Annual Report
2025

ROOTED IN TRUST
RISING WITH RESILIENCE
GROWING WITH PURPOSE

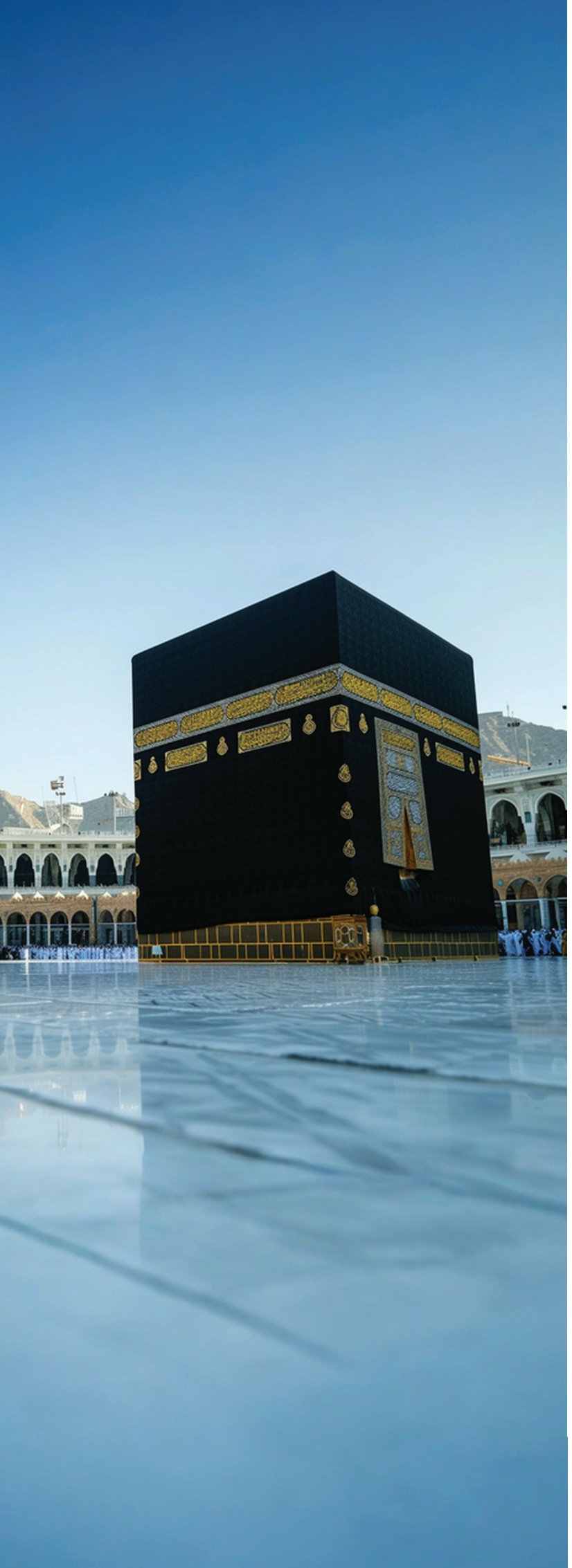
Al-Arafah
Islami Bank PLC

aib
আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সবসময়ই শরীয়াহ্

ROOTED IN TRUST
RISING WITH RESILIENCE
GROWING WITH PURPOSE

The 2025 theme, "Rooted in Trust. Rising with Resilience. Growing with Purpose." reflects Al-Arafah Islami Bank PLC's journey of transformation and sustainable progress. It begins with the enduring trust built through ethical banking, strong governance, and Shariah principles. It advances through resilience embracing change, strengthening operational excellence, digital innovation, and organizational agility amid a rapidly evolving financial landscape. Finally, it culminates in purposeful growth, where every initiative is driven by long-term value creation, customer prosperity, financial inclusion, and sustainable national development. Together, these three pillars represent a bank that remains firmly grounded in its values while confidently shaping the future.

Al-Arafah Islami Bank PLC | aib আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি Al-Arafah Islami Bank PLC সর্বদাই সঠীফাহ্



ALLAH HAS PERMITTED TRADING AND FORBIDDEN (RIBA) USURY.

SURAH 2
AL-BAKARA-275

TABLE OF CONTENTS



QUR'ANIC VERSES ON INTEREST 06
HADITH ON INTEREST 07
OPINION OF OTHER RELIGIONS AND GREAT MEN ON INTEREST 08



CORPORATE OBJECTIVES, VALUES & STRUCTURE

Board of Director's 09
The Board of Director's and It's Committees 10
Management committee 11
Shariah Supervisory Committee 14
Corporate Organogram 15
Vision and Mission 16
Overall Strategic Objectives 17
Core Values and Code of Conduct 17
Profile of the Company 18
Notice of The 31st Annual General Meeting 19



STATEMENT OF VALUE ADDED & ITS DISTRIBUTION

A General Review of The Performance of The Company 20
Value Added Statement 21
Economic Value Added Statement 22
Market Value Added Statement 23



COMMENTARY AND ANALYSIS INCLUDING DIRECTOR's REPORT

Chairman's Address 25
Managing Director's Address 31
Board of Director's Report 50



INFORMATION ABOUT CORPORATE GOVERNANCE

Corporate Governance of AIB PLC 97
Report of the Shari'ah Supervisory Committee 120
Integrity of AIB PLC & National Integrity Strategy of the Government 123
Report of the Board Audit Committee 125
Activities of the Board Risk Management Committee 127

FINANCIAL STATEMENTS

CEO And CFO's Declaration To The Board 129

FINANCIAL STATEMENTS OF AL-ARAFAH ISLAMI BANK PLC

- Independent Auditor's Report on Financial Statements 130
- Consolidated Balance Sheet 138
- Consolidated Profit or Loss Accounts 140
- Consolidated Cash Flow Statement 141
- Consolidated Statement of Changes in Equity 142
- Consolidated Statement of Liquidity 143
- Balance Sheet 144
- Profit or Loss Accounts 146
- Cash Flow Statement 147
- Statement of Changes in Equity 148
- Statement of Liquidity 149
- Notes to the Financial Statements 150
- Offshore Banking Unit Financial Position 198
- Related Party Disclosure 208

FINANCIAL STATEMENTS OF AIBL CAPITAL MARKET SERVICES LIMITED

- Independent Auditor's Report on AIBL Capital Market Services Limited 211
- AIBL Capital Market Services Ltd. Financial Position 214
- Notes on AIBL Capital Markets Services Ltd. Financial Position 218

FINANCIAL STATEMENTS OF AIBL CAPITAL MANAGEMENT LIMITED

- Independent Auditor's Report on AIBL Capital Management Limited 234
- AIBL Capital Management Ltd. Financial Position 236
- Notes on AIBL Capital Managements Ltd. Financial Position 240

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III) AND GENERAL DISCLOSURE

Disclosures On Risk Based Capital (Basel-iii) 252

other Disclosures 273

SUSTAINABLE FINANCE AND GREEN BANKING ACTIVITIES

Environment Related Initiatives 284

Sustainability & Climate Related Financial Disclosures 284

Financial Performance & Market Achievements 285

Social Responsibility Initiatives 285

Benevolence of Al-Arafah Islami Bank Foundation 286

INFORMATION ON SHAREHOLDERS AND DIVIDEND POLICY

Dividend Distribution Policy 287

Summary of Unclaimed Dividend 288

Branches of AIB PLC 289

Proxy Form 301



QUR'ANIC 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 or usury] those are the companions of the Fire; they will abide eternally therein." (Surah Al-Baqarah - Verse 275)

"O you who have 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 [against you] from Allah and His Messenger (Rasul)." (Surah Al-Baqarah - Verses 278, 279)

"Allah destroys interest and gives increase for charities. And Allah does not like every sinning disbeliever." (Surah Al-Baqarah - Verse 276)

"O you who have believed! do not consume usury (Interest) doubled and multiplied, but fear Allah that you may be successful." (Surah Al-Imran - Verse 130)

"And whatever you give for interest to increase within the wealth of people will not increase with Allah. But what you give in Zakah, desiring the countenance of Allah - those are the multipliers." (Surah Ar-Rum - Verse 39)

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)

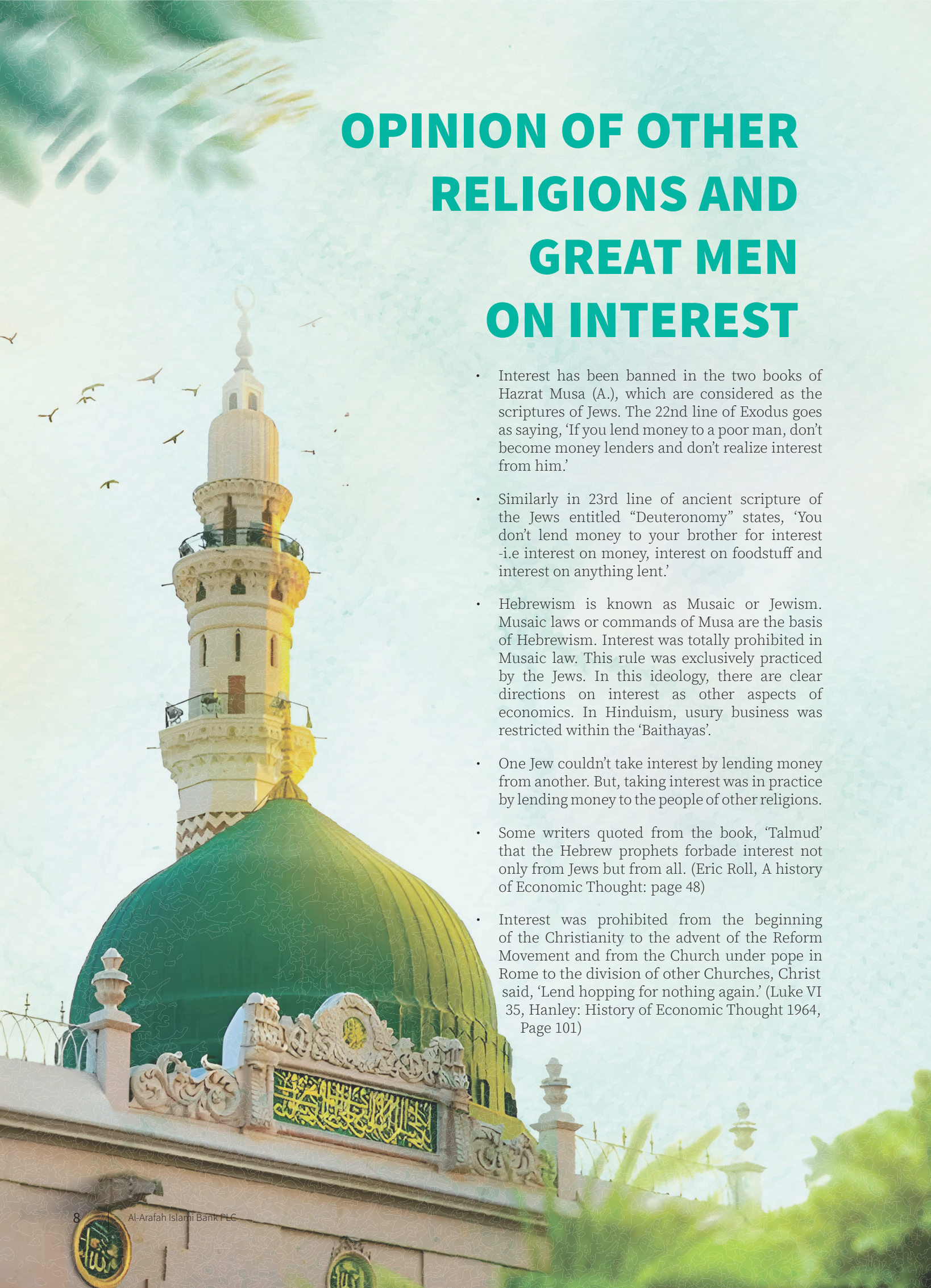
- Abu Huraira (R) has narrated that Rasul (Allah's Messenger) (S) said: Allah as his unique right will not allow four categories of people to enter the heaven and also refrain them from taking taste of his bounties 1) Drunkard 2) Usury 3) Devourers of orphan's wealth and 4) Disobedience of parents. (Mustadarake 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



Badiur Rahman
Chairman, Board of Directors



Alhajj Liakat Ali Chowdhury
Vice Chairman, Board of Directors



Alhajj Khalilur Rahman
Director



Alhajj Salim Rahman
Chairman, Board
Executive Committee



Alhajj Nazmul Ahsan Khaled
Director



Hafez Alhajj Md. Enayet Ullah
Director



Alhaz Ahamedul Hoque
Director



Alhajj Mohammad Abdus Salam
Director



Alhajj Engr. Kh. Mesbah Uddin Ahmmed
Director



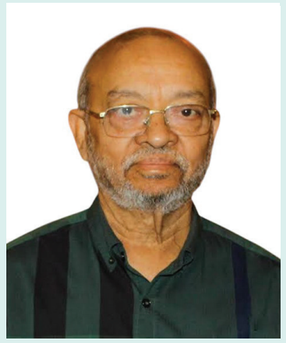
Alhajj Mohammed Emadur Rahman
Director



Alhajj Md. Rafiqul Islam
Director



Alhajj Anwar Hossain
Director



Mahbub Ahmed
Nominee Director & Chairman,
Risk Management Committee



Khwaja Shahriar
Independent Director



S.M. Zahir Uddin Haider FCMA
Independent Director & Chairman,
Board Audit Committee

