Md) Mr.jahangir Hossain (Diractor)		0.00	300.00	300.00	0.00	1.61	1.61
60	Dhanmon-di	Popular Diagnostic Centre Ltd.	Dr. Mostafizur Rahman (Managing Director)	Popular Group	254.85	45.00	299.85	251.38	147.87	399.25
61	Agrabad	Maf Footwear Ltd	Mr. Hasnat Md. Abu Obida, Mr. Talha Bin Tayab		189.82	108.00	297.82	213.65	3.41	217.06
62	Vip Road	Navana Pharmaceuticals Ltd	Jb. Dr. Md. Jonaid Shafiq(M-d),Mrs. Imrana Zaman Chowdhury(Chairman),Jb. Javed Kaiser Ally(-Director), Jb. Sayeed Ahmed(-Director), Mrs. Tarana Ahmed(-Director)	Navana Group	175.36	121.00	296.36	155.15	0.00	155.15
63	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	260.24	168.73	428.97
64	Uttara Model Town	Pretty Composite Textaile Ltd	Rezin Ahmmad Talukder,Md	Pretty Group	214.29	80.00	294.29	333.27		333.27
65	Dhanmon-di	The Ibn Sina Trust	A.k.m. Sodrul Islam	Ibn Sina Group	283.65	10.00	293.65	234.64		234.64
66	Vip Road	Multazim Textiles Mills Ltd	Md. Abdul Salam (Md) Khadija Salam (Chairman)		183.28	110.00	293.28	163.54	19.23	182.77
67	Moulvibazar, Dhaka	Star Upvc Pipes & Fittings Ltd.its Sister Concern	Md. Baker Hossain, Managing Dircetor	Fardin Group	134.68	150.00	284.68	191.50	0.00	191.50

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
68	Vip Road	Thermax Yarn Dyed Fabrics Ltd.	Jb. Abdul Kadir Molla (Md),Mrs. Nasima Begum (Director),Mrs. Nahida Sultana Kona (Director),Mrs. Nasrin Sultana Dina (Director)	Thermax Group	158.80	121.39	280.19	202.49	0.00	202.49
		Thermax Spinning Ltd		Thermax Group	47.05	30.00	77.05	93.43	0.00	93.43
		Thermax Textile Mills Ltd.		Thermax Group	48.00	22.00	70.00	49.42	3.81	53.23
		Thermax Knit Yarn Ltd.		Thermax Group	20.00	15.00	35.00	40.90	0.00	40.90
		Thermax Woven Dyeing Ltd.		Thermax Group	15.00	15.76	30.76	2.32	0.00	2.32
		Thermax Melange Spinning Mills Ltd.		Thermax Group	21.00	9.00	30.00	33.72	441.84	475.56
		Thermax Yarn Dyeing Ltd		Thermax Group	18.36	10.00	28.36	11.64	0.00	11.64
69	Uttara Model Town	Eco Intimates Ltd	Abdul Momin Mondol(Chair-man)	Mondol Group	130	150.00	280.00	11.36	0.03	11.39
70	Ho Corpo-rate Branch	H.r. Textile Mills Limited	Janab Moham-mad Abdul Moyeed, Manag-ing Director		182.93	96.47	279.40	192.71	12.01	204.72
71	Ho Corpo-rate Branch	Desh Entertrainment	Arif Hasan,Manag-ing Director		275.00	0.00	275.00	66.34	0.75	67.09
72	O.r.nizam Road	Al- Razi Chemical Complex Ltd	Md. Mujibur Rahaman,Man-aging Director	Smart Group	175.10	98.00	273.10	129.48	0.00	129.48
73	Motijheel Corporate	Kader Compact Spinning Ltd.	Shahabuddin Ahmed	Kader Compact	272.65	0.00	272.65	283.50	0.00	283.50
74	New Ele-phant Road	Runner Motors Ltd.	Hafizur Rahman Khan, Mohammad Ali Deen, Shamsul Alam, Md Mozammel Hossain	Runner Group	255.38	12.62	268.00	215.41	137.89	353.30
75	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(Chair-man) Jb. Alhaj Mo-hammad Mon-jur Alam Jb. Didarul Alam Jb. Shahin Alam	Mostafa Hakim Group	90.00	177.00	267.00	108.15	19.99	128.14
76	Uttara Model Town	Oxford Colours Ltd	Rezin Ahmmad Talukder,Md	Pretty Group	120.57	145.00	265.57	280.35	62.40	342.75
77	Ho Corpo-rate Branch	Lariz Fashions Ltd	Md. Mamun Bhuiya, Managing Director		172.93	91.88	264.81	108.47	3.61	112.08
78	Uttara Model Town	S Suhi Industrial Park Ltd.	Rezin Ahmmad Talukder,Md	Pretty Group	180.00	83.58	263.58	284.35	0.00	284.35

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
79	Banani	Desh Energy Chandpur Power Company Ltd	Navidul Huq (Md) Rubana Huq (Sponsor Director)		60.00	200.00	260.00	31.40	58.33	89.73
80	Motijheel	Nassa Taipei Denims Ltd.	Nazrul Islam Mazumder	Nassa Group	215.00	40.00	255.00	213.74	22.43	236.17
81	New Elephant Road	Anwer Khan Modern Hospital Ltd.	Anwer Hossain Khan		251.00	0.00	251.00	279.92	21.43	301.35
82	Motijheel	Green Life Knit Composite Ltd	Ms. Hosne Ara Begum (Director), Jb. Abu Faisal Mosabber (Md)		72.02	178.35	250.37	58.41	8.19	66.60
83	Motijheel	Bashundhara Food & Bev Ind Ltd.	Shafiat Sobhan	Bashundhara Group	150.00	100.00	250.00	257.90	12.83	270.73
84	Motijheel Corporate	Rupayan Housing Eastate Ltd	Md. Liakat Ali Khan Mukul	Rupayan Group	250.00	0.00	250.00	256.10	2.79	258.89
85	Motijheel	Rizvi Fashions Ltd.	Md. Shakil Rizvi(Director)		25.46	223.00	248.46	4.05	74.97	79.02
86	Gulshan	Karooni Knit Composite Ltd. And Karooni Knit Composite Ltd. Unit-2	Jb. Kutub Uddin Ahammed (Managing Director)		85.00	162.48	247.48	90.75	26.28	117.03
87	Uttara Model Town	Turag Garment & Hosiery Mills Ltd	Samia Rahman, Hossain Bin M.a. Khaleque	Turag Group	65.00	175.00	240.00	47.72	0.00	47.72
88	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)		193.93	45.00	238.93	169.42	167.63	337.05
89	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	24.79	24.79
90	Gulshan	Sanmar Propersties Ltd	Mashuk Huq (Managing Director)		234.00	0.00	234.00	123.21	0.00	123.21
91	Banani	Mega Yearn Dying Mills Ltd.	Khaled Hossain Mahboob(Md), Sayeda Mahfuza Akter(Chairman)	Masihata Group	124.85	103.38	228.23	138.86	0.00	138.86
92	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	34.19	3.77	37.96

Sl No.	Name Of The Branch	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Fund-ed	Non-Funded	Total
93	Sonargaon Janapoth	Advanced Chemical Ind	Anis Ud Dowla, Arif Dowla, Najma Dowla, Golam Mainuddin, Waliur Rahman Bhuiyan	Aci Group	100.00	120.00	220.00	112.53	64.30	176.83
94	Uttara Model Town	Knitex Dresses Limited	Abdul Momin Mondol(Md)	Mondol Group	124.87	95.00	219.87	126.06	618.45	744.51
95	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)		124.50	95.00	219.50	155.12	25.38	180.50
96	Motijheel Corporate	Bangladesh Hardland Ceramics Co. Ltd.	Md. Shahedul Islam		123.00	90.00	213.00	108.91	0.00	108.91
97	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	72.86	26.06	98.92
98	Panthapath	Mahabub Brothers Pvt. Ltd. With Sisters Concern (Best Golden Rice Mill And Pubali Traders)	Sheikh Moznu (Chairman)	Akhankha Group	149.00	60.00	209.00	115.04	0.00	115.04
99	Dilkusha	Toyo Feed Ltd.	Md. Abul Kalam Azad, Md. Nurul Islam	Dhaka Group	180.48	27.86	208.34	234.84	0.77	235.61
100	Motijheel	Naz Bangladesh Limited	Ms. Zulfia Yasmin (Chairman), Jb. Nasir Uddin Ahmed (Managir Director)		84.10	120.00	204.10	52.83	206.46	259.29
101	Agrabad	Ziri Subeder Steel Re Rolling Mills	Md Lokman Hakim	Ziri Subeder	100.00	100.00	200.00	5.92	7.58	13.50

(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 :

স্থিতিকাল : ৩১-১২-২০২৪

(কোটি টাকায়)

SL	Name of the borrower/company of which debentures of share subscribed/bencfiary on whose behalf guarantee issued	director his immediagte relations (together with the name of concerned director) or employed of the Bank	Nature of interest (shareholder director, employee, guarantor etc) & value of interst in the concern indicated in col-1	Date of over due	Nature of facility (Loan, Guarantee, debentures, shares etc)	Amount out-standing	Particulars & value of securities	Remarks
NIL								
			Total					

- (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	= 14,133,018,000
Fully Provision debt Written off	= (469,145,454)
Recoveries of amount previously written off	= 320,676,379
Provision required for the year	= 3,697,151,075
Ending balance of provision for bad and doubtful loans/debt	= 17,681,700,000

- (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 2044.84 crore.
- (j) Amount of loans, advances and leases to the related parties. Related party disclosure shall be in accordance with IAS-24 and shall cover the following in particulars:

Sl	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
1	2	3	4	5	7
1	Khwaja Shahriar Apartment no – A+B 3, House no- 12, Road no- 7, Sector -1, Uttara, Dhaka 1230.	Chairman & Independent Director	Nil	N/A	
2	Md. Shahin ul Islam Plot no. -12, Road # 15, Rupnagar R/A, Mirpur, Dhaka.	Independent Director	Nil	N/A	
3	Md. Abdul Wadud Flat # 6F, House # 126, Road # 10, Block # C, Niketon R/A, Gulshan -1, Dhaka -1212.	Independent Director	1.La Vogue Ltd. Proprietor	35%	
			2. B2C Consultancy	100%	
4	Mohammad Asraful Hassan, FCA Apartment no # 2-A, Attic Rose Garden 727, Ibrahimpur, Kafrul, Dhaka Cantonment, Dhaka.	Independent Director	Professional Service Arun & Company Chartered Accountants	N/A	
5	Prof. Dr. Mohammed Abu Eusuf Flat # A4, Shaheed ANM, Moniruzzaman Tower Bhaban, Fuller Road, Dhaka University, Dhaka.	Independent Director	Nil	N/A	

- (k) Amount of Classified loans, Advances and leases on which interest income has not been recognized is in amount of Tl. 54,468,274,000/-. (Note-9.x.a)
- (l) Written-off investments during the year -2024 = 46.91 Crore
Cumulative balance of written-off investments = 823.19 crore
- (m) Interest credited to interest suspense account and year-end balance of interest suspense account is 1,428,660,368/-, which is presented in Note 15.

Al-Arafah Islami Bank PLC

Off-shore Banking Unit (OBU)

BALANCE SHEET

As at December 31, 2024

PROPERTY AND ASSETS	Notes	12/31/2024		12/31/2023	
		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		-	-	-	-
Outside Bangladesh		-	-	-	-
		-	-	-	-
Placement with Banks & Other Financial institutions		-	-	12,100,000	1,331,000,000
Investment in Share & Securities					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Investments					
General Investments etc.		6,209,258.36	745,111,003.20	6,691,521	736,067,360
Bills purchased and discounted		64,251,949.59	7,710,233,950.8	86,153,798	9,476,917,817
		70,461,207.95	8,455,344,954.0	92,845,320	10,212,985,177
Fixed assets including Premises		-	-	-	-
Other Assets	4	199,458.12	23,934,974.40	387,409	42,615,034
Non-Banking Assets		-	-	-	-
Total Assets		70,660,666.07	8,479,279,928.4	105,332,730	11,586,600,211
LIABILITIES AND CAPITAL					
Liabilities					
Placement from Banks & Other Financial institutions	5	68,847,022.99	8,261,642,758.8	104,568,158	11,502,497,345
Deposits and other Accounts					
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		1,088,806.99	130,656,838.80	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadia Current Accounts and Others Accounts etc.	6	59,241.62	7,108,994.40	-	-
Bills Payable		-	-	-	-
		1,148,048.61	137,765,833.20	-	-
Other Liabilities	7	665,594.47	79,871,336.40	764,572	84,102,866
Deferred tax Liabilities/ (Assets)		-	-	-	-
Total Liabilities		70,660,666.07	8,479,279,928.4	105,332,730	11,586,600,211
Capital/Share Holders Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign Currency Transaction gain/(Loss)					
Other Reserve		-	-	-	-
Retained Earnings		-	-	-	-
Total Share holders equity		-	-	-	-
Total Liability and Share holders equity		70,660,666.07	8,479,279,928.4	105,332,730	11,586,600,211

Al-Arafah Islami Bank PLC

Off-shore Banking Unit (OBU)

OFF-BALANCE SHEET

As at December 31, 2024

	Notes	12/31/2024		12/31/2023	
		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		-	-	-	-

The annexed notes from an integral part of these financial statements

Al-Arafah Islami Bank PLC

Off-shore Banking Unit (OBU)

PROFIT & LOSS ACCOUNTS

For the year ended December 31, 2024

	Notes	2024		2023	
		USD	Taka	USD	Taka
Investment Income		10,755,960.21	1,290,715,225.20	15,386,153	1,692,476,781
Profit paid on deposits & Borrowing	8	(9,730,039.50)	(1,167,604,740.0)	(13,846,999)	(1,523,169,866)
Net Investment Income		1,025,920.71	123,110,485.20	1,539,154	169,306,915
Income from Investment in Shares /Securities		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income		-	-	-	-
		-	-	-	-
Total operating income		1,025,920.71	123,110,485.20	1,539,154	169,306,915
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	440,000
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	440,000
Profit/(Loss) before Tax & provision		1,025,920.71	123,110,485.20	1,535,154	168,866,915
Provision against Investments & Contingent Liabilities		-	-	-	-
Provision for diminution in value of investment		-	-	-	-
Other Provision		-	-	-	-
Total provision		-	-	-	-
Profit/(Loss) before Tax		1,025,920.71	123,110,485.20	1,535,154	168,866,915
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Provision for Taxation		-	-	-	-
Net Profit/(Loss) after tax		1,025,920.71	123,110,485.20	1,535,154	168,866,915
Appropriation					
Statutory Reserve		-	-	-	-
General Reserve		-	-	-	-
		-	-	-	-
Retained Earnings (Transfer to main operation)		1,025,920.71	123,110,485.20	1,535,154	168,866,915
Earning per Ordinary share (EPS)					

The annexed notes from an integral part of these financial statements

Al-Arafah Islami Bank Ltd.

Off-shore Banking Unit (OBU)

CASH FLOW STATEMENT

As at December 31, 2024

	12/31/2024		12/31/2023	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in Cash	10,755,960.21	1,290,715,225.20	15,386,153	1,692,476,781
Profit paid on deposits	(9,730,039.50)	(1,167,604,740.00)	(13,846,999)	(1,523,169,866)
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)	(440,000)
Advance income tax paid	-	-	-	-
Operating profit before changes in operating assets and liabilities	1,025,920.71	123,110,485.20	1,535,153.77	168,866,915
Changing in Operating assets & liabilities				
Increase/Decrease of trading securities	-	-	-	-
Increase/Decrease of investment and advances to other banks	12,100,000	1,452,000,000	(12,100,000)	(1,331,000,000)
Increase/Decrease of Investment and advances to customers (other than Banks)	22,384,112.05	2,686,093,479.00	153,897,407	16,928,714,739
Increase/Decrease of other assets (item-wise)	187,951.28	22,554,154.60	(387,409)	(42,615,034)
Increase/Decrease of Deposits from banks and other financial institutions	(35,721,134.7)	(4,286,536,162.80)	(142,174,569)	(15,639,202,625)
Increase/Decrease of Deposits from customers (other than Banks)	1,148,048.61	137,765,833.20	-	-
Increase/Decrease of Other liabilities account	(98,977.53)	(11,877,303.60)	764,572	84,102,920
Increase/Decrease of Trading liabilities (item-wise)	-	-	-	-
Cash receipt from operating activities	-	-	-	-
A. Net Cash from operating activities	-	-	-	-
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)	-	-	-	-
E. Effects of exchange rate changes on cash and cash-equivalents	-	-	-	-
F. Net increase in cash and cash equivalent (D+E)	-	-	-	-
G. Cash & Cash Equivalents at the beginning of the year	-	-	-	-
H. Cash & Cash Equivalents at the end of the year	-	-	-	-

Al-Arafah Islami Bank PLC

Off-shore Banking Unit (OBU)

Notes to the Financial Statements
for the Year ended 31 December 2024

	12/31/2024		12/31/2023	
	USD	Taka	USD	Taka
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:	-	-		
Outside Bangladesh				
	-	-		
Placement with Banks & Other Financial institutions	-	-	12,100,000.00	1,331,000,000.00
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	6,209,258.36	745,111,003.20	6,691,521.00	736,067,359.50
Quard	-	-	-	-
Other Investment	-	-	-	-
	-	-	-	-
ii. Out side Bangladesh				
b) Bill Purchased & Discounted				
Payable in Bangladesh	23,452,088.74	2,814,250,648.80	15,962,801	1,755,908,059.40
Payable out side Bangladesh	40,799,860.85	4,895,983,302.00	70,190,998	7,721,009,758
	64,251,949.59	7,710,233,950.80	86,153,798	9,476,917,817
Fixed Assets				
Tangible Assets				
Land	-	-	-	-
Building	-	-	-	-
Furniture (Wood)	-	-	-	-
Furniture (Steel)	-	-	-	-
Computer	-	-	-	-
Computer (Accosories)	-	-	-	-
Motor Car	-	-	-	-

Al-Arafah Islami Bank PLC

Off-shore Banking Unit (OBU)

Notes to the Financial Statements
for the Year ended 31 December 2024

	12/31/2024		12/31/2023	
	USD	Taka	USD	Taka
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	68,847,022.99	8,261,642,758.80	55,382,968	6,092,126,434
Other Bank OBU	-		18,000,000	1,980,000,000
Out Side Bangladesh	-		31,185,190	3,430,370,911
	68,847,022.99	8,261,642,758.80	104,568,158	11,502,497,345
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	1,535,153.77	168,866,914.70	1,712,683	176,914,986
Less : transfer to Parent bank	(1,535,153.77)	(168,866,914.70)	(1,712,683)	(176,914,986)
Add: Profit during the year	1,025,920.71	123,110,485.20	1,535,154	168,866,915
Less : transfer to Parent bank				
	1,025,920.71	123,110,485.20	1,535,154	168,866,915
Investment Income	10,755,960.21	1,290,715,225.20	15,386,153	1,692,476,781

Al-Arafah Islami Bank PLC

Off-shore Banking Unit (OBU)

Notes to the Financial Statements
for the Year ended 31 December 2024

	12/31/2024		12/31/2023	
	USD	Taka	USD	Taka
Profit paid on Deposits & Borrowing	(9,730,039.50)	(1,167,604,740.0)	(13,846,999)	(1,523,169,866)
Income from Investment in Share /Securities				
Commission, Exchange & Brokerage Income				
Commission				
Exchange				
Brokerage commision				
Other Operating Income				
Salaries, Allowances & Contribution to P.F				
Director & Sharia Council Fees & Expenses				
i. Directors fees for attending Board/executive				
Committee/other committee meeting				
ii. TA/DA/ Hotel fare & Foreign Directors				
iii. Others				
Sharia Supervisory Committee's Fees & Expenses				
i. Sharia fees for attending meeting				
ii. TA/DA/ Hotel fare & Foreign Directors				
iii. Others				
Rent,Taxes,Insurance & Lighting				
Rent Office				
Lighting & Electricity				
Insurance				
Postage,Telegram,Telephone & Stamp				
Stamp and Catridge paper				
Postage				
Fax Charges				
Telephone (Office)				
Telephone (Residence)				
Telephone (Mobile)				
SWIFT Charge				
Internet Charges				
Online Charge				
Depreciation Repairs to the Bank's property				
Repairs to the Bank's property				
R.R. Furniture & Fixture (Wooden)				
R.R. Furniture & Fixture (Steel)				
R.R. Computer				
Maint. of Motor Car and other Vahicle				
R.R. Machine equipment & appliances				
Maintenance of Land & Building				
Maintenance of Rented Premises				
R.R. Computer Accessories				
R.R. Others				

Al-Arafah Islami Bank PLC
Off-shore Banking Unit (OBU)

Notes to the Financial Statements
for the Year ended 31 December 2024

	12/31/2024		12/31/2023	
	USD	Taka	USD	Taka
Software Maintenance Fee				
Hardware Maintenance Fee				
Depreciationto 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 & Stationerty				
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	-	-	-	-
Bangladesh Government Islamic Investment Bond				
	-	-	-	-

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

For the Year ended 31 December 2024

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, International Financial Reporting Standard (IFRS) 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 IAS-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 120.00 closing rate as at 31 December 2024.
- a) Commitments
Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.
- b) Translation gains and losses
The resulting exchange transaction gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign subsidiary.

2.4 Cash and cash equivalents

Cash and cash equivalents are accounted for notes and coins in hand, highly liquid financial assets, unrestricted balances held with other banks/financial institutions and Bangladesh Bank.

3 Investments

- a) General investments of Off-shore Banking Units are stated in the Balance Sheet net off unearned income. Provisions for investments are made as per instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012 and BRPD Circular No. 19 dated 27 December 2012.
- b) Profit is calculated on a daily product basis but charged and accounted for on accrual basis. Profit is not charged on bad and loss investments as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.
- c) A provision is recognized in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

4 Other Assets: Accrued income amounting for US\$ 1,99,458.12 Eqv taka 2,39,34,974.40

5 Placement from Banks & Other Financial institutions

The OBU has borrowed fund from different Banks & Other Financial institutions reside in Bangladesh and outside Bangladesh in the mode of Placement.

Off-shore Banking Unit (OBU)

Notes to the Financial Statements

For the Year ended 31 December 2024

31.12.2024		
	31.12.2024	
Name of the Bank	USD	TK
In Bangladesh	68,847,022.99	8,261,642,759
Al-ArafahIslami Bank Ltd.	0.00	0.00
Other OBU	0.00	0.00
Outside Bangladesh		

31.12.2023	
USD	TK
5,53,82,967.58	6,092,126,434
1,80,00,000.00	1,980,000,000
3,11,85,190.10	3,430,370,911

6. Al-Wadia Current Accounts and Others Accounts etc.:

Particulars	USD	TK.
Al-Wadia Current Deposits	12,339.00	14,80,680
Profit payable for Mudaraba Term Deposits	46,902.62	56,28,314.40
Total	59,241.62	71,08,994.4

7. Other Liabilities: Profit Payable to parent Bank amounting for US\$ 6,65,594.47 Eqv. Taka 7,98,71,336.40

8. Profit paid on deposits & Borrowings

31.12.2024		
	USD	TK
AIBL Treasury Division	91,42,189.72	109,70,62,766.40
AIBL AD Branches	5,37,798.01	6,45,35,761.20
Sub Total	96,79,987.73	116,15,98,527.60
Profit paid on Deposit	50,051.77	60,06,212.40
Total	97,30,039.50	116,76,04,740.00

31.12.2023	
USD	TK
1,30,77,691.15	143,85,46,026.00
7,69,307.63	8,46,23,839.01
13846998.78	152,31,69,865.00

9. Profit income

In terms of the provisions of the IFRS-18 “Revenue”, the profit income is recognized on accrual basis.

9.1 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.

9.2 Profit paid and other expenses

In terms of the provisions of the IAS - 1 “Presentation of Financial Statements” interest and other expenses are recognized on accrual basis.

9.3 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

10. 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.

11. Cash flow statement

Cash flow statement has been prepared in accordance with the IAS-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.

12. 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.

13. Reporting period

The financial statements cover from 1st January 2024 to December 31, 2024.

AL-ARAFAH ISLAMI BANK PLC, HEAD OFFICE, DHAKA.

Related Party Disclosure -31.12.2024

Annexure-C

Related party transactions

As per IAS-24 “Related Party Disclosures”, a related party is a person or entity that is related to the entity (i.e. AIBPLC) that is preparing its financial statements. Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged as per IAS-24.

Related Parties include the Bank’s Directors, key management personnel, associates, companies under common directorship etc. as per IAS-24 “Related Party Disclosures”. All transactions involving related parties arising in the normal course of business are conducted at arm’s length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.

*Lending policy for transactions with Bank related person/related parties

Transactions with Bank related person/related parties including Directors are made as per rules and regulations of the Bank Company Act, 1991 as amended and as per circulars issued by Bangladesh Bank time to time including the following general rules:

- i) Terms & conditions for financial transaction with bank related person/related parties will not be easier than other persons i.e. other investment clients.
- ii) Prior approval from the majority of Board of Directors shall be required for all financial transactions with bank related person/related parties.
- iii) The Bank shall not allow funded facilities exceeding 10% of Tier-I capital to the Bank related persons/related parties; real investment facilities shall be considered deducting cashable securities from funded investment.