BOARD OF DIRECTORS (Interim Period)



Khwaja Shahriar
Chairman, Board of Directors



Md. Shahin ul Islam
Chairman, Board Risk Management Committee



Abdul Wadud
Chairman, Executive Committee



Prof. Dr Mohammed Abu Eusuf
Independent Director



Mohammad Asraful Hassan, FCA
Chairman, Board Audit Committee

THE BOARD OF DIRECTORS AND IT'S COMMITTEES

The Board of Director's

Sl.	Name of the Directors	Designation
01	Badiur Rahman	Chairman, Board of Directors
02	Alhajj Liakat Ali Chowdhury	Vice Chairman, Board of Directors
03	Alhajj Khalilur Rahman	Director
04	Alhajj Salim Rahman	Chairman, Board Executive Committee
05	Alhajj Nazmul Ahsan Khaled	Director
06	Hafez Alhajj Md. Enayet Ullah	Director
07	Alhaz Ahamedul Hoque	Director
08	Alhajj Mohammad Abdus Salam	Director
09	Alhajj Engr. Kh. Mesbah Uddin Ahmmed	Director
10	Alhajj Mohammed Emadur Rahman	Director
11	Alhajj Md. Rafiqul Islam	Director
12	Alhajj Anwar Hossain	Director
13	Mahbub Ahmed	Nominee Director & Chairman, Risk Management Committee
14	Khwaja Shahriar	Independent Director
15	S.M. Zahir Uddin Haider FCMA	Independent Director & Chairman, Board Audit Committee

THE BOARD OF DIRECTORS AND IT'S COMMITTEES

The Board of Executive Committee (EC)

Sl.	Name of the Directors	Designation
1	Alhajj Salim Rahman	Chairman
2	Hafez Alhajj Md. Enayet Ullah	Member
3	Alhajj Liakat Ali Chowdhury	Member
4	Alhajj Engr. Kh. Mesbah Uddin Ahmmed	Member
5	Alhajj Mohammed Emadur Rahman	Member
6	Alhajj Md. Rafiqul Islam	Member
7	Khwaja Shahriar	Member

The Board Audit Committee (BAC)

Sl.	Name of the Directors	Designation
1	S.M. Zahir Uddin Haider FCMA	Chairman
2	Alhajj Khalilur Rahman	Member
3	Alhajj Mohammad Abdus Salam	Member
4	Mahbub Ahmed	Member

The Board Risk Management Committee (RMC)

Sl.	Name of the Directors	Designation
1	Mahbub Ahmed	Chairman
2	Alhajj Khalilur Rahman	Member
3	Alhajj Anwar Hossain	Member
4	Alhaz Ahamedul Hoque	Member
5	Alhajj Mohammad Abdus Salam	Member

MANAGEMENT COMMITTEE



Jb. Mohd. Rafat Ullah Khan
Managing Director



Jb. Md. Fazlur Rahman Chowdhury
Deputy Managing Director



Jb. Md. Asaduzzaman Bhuiyan
Deputy Managing Director



Jb. Mohammad Aminul Islam Bhuiyan
Deputy Managing Director



Jb. S. M. Abu Jafar
Deputy Managing Director



Jb. Sayed Abul Hashem FCA, FCMA
Deputy Managing Director



Jb. Engr. Md. Habib Ullah
SEVP, GSD



Jb. Aktar Kamal
SEVP, SAMD



Jb. Abdul Mobin
SEVP, TREASURY



Jb. Kamal Hossain, FCA
SEVP, ICCW



Jb. Md. Towhiduzzaman Fuad
SEVP, OD



Jb. Khaled Hossain
SEVP, MLTFPD



Jb. Md. Abdul Wadud
SEVP, IRMD



Jb. Md. Soheb Ahmed
SEVP, ICTD



Jb. Mohammad Amir Hossain
SVP, HRD



Jb. Mohammad Moniruzzaman, FCA
VP & Company Secretary

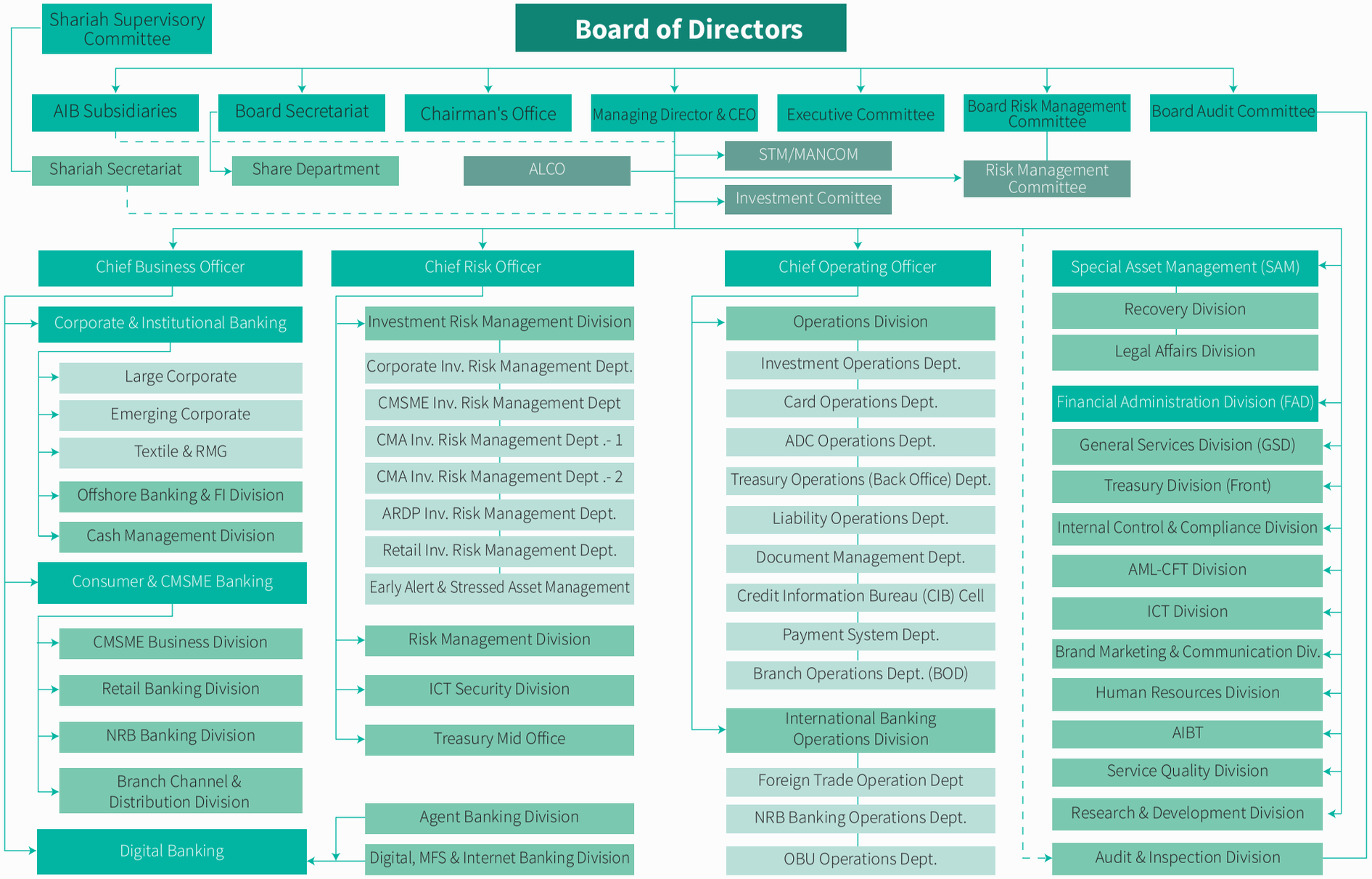
MANAGEMENT COMMITTEE MEMBER LIST

Sl.	Name	Designation	Wing/Div./Dept.	Position in the Committee
01	Jb. Mohd. Rafat Ullah Khan	MD	-	Chairman
02	Jb. Md. Fazlur Rahman Chowdhury	DMD	-	Member Secretary
03	Jb. Md. Asaduzzaman Bhuiyan	DMD	-	Member
04	Jb. Mohammad Aminul Islam Bhuiyan	DMD	-	Member
05	Jb. S. M. Abu Jafar	DMD	-	Member
06	Jb. Sayed Abul Hashem, FCA, FCMA	DMD	-	Member
07	Jb. Engr. Md. Habib Ullah	SEVP	GSD	Member
08	Jb. Aktar Kamal	SEVP	SAMD	Member
09	Jb. Abdul Mobin	SEVP	Treasury	Member
10	Jb. Kamal Hossain, FCA	SEVP	ICCW	Member
11	Jb. Md. Towhiduzzaman Fuad	SEVP	OD	Member
12	Jb. Khaled Hossain	SEVP	MLTFPD	Member
13	Jb. Md. Abdul Wadud	SEVP	IRMD	Member
14	Jb. Md. Soheb Ahmed	SEVP	ICTD	Member
15	Jb. Mohammad Amir Hossain	SVP	HRD	Member
16	Jb. Mohammad Moniruzzaman, FCA	VP & Company Secretary	Board Secretariat	Member

SHARIAH SUPERVISORY COMMITTEE

S.N.	NAME & ADDRESS	DESIGNATION	CONTACT
01	**Prof. Dr. Abu Noman Md. Rafiqur Rahman** Chairman Department of Islamic Studies Bangladesh Islami University Plot # B-51, Avenue # 03 Green Model Town Manda, Mugda, Dhaka-1214	Chairman	01327-274586 (M) dr.a.n.m.rafiqurrahman1234@gmail.com
02	**Mufti Dr. Md. Anwar Hosain Molla** Principal Uttar Badda Islamia Kamil Madrasah Cha # 86, North Badda, Dhaka-1212	Member	01711-629511 (M) mahmollabd@gmail.com
03	**Dr. Md. Ruhul Amin Rabbani** Assistant Professor Deptartment of Islamic Studies Manarat International University Plot # CEN 16, Road #106 Gulshan # 2, Dhaka-1212	Member	01722-557494 (M) ruh1987@yahoo.com
04	**Dr. Hafiz Muztaba Riza Ahmed** Professor Department of Islamic Studies University of Dhaka, Dhaka-1000	Member	01819-271953 (M) rizaunivdhaka1973@du.ac.bd
05	**Mufti Abul Kashem Mohammad Fazlul Hoque** Vice Principal QuederiaTayebia Kamil Madrasha 9/2, Joint Querter, Mohammadpur Dhaka-1207 &Khatib Niketon Masjid, Gulshan # 1 Dhaka-1207	Member	01817-536363 (M) akmfhoque75@gmail.com
06	**Md. Kabir Ahmed** Shariah Supervisory Committee 59/2, Purana Paltan Surma Tower (Lift-18) Dhaka-1000	Secretary	(02) 44850105 (Off) 01752-016968 (M) kabir0339@aibl.com.bd

CORPORATE ORGANOGRAM



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.

OVERALL STRATEGIC OBJECTIVES

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 Islamic 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.

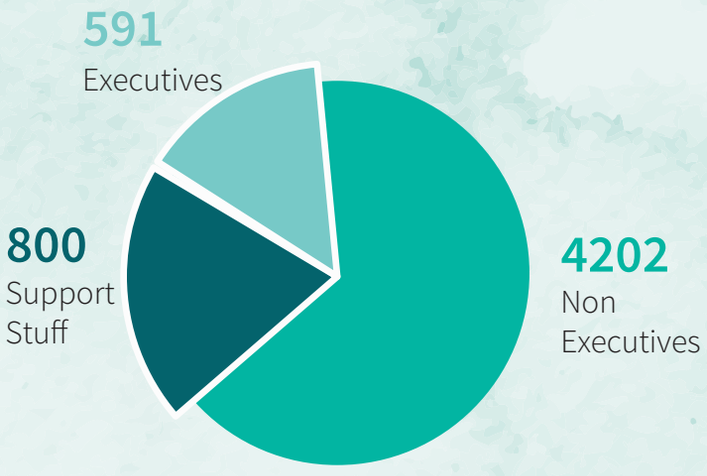
CORE VALUES AND CODE OF CONDUCT

Al-Arafah Islami Bank PLC is committed to conducting its business in full compliance with Shariah principles, regulatory requirements, and internationally accepted standards of corporate governance. We uphold integrity, professionalism, accountability and customer focus in all our activities while striving to create sustainable value for our stakeholders and contribute meaningfully to the economic and social development of Bangladesh. All employees shall perform their duties in strict compliance with the principles of Islamic Shariah and the Bank's approved policies and guidelines support initiatives that promote environmental sustainability, social welfare, and national economic development.

PROFILE OF THE COMPANY

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	24,216.20 Million
Number of Branches	226
Deposit & Borrowings	543,654.28 Million
Investment	501,219.70 Million
Number of Employees	5,593
Number of Shareholders	15,183

HUMAN RESOURCE CAPABILITIES



AIB FAMILY MEMBERS: 5593
As on 31st December 2025

AUDITORS

K.M. Alam & Co.
Chartered Accountants
46, Mohakhali (12th Floor)
Dhaka- 1212

Company Secretary
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@aibl.com.bd
Website: www.aibl.com.bd

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি.
Al-Arafah Islami Bank PLC.
সর্বদাই শরীয়াহ্

Head Office:
Al-Arafah Tower
63, Purana Paltan
(Al-Arafah Tower),
Dhaka-1000

REVISED NOTICE OF THE 31ST ANNUAL GENERAL MEETING (AGM)

Revised Notice is hereby given that the 31st Annual General Meeting (AGM) of the Shareholders of Al-Arafah Islami Bank PLC will be held on Monday, 09 November 2026, at 11:30 a.m. in Hybrid System in combination of Physical Presence at KGC Banquet Hall, Kurmitola Golf Club, Dhaka Cantonment, Dhaka and also virtually by using Digital Platform through the link https://aibplc.bdvirtualagm.com to transact the following businesses and adopt necessary resolutions:

REVISED AGENDA

i) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2025 along with the Reports of the Directors and the Auditors thereon.

ii) To approve Dividend for the year ended December 31, 2025 as recommended by the Board of Directors.

iii) To elect Directors in accordance with the provisions of Law and the Articles of Association of the Company.

iv) To approve the appointment of Independent Directors.

v) To appoint External Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.

vi) To appoint Certification Auditor of the Company as per Corporate Governance Code-2018 for the year 2026 and to fix their remuneration.

vii) Any other matter with the permission of the chairman (if any).

All Hon'ble Shareholders of the company are requested to attend the AGM physically.

By order of the Board
sd/-
(Mohammad Moniruzzaman FCA)
VP & Company Secretary
Phone: 44850027

Date: Dhaka
15th October, 2026

NOTES:

1) Shareholders whose names appear in the Register of members as at the close of business on the "Record Date" i.e. 15 October, 2026 will be eligible to join the 31st Annual General Meeting (AGM).

2) This is to inform all concern that Bangladesh Bank vide its Letter Ref. No. BSD-12/57/2026-396 dated 28.04.2026, has ordered Bank can not declare any dividend for the year 2025. Accordingly, No Dividend shall be paid for the year ended on 31 December, 2025.

3) Pursuant to Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/ 2009-193/08 dated: March 10, 2021 and subsequent Letter No. BSEC/ICAD/SRIC/2024/318/09 dated January 16, 2024, the 31st AGM of the Bank will be conducted through Hybrid System in combination of Physical Presence at KGC Banquet Hall, Kurmitola Golf Club, Dhaka Cantonment, Dhaka and also virtually by using Digital Platform through the link https://aibplc.bdvirtualagm.com.

4) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification, the soft copies of the Annual Report 2025, 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 2025, will also be available at the bank's website www.albl.com.bd.

5) A member eligible for participating and voting at the Annual General Meeting may appoint a proxy on his/her behalf. Power of Attorney/Proxy Form must be submitted to the Registered Office of the Bank or Share Department (Al-Arafah Tower, 63 Purana paltan, 4th Floor, Dhaka) of the Company at least 48 (Forty Eight) hours before the AGM. Revenue Stamp of Tk. 100/- (Taka One Hundred) only shall have to be affixed on the Proxy Form.

6) The shareholders will be able to submit their questions/comments and also vote electronically before 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 through the above mentioned AGM link and also during the Annual General Meeting. E-Voting against the Agenda of AGM will be held only through the AGM link. For login into the system, 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. 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.

A GENERAL REVIEW OF THE PERFORMANCE OF THE COMPANY

Figure in Million

Particulars	2021	2022	2023	2024	2025	Growth %
Income Statement						
Investment Income	23,446.01	25,221.42	31,299.69	42,370.52	41,618.00	(1.55)
Profit paid on Deposit	13,072.79	16,109.65	21,201.23	30,525.47	35,504.56	19.47
Net Investment Income	10,373.22	9,111.77	10,098.46	11,845.05	6,113.44	(51.31)
Non Investment Income	4,250.17	7,516.92	7,798.92	8,191.64	9,085.57	10.91
Non Investment Expenses	7,129.25	8,135.17	9,662.99	11,511.51	11,708.02	(4.21)
Net Non Investment Income	(2,879.08)	(618.25)	(1,864.07)	(3,319.87)	(2,622.45)	(34.94)
Profit Before Tax & Provision	7,494.14	8,493.52	8,234.39	8,525.18	3,490.99	(59.05)
Provision For Investment	2,655.58	3,229.51	2,752.74	4,416.42	2,419.09	(45.23)
Profit Before Tax	4,838.56	5,264.01	5,481.65	4,108.76	1,071.90	(73.91)
Provision For Tax (including Deferred Tax)	2,712.12	3,157.38	3,125.17	3,344.07	217.55	(93.49)
Profit After Tax	2,126.44	2,106.63	2,356.48	764.69	854.35	11.73
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	10,968.49	11,516.92	11,516.92	-
Reserve Funds & Other Reserves	11,733.35	11,733.99	12,052.66	12,324.74	12,601.09	2.24
Shareholders' Equity (Capital & Reserve)	25,900.33	25,917.49	26,497.62	25,696.08	26,055.11	1.40
Deposits	353,287.97	394,045.83	419,395.25	454,507.46	485,969.51	6.89
Investment	336,890.72	406,787.79	447,121.45	482,038.73	497,821.80	3.27
Investment in Shares & Securities	30,156.14	36,946.92	47,316.26	58,089.16	79,561.06	16.32
Fixed Assets	5,470.27	5,144.43	5,010.42	5,575.43	5,931.38	6.38
Total Assets (Excluding off-balance sheet items)	462,687.05	534,756.11	573,308.83	621,743.57	645,256.74	4.32
Foreign Exchange Business						
Import Business	261,566.10	300,430.90	269,322.70	343,840.00	350,840.00	2.04
Export Business	135,786.90	181,070.20	200,352.30	255,800.00	259,200.00	1.33
Guarantee Business	13,673.41	17,155.97	18,675.06	16,501.45	19,320.24	17.08
Inward Foreign Remittance	52,662.10	88,531.70	113,797.20	90,140.60	96,063.50	6.57
Capital Measures						
Core Capital (Tier-I)	29,301.30	29,640.35	30,245.15	29,163.23	29,352.53	0.65
Supplementary Capital (Tier-II)	14,359.58	14,916.76	15,244.75	13,819.54	13,921.79	0.74
Tier-I Capital Ratio	10.37	9.43	9.34	8.44	7.52	(10.93)
Tier-II Capital Ratio	5.08	4.75	4.71	4.00	3.57	(10.85)
Total Capital	43660.88	44,557.11	45,489.90	42,982.77	43,274.32	0.68
Total Capital Ratio	15.46	14.17	14.05	12.44	11.08	(10.91)
Investment Quality						
Volume of Non-Performing investment	16,566.84	22,437.37	30,866.19	74,055.37	88,522.04	19.53
% of NPIs to Total Investment	4.81	5.41	6.76	15.14	17.16	13.34
Provision for Unclassified Investment	3,084.10	3,372.47	3,483.95	3,475.70	5,848.30	68.26
Provision for Classified Investment	8,173.23	10,973.86	14,133.02	17,681.70	12,744.51	(27.92)
Provision for Off Balance sheet Exposures	1,093.40	1,221.13	1,203.62	1,398.90	1,260.30	(9.91)
Share Information						
Number of Shares Outstanding	1,064,902,185	1,064,902,185	1,096,849,251	1,151,691,713	1,151,691,713	-
Earning per Share (Taka)	1.96	1.95	2.14	0.66	0.74	13.08
Book Value per Share (Taka)	22.73	22.75	22.63	20.85	21.16	1.49
Market Price per Share (Taka)	26.60	23.60	23.70	18.50	15.00	(18.92)
Price Earning Ratio (Times)	13.57	12.10	11.06	29.75	20.24	(28.30)
Price Equity Ratio (Times)	1.17	1.04	1.05	0.94	0.71	(20.11)
Dividend per Share						
Cash Dividend (%)	15.00	12.00	10.00	-	-	-
Bonus Share	-	3.00	5.00	-	-	-
Operating Performance Ratio						
Net Profit Margin%	3.26	2.11	1.95	2.17	1.05	(1.12)
Investment /Deposit Ratio	87.57	90.25	91.34	91.55	88.75	(3.06)
Return on Equity (ROE)%	8.21	8.13	8.89	2.98	3.28	0.30
Return on Assets (ROA)%	0.46	0.39	0.41	0.12	0.135	5.37
Cost of fund %	6.00	6.46	7.28	9.12	9.80	0.68
Cost /Income ratio in operating business (%)	48.75	48.92	53.99	57.45	77.03	30.76
Other Information						
Number of Branches	201	208	215	226	226	-
Number of Employees	4,247	5,184	5,768	6,026	5,593	(7.17)
Number of Shareholders	19,146	17,186	16,293	15,766	15,183	(3.70)

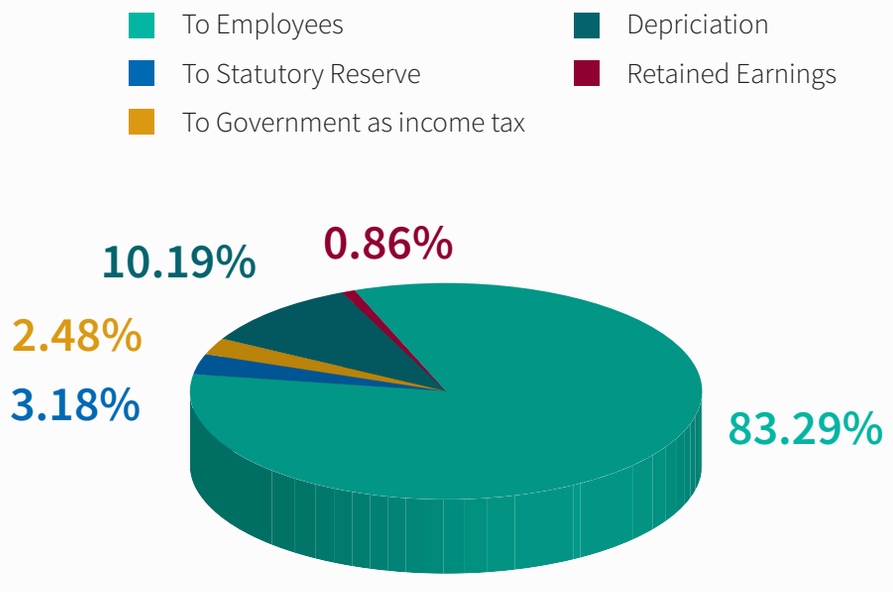
VALUE ADDED STATEMENT

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	2025	2024
Income from Banking Service	50,703.57	50,466.39
Cost of Services & Supplies	(39,525.02)	(33,559.56)
Value added by Banking Services	11,178.55	16,906.83
Provision for Investment & Off balance Sheet Items	(2,419.09)	(4,416.42)
Total Value Addition	**8,759.46**	**12,490.41**
Value Distributed		
To Employees	7,295.87	7,961.77
To Statutory Reserve	278.42	270.00
To Government as Income Tax	217.55	3,344.07
Depreciation	892.31	901.06
Retained Earnings	75.31	13.51
Total Value Distributed	**8,759.46**	**12,490.41**

DISTRIBUTION OF VALUE OF ADDITION



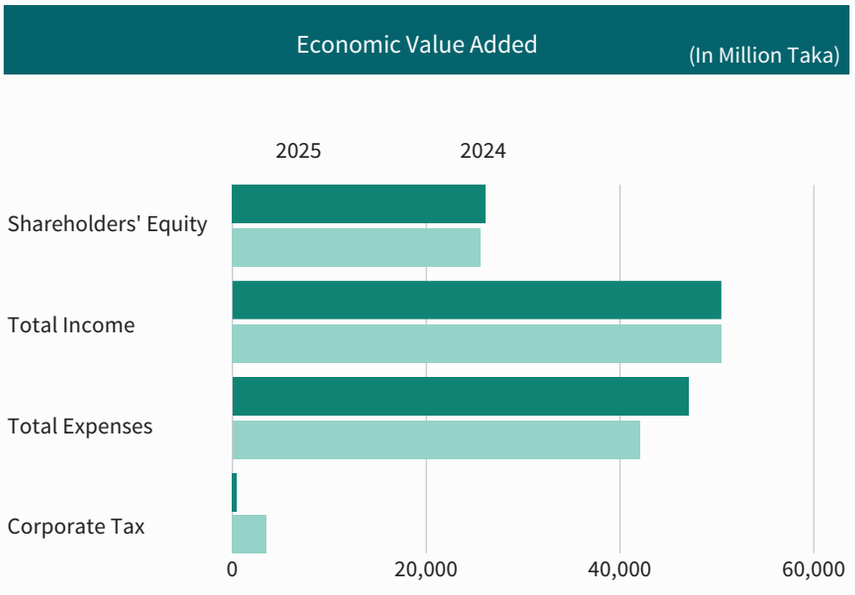
ECONOMIC VALUE-ADDED STATEMENT

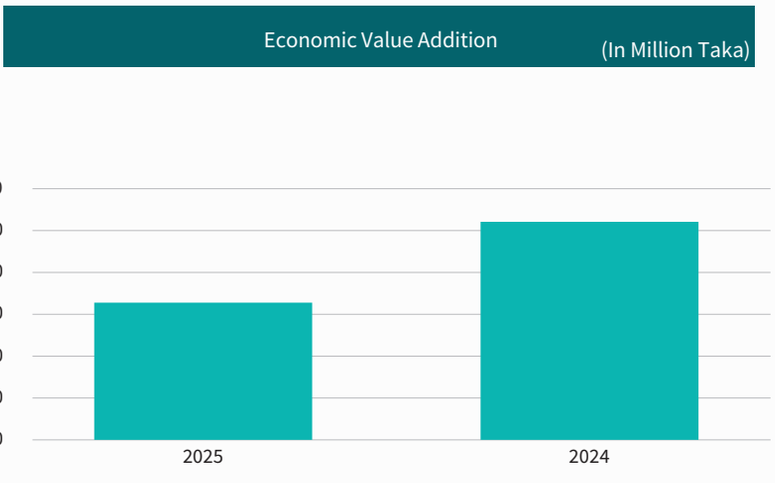
Economic Value Added (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of the required minimum return for shareholders at comparable risk. EVA of the Bank stood at BDT 3,273.44 million as on 31 December 2025 as against that of BDT 5,181.11million in 2024.