*The Name of Directors along with all related Firms/ Companies/ Institutions/ Parties: As at 31.12.2024

Sl	Name and Address	Status with the bank	Name of the firms/companies in which interested as Proprietor, Partner, Director, Managing Director, Guarantor, Employees etc.	Percentage (%) of holding/ interest in the concerned	Remarks
1	2	3	4	5	7
1	Khwaja Shahriar Apartment no – A+B 3, House no- 12, Road no- 7, Sector -1, Uttara, Dhaka 1230.	Chairman & Independent Director	Nil	N/A	
2	Md. Shahin ul Islam Plot no. -12, Road # 15, Rupnagar R/A, Mirpur, Dhaka.	Independent Director	Nil	N/A	
3	Md. Abdul Wadud Flat # 6F, House # 126, Road # 10, Block # C, Niketon R/A, Gulshan -1, Dhaka -1212.	Independent Director	1.La Vogue Ltd. Proprietor	35%	
			2. B2C Consultancy	100%	
4	Mohammad Asraful Hassan, FCA Apartment no # 2-A, Attic Rose Garden 727, Ibrahimpur, Kafrul, Dhaka Cantonment, Dhaka.	Independent Director	Professional Service Arun & Company Chartered Accountants	N/A	
5	Prof. Dr. Mohammed Abu Eusuf Flat # A4, Shaheed ANM, Moniruzzaman Tower Bhaban, Fuller Road, Dhaka University, Dhaka.	Independent Director	Nil	N/A	

* Related party balances

a) Nature and type of balances and transactions of related parties (Directors) of the Bank are as follows:

SL. No.	Name of the Account/ Firm/ Trust etc.	Name of the Director	Relationship of the Director with the Firm/Trust etc.	Purpose	Classified Position	Outstand- ing bal- ance as on 01.01.2024	Disburse- ment / Charged during the year 2024	Real- ized during the year 2024	Outstand- ing bal- ance as on 31.12.2024	Provi- sion re- quired & main- tained	Partic- ulars of value of securi- ties
1	2	3	4	5	6	7	8	9	10=7+8-9	11	12
			NILL								
Total						-	-	-	-	-	-

(b) Other type of balances of related parties of the Bank are as follows:

SL. No.	Name of the related parties	Nature of relationship	Nature of transactions	Closing Balance	
				31.12.2024	31.12.2023
1	AIBL Capital Market Services Limited (AIBCMML)	Parent - subsidiary	Investment in share capital by AIBPLC	2,420,000,000	2,420,000,000
			Bank Balance	209,261,006	250,456,407
			MTDR Balance		
			Borrowing	3,397,899,998	3,397,899,998
			Mudaraba Investment	10,957,943,438	11,384,358,537
			Accounts Payable	979,564,718	1,470,500,000
2	AIBL Capital Management Limited (AIBCLM)	Parent - subsidiary	Investment in share capital by AIBPLC	490,000,000	490,000,000
			Bank Balance	2,870,659	5,268,954
			MTDR Balance	18,100,000	-
			Mudaraba Investment	532,866,718	537,673,757

- AIBL Foundation Related with Corporate Social Responsibilities activities. In 2024 through AIBL Foundation has paid Tk 7,91,44,174 as CSR expense. AIBL Foundation has 2 (two) SND account with AIBPLC. The Bank balance of account as on 31st December 2024 is 1,66,80,743.

Other related party disclosures

- There was no contracts of significance wherein a director has interests subsisted at any time during the year or at the end of the year.
- Investment to related parties is effected as per requirement of Section 27 of Bank Company Act, 1991 as amended.
- Share issued to Directors and Executives without consideration or exercisable at discount is Nil.
- Other disclosures are not applicable as required by BRPD Circular No. 14 dated 25 June, 2003 and BRPD Circular No. 15 dated 09 November, 2009.
- We have no related party transaction except mentioned above and we had no related transactions among former Board of Directors during the year.

Name of the Directors and their shareholdings in the year- 2024

Sl	Name of Directors	Status	Ending position on 31/12/2024	Opening position on 01/01/2024	Remarks
1	Jb. Khwaja Shahriar	Chairman & Independent Director	Nil	Nil	
2	Jb. Md. Shahin Ul Islam	Independent Director	Nil	Nil	
3	Jb. Md. Abdul Wadud	Independent Director	Nil	Nil	
4	Jb. Mohammed Abu Eusuf	Independent Director	Nil	Nil	
5	Jb. Mohammad Asraful Hasan	Independent 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:

	2017	2018	2019	2020	2021	2022	2023	2024
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	1.25%	1.875%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Ratio	5.75%	6.375%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Minimum T-1 Capital Ratio	6.00%	6.00%	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	11.25%	11.875%	12.50%	12.50%	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, 2024 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 PLC
An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted)	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. 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 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. 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. Procedures 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. 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. Consolidation for regulatory purposes 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. 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. 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 AIBPLC Motijheel Branch, 161, Motijheel Commercial Area, Dhaka 1000. Al-Arafah Islami Bank PLC has 2(Two) subsidiaries viz. - AIBPLC Capital Market Services Ltd. - AIBPLC Capital Management Ltd. Al-Arafah Islami Bank PLC holds 60.50% and 98% AIBPLC Capital Market Services Ltd. and AIBPLC Capital Management Ltd. A brief description of the Bank and its subsidiary are given below: a. AIBPLC Capital Market Services Limited AIBPLC Capital Market Services Limited was incorporated as subsidiary company of Al-Arafah Islami Bank PLC 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. b. AIBPLC Capital Management Limited AIBPLC Capital Management Limited, a subsidiary company of Al-Arafah Islami Bank PLC, 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.
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 CET1 whichever higher Complied
	5	Tier 2 Capital can be admitted maximum up to 4% of the Total RWA or 88.89% of CET1 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 maintained in the form of CET1. Un-Complied

Provision shortfall: Bangladesh Bank has allowed to prepare Audited Financial Statements as on 31 December, 2024 without adjustment of provision shortfall of Tk. 3987.21 crore.

2. Quantitative Disclosures:

The amount of Regulatory Capital 2024 as follows:

(Figure In million)

1.Common Equity Tier-1(Going Concern Capital):	Solo Basis	Consolidated Basis
Fully Paid-up Capital	11516.92	11516.92
Statutory Reserve	11238.49	11238.49
Retained Earnings	11.50	170.78
Non Controlling Interest	-	1683.64
Less: Deferred Tax Assets (DTA)	-	-
	22766.91	24609.83
Good will and other Intangible assets	446.76	446.60
Total Common Equity Tier-1 Capital	22320.15	24163.23
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	5042.44	5182.33
Total Admissible Additional Tier-1 Capital	5000.00	5000.00
2. Tier-2 Capital :		-
General Provision	4874.60	4874.60
Subordinated debt	9000.00	9000.00
Revaluation Reserves for Securities up to 50%	1084.17	1084.17
Less: 100%of Revaluation Reserves for Fixed Assets, Securities & Equity	1084.17	1084.17
Total Tier-2 Capital	13874.60	13874.60
Maximum limit of tier-2 capital	13446.50	13819.55
Total Admissible Tier-2 Capital	13446.50	13819.55
Total eligible capital	40766.65	42982.78

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	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. For Credit Risk – Standardized Approach For Market Risk – Standardized Approach Operational Risk – Basic Indicator Approach 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%.

(Figure In million)

Quantitative Disclosures :		
Capital requirement under following Risk:	Solo Basis	Consolidated Basis
a) Capital requirement for Credit Risk	307448.37	315739.94
b) Capital requirement for Market Risk	1749.36	2467.36
c) Capital requirement for Operational Risk	26964.85	27281.33
d) Total Capital Requirement (a+b+c)	336162.57	345488.64
e) Capital to Risk –weighted Asset Ratio:	12.13%	12.44%
1.Common Equity Tier 1 (CET 1) Ratio	6.64%	6.99%
Tier 1 Capital Adequacy Ratio	8.13%	8.44%
Tier-2 Capital Adequacy Ratio	4.00%	4.00%
Capital to Risk-weighted Asset Ratio (CRAR)	12.13%	12.44%
f) Capital Conservation Buffer	2.13%	2.44%
Available Capital under Pillar 2 Requirement	13446.50	13819.55
Minimum Capital Requirement (MCR)	33616.25	34548.86

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:

- 0.25% to 5% on different categories of unclassified loans.
- 1% on Off Balance sheet exposure.
- 5% on the outstanding amount of loans kept in the 'Special Mention Account' after netting off the amount of Interest Suspense.

For classification of loan, specific and general allowances the bank follows Master Circular-Loan Classification and Provisioning vide BRPD circular no. 06 dated June 14, 2012; and as advised by Bangladesh Bank from time to time.

In addition to the above mentioned objective criteria, loans can be classified on the basis of subjective judgment taking into consideration the factors such as uncertainty or doubt of repayment, continuous loss of capital, adverse situation, decrease of value of securities, legal suit etc.

However, Bangladesh Bank can classify any claim on the basis of their subjective judgment as well as can ask the Bank to buildup additional provision on non-performing loans.

Credit Risk Management Policy

The bank has established Credit Risk Management framework as directed by Bangladesh Bank through introduction or 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	116692.05
Bai-Muazzal Investment	175268.09
Hire Purchase Investment	155714.99
Quard	2809.91
Other Investment	6200.68
Sub Total	456685.74
Outside Bangladesh	-
	456685.74
Less: Unearned profit on Investment	12587.06
	444098.68
Bill Purchased & Discounted	
Payable in Bangladesh	30489.71
Payable outside Bangladesh	1800.62
Sub Total	32290.33
Total Funded:	476389.01
b) Total Non- Funded:	182102.30
c) Geographical distribution of exposures	
Region Based	
Dhaka Region	380269.63
Chittagong Region	57263.93
Sylhet Region	3161.43
Rajshahi Region	8788.92
Mymensingh	5854.91
Khulna Region	22520.10
Rangpur Region	7187.79
Barisal Region	3929.32
Total	488976.03
Less: Unearned profit on Investment	12587.06
Investment	476389.01
d) Country based funded	
Domestic	476389.01
Overseas	-
e) Country based Non-funded	73,047.95
Domestic	182102.30
Overseas	-
f) Major Industry wise distribution of exposures	
Agriculture, Fishing and Forestry	5915.94
Industry	24338.48
Construction	1942.07
Water works & Sanitary Service	3137.70
Transport & communication	9117.60
Storage	1100.20
Trade Finance	185633.86
Miscellaneous	21265.20
Total	488976.08
Less Unearned Profit on Investment	12587.06
Total	476389.0
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	38816.30
d) Claims on corporate	260962.14
e) Claims included in the retail portfolio & small enterprises	85445.77
f) Claims secured by residential property	8185.12
g) Claims secured by commercial real estate	4505.55
h) Consumer Investment	3846.55
i) Off-balance sheet items	73480.30
h) Credit risk mitigation	
Claims secured by financial collateral	7294.44
Net exposure after the application of haircuts	4.23

Claims secured by eligible guarantee	-
g) Residual contractual maturity breakdown of the whole portfolio	
Repayable on demand	-
Up to 1 month	77749.28
More than 1 month but less than 3 months	142676.50
More than 3 months but less than 1 year	142539.60
More than 1 year to less than 5 year	82368.52
More than 5 year	31647.37
Total	476389.0
Gross Non Performing Assets- (NPAs)	
Non-performing assets to outstanding Investment (loans and advances)	15.14%
Movement of Non Performing Assets (NPAs)	
Opening balance	30866.20
Additions	56916.0
Less Cash Recovery	(3928.90)
Less RSDL from CL	(9148.80)
Less Written Off	(649.10)
Closing balance	74055.36

(Figure In million)

Movement of specific provisions for NPAs	
Provision held at the beginning of the year	14133.01
Fully provision debt written off	(469.14)
Recoveries of amount previously written off	320.67
Specific provision for the year	3547.03
Provision Transferred from Covid-19	150.11
Closing balance	17681.70

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	23.26
Central Depository Bangladesh Ltd	3.13
Investment in Millennium Information Solution Ltd	29.48
AIBL Capital Market services	646.04
AIBL Capital Management LTD	511.05
Total	1212.96

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, 2024

(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	5807.42	-	-	-	28483.47	34290.89
Balance with other banks & Financial Institute	8132.70	1000.00	-	-	845.04	9977.74
Placement with other banks & Financial Institute	1000.00	3650.00	1200.00	-	1100.00	6950.00
Investment in Share & Securities (only HTM)	-	-	1498.90		56590.25	58089.15
Investment (Loans and Advances)	77749.28	142676.50	142539.60	82368.52	31647.37	476981.28
Fixed Assets	-			-	5575.43	5575.43
Non Banking Asset					37.68	37.68
Other Assets	32.30	298.90	1327.90	2647.50	25534.77	29841.37
Total	92721.71	147625.40	146566.40	85016.02	149814.03	621743.57
Liabilities						
Placement from other banks & Financial Institute	2007.70	21577.00	40025.33	4259.75	-	67869.78
Deposits and Other accounts	88847.69	140058.30	129328.03	77766.90	18506.50	454507.44
Provision and other liabilities	17947.04	460.00	-	-	41225.82	59633.16
Deferred Tax Liabilities/Assets					37.08	37.08
AIBL Subordinate Bond	-	-	-	-	14000.00	14000.00
Total	108802.43	162095.60	169353.37	82026.64	73769.42	596047.48
GAP	()					
Cumulative Gap						

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	(16083.60)	(16083.60)	(16083.60)
Impact on NII (Net Interest Income)	(13.40)	(26.81)	(40.21)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(5.03)	(10.05)	(15.08)
Period	1 to 3 month		
GAP	(14,470.20)	(14,470.20)	((14,470.20)
Impact on NII (Net Interest Income)	(24.12)	(48.23)	(72.35)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income (NIL)	(9.04)	(18.09)	(27.13)
Period	3 to 12 month		
GAP	(17,712.70)	(17,712.70)	(17,712.70)
Impact on NII (Net Interest Income)	(132.85)	(265.69)	(398.54)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(49.82)	(99.63)	(149.45)

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	(16083.60)	(16083.60)	(16083.60)
Impact on NII (Net Interest Income)	1340	26.81	40.21
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	5.03	10.05	15.08

Period	1 to 3 month		
GAP	(14470.20)	(14470.20)	(14470.20)
Impact on NII (Net Interest Income)	24.12	48.23	72.35
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	9.04	18.09	27.13
Period	3 to 12 month		
GAP	(17,712.70)	(17,712.70)	(17,712.70)
Impact on NII (Net Interest Income)	132.85	265.69	398.54
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	49.82	99.63	149.45

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	(48226.50)	(48266.50)	(48266.50)
Period (Year)	1 Year		
Impact on NII (Net Interest Income)	(482.67)	(965.33)	(1448.00)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	(181.00)	(362.00)	(543.00)

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	(48266.50)	(48266.50)	(48266.50)
Period (Year)	1 Year		
Impact on NII (Net Interest Income)	482.67	965.33	1448.00
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	181.00	362.00	543.00

7) Market Risk:

a) Qualitative Disclosures:

Views of BOD on trading/ investment activities	The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance asset growth and trade related transactions. Trading book consists of positions in financial instruments held with trading intent or in order to hedge other elements of the Trading Book. The portfolio of investment includes Government Treasury Bills and Bonds, Prize Bonds, Shares of listed Public Limited Companies etc. Bank always desires to invest in high yield areas and also has ensured maintenance or Statutory Liquidity Requirements (SLR) as fixed by Bangladesh Bank.
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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: 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	107.90	179.70
Foreign exchange risk	67.04	67.04
Commodity risk	-	-
Total	174.94	246.74

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	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. 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.