(BDT in millions)

Particulars	2025	2024
Shareholders' Equity	26,055.11	25,696.08
Total Income	50,703.57	50,562.16
Total Expenses	(47,212.58)	(42,036.98)
Corporate Tax	(217.55)	(3,344.07)
Capital charge	-	-
Economic Value Addition	3,273.44	5,181.11

*Capital Charge = Paid up capital x Percentage of Dividend





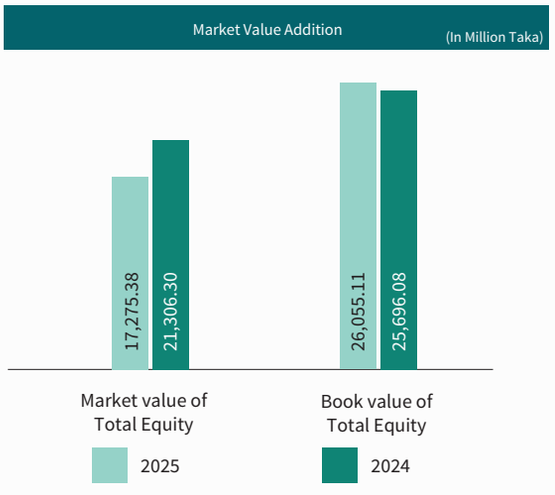
MARKET VALUE ADDED STATEMENT

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

(BDT in million)

Particulars	2025	2024
Market Value of Total Equity	17,275.38	21,306.30
Book Value of Total Equity	26,055.11	25,696.08
Market Value Addition	(8,779.73)	(4,389.78)

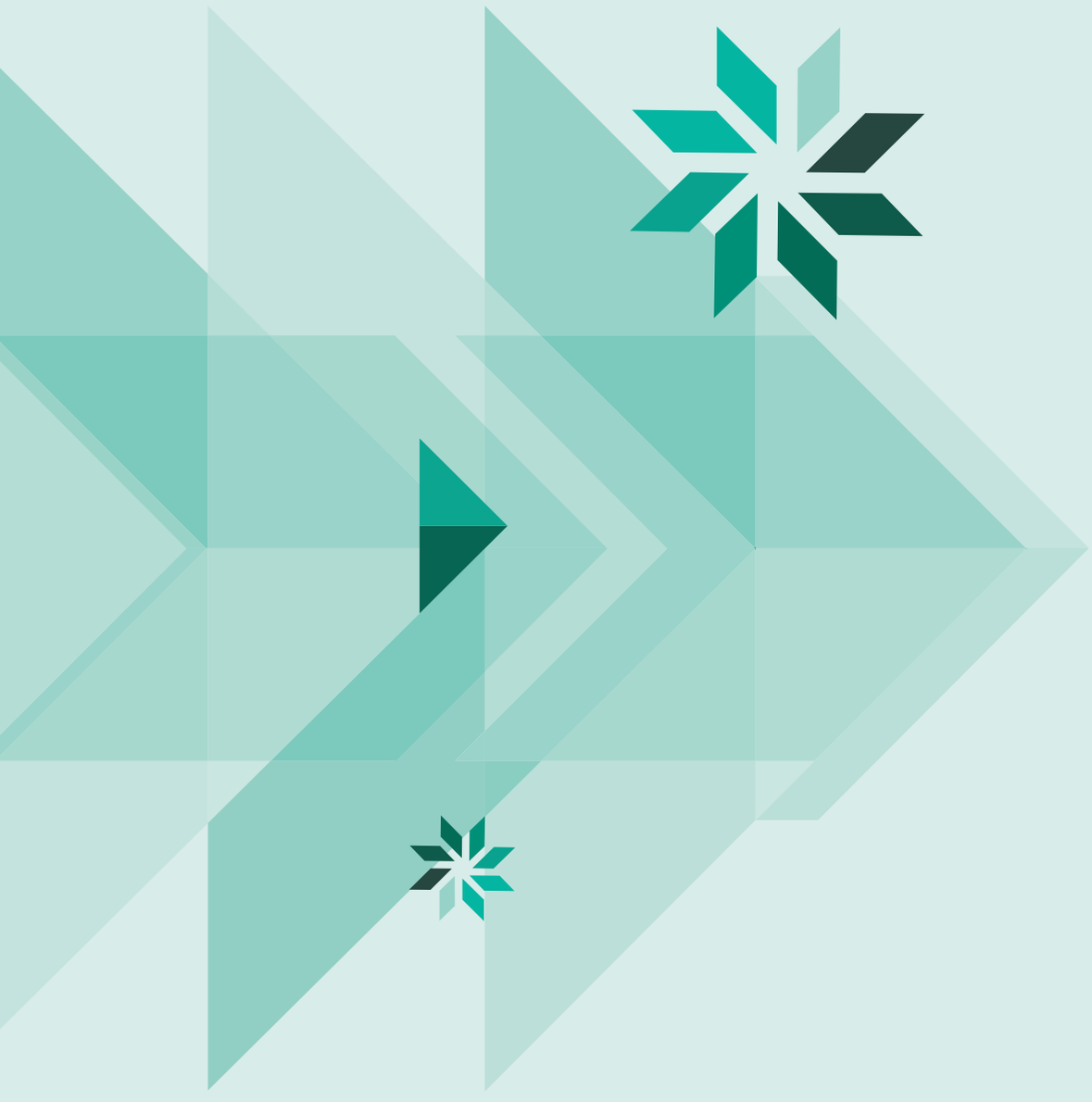
MARKET VALUE ADDITION



Total number of share outstanding: 1,151,691,713 (1,151,691,713)*

Market value per share: BDT 15.00 (18.50)*

* Previous Year's figures in brackets.



COMMENTARY AND ANALYSIS
INCLUDING DIRECTOR'S REPORT



CHIARMAN'S ADDRESS

Bismillahir Rahmanir Rahim.

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

Dear Shareholders, Customers, Regulators, Employees and Valued Stakeholders,

Assalamu Alaikum Wa Rahmatullah.

It is my privilege to present the Chairman's Message for the Annual Report 2025 of Al-Arafah Islami Bank PLC. This year's report carries a special significance for our institution. As we advance with the strength of three decades of trust, service and Shariah-based values, we also enter a new phase of institutional renewal - a phase defined by reform, resilience, sustainability, digital readiness and purposeful growth.

The theme of this year's Annual Report - Rooted in Trust. Rising with Resilience. Growing with Purpose. - reflects the direction of Al-Arafah Islami Bank PLC in 2025. Trust remains our foundation. Resilience represents the discipline through which we respond to uncertainty. Purpose defines the way we grow - not merely by expanding our balance sheet, but by serving people, strengthening the real economy, upholding Shariah principles and building a bank that is future-ready, responsible and different from others in conduct, capability and contribution.

From Legacy to Renewal: Entering a New Chapter of Institutional Strength

Al-Arafah Islami Bank PLC has served the people of Bangladesh for the last three decades with a commitment to ethical finance, customer trust and national development. This legacy is an asset, but it is also a responsibility. In 2025, we treated this legacy not as a reason for comfort, but as a reason to renew ourselves with greater discipline and higher ambition.

The banking industry has changed significantly. Customer expectations are more digital and immediate. Regulators rightly expect stronger governance and transparency. Depositors seek assurance, not only return. Businesses need faster, more reliable and more inclusive financial solutions. In this environment, a bank can no longer depend only on heritage or network strength. It must demonstrate the quality of its governance, the soundness of its risk culture, the transparency of its operations and the relevance of its services.

Accordingly, 2025 was a year of continued reform and purposeful progress for Al-Arafah Islami Bank PLC. We advanced our transformation journey with a clear intention: to build a stronger, more centralized, more digital, more accountable and more customer-centric Islamic bank. Our focus was not short-term recovery alone; it was to strengthen the Bank's foundation for sustainable growth over the long term.

Global Economy in 2025: Navigating Uncertainty with Discipline

The global economy in 2025 continued to move through a period of complexity and cautious adjustment. Inflationary pressures, tight monetary conditions, geopolitical tensions, trade realignments, energy market uncertainty, technological disruption and shifting investment flows continued to influence global economic confidence. Many advanced economies focused on restoring price stability, while emerging markets faced the dual challenge of maintaining growth and protecting external sector stability.

For financial institutions, this environment reinforced a fundamental lesson: resilience must be built before uncertainty arrives. Banks must preserve liquidity, manage asset quality, strengthen capital, modernize operations and serve customers with prudence. Digital capability, governance maturity and risk intelligence are no longer optional advantages; they are essential conditions for institutional stability.

As a Shariah-based bank, we view this global uncertainty through the lens of ethical stewardship. Islamic finance has an inherent responsibility to promote fairness, transparency, asset-backed value creation and disciplined risk sharing. These principles remain highly relevant in a world seeking more responsible and sustainable financial practices.

Bangladesh Economy: Reform, Stability and the Search for Sustainable Growth

Bangladesh's economy in 2025 continued to navigate a period of structural adjustment, reform and resilience. Inflationary pressure, exchange rate challenges, import management, liquidity constraints and investment uncertainty affected households, businesses and financial institutions. At the same time, the economy remained supported by domestic consumption, remittance flows, exports, agriculture, small and medium enterprises and the resilience of the people of Bangladesh.

The national reform agenda has brought renewed attention to transparency, institutional accountability, financial discipline and formalization of economic activity. These priorities are essential for strengthening confidence and supporting sustainable growth. As the economy moves forward, banking institutions must play a responsible role in directing funds toward productive sectors, supporting entrepreneurs, enabling digital transactions, strengthening financial inclusion and protecting depositor confidence. Islamic banking has a strategic role in this transition.

With its ethical foundation, asset-backed approach and

emphasis on fairness, Islamic banking can support the real economy in a manner that is both commercially viable and socially meaningful. Al-Arafah Islami Bank PLC remains committed to contributing to this national journey through responsible financing, inclusive banking, Shariah-compliant innovation and sustainable value creation.

Bangladesh Banking Sector: A Defining Moment for Governance and Trust

The banking sector of Bangladesh passed through a defining period in 2025. Liquidity discipline, non-performing assets, governance standards, loan classification, provisioning, capital strength and public confidence became central issues across the industry. The year reinforced a clear truth: the real strength of a bank is measured not only by size, but by governance, transparency, asset quality, risk management and the confidence it commands among depositors and stakeholders.

Regulatory reform and stronger supervision have encouraged banks to revisit their operating models, internal control systems, Board oversight, credit discipline, digital capability and customer engagement practices. This reform environment is necessary for restoring long-term stability in the sector. It also creates an opportunity for responsible institutions to distinguish themselves through ethical conduct and disciplined execution.

At Al-Arafah Islami Bank PLC, we welcome this shift toward accountability. We believe that a stronger banking sector is essential for Bangladesh's economic progress. We also believe that Islamic banks must lead by example - not only through Shariah identity, but through governance excellence, service reliability, disciplined risk management and inclusive contribution to the economy.

Reforming from Within: Building a Bank Led by Governance, Systems and Accountability

The transformation of Al-Arafah Islami Bank PLC begins from within. Following the reconstitution of the Board of Directors, we continued to strengthen the Bank's governance framework, operational discipline and institutional accountability. This was not simply a leadership change; it was a reaffirmation of our commitment to transparency, Shariah compliance, ethical stewardship and system-led management.

During the year, the Board focused on empowering oversight functions and strengthening the independence of critical areas. Audit, Risk, Compliance and Shariah Governance received renewed priority. We worked to ensure clearer separation between policy oversight, business execution, credit assessment, risk control and administrative functions. This separation is essential for reducing undue influence, improving decision quality and reinforcing accountability at every level.

We also continued to move away from person-dependent practices toward process-dependent execution. Policies, approvals, reporting lines, monitoring tools and performance expectations are being structured to support transparency and consistency. Our objective is to create a bank where decisions are guided by data, discipline, Shariah principles and institutional interest - not by informality or discretion.

Rooted in Trust: Strengthening Institutional Confidence and Shariah Governance

Trust is the foundation of banking, and it is the foundation of Al-Arafah Islami Bank PLC. In 2025, we continued to strengthen this trust through governance discipline, Shariah compliance, service continuity, transparency and proactive engagement with stakeholders.

During a period of sector-wide sensitivity and depositor vigilance, Al-Arafah Islami Bank PLC remained focused on protecting confidence. The Bank emphasized centralized fund monitoring, improved liquidity visibility, customer communication, internal engagement and coordinated action across the network. We are grateful that, through the dedication of our employees and the continued confidence of our customers, the Bank remained resilient and continued its journey toward stronger stability.

Shariah governance remains central to our identity. Every product, service and financing decision must be aligned with Shariah principles and regulatory requirements. We continued to strengthen the role of Shariah oversight, product review, compliance monitoring and awareness across the Bank. Our responsibility is to ensure that Islamic banking is practiced not only as a label, but as a disciplined, transparent and ethical financial model.

Rising with Resilience: Strengthening Liquidity, Asset Quality and Risk Discipline

Resilience is built through discipline. In 2025, we placed strong emphasis on liquidity management, asset quality, classified investment monitoring, recovery initiatives, prudent investment selection and balance sheet discipline. Our approach was to pursue quality growth rather than expansion without control.

We continued to strengthen centralized treasury governance and liquidity monitoring to ensure timely visibility of fund flows across the Bank. Deposit mobilization remained a priority, supported by customer engagement, service continuity and product relevance. We also worked to optimize our deposit mix and reinforce depositor confidence through consistent communication and reliable service delivery.

Asset quality remained one of the most important areas of focus. We strengthened recovery monitoring, established dedicated attention for stressed accounts and continued structured engagement with clients. Our approach to

recovery is guided by three principles: prevention, early detection and structured resolution. Viable clients require responsible support, while willful default and weak discipline require firm action within legal, regulatory and Shariah-compliant frameworks.

Going forward, risk management will remain a core strength of the Bank. We are advancing toward stronger early warning mechanisms, better portfolio monitoring, more independent credit assessment and a culture where every business decision is supported by cash-flow analysis, feasibility assessment, risk review and Shariah compliance.

Growing with Purpose: Transformation for Sustainable Islamic Banking

Growth becomes meaningful only when it serves a purpose. For Al-Arafah Islami Bank PLC, growth is not only a financial target; it is a responsibility to support customers, entrepreneurs, communities and the real economy through ethical and Shariah-compliant banking.

In 2025, our transformation agenda focused on building a sustainable Islamic banking model that is modern in capability and timeless in values. We advanced initiatives around centralization, digitalization, business process reengineering, customer segmentation, inclusive banking, deposit innovation, SME and agricultural financing, service quality, brand repositioning and people capability.

Our ambition is to be different from others in the most meaningful way - by being more trusted, more disciplined, more transparent, more customer-focused and more aligned with the principles of Islamic finance. We want to build a bank that is grounded in faith, driven by technology, strengthened by governance and defined by purpose.

Centralization for Control, Efficiency and Service Consistency

Centralization was one of the most important strategic priorities of the year. A large institution with an extensive network must operate with consistency, control and visibility. Without centralization, operational variation increases, manual dependency grows and risk monitoring becomes difficult. Therefore, we continued to strengthen a centralized operating model across key areas of the Bank.

Through centralized reporting lines, centralized fund control, standardized workflows and stronger supervision, we are building a more disciplined and efficient institution. Critical functions such as credit, risk, treasury, operations, compliance and monitoring are being reinforced under clearer structures and better accountability. This transformation will help reduce operational anomalies, improve turnaround time, enhance service consistency and strengthen internal control.

Centralization also allows branches to focus more effectively on customers. As processing, monitoring and control functions become more structured, our branch teams can devote greater attention to relationship management, quality business generation, deposit mobilization, financial advisory and customer service. This is a necessary shift for building a modern Islamic bank.

Digitalization for a Future-Ready Customer Experience

Digitalization remained a major pillar of our transformation journey in 2025. Today's customers expect banking to be convenient, secure, transparent and accessible across physical and digital channels. Islamic banking must respond to this expectation without compromising Shariah principles, customer trust or regulatory discipline.

During the year, we continued to invest in technology-driven platforms, automation, reporting capability, digital transaction infrastructure and customer convenience. We worked to improve digital onboarding, automated profit computation, transaction efficiency, internal dashboards, data-driven decision-making and process visibility. These initiatives are designed to reduce manual dependency, improve accuracy and support faster service delivery.

We also recognize the importance of cyber security, data protection and digital awareness. As banking becomes increasingly digital, trust must also become digital. Customers must feel confident that their transactions, information and financial relationships are protected. Therefore, digital transformation at Al-Arafah Islami Bank PLC is being pursued with prudence, security and accountability.

Business Process Reengineering: Moving from Traditional Banking to Agile Banking

Transformation requires more than technology; it requires process redesign. In 2025, we continued business process reengineering to simplify workflows, improve accountability, reduce duplication, enhance speed and make the Bank more agile.

Our focus is to move from traditional, manual and fragmented practices toward a more integrated, automated and customer-segment-based operating model. Retail, SME, agriculture, corporate, remittance and digital customers have different needs. A modern bank must understand these differences and design products, services and processes accordingly.

Business process reengineering is also helping us build a stronger performance culture. By defining responsibilities, setting measurable expectations, strengthening monitoring and aligning people with processes, we are creating a more accountable and efficient organization. This will support better customer outcomes, stronger risk control and more sustainable growth.

Inclusive Growth: SME, Retail, Agriculture, Women Banking and Real Economy Financing

Al-Arafah Islami Bank PLC remains committed to inclusive growth and real economy financing. Bangladesh's long-term progress depends on entrepreneurs, farmers, small businesses, exporters, women-led enterprises, young professionals, wage earners and rural communities. Banking must reach these segments with dignity, relevance and fairness.

In 2025, we continued to emphasize SME, retail, agricultural financing, RMG and trade-related businesses, remittance-linked services and customer segments that contribute directly to production, employment and economic resilience. We are also strengthening our approach to women banking and financial inclusion to ensure broader participation in formal finance.

Agent banking, sub-branches, digital services and relationship-led banking provide important channels for inclusive growth. By combining our physical network with digital capability, we aim to bring Shariah-compliant banking closer to underserved communities and emerging entrepreneurs. Inclusive banking is not only a business opportunity; it is part of our purpose as an Islamic financial institution.

Sustainability and Ethical Finance: Creating Value Beyond Profit

Sustainability is central to the future of banking. A bank must create value not only for shareholders, but also for customers, employees, communities, regulators and the national economy. Islamic finance is naturally aligned with this principle because it emphasizes fairness, responsible conduct, real economic activity and avoidance of harmful practices.

In 2025, we continued to align our institutional direction with sustainable and ethical finance. Our areas of focus include green finance, SME and agriculture, responsible investment, inclusive banking, digital efficiency, social impact and Shariah-compliant value creation. We are also exploring opportunities to support ESG-aligned and Shariah-compliant instruments that can contribute to long-term economic and environmental resilience.

Our sustainability journey is closely connected with governance. Without governance, sustainability becomes only a statement. With governance, sustainability becomes a discipline. Therefore, we are working to integrate responsible banking principles into policies, products, processes, monitoring and stakeholder engagement.

Brand positioning: A Modern Islamic Bank with a Timeless Foundation

As we move forward, we recognize that transformation must also be reflected in how the Bank communicates, serves and connects with people. In 2025, we advanced our brand positioning journey to present Al-Arafah Islami Bank PLC as a modern, confident and purpose-driven Islamic bank with a timeless foundation of trust.

Our brand is rooted in Shariah values, ethical conduct and public confidence. At the same time, it must remain relevant to a new generation of customers, entrepreneurs, digital users, professionals and communities. Therefore, our brand transformation focuses on clarity, consistency, modern visual expression, stronger communication standards, improved customer experience and a more unified institutional voice.

This positioning does not change who we are. It expresses who we are with greater strength and relevance. We are a bank rooted in trust, rising with resilience and growing with purpose.

People, Culture and Capability: Preparing the Workforce for Transformation

No transformation can succeed without people. Our employees are the daily custodians of customer trust, Shariah values and institutional discipline. In 2025, we continued to focus on capability building, role clarity, compliance mindset, digital readiness, service attitude and performance culture.

As the Bank moves toward centralization, digitalization and stronger governance, our people must also evolve. We are reviewing structure, strengthening skills, improving accountability and promoting a culture where the right people are placed in the right roles with the right responsibility. Training, mindset change and leadership development will remain essential for the success of our reform agenda.

We want to build a workforce that is ethical, skilled, agile, customer-focused and future-ready. Our employees have shown commitment during a period of transformation, and I express my sincere appreciation for their dedication, patience and professionalism.

Financial Performance Review: Quality Growth with Responsible Discipline

By the grace of Almighty Allah (SWT), Al-Arafah Islami Bank PLC continued its journey in 2025 with a focus on stability, reform, quality growth and responsible profitability. The Bank remained committed to maintaining sound liquidity, prudent investment practices, regulatory compliance, Shariah governance and stakeholder confidence.

During the year, the Bank emphasized deposit mobilization, asset quality improvement, recovery initiatives, cost discipline, investment diversification and business expansion in priority sectors. Our performance should be viewed not only through financial numbers, but also through the quality of reform, the resilience of operations and the sustainability of future growth.

The Bank's operating profit stood at 3500.75 million during the year. Total assets reached 640489.25 million, while total deposits stood at 486267.40 million. The Bank maintained its Investment-Deposit Ratio within regulatory requirements at 88.75%.

Overdue investments stood at 19676.20 million, while rescheduled investments stood at 8349.60 million. Classified investments stood at 88522.03 million, representing 17.16% of total investments. Recovery and regularization initiatives remained a key management priority throughout the year.

In SME, retail and agricultural financing, the Bank continued to support productive sectors and broader financial inclusion. SME investment stood at 154517.20 million, retail banking performance stood at 10,200 million, and agricultural investment stood at 10,520million. The Bank also continued to support RMG, trade finance and remittance-related customers in line with national economic priorities.

The Offshore Banking Unit continued to operate within regulatory guidelines and supported eligible foreign currency transactions. Risk mitigation remained a central focus of the Bank, with stronger monitoring, credit discipline, internal control and compliance review.

Our subsidiary companies continued to contribute to the broader financial ecosystem of the Bank. AIBL Capital Market Services Limited, AIBL Capital Management Limited and AIBL Asset Management Company Limited will remain important components of our diversified financial services strategy. Their respective 2025 performance figures will be presented in the relevant sections of this Annual Report.

Strategic Outlook: Building the Next Era of Al-Arafah Islami Bank PLC

Looking ahead, our direction is clear. Al-Arafah Islami Bank PLC will continue to strengthen governance, deepen centralization, accelerate digitalization, improve asset quality, enhance customer experience, expand inclusive banking and develop sustainable Shariah-compliant financial solutions.

We envision the Bank as a benchmark institution for modern Islamic banking - one that is grounded in faith, driven by technology and defined by governance. The future we are building is centralized, automated, insight-led and customer-focused. In that future, core functions such as credit, deposit, risk, treasury, compliance and service delivery will be monitored with greater transparency and supported by stronger data and systems.

We will continue to support women-led enterprises, CMSMEs, rural entrepreneurs, agriculture, remittance customers and Shariah-based value chain industries. We will also explore opportunities in fintech partnerships, digital onboarding, sustainable finance, Waqf-based concepts, green Sukuk and other ethical financial instruments as regulatory frameworks evolve.

Our ambition is not simply to recover or grow; our ambition is to redefine what a trustworthy, inclusive and visionary Islamic bank should be in Bangladesh. We want to lead not by volume alone, but by values, discipline, innovation and purpose.

Closing Reflection: Rooted in Trust, Rising with Resilience, Growing with Purpose

In every period of challenge, institutions are tested not only by the pressure they face, but by the character they demonstrate. In 2025, Al-Arafah Islami Bank PLC continued to move forward with faith in Almighty Allah (SWT), confidence in our people and commitment to our stakeholders.

We are deeply aware that trust must be earned every day. We are equally aware that resilience must be built through discipline, and growth must be guided by purpose. These principles will continue to guide our journey as we build a stronger, more sustainable and more future-ready Islamic bank.

On behalf of the Board of Directors, I express my sincere gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission, our shareholders, customers, depositors, Shariah Supervisory Committee, management team, employees, partners and all stakeholders for their continued trust, support and guidance.

May Almighty Allah (SWT) guide us in our efforts, strengthen our resolve and accept our sincere work for the welfare of the people, the economy and the Ummah.

Wa Assalamu Alaikum Wa Rahmatullah Wa Barakatuh.



Badiur Rahman
Chairman, Board of Directors
Al-Arafah Islami Bank PLC

Date: 09th November 2026



MANAGING DIRECTOR'S ADDRESS

Bismillahir Rahmanir Rahim

Assalamu Alaikum wa Rahmatullahi wa Barakatuhu.

All praise is due to Allah (SWT) and may peace and blessings be upon our beloved Prophet Muhammad (SM), his family, his companions and all those who follow his noble path.

It is with profound gratitude, humility and a strong sense of responsibility that I present this message as the Managing Director of Al-Arafah Islami Bank PLC, reflecting on a year characterized by resilience, strategic transformation and sustainable progress.

The year 2025 presented significant challenges for the banking industry, marked by heightened regulatory oversight, macroeconomic adjustments, evolving customer expectations and structural changes within the financial sectors. Despite these complexities, Al-Arafah Islami Bank PLC remained steadfast in its commitment to its core values and strategic objectives.

Through prudent leadership, sound governance and disciplined execution, we strengthened institutional resilience, enhanced transparency and reinforced our position as a trusted Shariah-based bank dedicated to inclusive, ethical and technology-driven banking.