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:	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 2024 ICC Division conducted following No. of audit: <table> <tr> <th>Nature of Audit</th><th>No of Frequencies</th></tr> <tr> <td>Compressive & Risk based Internal Audit Annually</td><td>211 branches i.e 100% as per Audit Plan</td></tr> <tr> <td>Surprise Inspection</td><td>21 branches i.e 100% as per Audit Plan</td></tr> </table> 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: <table> <tr> <th>Nature of Risk</th><th>No of Branches</th></tr> <tr> <td>Extremely High Risk</td><td>9</td></tr> <tr> <td>Very High Risk</td><td>38</td></tr> <tr> <td>High Risk</td><td>72</td></tr> <tr> <td>Medium Risk</td><td>79</td></tr> <tr> <td>Low Risk</td><td>13</td></tr> <tr> <td>Total</td><td>211</td></tr> </table>	Nature of Audit	No of Frequencies	Compressive & Risk based Internal Audit Annually	211 branches i.e 100% as per Audit Plan	Surprise Inspection	21 branches i.e 100% as per Audit Plan	Nature of Risk	No of Branches	Extremely High Risk	9	Very High Risk	38	High Risk	72	Medium Risk	79	Low Risk	13	Total	211
Nature of Audit	No of Frequencies																				
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Nature of Risk	No of Branches																				
Extremely High Risk	9																				
Very High Risk	38																				
High Risk	72																				
Medium Risk	79																				
Low Risk	13																				
Total	211																				
v) Approach for calculating capital charge for operational risk	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 α (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: $K = [(GI_1 + GI_2 + GI_3) \alpha] / n$																				

b) Quantitative Disclosures:

(Figure In million)

b) The capital requirements for operational risk (Basic Indicator Approach)			
Year	Gross Income (GI)	Average GI	15% of Average GI
December-2024	19861.16		
December-2023	17724.29		
December-2022	16344.23		
Total GI	53929.65	17976.55	2696.48

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	1) Liquidity risk is measured and monitored through two approaches-1) Time Bucket Analysis: Time Bucket Analysis involves comprehensive tracking of cash flow mismatches and is done through preparation of Structural liquidity statement on a regular basis. Appropriate tolerance levels/prudential limits have been stipulated for mismatches in different time buckets. 2) Ratio Analysis: Under Ratio Analysis various balance sheet ratios are prescribed with appropriate limits.

	The compliance of ratios to the prescribed limits ensures that the Bank has managed its liquidity through appropriate diversification and kept it within the sustainable limit. The Bank also assess its short-term liquidity mismatches and reports the same in the short term dynamic liquidity report which represents the cash flow plans of various asset and liability generating units and seasonal variation of cash flow patterns of assets and liabilities of the bank over a period of 1-90 days. 3) Liquidity Risk Management System : A liquidity risk management involves not only analyzing banks on and off balance sheet positions to forecast future cash flows but also how the funding requirement would be met. The later involves identifying the funding market the bank has access, understanding the nature of those markets, evaluating banks current and future use of the market and monitor signs of confidence erosion. Al-Arafah Islami Bank PLC 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.
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 PLC has well organized liquidity risk management system as enumerated in ALM Policy which is approved by the Board. The Asset Liability Management Committee (ALCO) of the Bank monitors & manages liquidity and interest rate risk in line with the business strategy. ALM activity including liquidity analysis & management is conducted through coordination between various ALCO support groups residing in the functional areas of Balance Sheet Management, Treasury Front Office, Budget and Planning etc.
iv) Policies and Processes for mitigating Liquidity risk	An effective liquidity risk management process should include systems to identify measure, monitor and control its liquidity exposures. To mitigate the liquidity risk, Management of our bank identifies and quantifies the primary sources of a bank's following risk in a timely manner. By proper identify of the sources, management understand both existing as well as future risk that the bank can be exposed to. Our Management always alert for new sources of liquidity risk at both the transaction and portfolio levels. Key elements of an effective risk management process include an efficient MIS to measure, monitor and control existing as well as future liquidity risks and reporting them to senior management and the board of directors.

b) Quantitative Disclosures:

(Figure In million)

Liquidity Coverage Ratio	104.51%
Net Stable Funding Ratio (NSFR)	105.26%
Stock of High quality liquid assets	60725.8
Total net cash outflows over the next 30 calendar days	58105.2
Available amount of stable funding	460313.0
Required amount of stable funding	437292.4

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	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. A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. Tier-1 Capital (after related deductions) Leverage Ratio = $\frac{\text{Tier-1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$
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b) Quantitative Disclosures:

(Fig In Million)

	Solo	Consolidated
Leverage Ratio	4.06%	4.28%
On Balance Sheet Exposure	595408.40	604061.90
Off- Balance Sheet Exposure	77781.50	77781.50
Total Deduction	(446.80)	(446.80)
Total Exposure	672743.10	681396.60

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 PLC, for the financial year ended December 31, 2024.

a) Qualitative Disclosures:

	a) Information relating to the bodies that oversee remuneration: 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 play an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior Management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels. A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to all branches. A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group. Risk Takers are senior employees who can take, or influence the taking of, material risk for Al-Arafah Islami Bank PLC or for a material business unit: Managing Director : 01 Deputy Managing Director : 09 Senior Executive Vice President : 11 Executive Vice President : 19 Senior Vice President : 32
	b) Information relating to the design and structure of remuneration processes: Key features of remuneration policy: 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. Al-Arafah Islami Bank PLC 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. Objectives of remuneration policy:

	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. 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: The remuneration committee reviewed the firm's remuneration on 2018 and revised the remuneration by conducting a survey considering the following facts: - Oversee Banks remuneration position and revise the structure according to the Competitive market. - Align compensation strategy with business strategy - Determine the percentage of increment at each job grade - Get acquaint with the economy inflation. Based on the survey, Bank changes the remuneration on COMPA-Ratio based of its existing employees. A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee : 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.
	c) Description of the ways in which current and future risks are taken into account in the remuneration processes. The Bank's remuneration practices are carefully managed takes into account the following key risks when implementing remuneration measures: - Financial Risks - Compliance Risks 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.
	d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration: 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.
	e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance: 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: - Disciplinary Action (at the discretion of Enquiry committee) - Resignation of the employee prior to the payment date. At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action.
	f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms: 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 PLC: Cash Form: Short-Term Incentives / Rewards - Yearly Increment - Yearly fixed and incentive bonus - Car, fuel and car maintenance allowance for executives - Accelerated promotion/Special increment for especial assignments/accomplishment;

	5. Cash Risk allowance for cashier; 6. Charge allowance for Head of Branches 7. Leave Encashment. Long-Term Incentives / Rewards 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 Non-Cash Form: Short-Term Incentives / Rewards 1. Accelerate promotion for top talents; 2. Study leave. Long-Term Incentives / Rewards 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



FINANCIAL STATEMENTS OF

AIBL CAPITAL MARKET SERVICES LIMITED

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, 2024 and 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 present fairly, in all material respects of the of financial position of “AIBL Capital Market services Limited” as at 31 December, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 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.

Emphasis of Matter

- a) We draw attention to Note 6 of the financial statements, where the company has stated that the necessary adjustments for the decline in the fair value of investment securities will be made in the upcoming year.
- b) Note 9 of the financial statements states that the company has been carrying forward advance income tax from the year 2013 without any adjustment through tax assessments.
- c) Although the company has leased assets, it hasn't considered to adopt IFRS-16 and has not recognized lease assets and corresponding liabilities.

Our opinion is not modified in respect of these matters.

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 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 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.

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 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

- a) we have obtained 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 company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statements 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
28 April, 2025



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Partner
Enrolment No: 350
Firm Registration: 11970 E.P.
DVC:2504280350AS262605

AIBL Capital Market Services Limited

Statement of Financial Position

As at December 31, 2024

Particulars	Notes	Amount (In Taka)	
		31.12.2024	31.12.2023
ASSETS:			
Non - Current Assets:		3,833,691	5,986,109
Property, Plant & Equipment	4	1,153,847	3,318,698
Deferred Tax Assets	9.2	2,679,844	2,667,411
Current Assets:		12,182,597,669	12,628,205,464
Account Receivable	5	16,264,161	17,247,021
Investment	6	10,311,900,250	10,722,237,854
Investment in Share (DSE & CSE)	7	646,043,188	662,120,683
Advance, Deposits & Prepayment	8	11,675,464	12,764,491
Advance Income Tax	9	987,453,600	963,379,008
Cash and Cash Equivalent	10	209,261,006	250,456,407
Total Assets:		12,186,431,360	12,634,191,573
EQUITY AND LIABILITIES:			
Capital and Reserve:		4,236,219,517	4,211,401,799
Paid -up Capital	11	4,000,000,000	4,000,000,000
Retained Earning		236,219,517	211,401,799
		7,950,211,843	8,422,789,774
Borrowing from Bank	12	5,284,438,807	5,306,832,769
Accounts Payable	13	1,331,601,169	1,791,194,039
Provision for Investments	14	503,822,672	503,822,672
Provision for taxation	15	830,349,195	820,940,294
Total Equity and Liabilities:		12,186,431,360	12,634,191,573

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


Director


Director


Managing Director


Company Secretary

Signed in terms of our report of even date.

Place: Dhaka
Date : 28 April 2024


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Partner
Enrolment No: 350
Firm Registration: 11970 E.P.
DVC:2504280350AS262605

AIBL Capital Market Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the period ended December 31, 2024

Particulars	Notes	Amount (In Taka)	
		31.12.2024	31.12.2023
Investment Income	16	283,167,289	139,117,946
Profit paid on Borrowing	17	(192,612,922)	(187,543,946)
Net Investment Income		90,554,367	(48,426,000)
Income from Commission, Exchange & Others:			
Brokerage Commission	18	116,308,725	113,379,109
Documentation & Maintenance Fess	19	4,395,000	4,268,493
Other Operating Income	20	(46,367,603)	90,310,767
		74,336,122	207,958,369
Total operating Income (A)		164,890,489	159,532,369
Hawla, Laga & CDBL Charges	21	16,304,023	17,788,416
Salary allowances & Contribution to P.F	22	71,355,193	69,942,827
Rents, Taxes, Insurance, Lighting etc.	23	17,978,657	19,545,063
Honorarium & Meeting Expense	24	3,704,444	4,847,581
Law Charges		158,327	1,287,900
Postage, Telegram, Telephone & Stamps etc	25	86,670	78,093
Depreciation, Amortization & Repairs to Properties	26	3,641,090	3,815,214
Stationary, Printing, Advertisement etc.		1,296,366	1,430,187
Other Expenses	27	16,151,533	21,365,761
Total operating expenses (B)		130,676,303	140,101,042
Profit/(loss) before provision and Tax C = (A - B)		34,214,186	19,431,327
Provision for Investment		-	-
Provision for Taxation		9,408,901	5,343,615
Deferred Tax (Income)/Expense	9.2	(12,433)	-
Net Profit after Tax		24,817,718	14,087,712
Retained Earning Brought forward		211,401,799	260,514,087
Dividend		-	63,200,000
Retained earning Carried forward		236,219,517	211,401,799
Earning per Share (EPS)		0.06	0.04

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


Director


Director


Managing Director


Company Secretary

Signed in terms of our report of even date.