Since its inception, the Bank has remained committed to making Islamic banking accessible to all segments of society while contributing meaningfully to the country's socio-economic development. This enduring legacy became even more relevant during a period of unprecedented transformation. Rather than merely responding to external challenges, we embraced them as opportunities to accelerate institutional reform, strengthen our governance framework, modernize our operational processes and foster a culture of accountability, innovation and service excellence. Our progress throughout the year reflects not only our resilience but also our determination to build a stronger and more sustainable institution for the future.

We continued to invest in digital transformation, customer-centric service delivery, risk management, human capital development and Shariah compliance to ensure that the Bank remains well-positioned to meet the evolving needs of our customers while maintaining the highest standards of integrity and operational excellence. These strategic initiatives have laid a solid foundation for sustainable growth and long-term value creation for all stakeholders.

On behalf of the Management, I extend my heartfelt appreciation to our esteemed Board of Directors for their visionary guidance, the Shariah Supervisory Committee for their invaluable counsel, our respected shareholders for their continued confidence, our dedicated employees for their unwavering commitment, our valued customers for their enduring trust and our regulators and other stakeholders for their continuous support and cooperation. Your confidence and partnership remain the driving force behind our achievements and inspire us to pursue excellence with renewed determination.

As we move forward, we remain firmly committed to upholding the principles of Shariah, embracing innovation, strengthening governance and delivering sustainable value to our stakeholders. With the grace of Almighty Allah (SWT), we are confident that Al-Arafah Islami Bank PLC will continue its journey of growth, resilience and excellence while contributing to the prosperity of our nation and the well-being of the communities we serve.

Sectoral Reckoning and Institutional Response

Long-standing concerns over investment irregularities, governance shortcomings and declining public confidence led to significant regulatory reforms aimed at strengthening transparency, accountability and financial stability.

In response, Bangladesh Bank introduced a number of important measures, including stricter investment classification and restructuring policies, enhanced governance standards, stronger capital requirements and reinforced AML and CFT compliance. These initiatives were intended to restore discipline and rebuild trust in the financial system.

While many financial institutions faced significant challenges in adapting to the new regulatory environment, Al-Arafah Islami Bank PLC remained resilient. We

maintained our financial stability without requiring any special regulatory support and most importantly, continued to earn the trust and confidence of our valued customers.

Through the strategic initiatives of the Brand Communication & Marketing Division (BCMD), AIBPLC has significantly strengthened its brand image and market presence. By implementing integrated marketing campaigns, enhancing digital engagement, maintaining consistent corporate branding, and promoting customer-centric communication, BCMD has elevated the Bank's visibility and credibility. These efforts have reinforced public confidence, increased stakeholder engagement, and positioned AIBPLC as a modern, trusted, and progressive Islamic bank committed to excellence.

Rather than being distracted by external challenges, we focused on strengthening our governance, improving operational efficiency and upholding the principles of Shariah-based banking. This period not only demonstrated our resilience but also reaffirmed our commitment to ethical banking, sound management and sustainable growth.

Strategic Direction and Institutional Transformation

At Al-Arafah Islami Bank PLC, transformation is not a reaction—it is a deliberate roadmap. In 2025, 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.

AIBPLC continues to prioritize investment recovery and core deposit mobilization as key strategic objectives. Through strengthened recovery efforts, disciplined portfolio management, and targeted initiatives to increase CASA deposits, the Bank enhanced asset quality, improved liquidity, and reduced funding costs. These efforts have reinforced the Bank's financial stability and supported sustainable long-term growth.

Treasury Excellence in a Challenging Global Environment

The global economy in 2025 was marked by geopolitical tensions, supply chain disruptions, inflationary pressures, and financial market volatility, creating significant challenges for the banking sector. Despite these headwinds, our Treasury function demonstrated resilience through prudent balance sheet management, ensuring adequate liquidity, regulatory compliance, and effective fund management in line with Bangladesh Bank's guidelines and Shariah principles.

Our Treasury team successfully managed a foreign exchange business turnover of USD 5.8 billion through an extensive global correspondent banking network while maintaining key regulatory ratios, including CRR, SLR and IDR, within prescribed limits. We also strengthened our liquidity position through strategic investments in Shariah-compliant Sukuk instruments and continued to provide tailored treasury solutions to our corporate clients.

In response to evolving market conditions and sector-wide liquidity challenges, our Asset Liability Management Committee (ALCO) remained proactive in optimizing profit rates, managing balance sheet risks, promoting CASA deposit mobilization, and enhancing overall ALM governance. These collective efforts have reinforced our financial resilience and positioned the Bank to navigate uncertainties while delivering sustainable value to our stakeholders.

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.

Corporate Governance, Transparency & Accountability

We strengthened our governance framework by implementing fit-and-proper standards across all leadership levels, enhancing the effectiveness of Board committees, and reinforcing internal audit and control mechanisms. In response to evolving regulatory

requirements and greater public expectations, we continued to align our governance practices with internationally accepted standards while upholding the principles of Shariah. These initiatives have enhanced institutional accountability, strengthened risk management, and reinforced the confidence and trust of our stakeholders.

Automation and Digital Transformation

In 2025, AIBPLC accelerated its digital transformation by introducing innovative, customer-centric and Shariah-compliant banking solutions. Key achievements included enhanced Internet Banking services, pioneering Bangla QR acquiring for interoperable digital payments, and expanded capabilities of the Islamic Wallet through interoperable fund transfers, digital donations and value-added services. Looking ahead, the Bank remains committed to advancing its digital ecosystem with next-generation banking solutions, reinforcing financial inclusion, enhancing customer experience, and supporting Bangladesh's transition toward a secure and cashless digital economy. Our digital transformation journey is going to evolve into full-scale automation of both customer-facing and back-office operations.

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, salaried professionals, corporates, CMSMEs 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. Agriculture remains a vital pillar of Bangladesh's economy, and AIBPLC continues to support the sector through its bilateral agricultural financing programs. By extending timely and Shariah-compliant financing to farmers, agribusinesses and agro-based enterprises, the Bank contributes to enhancing food security, rural employment and sustainable agricultural development. Our continued focus on agricultural financing reflects our commitment to inclusive economic growth and the empowerment of rural communities.

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. At AIBPLC, Corporate Social Responsibility is an integral part of our commitment to inclusive and sustainable development. Throughout the year, we continued to support initiatives in education, healthcare, disaster relief, social welfare, and community development, extending assistance to underprivileged and vulnerable communities across the country. Guided by our values and Shariah principles, we remain dedicated to creating a positive social impact and contributing to the nation's long-term socio-economic progress.

Customer-Centricity and Experience Innovation

In today's banking environment, customer trust and convenience are essential. We continued to enhance our customer experience by offering personalized services, Shariah-based financial guidance, efficient payroll solutions and innovative digital merchant services. Our focus remains on understanding and meeting the evolving needs of our customers through reliable, convenient, and value-driven banking solutions. The continued trust and confidence of our customers reflect the success of these efforts.

Sustainability Commitment

Sustainability is no longer a future goal—it is an operational standard. We disbursed green finance across renewable and environmentally conscious projects and scaled up our ESMS framework. Our AML and CFT systems were upgraded to use real-time monitoring, AI screening and Shariah-aligned compliance reporting. Sustainability remains a cornerstone of AIBPLC's long-term vision. In line with Bangladesh Bank's Green Banking Guidelines and our commitment to responsible banking, we continued to finance environmentally sustainable projects, promote energy-efficient initiatives and expand paperless banking through digital transformation. We also strengthened our green office practices by optimizing resource utilization

and reducing our environmental footprint. Through these initiatives, AIBPLC remains committed to supporting a greener economy while creating sustainable value for our customers, communities and future generations.

Brand Repositioning and Institutional Trust

Our reputation in 2025 stood firm amid sector-wide turbulence. With ethical conduct, transparent communication and consistent delivery, we repositioned Al-Arafah Islami Bank PLC as a 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. 1,972,060 million representing 11.10% point to point growth from Tk. 19,739,580 million as on 31 December 2025 to Tk. 17,767,520 million as on 31 December 2024.

Islamic Banks' Deposits

All Islamic Banks' deposits stood at TK. 4,811,920 million during the year 2025 as against Tk. 4,397,580 million in the previous year 2024 and it increased by Tk. 414,340 million registering a growth of 9.42% in 2025. The share of Islamic Banks' deposits as of 31 December 2025 stood at 24.38% as compared to at 24.75% on 31 December 2024.

Banks' Advances /Investment

Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,018,340 million representing 5.98% point to point growth from Tk. 18,044,230 million as on 31 December 2025 to Tk.17,025,890 million as on 31 December 2024.

Islamic Banks' Investments

All Islamic Banks' Investments stood at TK 5,250,710 million during the year 2025 as against Tk. 4,793,100 million in the previous year 2024 and the Investment increased by Tk 457,610 million registering a growth of 9.55% in 2025. The share of Islamic Banks' Investments as of 31 December 2025 stood at 29.10% as compared to 28.15% of 31 December 2024.

Operating Profit

Despite a tough start of the year 2025 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

The total deposit of the bank was Tk.486,267.40 million at 31st December 2025 as against Tk. 454,854.47 million at 31st December 2024 a growth of 6.90% of which Tk 3,401.40 million was bank deposit and Tk.482,866 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.

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 2025 & 2024 are appended below:

Particulars	2025	2024
Yield on Investment	8.44%	8.87%
Cost of Deposit & Borrowings	7.57%	6.70%
Spread	0.87%	2.17%
Cost of Administration	2.23%	2.42%
Cost of Fund	9.80%	9.12%
Non- Funded Income	1.96%	1.96%
Net Spread	0.60%	1.71%

Deposit Mix

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

Deposit Mix	Achievement 2025	Achievement 2024
Cost Free Deposit	13.26%	14.81%
Low cost	22.77%	21.03%
High Cost	63.97%	64.16%
Total	100.00%	100.00%

Plan and Strategies for Deposit Mobilization

Our plan and strategies for mobilizing deposits aregiven 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 stated 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 localindustrialist, businessmen, professionals etc.
- Focusing on small private/personal deposits for a solid deposit base.
- Focusing on School Banking.
- Opening of big Corporate Client Accountshaving high volume transactions along with salary accounts.
- Induction of Clients having large ForeignExchange Portfolio so that cost free deposit i.e.margin account, FC held etc. may bemaintained.
- Opening of more FC Accounts to keep morecurrent account balance.
- Expediting the booking of more Current, Saving sand SND Accounts.
- Encouraging the opening of collection accounts of different service-oriented institutions like DPDC, DESCO, PDB, NGOs, Schools, Colleges, Universities, Titas Gas, Bakhrabad Gas, Mosques, Madrasahs etc.

Investments

Total Investments of the bank stood at Tk.501,219.70 million recording 94.57% achievement of the Target of Tk.530,000 million as on 31st December 2025 as against Tk.484,844.36 million on the same day of 2024. The investments increased by Tk.16,375.34 million recording a 3.38% growth in 2025 as against national growth of 5.98%. The target forinvestment for the year 2026 has been fixed at Tk.563,000.00 million with anticipated growth of 12.33%.

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 upand supervision for maintaining the quality andensuring 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 portfolioby size, sector, economic purpose andgeographical 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. 3,490.99 million during the year 2025. The operating profit of the Bank during the year 2024 was Tk. 8,525.17 million and thus the Bank attained negative growth of 59.05% in respect of operating profit. The provision for income tax for the year amounted to Tk. 217.55 million

Our plan and strategies for increasing operating profit are-

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

International Banking Wing (IBW)

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. 706,101.30 million during the year 2025 as against the Target of Tk.861,000.00 million. Our Foreign Exchange business has increased by Tk.16,321.30 million recording a growth of 2.37%. Target of International Trade for the year 2026 has been fixed at Tk.815,000.00 million with 15.42% 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 2025 stood at Tk. 350,840.00 million as against Tk 343,840.00 million in the previous year. We recorded a 2.04% growth in import business in 2025 over 2024. Target for Import business for the year 2026 has been fixed at Tk. 400,000.00 million with an expected growth of 14.01%.

Export Business

Total Export business of the bank for the year 2025 stood at Tk. 259,200.00 million as against Tk 255,800.00 million in year 2024 and thus recorded a growth of 1.29% over previous year. Our target for Export business for the year 2026 has been fixed at Tk 300,000.00 million with an expected growth of 15.74%.

Remittance

Total remittance of the bank stood at Tk.96,063.50 million during the year 2025 as against Tk. 90,140.60 million, in the previous year. Our remittance business recorded 6.57% growth in 2025 over 2024. Target for Remittance business for the year 2026 has been fixed at Tk. 115,000.00 million and thus expecting a growth of 19.72%.

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

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.

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-24 (Million USD)	DEC-25 (Million USD)	GROWTH (%)
Total Assets	71.07	93.41	31.43%
UPAS	40.79	68.34	67.54%
MDBFC	23.45	19.69	-16.03%
HPSM Machinery	6.2	5.15	-16.93%
Placement from Parent Bank	68.84	91.17	32.43%
Borrowing from Overseas Banks	0	0	
Net Operating Income	1.02	1.11	8.82%

Foreign Remittance Division:

The Financial Institution Division continued to play a pivotal role in strengthening and managing relationships with foreign correspondent banks throughout 2025. During the year, the Bank successfully established 24 new Relationship Management Applications (RMAs) with leading global banks across Asia, the Middle East, and Europe, thereby enhancing its capacity to facilitate international trade. As a result, the Bank now maintains correspondent relationships with more than 352 banks and branches spanning 57 countries.

In line with its strategic objective to expand global transaction capabilities, Nostro accounts in AUD and CAD were established to facilitate smoother and more efficient settlement of remittance transactions in those respective currencies. During the year, the Bank initiated and completed the process of opening USD Nostro account with JPMorgan Chase Bank, New York. This is expected to significantly strengthen the Bank's ability to process international payments efficiently.

To ensure seamless treasury, remittance, and trade settlements, the Bank currently operates Nostro Accounts in major global currencies, including USD, EUR, GBP, JPY, SAR, AED, CNY, SGD, CAD and AUD. As of the end of 2025, the Bank maintained a total of 37 Nostro Account s across 22 correspondent banks, ensuring efficient and reliable execution of international transactions.

Despite prevailing global and domestic economic challenges, the Bank successfully arranged credit lines to support import trade activities. Its trusted network of foreign correspondents continued to provide financial backing for the import of essential commodities such as fertilizers, industrial raw materials, and capital machinery, thereby supporting key sectors of the economy.

All international trade operations are conducted through a centralized framework, in strict compliance with the guidelines of the central bank and international best practices. These operations are managed by a team of highly experienced and professionally certified officials, ensuring operational efficiency, accuracy, and regulatory compliance.

To further strengthen security and compliance, the Bank has implemented robust regulatory frameworks, including migration of SIWFT ISO integration with its Core Banking System and the deployment of advanced sanction screening solutions from SWIFT. In addition, the Bank subscribes to globally recognized credit intelligence providers such as Dun & Bradstreet and Creditsafe. The use of vessel tracking services from Lloyd's List Intelligence further enhances the Bank's risk management capabilities.

Furthermore, the Bank has implemented a state-of-the-art transaction monitoring system to strengthen oversight of trade transactions and reinforce a strong compliance culture across all operations.

Through these strategic initiatives and continuous technological advancements, the Bank remains committed to strengthening global banking relationships, ensuring full regulatory compliance, and facilitating seamless international trade.

NRB Banking Division

The NRB Banking 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 39 (thirtynine) 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.

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

1. Remittance Achievement

The Branches & Agent Banking Outlets of AIBPLC have procured foreign remittance BDT 1,909.58 crore which is 19.88%, disbursement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 7,674.42 crore which is 79.89% and disbursement of foreign remittance through MFS (bKash and Nagad) was BDT 22.34 crore which is 0.233% of the total remittance in 2025.

Performance of Foreign Inward Remittance –from 2021 to 2025

Year	Remittance		No. of Transactions	Target (In Crore)	Achievement (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2021	5,266.21	618.68	827,851	5,400	97.52%	20.21
2022	8,853.17	876.62	12,31,132	6,350	139.42%	68.11
2023	11,379.73	1,010.44	1,366,646	10,000	113.80	28.54%
2024	9,014.06	755.92	9,94,108	17,000	53.02%	-20.79%
2025	9,606.35	784.26	1,000,439	13,000	73.89%	6.57%

2. Remittance Drawing Arrangement

We have executed 4 (four) new remittance drawing arrangements with different exchange houses in Spain, UK, & USA (Global) in 2025 and another 10 (Ten) more exchange houses from different hubs of the world are under process. In order to boost-up remittance business the division is deploying all-out effort to establish new drawing arrangement with exchange houses in KSA, UAE, Oman, Bahrain, Kuwait, Qatar, Malaysia, UK, USA & across the globe.

3. Foreign Remittance Operation at Agent Banking Outlets

Our all Agent banking outlets have been disbursing foreign remittance under the support of NRB Banking Division. Remittance achieved through Agent Banking Outlets during 2025 was BDT 833.06 crore which was 8.67% of total remittance.

Asset Quality

Overdue investments stood at Tk. 19,676.20 million as on 31st December 2025 as against Tk. 21,343.10 million as of December, 2025. Total overdue decreased by Tk. 16,666.90 million during the year 2025 bringing the same to 3.90% of our total investment as against 4.45% 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. 21,587.70 million from Tk. 61,902.90 million to Tk. 83490.60 million (Term investments by Tk. 38748.60 million plus Continuous and Demand investments by Tk. 44,742 million) which was 16.55% of total Investment. Recovery against rescheduled investment during the year 2025 was Tk. 3907.50 million.

Classified investments increased by Tk. 14,466.67 million in 2025 from Tk. 74,055.36 million to Tk. 88,522.03 million representing 15.14% of total investment as against 6.76% in the previous year. During the year 2025, recovery & regularization against classified investment stood at Tk. 32,355.67 million while recovery against written off investments stood at Tk. 191.12 million recording a total recovery of Tk. 36,454.29 million which includes a recovery Tk. 3907.50 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.

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 compliancewith the new provision, the bank has raised its Capital fromTk. 42,982.78 million to Tk.43,274.32 million (Consolidated Basis) and Tk.40,763.14 million to Tk. 41,435.41 million (Solo Basis).Outstanding balance of AIBL Mudaraba Subordinated Bond Tk. 6,398.00 million as at 31st December 2025.

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

In the year 2015 AIBL issue Mudaraba Subordinated Bond Tk. 3,000.00 million, in the year 2018 for Tk. 5,000.00 million,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 2025.The total reserve fund has stood at Tk. 12,601.09 million in the current year against Tk. 12,324.74 million at 31st December 2024. 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 Solo Basis capital adequacy ratio of the Bank as on 31.12.2025 are appended below:

Million Taka

a)Core Capital (Tier-I)	2025	2024
Paid up Capital	11.516.92	11.516.92
Statutory Reserve	11,516.92	11,238.49
Retained Earnings	98.19	11.50
AIBL Perpetual Bond	5000.00	5000.00
Total	**28,132.03**	**27,766.91**
Less Good will and other Intangible assets	618.41	446.60
Total Core Capital	**27,513.62**	**27,320.31**
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	7,523.79	4,874.60
Assets Revaluation Reserve	542.09	543.13
AIBL Sub Ordinate Bond	6,398.00	9,000.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.09)	(543.13)
Less: Excess Amount over Maximum Limit of T-2	0.00	431.77
Total Supplementary Capital	13,921.79	13,442.83
Total Capital (a+b)	41,435.41	40763.14
c) Capital Adequacy Ratio	10.72	12.13

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 watch lists
- 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 withShariah 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 2025, a total of 226 branches 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

The year 2025 marked a strategic milestone for Al-Arafah Islami Bank PLC (AIBPLC) with the transfer of Agent Banking Division profits to 140 designated Link Branches. This policy is not merely a financial adjustment but a long-term structural integration intended to remain permanent. By aligning the financial interests of Link Branches with Agent Outlets, the management envisions a robust growth trajectory starting in 2026, focusing on core deposit mobilization, rural investment expansion, and a zero-tolerance approach toward fraud.

Responsibilities of the Head Office (Strategic Oversight)

In accordance with Bangladesh Bank's "Agent Banking Operational Guidelines" and AIBPLC's internal policies, the Head Office serves as the central regulatory body. Its core duties include:

- Policy Formulation & Shariah Compliance: Ensuring all agent banking products and processes strictly adhere to Islamic Shariah principles and central bank directives.

- Technological Infrastructure: Maintaining a secure, real-time transaction environment and implementing Advanced AML/CFT monitoring tools to detect suspicious activities centrally.

- Monitoring & Evaluation: Analyzing the performance data of the 140 link branches and providing strategic direction to bridge performance gaps.

- Capacity Building: Designing comprehensive training modules for Outlet Managers and Link Branch Focal Persons to enhance professionalism and ethical standards.

Responsibilities of the Link Branch (Operational Supervision)

The transfer of profit transforms the Link Branch from a passive observer into an active stakeholder. Their duties are now intensified:

- Core Deposit Mobilization: Actively guiding agents to collect low-cost deposits (CASA), which will be reflected in the Link Branch's own performance KPIs.

- Rural & CMSME Investment Management: Identifying and supervising potential investments in Agriculture and Small Enterprises at the grassroots level, ensuring proper utilization and timely recovery.

- Physical Verification & Audit: Conducting mandatory monthly visits to outlets to verify cash balances, registers, and customer KYC documents, as per Bangladesh Bank's "Internal Control and Compliance (ICC)" standards.

- Fraud Prevention: Serving as the first line of defense against financial irregularities by maintaining a close professional rapport with agents.

Strategic Expectations for 2026 and Beyond

The authority anticipates several transformative outcomes from this integrated model:

- Exponential Growth in Core Deposits: Since Link Branches now have a direct financial incentive, they will provide better support to agents, leading to a significant rise in stable, long-term deposits.

• Enhanced Financial Inclusion: By focusing on Agricultural and Micro-investments, the bank will play a pivotal role in the rural economy, fulfilling the Financial Inclusion goals of the Government.

• Eradication of Malpractice: Dual-layer monitoring (Link Branch + Head Office) ensures that any attempts at fraud or forgery are detected and neutralized instantly.

• Empowered Outlet Managers: With the direct mentorship of Link Branches, Outlet Managers will become more effective, professional, and aligned with the bank's corporate culture.

• Superior Customer Experience: Proximity to the Link Branch ensures that customer grievances are resolved swiftly, fostering trust in the AIBPLC brand.

Example of successful financial inclusion within the Bangladeshi context.

Retail Banking

In 2025, the Retail Banking Division of Al-Arafah Islami Bank PLC entered a phase of strategic consolidation and calibrated expansion, building upon the strong foundation established in the previous year. Our focus remained firmly anchored on sustainable profitability, disciplined deposit mobilization, customer-centric innovation, and Shariah-aligned financial inclusion.

The year was characterized by a deliberate shift toward strengthening our core deposit base, refining customer segmentation strategies, and accelerating digital integration across retail touchpoints. Through data-driven decision-making and enhanced field execution, the Division reinforced its operational resilience while maintaining steady growth momentum across key retail verticals.

Guided by the principles of Islamic banking and a commitment to responsible finance, we continued to deliver value-driven solutions that meet the evolving needs of our customers. Through innovative product development, targeted business campaigns, and enhanced customer engagement initiatives, the Division further strengthened its position as a trusted provider of Shariah-compliant retail financial services.

Retail Banking Highlights

• The Division introduced three new retail deposit products—Mudaraba Savings Plus Deposit, Al-Wadiah Current Plus Account, and Mudaraba YouthSaver Account—a suite of innovative banking solutions designed to address the evolving needs of diverse customer segments. These products offer compelling value propositions, enhanced flexibility, and digital convenience, enabling the Bank to strengthen CASA growth while deepening customer engagement among high-value customers, youth, professionals, and the broader retail banking market.

• Retail investment outstanding grew by 18% year-on-year, reflecting the Division's sustained efforts to expand access to Islamic financial services across diverse retail segments. This growth was supported by innovative propositions offerings and responsive, relationship-driven service delivery.

• The Division successfully onboarded new payroll clients and expanded its payroll customer base, contributing to strengthened customer loyalty, increased cross-sell conversion, and more stable recurring deposit inflows through the AIBPLC Payroll Privilege Services (APPS) proposition. These efforts further reinforced our position as a preferred banking partner for various organizations and their employees.

• The Division launched Retail Business Hub in Chattogram, establishing a purpose-built center of excellence that promotes collaboration, performance accountability, and a business-oriented service culture. Building on its early success, plans are underway to establish additional hubs in strategic locations, creating a dedicated retail sales infrastructure to deepen customer relationships, enhance service quality, and accelerate business growth.

• A targeted campaign was executed to re-engage less-active and low-value account holders. The initiative successfully revitalized customer relationships, generated meaningful deposit inflows, and reinforced the Division's core deposit base, demonstrating the significant untapped potential within the existing customer portfolio.

• Regular branch visits and comprehensive training programmes were conducted across the network throughout the year. These initiatives reinforced product knowledge, strengthened Shariah banking awareness, improved frontline execution quality, and ensured alignment between branch-level activities and the Division's overall retail business objectives.

• Dedicated retail campaigns were executed across social media platforms and the official AIBPLC website, significantly enhancing the Division's digital visibility. These efforts generated higher levels of customer engagement and directly supported business acquisition initiatives across key product categories.

• The Division continued to leverage customer data analytics and segmentation frameworks to better understand customer behavior, identify growth opportunities, and deliver more personalized product propositions. These initiatives supported informed decision-making and improved customer experience across the retail banking portfolio.

Card Business Highlights

• While the Retail Banking Division continued to drive deposit and investment growth, the Card Business Unit served as a high-efficiency revenue engine and a key contributor to customer engagement. During the year, the Bank successfully strengthened its card portfolio through focused business development initiatives, enhanced customer value propositions, and expanded market presence. Features like “Pre-approved Cards” and “Card-to-Card” transfers became the preferred choice for all professionals seeking Shariah-compliant flexibility. We have issued contactless cards, supported by a nationwide “Tap & Go” campaign.

• The Bank continued to promote its Shariah-compliant card offerings, including debit and credit card products, while expanding customer adoption through targeted campaigns and strategic partnerships. A dedicated card sales team was established to accelerate card acquisition and portfolio growth. Furthermore, several strategic alliance partners were onboarded, enabling the Bank to offer attractive discounts, privileges, and lifestyle benefits to cardholders across a broad merchant network.

• The continued expansion of contactless payment solutions and digital card services further enhanced customer convenience and supported the Bank’s broader digital transformation agenda.

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. ARDPactivities are being conducted at a total 298 work stations, including 25 sub branches and 98 agent outlets through 175 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.