Place: Dhaka
Date : 28 April 2024


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Partner
Enrolment No: 350
Firm Registration: 11970 E.P.
DVC:2504280350AS262605

AIBL Capital Market Services Limited

Statement of Changes in Equity

As at December 31, 2018

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2018	4,000,000,000	211,401,799	4,211,401,799
Net profit for the Period	-	24,817,718	24,817,718
Balance as at March 31, 2018	<u>4,000,000,000</u>	<u>236,219,517</u>	<u>4,236,219,517</u>

AIBL Capital Market Services Limited

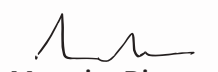
Statement of Changes in Equity

As at December 31, 2017

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2017	4,000,000,000	260,514,087	4,260,514,087
Net profit for the Period	-	14,087,712	14,087,712
Dividend		(63,200,000)	(63,200,000)
Balance as at December 31, 2017	<u>4,000,000,000</u>	<u>211,401,799</u>	<u>4,211,401,799</u>


Director


Director


Managing Director


Company Secretary

AIBL Capital Market Services Limited

Statement of Cash Flows

For the period ended December 31, 2024

Particulars	Amount (In Taka)	
	Jan - Dec 2024	Jan-Dec 2023
Cash flows from operating activities		
Investment income receipt in Cash	283,167,289	139,117,946
Profit paid on deposits and borrowing	(192,612,922)	(187,543,946)
Commission received in cash	116,308,725	113,379,109
Cash payments to employees	(71,355,193)	(69,942,827)
Cash payments to suppliers	(1,296,366)	(1,430,187)
Received from other operating activities (item-wise)	(41,972,603)	94,579,260
Paid for other operating activities (item-wise)	(55,668,628)	(65,908,164)
Advance income tax paid	(24,074,591)	(22,515,655)
Operating profit before changes in operating assets and liabilities	12,495,711	(264,464)
Changing in Operating assets & liabilities		
Increase/Decrease Investment	410,337,604	(224,719,050)
Increase/Decrease of Accounts receivable	982,860	(10,629,015)
Increase/Decrease of Borrowing	(22,393,962)	214,475,779
Increase/Decrease of Accounts payable	(459,592,870)	45,710,147
Increase/Decrease of other assets (item-wise)	1,089,027	(1,562,744)
Increase/Decrease of other liabilities (item-wise)	16,077,495	-
Cash receipt from operating activities	(53,499,846)	23,275,117
A. Net Cash from operating activities	(41,004,135)	23,010,653
Cash flows from investing activities:		
Purchase of property, plant and equipment	(191,266)	(808,878)
B. Net cash flows from investing activities	(191,266)	(808,878)
Cash flows from financing activities		
Increase in Share Capital	-	-
Dividend Paid	-	(63,200,000)
C. Net cash flows from financing activities	-	(63,200,000)
D. Net increase in cash and cash equivalent (A+B+C)	(41,195,401)	(40,998,225)
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent D+E	(41,195,401)	(40,998,225)
G. Cash & Cash Equivalents at the beginning of the period	250,456,407	291,454,632
H. Cash & Cash Equivalents at the end of the period	209,261,006	250,456,407


Director


Director


Managing Director


Company Secretary

AIBL CAPITAL MARKET SERVICES LIMITED

Notes to the Financial Statement

For the period ended 31st December 2024

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.

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.

AIBL CAPITAL MARKET SERVICES LIMITED

Notes to the Financial Statement

For the period ended 31st December 2024

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 2023 to March 2023.

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 March 2023 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. 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%

AIBL CAPITAL MARKET SERVICES LIMITED

Notes to the Financial Statement

For the period ended 31st December 2024

- | | | |
|--|-----------------|-----|
| | 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 27.5% as per the Finance Act 2022 for the Company.
 - II) **Deferred tax:**
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset/liabilities is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets/liabilities is reviewed at each reporting date and are reduced to the extent that it is probable that the related tax benefit will be realized.
 - III) **Tax exposures:**

AIBL CAPITAL MARKET SERVICES LIMITED

Notes to the Financial Statement

For the period ended 31st December 2024

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 of the Financial Statement

For the year ended 31 December, 2024

		Amount (In Taka)	
		31.12.2024	31.12.2023
4.00	Fixed Assets:		
	Property, Plant & Equipment		
	a) Tangible Asset		
	Interior Decoration	19,176,606	19,176,606
	Computer accessories	2,160,579	2,147,579
	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	11,798,811	11,689,845
	Computer	5,907,045	5,907,045
	Furniture & fixture - wood	3,349,558	3,349,558
	Less : Accumulated Depreciation	63,020,173	60,782,106
		1,080,796	3,196,897
b)	Intangible Assets		
	Online Software	2,430,293	2,360,993
	Less : Accumulated Depreciation	2,357,242	2,239,192
		73,051	121,801
	Total (a+b)	1,153,847	3,318,698
	Details have been shown in Annexure-"A"		
5.00	Accounts Receivable:		
	Receivable from CSE	-	9,469,059
	Receivable from DSE	12,440,746	219,000
	Dividend Receivable	3,823,415	7,558,962
		16,264,161	17,247,021
6.00	Investments:		
	Margin Investment	9,730,947,927	9,788,917,955
	Investment ICB Fund	88,838,516	287,391,319
	Investment in Dealer A/C	118,291,373	126,506,531
	Investment in Share (BBSF)	360,122,434	505,922,049
	Investment In AIBL Capital Management Ltd.	10,000,000	10,000,000
	Investment In Intech Ltd.	3,700,000	3,500,000
		10,311,900,250	10,722,237,854
7.00	Investment in Share (DSE & CSE):		
	Investment in Share (DSE & CSE)	646,043,188	662,120,683

Investment in Shares of Dhaka & Chittagong Stock Exchange Limited as shown above is based on acquisition cost from the parent company Al-Arafah Islami Bank Limited, face vale of which was Tk. 2,000 (Two thousand) and Tk. 300,000 (Three lac) per share respectively. After Demutualization, DSE allotted 5,411,329 number of ordinary shares (of which 2,525,288 shares blocked with DSE Demutualization Blocked Account) and CSE also allotted 4,287,330 number of ordinary shares (of which 2,572,398 shares are blocked with CSE) at face value of Tk. 10/- each.

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount (In Taka)	
		31.12.2024	31.12.2023
8.00	Advance, Deposit & Prepayments:		
	Advance against Office Space Head Office.	-	342,228
	Advance against Office Space Gulshan(old).	344,080	344,080
	Advance rent Gulshan Br.(New)	807,354	1,057,350
	Advance Rent Khulna	3,278,833	4,053,685
	Advance Rent Uttara Br.	1,968,930	1,968,930
	Advance Rent Barisal Br.	810,849	840,849
	Advance Rent Sylhet Br.	161,296	126,800
	Advance Rent B. Baria	248,804	450,068
	Advance Rent Khatungonj	1,104,470	1,353,653
	Advance Against Petty Cash	2,950,848	2,226,848
		11,675,464	12,764,491
9.00	Advance Income Tax:		
	Opening Balance	963,379,009	940,863,353
	Tax deducted at source DSE	16,970,891	16,946,567
	Tax deducted at source CSE	329,878	666,442
	TDS against Dividend	4,300,162	2,940,920
	Advance tax Car	177,601	-
	Tax deducted at source Bank	2,296,059	1,961,726
		987,453,600	963,379,008
9.01			
	Tax paid 2023 hrough Chalan & Source	22,515,655	-
	Tax paid 2022 through Chalan & Source	41,641,969	41,641,969
	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	2,811,793
	Tax paid 2017 through Chalan & Source	61,307,332	61,307,332
	Tax paid 2016 through Chalan & Source	12,235,946	12,235,946
	Tax paid 2015 Through Challan & Source	415,952,141	415,952,141
	Tax paid 2014 through challan & Source	24,693,791	24,693,791
	Tax paid 2013 through challan & Source	299,791,671	299,791,671
		963,379,009	940,863,354
9.02	Deferred Tax Assets		
	Opening Balance	2,667,411	2,667,411
	Addition During the year	12,433	-
		2,679,844	2,667,411
	Adjustment during the year	-	-
		2,679,844	2,667,411

Notes of the Financial Statement

For the year ended 31 December, 2024

			Amount (In Taka)	
			31.12.2024	31.12.2023
10.00	Cash and Cash equivalent:	Note-10.01	209,261,006	250,456,407
			209,261,006	250,456,407
10.01	Balance at Bank:			
	AIBL Capital Market Services Limited Cons.customers Ac AIBL, Motijheel Br. (0021220002927)		197,765,065	237,470,612
	AIBL Capital Market Services Limited.Corporate Ac AIBL, Motijheel br. (0021220002936)		805,627	11,493,826
	AIBL Capital Market Services Ltd. Dividend A/C AIBL, Motijheel Br. (0021120583328)		53,305	10,362
	AIBL Capital Market Services Limited, Union Bank Gulshan br.		31,680	31,680
	AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003278)		3,981,601	205,340
	AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003260)		343,079	284,195
	AIBL Capital Market Services Limited, ICB Pronodona Scheme 2 AIBL, Motijheel Br (0021220009614)		181,294	826,076
	BBSF Investment Account, AIBL, Motijheel Br.(10222)		6,093,049	124,330
	AIBL Capital Market Services Limited, B. Baria		3,500	3,500
	AIBL CMSL CCBA One Bank Ltd		2,000	2,000
	AIBL Capital Market Services Limited SIBL, Principal Br.(0021330451189)		806	4,486
			209,261,006	250,456,407
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, 2024			
	Name of the Share Holder	% of Share holdings	No. of Shares	Amount (In Taka)
	Al-Arafah Islami Bank Limited	60.50%	242,000,000	2,420,000,000
	KDS Garment industries Ltd.	5.00%	20,000,000	200,000,000
	Alhaj Abu Naser Mohammad Yeahea	4.25%	17,000,000	170,000,000
	Alhaj Kazi Md. Mofizur Rahman	2.00%	8,000,000	80,000,000
	Badshah Meah	1.75%	7,000,000	70,000,000
	Alhaj Eng. Kh. Mesbahuddin Ahmed	1.75%	7,000,000	70,000,000
	Alhaj Abdus Salam	1.25%	5,000,000	50,000,000
	Mohammad Mahtabur Rahman	1.50%	6,000,000	60,000,000
	Islami Commercial Insurance Co. Ltd.	1.25%	5,000,000	50,000,000
	Mohammed Haroon	1.00%	4,000,000	40,000,000
	Norrish Poultry and Hatchery Ltd.	1.00%	4,000,000	40,000,000
	P & L International Limited	1.00%	4,000,000	40,000,000
	Niaz Ahmed	0.50%	2,000,000	20,000,000
	Mohammed Emadur Rahman	0.75%	3,000,000	30,000,000

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount (In Taka)	
		31.12.2024	31.12.2023
Mohammed Oliur Rahman	0.75%	3,000,000	30,000,000
Badiur Rahman	0.63%	2,500,000	25,000,000
China Builders and Machineries Ltd.	0.63%	2,500,000	25,000,000
KYCR Coils Industries Ltd.	0.50%	2,000,000	20,000,000
Alhaj Abdul Malek Mollah	0.50%	2,000,000	20,000,000
Bangladesh Ship Brake Limited	0.50%	2,000,000	20,000,000
Alhaj Nazmul Ahsan Khaled	0.50%	2,000,000	20,000,000
Alhaj Abdus Samad	0.50%	2,000,000	20,000,000
Md. Ashik Hossain	0.50%	2,000,000	20,000,000
Farid Ahmed	0.50%	2,000,000	20,000,000
A S M Mainuddin Momen	0.50%	2,000,000	20,000,000
Ms Farhana Ahmed	0.50%	2,000,000	20,000,000
Mollah Mahmood Malek	0.50%	2,000,000	20,000,000
Galco Steel Bangladesh ltd.	0.50%	2,000,000	20,000,000
Faisal Ahmed	0.50%	2,000,000	20,000,000
Kh Sakib Ahmed	0.50%	2,000,000	20,000,000
Md. Liakat Ali Chowdhury	0.25%	1,000,000	10,000,000
Ahmadul Haque	0.25%	1,000,000	10,000,000
Sarker Mohammad Shameem Iqbal	0.25%	1,000,000	10,000,000
Master Abul Kashem	0.25%	1,000,000	10,000,000
Syeda Rshida Yasmin	0.25%	1,000,000	10,000,000
Jainul Abedin Jamal	0.25%	1,000,000	10,000,000
Kamal Uddin	0.25%	1,000,000	10,000,000
N.Nasir Uddin	0.25%	1,000,000	10,000,000
Mojbura Begum	0.25%	1,000,000	10,000,000
Asma Begum	0.25%	1,000,000	10,000,000
Afroza Sultana	0.25%	1,000,000	10,000,000
Shajjad Mustafa	0.25%	1,000,000	10,000,000
Azad Mustafa	0.25%	1,000,000	10,000,000
Farhana Irin	0.25%	1,000,000	10,000,000
Tanveer Nawaz	0.25%	1,000,000	10,000,000
Sk. Md. Samiul Islam	0.25%	1,000,000	10,000,000
Mohammad Jahangir	0.25%	1,000,000	10,000,000
Mollah Mazharul Malek	0.25%	1,000,000	10,000,000
Mohammed Oheidul Alam	0.25%	1,000,000	10,000,000
Sahana Ferdous	0.25%	1,000,000	10,000,000
Md.Nurul Hoque	0.25%	1,000,000	10,000,000
Mrs. Shamsun Nahar Begum	0.25%	1,000,000	10,000,000
Md. Rafiqul Islam	0.25%	1,000,000	10,000,000
Mohammed Fazlur Rahman	0.25%	1,000,000	10,000,000
Anowar Hossain	0.25%	1,000,000	10,000,000
Akram Hussain	0.25%	1,000,000	10,000,000

Notes of the Financial Statement

For the year ended 31 December, 2024

			Amount (In Taka)	
			31.12.2024	31.12.2023
	Miss Ruksana Mumtaz Hussain	0.25%	1,000,000	10,000,000
	Akhter Hussain	0.25%	1,000,000	10,000,000
	Akbar Hossain	0.25%	1,000,000	10,000,000
	Purbachal Exclusive Ltd	0.25%	1,000,000	10,000,000
	Mir Bricks Industries	0.25%	1,000,000	10,000,000
	Savoy Ice Cream Factory Ltd.	0.25%	1,000,000	10,000,000
	TOTAL	100.00%	400,000,000	4,000,000,000
12.00	Borrowing from Bank:			
	Borrowing from Al-Arafah Islami Bank Limited PLC Motijheel		3,397,899,998	3,397,899,998
	Borrowing from Union Bank PLC.		800,000,000	800,000,000
	Borrowing from SIB PLC		496,410,432	451,010,432
	Borrowing from Al-Arafah Islami Bank PLC (BBSF)		400,000,000	400,000,000
	ICB pronodona Scheme 2		190,128,377	257,922,339
			5,284,438,807	5,306,832,769
13.00	Accounts Payable :			
	Payable to AIBL		979,564,718	1,470,500,000
	Profit Payable for SIBL		63,860,306	18,553,729
	Profit Payable for AIBL Motijheel Br.		20,406,318	18,073,008
	Profit Payable for UNION Bank		57,808,333	21,291,667
	Profit Payable for BBSF Investment		34,906,505	25,433,653
	Profit Payable for ICB Pronodona Scheme 2		5,289,215	2,905,997
	Profit Payable on Positive clents		509,302	509,302
	VAT, Salary Tax & AIT Payable		399,270	466,228
	Payable to DSE		533,884	24,042,037
	Bonus & Incentive Payable		91,310	91,310
	Advence Office rent Payable		1,026,348	-
	Clients Payable		166,549,788	192,415,989
	Payable to IPO Process		-	7,210,000
	Accrued exp		294,215	1,207,564
	Dividend adjustment clients		261,290	413,188
	Dividend Tax payable		-	7,980,000
	Security Money		100,367	100,367
			1,331,601,169	1,791,194,039
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		820,940,294	815,596,679
	Add: Income tax provision during the year		9,408,901	5,343,615
	Closing Balance		830,349,195	820,940,294
16.00	Investment Income			
	Margin Profit income		271,410,268	138,690,203
	Profit on MSND		11,757,021	427,743
			283,167,289	139,117,946

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount (In Taka)	
		31.12.2024	31.12.2023
17.00	Profit paid on Borrowing :		
	SIBL	45,306,577	45,107,168
	Union Bank ltd	74,216,667	73,963,889
	AIBL Motijheel Branch	35,025,114	35,784,903
	BBSF Investment	28,842,325	28,783,182
	ICB Pronodona Scheme 2	9,222,239	3,904,804
		192,612,922	187,543,946
18.00	Brokerage commission		
	DSE	113,729,877	108,502,528
	CSE	2,578,848	4,876,581
		116,308,725	113,379,109
19.00	Documentation & Maintenance Fess		
	BO Documentation and Maintenance fees	4,379,000	4,250,493
	Margin documentation fees	16,000	18,000
		4,395,000	4,268,493
20.00	Other Operating Income		
	CDBL Income	1,278,266	1,603,764
	Dividend income	18,442,477	16,154,077
	IPO Process Income	15,675	13,475
	Realized Capital gain	(66,104,021)	72,538,451
	Others	-	1,000
		(46,367,603)	90,310,767
21.00	Hawla, Laga & CDBL Charges		
	Hawla DSE	5,850	4,100.00
	Laga charge DSE	8,164,012	8,200,424
	Laga charge CSE	561,755	1,028,204
	CDBL Charges	7,572,406	8,555,688
		16,304,023	17,788,416
22.00	Salary allowances & Contribution to P.F		
	Salary allowances & Contribution to P.F	69,915,771	68,757,945
	Wages	880,374	633,330
	Security Services	559,048	551,552
		71,355,193	69,942,827
23.00	Rents, Taxes, Insurance, Electricity etc.		
	Rent	16,064,102	17,364,266
	Insurance	30,460	-
	Electricity bill	1,884,095	2,180,797
		17,978,657	19,545,063
24.00	Honorarium & Meeting Expense		
	Meeting & Honorariam	3,704,444	4,847,581
		3,704,444	4,847,581

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount (In Taka)	
		31.12.2024	31.12.2023
25.00	Postage, Telegram, Telephone & Stamps etc		
	Postage, Telegram, Telephone & Mobile	61,482	59,480
	Stamps	18,390	12,990
	Photocopy	6,798	5,623
		86,670	78,093
26.00	Depreciation & Repairs to Properties		
	Depreciation	2,356,117	2,819,864
	Repair & Maintenance	1,284,973	995,350
		3,641,090	3,815,214
27.00	Other Expenses		
	Computer Charge	302,034	254,728
	Bank Charge	399,993	447,257
	Petroleum Oil, Lubricant & WASA/ Gas.	1,269,476	1,247,333
	Entertainment	1,598,082	2,808,170
	Festival Bonus	5,752,350	6,913,144
	Mandetary leave	68,280	41,105
	Registration	21,796	6,073
	Travelling, conveyance, Tranportation Allowance	112,965	124,745
	Internet & Online Charge	2,185,260	2,036,826
	Audit Fees	57,500	57,500
	Utilities bill	585,550	511,865
	Vat	608,000	1,993,156
	Miscellaneous (Note-27.01)	3,190,247	4,923,859
		16,151,533	21,365,761
27.01	Miscellaneous		
	Subscription Renewal	768,690	823,075
	Newspaper	13,170	11,838
	Business Development	-	330,000
	Training & AR Licencence Fee	96,400	9,900
	Leave encashment	-	2,418,620
	Agent commission	2,083,994	1,208,875
	Crocarige	35,062	1,200
	Upkeep, wasing & cleaning	33,984	35,895
	Miscellaneous	-	10,320
	Investors Protection	45,347	15,936
	Closing Allowances	68,000	18,000
	EID Garcia	45,600	40,200
		3,190,247	4,923,859

AIBL Capital Market Services Ltd.
Fixed Assets Schedule

As at December 31,2024

Annexure-A

Particular	Cost				Rate %	Depreciation				Written Down Value as on December 31, 2024
	Balance as on January 1, 2024	Addition during the Year	Disposal/ Adjustment	Balance as on December 31, 2024		Balance as on January 1, 2024	Charge during the Year	Adjustment	Balance as on December 31, 2024	
Tangible Asset										
Interior Decoration	19,176,606	-	-	19,176,606	10%	16,484,119	1,917,661	-	18,401,780	774,826
Computer Accessories	2,147,579	13,000	-	2,160,579	20%	1,885,229	250,551	-	2,135,780	24,799
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%	456,492	69,855	-	526,347	172,200
Office Equipment	11,689,845	108,966	-	11,798,811	20%	11,689,844	-	-	11,689,844	108,967
Computer	5,907,045	-	-	5,907,045	20%	5,907,044	-	-	5,907,044	1
Furniture & Fixture - Wood	3,349,558	-	-	3,349,558	10%	3,349,557	-	-	3,349,557	1
	63,979,003	121,966	-	64,100,969		60,782,106	2,238,067	-	63,020,173	1,080,796
Intangible Assets			-							
Online Software	2,360,993	69,300	-	2,430,293	20%	2,239,192	118,050	-	2,357,242	73,051
Total	66,339,996	191,266	-	66,531,262		63,021,298	2,356,117	-	65,377,415	1,153,847



FINANCIAL STATEMENTS OF

AIBL CAPITAL MANAGEMENT LIMITED

Independent Auditor's Report To the shareholders of AIBL Capital Management Limited **Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the financial statements of “AIBL Capital Management Limited” (the company), which comprise the statement of financial position as at 31 December, 2024 and 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, because of the effects of the matters described in basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects of the of financial position of “AIBL Capital Management Limited” as at 31 December, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. We observed that the company has not made adequate provision for the diminution in the value of its investments in both the current and previous financial years. As of the reporting date, the cost of investment stands at Tk. 511,551,848, while the market value is Tk. 248,810,262, resulting in an unrealized loss of Tk. 262,741,586, whereas the company has a provision against the investments of an amount of Tk. 15,572,332.
2. We noted a balance of Tk. 911,523 in the Receivable Suspense Account. However, no explanation or supporting documentation has been provided for this balance.
3. There are a difference in the reported share capital between Schedule-X and the company's financial statements. Schedule-X discloses a total of 100,000,000 authorized shares, whereas the financial statements report 200,000,000 shares.
4. Note 8 of the financial statements states that the company has been carrying forward advance income tax from the year 2012 without any adjustment through tax assessments.

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 qualified 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 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 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.

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 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report the following:

- a) we have obtained the information and explanations except as discussed in our basis for qualified opinion para 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 company except as discussed in our basis for qualified opinion para so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns except as discussed in our opinion para.

Dated, Dhaka 12 May 2025



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Partner
Enrolment No: 350
Firm Registration: 11970 E.P.
DVC:2505120350AS111209

AIBL Capital Management Limited

Statement of Financial Position

For the year ended 31 December 2024

Particulars	Notes	Amount in Taka	
		31.12.2024	31.12.2023
ASSETS:			
Non - Current Assets			
Property, Plant & Equipment	4.00	217,096	460,811
Current Assets:			
Cash and Bank Balance	5.00	2,870,659	5,268,954
Account Recivable	6.00	8,628,157	7,105,434
Investment	7.00	532,866,718	537,673,757
Advance Income Tax	8.00	22,279,407	20,955,877
Balance with AIBL CMSL		930	29,966
Total Assets		566,862,967	571,494,799
EQUITY AND LIABILITIES:			
Capital and Reserve			
Paid Up Capital	9.02	500,000,000	500,000,000
Retained Earning	10.00	16,700,587	21,088,824
Total Equity		516,700,587	521,088,824
Current Liabilities			
Accounts Payable	11.00	2,703,124	4,007,800
Provision for Taxation	19.00	31,886,925	30,825,843
Provision for Investment	20.00	15,572,332	15,572,332
Total Liabilities		50,162,381	50,405,975
Total Equity and Liabilities		566,862,967	571,494,799

The annexed notes from an integral part of these financial statements


Director


Director


CEO

Signed in terms of our report of even date.

Place: Dhaka
Date : 28 April 2024


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Partner
Enrolment No: 350
Firm Registration: 11970 E.P.
DVC:2505120350AS111209

AIBL Capital Management Limited

Comprehensive Income Statement

For the year ended 31 December, 2024

Particulars	Notes	Amount in Taka	
		2024	2023
Investment Income	12.00	1,216,166	278,877
Profit paid on Borrowings	13.00	-	-
Net Investment Income		1,216,166	278,877
Operating Income	14.00	9,415,560	13,278,414
Total operating Income (A)		10,631,726	13,557,291
Salary allowances & Contribution to P.F	15.00	9,554,565	14,367,492
Board Meeting Expense		207,166	176,930
Office Rents and Utilities		2,105,897	1,440,616
Postage, Telegram, Telephone & Stamps etc	16.00	56,312	85,757
Legal Expenses		-	-
Audit fees		57,500	57,500
Stationery, Printing, Advertisement etc.	17.00	31,356	117,881
Depreciation, Amortization & Repairs to Properties	4.00	243,715	350,221
Other Expenses	18.00	1,702,370	2,122,241
Total operating expenses (B)		13,958,881	18,718,639
Profit/(loss) before provision and Tax C = (A - B)		(3,327,155)	(5,161,347)
Income Tax Expenses	19.01	1,061,083	-
Provision for Investment	20.01	-	-
Net Profit/(Loss) after Tax & Provision		(4,388,237)	(5,161,347)
Retained earning Carried forward		(4,388,237)	(5,161,347)
Earning per Share (EPS)		(0.088)	(0.103)

The annexed notes from an integral part of these financial statements


Director


Director


CEO

Signed in terms of our report of even date.

Place: Dhaka
Date : 28 April 2024



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Partner
Enrolment No: 350
Firm Registration: 11970 E.P.
DVC:2505120350AS111209

AIBL Capital Management Limited

Statement of Changes in Equity

For the year ended 31 December, 2024

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2024	500,000,000	21,088,824	521,088,824
Net Profit for the period	-	(4,388,237)	(4,388,237)
Balance as at 31 December, 2024	500,000,000	16,700,586	516,700,586

AIBL Capital Management Limited

Statement of Changes in Equity

For the period ended 31 December, 2023

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2023	500,000,000	26,250,171	526,250,171
Net Profit for the period	-	(5,161,347)	(5,161,347)
Balance as at 31 December, 2023	500,000,000	21,088,824	521,088,824


Director


Director


CEO

AIBL Capital Management Limited

Statement of Cash flows

For the year ended 31 December, 2024

Particulars	Amount in Taka	
	2024	2023
Cash flows from operating activities		
Investment income receipt in Cash	1,216,166	278,877
Profit paid on deposits and borrowing	-	-
Dividend Received	-	-
Prior Period Adjustment received in cash	-	-
Cash payments to employees	(9,554,565)	(14,367,492)
Cash payments to suppliers	-	-
Received from other operating activities (item-wise)	9,415,560	13,278,414
Paid for other operating activities (item-wise)	(4,160,601)	(4,000,925)
Paid for Preliminary Expenses	-	-
Advance income tax paid	(1,323,530)	(2,095,934)
Operating profit before changes in operating assets and liabilities	(4,406,970)	(6,907,060)
Changing in Operating assets & liabilities		
Increase/Decrease Investment	4,807,039	181,736
Increase/Decrease of Accounts receivable	(1,522,723)	6,597,085
Increase/Decrease of Borrowing	-	-
Increase/Decrease of Borrowing (MTDR Quard)	-	-
Increase/Decrease of Accounts payable	(1,304,676)	722,684
Increase/Decrease of other assets (item-wise)	29,036	39,424
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	2,008,675	7,540,929
A. Net Cash from operating activities	(2,398,295)	633,869
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(216,960)
B. Net cash flows from investing activities	-	(216,960)
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)	(2,398,295)	416,909
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent (D+E)	(2,398,295)	416,909
G. Cash & Cash Equivalents at the beginning of the year	5,268,954	4,852,045
H. Cash & Cash Equivalents at the end of the year	2,870,659	5,268,954
Net Operating Cash Flow per Share	(0.048)	0.013


Director


Director


CEO

AIBL Capital Management Limited

Notes to The financial statements

As at and for the year ended 31 December, 2023

1 Significant Accounting Policies and other materials:

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 of Business:

The principal place of business is the Registered office at Level-15, Al-Arafah Tower 63, Purana paltan, Dhaka

1.03 Nature of Business Activities:

AIBL Capital Management Ltd. Is a full-fledged merchant bank licensed by licensed by Bangladesh Securities & Exchange Commission

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 Basis for financial statements:

2.01 Statement of Compliance:

The financial statements of AIBL Capital Management Limited have been prepared in accordance with the DFIM Circular Acts, 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 foreseeable future.

2.04 Reporting Period:

The financial statements cover the period from 01 January 2023 to 31 December 2023.

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) Figure in these notes and annexed financial statements have been rounded off to the nearest taka.

c) Figure 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 property, plant & equipment in order to write off such amount 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 depreciation is charged for the month of disposal. The depreciation used to write off the amount of assets as follows:

Office Equipment	20%
Computer	20%
Online Software	20%

2.07 Related Party Disclosures:

AIBL Capital Management Limited

Notes to The financial statements

As at and for the year ended 31December, 2023

The company in the normal course of operation has entered into transaction with other 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.

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 component:

- i) Statements of Financial Position
- ii) Statements of Profit or Loss and Other Comprehensive income
- iii) Statements of Cash Flows
- iv) Notes, comprising a summary of significant accounting policies and other explanatory information

3 Principal Accounting Policies:

3.01 Cash flow Statements:

Cash flow Statements is prepared in accordance with IAS-7 "Cash Flow Statements". 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 respective parties. Income is recognized as per IFRS-15

3.03 Event 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.

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 charged 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 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 cost that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been valued at cost at reporting date. However, adequate provision has not been made while market value considered as down trend of the reported cost and unrealized gain is also not recognized in the profit and loss account.

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount in Taka	
		31.12.2024	31.12.2023
4.00	Property, Plant & Equipment		
	Opening balance	2,564,609	2,347,649
	Add: Additions	-	216,960
	Closing balance (A)	2,564,609	2,564,609
	Depreciation :		
	Opening balance	2,103,798	1,753,577
	Add: Charge for the year	243,715	350,221
	Closing balance (B)	2,347,513	2,103,798
	Written down value (A-B)	217,096	460,811
	Details have been shown in Schedule-A		
5.00	Cash at Bank		
	AIBL Capital Management Ltd. (Corporate A/C: 0021220003350)	68,076	737,697
	AIBL Capital Management Ltd. Customers Portfolio A/C: 0021020054796	2,802,583	4,531,257
		2,870,659	5,268,954
6.00	Accounts Recivable		
	Recivable from Panel Broker	252,522	17,932
	Divident Recivable	5,033,152	6,284,895
	BSRM	-	-
	Suspence Account	911,523	429,292
	Recivable from AIB PLC against Borrowing	674,562	-
	Receivable from IPO Agreement	350,000	-
	Receivable from Profit on MTDR	1,033,083	-
	AIBL Asset Management Ltd.	373,315	373,315
		8,628,157	7,105,434
7.00	Investment		
	Margin Investment	1,474,849	2,324,233
	Investment in Shares & Securities (Annexure-B)	511,551,848	532,058,707
	Investment in Car	1,740,021	3,290,817
	Investment in MTDR	18,100,000	-
		532,866,718	537,673,757
8.00	Advance Tax		
	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
	Advance Tax 2021	1,056,669	1,056,669
	Advance Tax 2022	2,572,224	2,572,224
	Advance Tax 2023	2,095,934	2,095,934
	Advance Tax 2024	1,323,530	-
	Closing Balance	22,279,407	20,955,877

Notes of the Financial Statement

For the year ended 31 December, 2024

			Amount in Taka	
			31.12.2024	31.12.2023
9.00	Share Capital			
9.01	Authorised Capital			
	The authorised Capital of the Company is 20,00,00,000 Ordinary Share of TK. 10 each.		2,000,000,000	2,000,000,000
9.02	Issued, Subscribed and fully Paid-up Capital			
	Issued, Subscribed and fully Paid-up Capital is 5,00,00,000 share of TK. 10 each.		500,000,000	500,000,000
			500,000,000	500,000,000
	Share Holding Position :			
	Name of the Share Holder	% of Shareholding	Amount in Tk.	Amount in Tk.
	Al-Arafah Islami Bank Limited	98.00%	490,000,000	490,000,000
	AIBL Capital Market sevicees Limited	2.00%	10,000,000	10,000,000
	TOTAL		500,000,000	500,000,000
	Petty Cash Exp.		1,385	1,385
	Paid during the period:		(1,086,310)	(1,086,310)
10.00	Retained Earnings:			
	Opening balance		21,088,824	26,250,171
	Add: Net profit for the year		(4,388,237)	(5,161,347)
	Closing balance		16,700,587	21,088,824
11.00	Accounts Payable			
	Audit fees		57,500	57,500
	Salary Payable		237,988	-
	Client Matured Balance		2,204,014	3,950,300
	Office Rents and Utilities Payable		203,622	-
	TDS Payable		-	-
			2,703,124	4,007,800
12.00	Investment Income			
	Profit from Cash at Bank		117,368	29,507
	Less: Tax Deducted at source		-	-
	Margin Profit Income		-	249,370
	Service Charge Income		-	-
	Profit on MTDR		1,098,798	-
			1,216,166	278,877
13.00	Profit paid on Bai-Muazzel with AIBL		-	-
14.00	Operating Income			
	Capital Gain		544,527	2,364,039
	Dividend Income		5,033,152	8,487,327
	Commission Income		1,281,576	997,359
	IPO Process income		5,285.00	135
	Issue Manager Commission income		350,000	200,000
	Underwriting Commission		-	-
	BO Documentation		9,000	1,000
	Other Income		2,139,562	1,127,929
	BO Closing		6,198	4,874

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount in Taka	
		31.12.2024	31.12.2023
	CDBL for yearly rebates & Charge Income	41,311	90,552
	BO Maintanance, Renewal Fee	4,950	5,200
		9,415,560	13,278,414
15.00	Salary Allowances & Contribution to P.F. & B.F.		
	Salary and Allowance	8,147,386	11,810,124
	Leave Encashment	-	136,240
	Mandatory Leave Allowance	45,205	68,120
	Bangla Noboborsho Bonus	62,574	85,340
	Incentive & Festval Bonus	651,400	1,249,570
	Car Allowance	648,000	1,018,098
		9,554,565	14,367,492
16.00	Postage, Telegram, Telephone, Mobile & Stamps etc.		
	Postage, Telegram, Telephone, Mobile & Stamps etc.	56,312	85,757
		56,312	85,757
17.00	Stationary, Printing, Advertisement etc.		
	Stationary and Printing	31,356	117,881
		31,356	117,881
18.00	Other Expenses		
	BSEC Annual Fees	-	575,000
	BMBA Membership & Annual fees Fees	-	100,000
	Subscription, Renewal Fees	359,025	21,500
	RJSC return file & other exp	-	64,572
	Entertainment	68,228	108,738
	Newspaper, Journal, Periodicals & Book	1,632	-
	BSEC Road Show	-	-
	Local Conveyance	3,074	33,330
	Office Extention Work	-	13,150
	Car Registration	-	171,000
	EID Gracia	-	1,200
	Client Meeting Expenses	-	20,000
	Bank Charges & Fees	82,319	8,225
	Saturday Allowances	-	6,200
	Repair & Maintenance	5,506	326,501
	Pannel Broker Commission	597,566	-
	Agent Commission	6,093	119,654
	Wages	16,323	-
	Vat Exp.	-	-
	Office Rent		

Notes of the Financial Statement

For the year ended 31 December, 2024

		Amount in Taka	
		31.12.2024	31.12.2023
	Utility Bill		
	Software Vendor Expenses	63,000	10,500
	Internet and CDBL wan connectivity charges	138,600	182,400
	CDBL Charge	118,004	107,271
	IPO Bidding fee.	-	3,000
	Company secretariat Honorarium	240,000	240,000
	Closing Allowance	3,000	10,000
		1,702,370	2,122,241
19.00	Provision for Tax		
	Opening Balance	30,825,843	30,825,843
	Add: Income tax povision during the year	1,061,083	-
	Closing Balance	31,886,925	30,825,843
19.01	Provision for Current Tax :		
	Operating Profit	(3,327,155)	(5,161,347)
	Less: Gain on Sale of Securities	544,527	2,364,039
	Less: Divident Income	5,033,152	8,487,327
	Total Business Income	(8,904,833)	(16,012,713)
	Income Tax of @ 37.50% on estimated Business Income	-	-
	Add: Gain on Sale of Securities (10%)	54,453	-
	Add: Divident Income (20%)	1,006,630	-
		1,061,083	-
20.00	Provision for Investment:		
	Opening balance	15,572,332	15,572,332
	Addition of Provision for the year	-	-
	Less: Adjust from Provision for Investment	-	-
	Closing balance	15,572,332	15,572,332

AIBL Capital Management Limited

Property, Plant & Equipment

as on 31 December, 2024

Schedule-A

Particular	Cost				Rate	Depreciation				Written Down Value as at 31 December, 2023 Taka
	Opening Balance 01-01-2024 Taka	Addition during the year Taka	Disposal during the year Taka	Balance as at 31 December 2024 Taka		Opening Balance 01-01-2024 Taka	Charge for the year Taka	Adjustment during the year Taka	Balance as at 31 December 2024 Taka	
Fixed assets										
Office Equipment	1,127,141		-	1,127,141	20%	1,008,218	118,922.00	-	1,127,140	118,923
Computer	969,693		-	969,693	20%	627,806	124,793	-	752,599	341,887
MB Operating Software	467,775			467,775	20%	467,774	-	-	467,774	1
Total	2,564,609	-	-	2,564,609		2,103,798	243,715	-	2,347,513	460,811

AIBL Capital Management Limited

Investment in Shares & Securities

Stock at hand as on 31 December, 2024

Annexure- B

SL	Name of Company	No. of Shares	Amount (at cost)	Market Rate	Market Amount
1	ITC	42,000	2,330,729	35.70	1,499,400.00
2	BESTHLDNG	108,000	4,009,986	18.20	1,965,600.00
3	BEACONPHAR	8,925	3,072,962	135.90	1,212,907.50
4	BXPHARMA*	882,100	179,024,696	81.60	71,979,360.00
5	COPPERTECH	231,920	11,332,821	18.00	4,174,560.00
6	DAFODILCOM*	944,919	76,976,743	63.00	59,529,897.00
7	MALEKSPIN	203,000	8,497,190	24.90	5,054,700.00
8	SPCERAMICS	50,000	2,515,413	12.10	605,000.00
9	BBSCABLES	190,000	7,637,438	17.50	3,325,000.00
10	BEXIMCO	392,805	58,245,065	110.10	43,247,830.50
11	SINOBANGLA	28,500	1,471,269	38.80	1,105,800.00
12	ORIONPHARM*	118,500	16,835,198	37.90	4,491,150.00
13	GENNEXT	966,221	13,024,660	3.80	3,671,639.80
14	SAIFPOWER	750,000	31,360,677	13.20	9,900,000.00
15	RSRMSTEEL*	55,000	3,661,129	9.00	495,000.00
16	EPGL	238,350	10,010,700	12.70	3,027,045.00
17	DESCO	1,194,033	75,176,318	23.10	27,582,162.30
18	SQURPHARMA*	27,300	6,368,855.85	217.70	5,943,210.00
Total			511,551,848		248,810,262.10

Branches of AIBPLC 2024

DHAKA DIVISION

Abdullahpur SME Branch

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

Amin Bazar Branch

MA Hossain Tower, Amin Bazar, Savar,
Dhaka; 01841123004

Araihazar Branch

H # 337 Main Road, Araihazar, Narayangonj;
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; 01814651020

Banani Branch (AD)

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

Bandar Branch

K & K Tower, 551/1, Wilson Road, Bandar Bazar,
Narayanganj; 01711038031

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; 01711111292

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; 01716692875

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; 01847367091

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

Gopalganj Branch

Babla Tower, H # 143, College Road, Gopalganj Sadar,
Gopalganj; 01720515240

Gulshan Branch (AD)

South Breeze Squire, (52 Old) 90 New Gulshan
Avenue, Dhaka; 01710809042

Gulshan Link Road Branch

H # 204/B-2, Tejgaon, Gulshan Link Road,
Dhaka; 01552490339

Hazaribagh Branch

149, Hazaribagh Bazar, Dhaka; 01819255297

Head Office Corporate Branch (AD)

Al-Arafah Towar (1st & 2nd Floor), 63, Purana Paltan
(Daynik Bangla Mor), Dhaka; 01817144299

Hemayetpur Branch

Asha Plaza (1st Floor), Hemayetpur Bus Stand,
Hemayetpur, Savar, Dhaka; 01847367045

Islampur Branch

29-31, Islampur Road, Dhaka-1100; 01716236472

Jatrabari Branch (AD)

6 S.F. Sharak, West Jatrabari, 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;
01811412297

Kaligonj Branch

Twin Tower Market, Aganagar, Kaligonj, Keranigonj
Dhaka; 01847367100

Kamrangirchar Branch

Hazi Kamal Super Market, Kamrangirchar, Dhaka;
01825928909

Kapasias Branch

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

Kathgora Bazar Branch

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

Kazirhat Branch

Kazirhat new Market, Kazirhat, Jajira Shariatpur;
01404184148

Kawranbazar Branch

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

Keranigonj Branch

Haridia Shopping Complex, Kadamtoli, Keranigonj,
Dhaka; 01847367101

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; 01714067411

Motijheel Branch (AD)

Rahman Mansion, 161 Motijheel C/A, Dhaka;
01811417660

Motijheel Corporate Branch (AD)

125, Motijheel C/A, Dhaka; 01711289863

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

Narayanganj Branch (AD)

71, B.B. Road, Narayanganj; 01811487867

Natun Bazar Baridhara Branch

1209 Madani Avenue, Natun Bazar Dhaka;
01711642356

Nawabpur Road Branch (AD)

85/87, Nawabpur Road, Dhaka; 01752016968

Nayapur Branch

Nayapur Shopping Center, Nayapur Bazar,
Narayanganj; 01811487863

New Elephant Road Branch (AD)

91, New Elephant Road, Dhaka; 01794705523

New Market Branch

Kazi Mansion 2/1 Elephant Road, New Market, Dhaka;
01847367086

North South Road Branch (AD)

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

Pagla Branch

Alhajj 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; 01979556567

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; 01847367113

Ruhitpur Branch

Sun Plaza Market, Ruhitpur Bazar, Keranigonj, Dhaka; 01811418222

Shantinagar Branch

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

Shibu Market Branch

Fokir Mansion, Shibu Market, Fotulla, Narayangonj; 01731395202

Shokhipur Branch

Bhai Bhai Complex, Kachua Road, Shokhipur, Tangail; 01847367114

Shyamoli Branch

13/1 Ring Road, Shyamoli, Dhaka; 01811458750

Signboard Branch

Signboard, Fatulla, Narayangonj; 01894941343

Sonargaon Janapath Road Branch

Plot#30 (Near Zam Zam Tower), Sector#11, Sonargaon Janapath Road, Uttara, Dhaka; 01847367116

South Jatrabari Branch

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

Tangail Branch

Habib Complex, 77-78, Victoria Road, Tangail; 01937111551

Tekerhat Branch

Hawladar Tower, H # 975, Tekerhat Bazar, Rajoir, Madaripur; 01811415438

Tongi Branch

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

Tejgaon Branch

Famroze Tower, 159/D, Tejgaon I/A, Dhaka; 01847367117

Uttara Model Town Branch (AD)

H#1, R # 13, S-04, Uttara Model Town, Uttara, Dhaka; 01819261382

VIP Road Branch (AD)

Ridge Ahmed Square, 50/1, Inner Cercular (VIP) Road, Dhaka; 01726759360

CHATTOGRAM DIVISION**Agrabad Branch (AD)**

96, Agrabad C/A, Chattogram; 01819310770

Akhaura SME Branch

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

Aman Bazar Branch

AIPL Amanat Shah Plaza (1st Floor), Hathazari Road, Chattogram; 01817751748

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

Bandarban Branch

Bandarban Bazar Sarak, Bandarban Sadar, Bandarban; 01847367128

Bandartila Branch

Malek Plaza, South Halishahar, Sailors Colony (4218), EPZ, Chattogram; 01811410078

Barura Branch

Madina Market, Hospital Road, Barura, Cumilla; 01847054695

Bashurhat SME Branch

94, Bashurhat, Companigonj, Noakhali; 01811448041

Bahaddar Hat Branch

H # 4592 Shah Amanat Shetu Shonjog Sarak,
Bahaddarhat, Chattogram; 01819349017

Bhatiary Branch

0866 Sitakunda, Chattogram 01877185532

Bizra Bazar Branch

Madrasa Complex Bhaban, Bizra Bazar, Laksham,
Cumilla; 01847367094

Boalkhali Branch

Well Foyez Center (1st Floor), Gumdondi, Fultali,
Boalkhali, Chattogram; 01847367089

Brahmanbaria Branch

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

Chambol Branch

Chambol, Bashkhali, Chattogram; 01847367095

Chandina Branch

Ahmed Ali Complex, Thana Road, Chandina,
Cumilla; 01847367096

Chandpur Branch

Khan Tower, H#1061, Cumilla Road, Baponibag Bazar,
Chandpur; 01820931500

Chawkbazar Branch

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

Chowmuhan 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;
01874404601

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

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; 01847367082

Hajigonj Branch

Hajigonj Tower, 762 Hajigonj, Chandpur; 01814650812

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,
Kadamtoli, Chattogram; 01847114430

Karnafuly Branch

Karnafuly, Charpaharghata, Chattogram; 01847367124

Keranihat Branch

Jogendra Market, Keranihat, Satkaniya, Chattogram;
01816435248

Khatungonj Branch (AD)

Khatungonj Trade Center, H#1625/1351, Khatungonj,
Chattogram; 01858709493

Khulshi Branch

Yousuf Tower, 71/1 Zakir Hossain Road, Khulshi,
Chattogram; 01732985666

Kutibazar Branch

Siraj Plaza, Kutibazar, Kasba B.Barria; 01768722151

Lakshmipur Branch

Akota Super Market, 1310-12 Bazar Main Road, Tamij
Market, Lakshmipur; 01847367103

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; 01863269709

Maizdeecourt Branch

ID Bhaban, 1453 Maizdeecourt Noakhali; 01847367104

Muradpur Branch

Islam Tower, 59, CDA Avenue, Muradpur, Panchlaish, Chattogram; 01815114482

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; 01847367108

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; 01817272240

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; 01819622223

Station Road Branch

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

Tantarbazar SME Branch

Haji Lal Mia Market, Tantar Bazar Akhaura, Brahmanbaria; 01847367054

Teknaf Branch

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

Zila Parishad Branch

Zila Parishad Bhaban, 1076/1108, Firingi Bazar, Katwali, Chattogram; 01841123008

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; 01847367088

Gobindagonj Branch

Hossen Ali Complex, Gobindagonj Bazar, East Rampur, Chhatok, Sunamgonj; 01847367125

Habigonj Branch

King Tower (1st & 2nd Floor), H#3725 Post Office Road C/A, Hobigonj; 01712280508

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; 01894941341

Zindabazar Branch

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

KHULNA DIVISION

Bagerhat Branch

394 Amina Plaza, Bazar Main Road, Bagerhat;
01718425092

Bamondi Branch

Biswas Tower, Bamondi, Gangni, Meherpur;
01716584880

Benapole Branch

283, 284, Benapole Bazar, Jashore; 01711431176

Bheramara Branch

H#176/3 Godown Mor, Highway Road, Bheramara,
Kushtia; 01718778575

Chuadanga Branch

Molla Tower-2, Hotel Royal Blue (1st Floor), Shahid
Alaul Islam Khokon Sarak (VJ School Road),
Chuadanga; 01777915252

Chuknagar Branch

S F Tower, Khulna Satkhira Road, Chuknagar Bazar,
Dumoria, Khulna; 01682300150

Doulatpur Branch

419/2 Upper Jeshore Road, Doulatpur, Khulna;
01847367097

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

Jhenaidaha Branch

33, Sher-E-Bangla Sarak, Jhinaidaha Sadar,
Jhinaidaha; 01730494545

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;
01710850300

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; 01847367106

Narail Branch

Mustary Complex (1st Floor), Rupgonj Bazar, Narail ;
01718982844

Nolta Branch

Nolta Sharif Super Market, Nolta Kaligonj, Satkhira;
01732569143

Noapara Branch

H # 73, Nurbag Mor, Noapara Bazar, Avoydnagar,
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; 01847367087

Shyamnagar Branch

J. C. Complex, Shyamnagar Main Road, Shyamnagar,
Satkhira; 01847367115

Terokhada Branch

Soudi Market Bhaban, Terokhada, Khulna;
01712278523

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,
Borguna; 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, Monoharipatti 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; 01718383840

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

Joypurhat Branch

Ansar Ali Complex (1st Floor), Batar Moor, Sadar Road, Joypurhat; 01847367127

Mohadevpur Branch

Hore Shopping Complex, Near Bus Stand Jame Masjid Road, Mohadevpur, Naogaon; 01711425675

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

Sirajgonj Branch

Haydar Complex, H # 191/2, S. B. Fazlul Haque Road, Sirajgonj Sadar, Sirajgonj; 01718770199

Sherpur Branch

Dhunat More, Sherpur, Bogura; 01728330331

RANGPUR DIVISION

Atowari Branch

Mirza Golam Hafiz Road, Arowari Bazar, Atowari, Panchagarh; 01745005897

Badargonj SME Branch

Upazila Road, Badargonj, Rangpur; 01761730189

Dinajpur Branch

333, Nimtola, Dinajpur; 01811418220

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

Roumari Branch

Roumari Bazar, Roumari, Kurigram; 01919699009

Saidpur Branch (AD)

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

Thakurgaon Branch

M. H. Tower, H # 37, Bangabandhu Road, Chowrasta, Thakurgaon Sadar, Thakurgaon; 01819559121

MYMENSINGH DIVISION

Jamalpur Branch

1419-00 Medical Road, Jamalpur Sadar, Jamapalur; 01814659130

Mymensingh Branch

70, Choto Bazar, Mymensingh; 01742747684

Masterbari Branch

Masterbari, Bhaluka, Mymensingh; 01847367105

Netrokona Branch

274, Choto Bazar, Netrokona; 01777754849

Sreebordi Branch

Poura Super Market, H # 7/126, Sreebordi Chowrasta, Sreebordi, Sherpur; 01847367119



Head Office
Al-Arafah Tower
63, Purana Paltan, Dhaka-1000

PROXY FORM

I/We of (address)
..... being shareholder(s) of
Al-Arafah Islami Bank PLC
hereby appoint Mr./Mrs.
of (address)
as my PROXY, to attend and vote for me on my behalf at the 30th Annual General Meeting (AGM) of the Company to be held on Thursday the 14th August 2025, at 11.30 a.m. through Digital Platform link <http://aibplc.bdvirtualagm.com> at any adjournment thereof.

Signed this in my/our presence on.....day of 2025.

Folio No. BO A/C. No.

No. of shares held

Revenue Stamp of
Tk. 100/- (One hundred)
only

Signature of the Proxy

Signature of the Shareholder

Notes: This form of proxy duly signed (as recorded with the bank), stamed 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.



Head Office
Al-Arafah Tower
63, Purana Paltan, Dhaka-1000

ATTENDANCE SLIP

I do hereby record my attendance of the 30th Annual General Meeting (AGM) of the Company to be held on Thursday the 14th August, 2025, at 11.30 a.m. virtually by using Digital Platform through the link <http://aibplc.bdvirtualagm.com>.

Name of the Shareholder/Proxy (In Block Letter)

Folio No. BO A/C. No.

Signature of the Shareholder/ proxy

Authorized Signatory of the Bank



Head Office: Al-Arafah Tower, 63, Purana Paltan, Dhaka-1000
PABX: +88-02-44850005, E-mail: info@aibl.com.bd, Web: www.aibl.com.bd