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 the banking sector in Bangladesh. The bank has already invested a total taka 504571.80 million in investment sector out of which taka 154517.20 million has been invested in the CMSME sector and participated in most of refinance and pre-finance schemes announced by Bangladesh Bank.

In 2026 AIB PLC CMSME moto is “quality growth with centralized strength and Branch execution”. Our aim is to minimize investment risk through small scale investment 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. We have already created a separate SME Business Division to accelerate our CMSME Business. At the same time, we have introduced several shariah based CMSME investment product which will definitely assist to contribute higher in GDP. Another thing to note is that which investment product is more attractive to the customer and should be presented to investment client s in easier way. Government and Bangladesh Bank have provided refinancing facility at only 5% profit rate to women entrepreneur sector and 2% more cash incentive 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.

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 & Service.

AIB PLC CMSME Investment at a glance

Figure in Million

Description	2025	2024
Total CMSME Portfolio	154,517.20	159,854.65
% of CMSME Portfolio to Total Portfolio	30.62%	33.06%
Target of CMSME Investment	145,000.00	115,000.00
% of Achievement	106.56%	139.00%

Investment on Women Entrepreneurs

Women entrepreneurs are playing an increasingly important role in the economic development of Bangladesh. They contribute to employment generation, poverty reduction, and family income enhancement across urban and rural areas. The Government of Bangladesh has introduced various policies and incentives to promote women's participation in business. Financial institutions, under the guidance of Bangladesh Bank, provide dedicated loan facilities and refinance schemes for women entrepreneurs.

The SME Foundation actively supports women through training, market linkage, and capacity development programs. Women entrepreneurs are significantly contributing to sectors such as handicrafts, agro-processing, retail, and light manufacturing. Their involvement strengthens the CMSME sector and promotes inclusive economic growth. Access to digital platforms has further enabled women to expand their businesses nationwide. Despite progress, challenges such as limited access to finance, training, and market opportunities still exist. However, with continued institutional support and policy focus, women entrepreneurs are expected to play a stronger role in Bangladesh's sustainable economic growth.

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.

Investment Data Summary for Women Entrepreneurs

Description	Figure In Million
Total SME Portfolio in women Entrepreneurs	6,654.60

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. 25,000 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 Millionat 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) 2024-25

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 2024-25

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

5. 'GhorePhera' Refinance Scheme

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

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

Under this Refinance scheme Bangladesh Bank set the target of 200Million. 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 66.0Million was accumulated from where 9.70Million 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:

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

Information & Communication Technology

In 2025, the ICT Division of Al-Arafah Islami Bank PLC 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 the completion of major infrastructure modernization initiatives, significant enhancements to digital channels, and continued investment in building a secure, resilient, and future-ready banking ecosystem.

Key Achievements & Initiatives

1. Core Banking System (CBS) Modernization

Al-Arafah Islami Bank PLC reached a defining milestone in 2025 by completing a comprehensive modernization of its Core Banking System — the engine that powers every transaction, account, and service the Bank delivers to its customers. This transformation was undertaken with one clear purpose: to serve customers better, faster, and more reliably than ever before.

As a direct result of this modernization, customers now experience significantly faster account opening and transaction processing, reduced waiting times at branches, and smoother access to banking services across all channels. The upgraded system ensures greater reliability during peak hours, minimizing service disruptions that customers may have previously encountered. It also lays the foundation for a wider range of digital products and Shariah-compliant financial solutions to be introduced in the coming period — enabling the Bank to respond to customer needs more swiftly and innovatively.

The same modernized infrastructure has been replicated at the Bank's Disaster Recovery site, ensuring that customers continue to enjoy uninterrupted banking services even in the event of any unforeseen disruption.

2. Internet Banking Enhancement

The Bank significantly expanded its Internet Banking platform in 2025, bringing a range of new services directly to customers' fingertips — reducing the need for branch visits and making everyday banking simpler and more accessible.

- Customers can now register and activate their Internet Banking account entirely online, no branch visit required.
- Mobile and data recharge services are now available through Internet Banking, adding everyday convenience for customers.
- Customers can open Islamic Term Deposit (ITD) and MTDR accounts digitally through the iBanking platform — saving time and enabling self-service banking.
- The Rapid Account opening process has been simplified, allowing new customers to get started with the Bank faster than ever before.

3. Islamic Wallet Enhancement

The Bank's Islamic Wallet continued to evolve as a comprehensive Shariah-compliant digital payment and lifestyle platform, offering customers an ever-growing range of services that align with their faith and daily needs.

- Al-Arafah Islami Bank PLC became the first bank in Bangladesh to offer both Static and Dynamic Bangla QR payments, making cashless payments easier and more widely accepted for customers.
- Customers can now transfer funds seamlessly to other banks, mobile financial services, and payment platforms — all from within the Islamic Wallet.
- Deen, an Islamic content platform, is now integrated within the wallet — offering customers access to faith-enriching content alongside their banking services.
- The Digital Dan Box allows customers to make charitable donations digitally through the app — reflecting the Bank's commitment to community and Islamic values.
- Customers can now recharge their Rapid Pass and MRT cards directly through the Islamic Wallet, making daily commuting more convenient.

4. Infrastructure Enhancement

Behind every smooth banking experience is a strong and reliable infrastructure. In 2025, the Bank made significant investments in modernizing its infrastructure — improvements that directly translate into more stable, faster, and more secure services for customers across all channels.

- Upgraded the Bank's core infrastructure to deliver greater speed, reliability, and stability for all banking services.
- Enhanced connectivity and storage between systems to ensure seamless and uninterrupted service across branches and digital platforms.
- Strengthened network and data security to better protect customer data and transactions.
- Expanded the infrastructure setup at the Disaster Recovery site, further safeguarding continuity of customer services during any disruption.

5. Disaster Recovery (DR) Site Modernization

To further strengthen service continuity and protect customer interests, the Bank commenced relocating its Disaster Recovery site to a state-of-the-art facility at Kaliakoir Hi-Tech Park. This investment ensures that in any unlikely event of a disruption, the Bank can quickly restore full operations — keeping customers' accounts, transactions, and digital services running without significant interruption.

Looking Ahead — 2026 Priorities

The Bank remains committed to placing customers at the heart of every technology initiative. In 2026, the ICT Division will focus on:

- Completing infrastructure modernization to ensure faster, more reliable, and always-available banking services for all customers.
- Strengthening data protection and cybersecurity to safeguard customer information and build trust.
- Internet Banking: Refreshed user interface for a simpler experience; fund transfers to Nagad, Upay, and TAP; interoperable MFS and PSP transfers; more utility and lifestyle payment options; Branch QR for cash withdrawal; and e-Investment application through iBanking.
- Islamic Wallet: Refreshed user interface; Education Management System for institutional tuition fee payments; Digital Term Deposit (ITD and MTDR) opening through the wallet; more utility and lifestyle payment options; and e-Investment application through the wallet.
- Introducing AI-driven tools to enhance service quality, detect fraud more effectively, and offer customers more personalized banking experiences.
- Ensuring full readiness of the new Disaster Recovery site to guarantee uninterrupted services for all customers.

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% CO_2 reduction across Scope 1, 2, and 3 emissions by 2029. Emissions in 2024 were: Scope 1 – 9,990.25 CO_2, Scope 2 – 2,812.93 CO_2, Scope 3 – 1,009,033.18 CO_2. 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 2025 strengthened implementation. That year, green finance disbursement reached BDT 9,889.90 million, and total sustainable finance stood at BDT 1,45,219.71 million, focused on sectors like LED lighting, recycling, green bricks, and eco-friendly industries. In 2025, the Bank significantly exceeded its targets for environmental and social investing. It achieved a 43.57% allocation of term investments to green finance (against a 5% target) and directed 30.74% of total investments toward sustainable finance (against a 20% target).

AIBPLC also participates in Bangladesh Bank refinance schemes, including the Refinance Scheme for Green Products/ Projects /Initiatives, Technology Upgradation Fund, and Green Transformation Fund (GTF), earning recognition as one of the most sustainable banks in 2022. Under GTF, outstanding of refinance obtained from BB is BDT 869.3 million with profit rate of 5% at client level.

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 and direct CSR activities in some special environment friendly projects such as Climate resilience and disaster management, in green clean transportation project, govt. approved eco-tourism projects, sandwich panel, natural eco-system protection and restoration. The reduced portion of profit from subsidized financing will be treated as a CSR contribution.

AIBPLC spent BDT 75.59 million out of total approved budget of BDT 100.00 million in 2025. In Education sector, the bank has spent BDT 24.0 million to 321 underprivileged undergraduate students through its own Education Scholarship Program, helping them pursue higher studies. Additionally, it allocated BDT 3.14 million to Healthcare, BDT 48.3 million to Disaste Relief, BDT 0.15 million to Climate Riskinitiatives under Environment Protection significantly benefiting the society.

In 2025 our total expenditure in CSR is BDT 75.59 million which is shown sector wise in the table below:

(in Million BDT)

Sl No.	Particulars	2024	2025
1	Health	143.81	3.14
2	Education	60.58	24.00
3	Disaster Management	89.10	48.30
4	Cultural Activities	0.00	0.00
5	Environmental Protection	5.71	0.15
Total		**299.20**	**75.59**

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:

a. 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 up to 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 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.

c. Al-Arafah Islami Bank Foundation Kidney Dialysis Center, Chattogram: Al-Arafah Islami Bank Foundation stablished 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.

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 young stars. We have 5593 staff in the Bank of whom 591 are executives 4202 are officers and 800 other staff a as on 31st December 2025.

We nominated 200 employees in outside training course viz. BIBM, BBTA, BAB etc. in 2025 and they have completed the course successfully.

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-ArafahIslami 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 financesand 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 andIslami 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/bankinglaws/ rules/ regulation/Islamic bankingand core riskmanagement guidelines of Bangladesh Bank and other regulators.

Credit Rating

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

Long Term	**:**	**AA-(pronounced Double AMinus)**
Short Term	:	ST-3
Based on	:	Audited Financial Statement 2024
Date of Rating	:	July 14, 2025
Validity	:	July 13, 2026
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
14 July 2025	AA-	ST-3	Stable
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

Conclusion Mark

As we enter 2026, marking the 30 years anniversary of Al-Arafah Islami Bank PLC, we celebrate not only an important milestone but also the beginning of a new chapter in our journey. Over the past three decades, we have built a strong foundation based on trust, integrity, Shariah principles and customer-centric service. Building upon this legacy, we are committed to strengthening our leadership position and advancing as a modern, ethical and technology driven Islamic bank.

This anniversary is not simply a celebration of our history; it is an opportunity to renew our commitment to excellence and sustainable growth. The banking industry continues to evolve with changing customer expectations, a rapidly advancing digital landscape and an increasingly dynamic regulatory environment. In response, we will continue to move forward with clear direction, sound governance and disciplined execution to ensure that we remain resilient and well-positioned for the future.

In 2026, our strategic priorities will focus on strengthening institutional governance, enhancing operational efficiency and further embedding a culture of accountability and excellence across the bank. We will continue to invest in secure, innovative and Shariah-compliant digital banking solutions to provide our customers with more convenient, accessible and efficient services. At the same time, we will expand and strengthen our agent banking network

to extend quality financial services to the underserved communities across the country.

We also aim to diversify our Islamic financial offerings by exploring innovative investment solutions, including Sukuk and other Shariah-compliant products that promote sustainable economic development. Furthermore, we will continue to support financial inclusion by promoting women's banking, encouraging youth entrepreneurship and enhancing financial literacy, thereby contributing to the overall socio-economic development of Bangladesh.

As we embark on our fourth decade, we remain committed to leading through innovation, integrity, and responsible banking. While the journey ahead will bring new opportunities and challenges, we are confident in our ability to adapt, grow and create lasting value for all our stakeholders.

I extend my sincere appreciation to our dedicated employees, whose professionalism, commitment and hard work continue to drive our progress. I also express my gratitude to our valued customers for their unwavering trust, our respected shareholders for their continued confidence, our honorable Board of Directors for their unwavering guidance, trust, and steadfast support throughout our journey, our regulators and business partners for their guidance and support, and all other stakeholders who have contributed to our success.

Above all, we express our deepest gratitude to Almighty Allah (SWT) for His countless blessings and seek His continued guidance, mercy and barakah in all our endeavors.

Together, we will continue to strengthen Al-Arafah Islami Bank PLC as a trusted institution that upholds the principles of Islamic banking, delivers sustainable value to its stakeholders, and contributes meaningfully to the economic and social development of the nation.



Mohd. Rafat Ullah Khan
Managing Director
Date: 09th November 2026

BOARD OF DIRECTOR'S 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 WaRahmatullahi WaBarakatuhu.

The Board of Directors of the Bank takes the privilege to welcome you all to the 31st 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 2025.

Economy Analyses

World Economy Outlook

The rules of the global economy are in flux. Detailsof newly introduced policy measures are slowly coming into focus, and growth prospects are shifting along with them. After the United States introduced higher tariffs starting in February, subsequent deals and resets have tempered some extremes. But uncertainty about the stability and trajectory of the global economy remains acute. Meanwhile, substantial cuts to international development aid and new restrictions on immigration have been rolled out in some advanced economies. Several major economies have adopted a more stimulative fiscal stance, raising concerns about the sustainability of public finances and possible cross border spillovers. The world's economies, institutions, and markets have been adjusting to a landscape marked by greater protectionism and fragmentation, with dim medium-term growth prospects and calling for a recalibration of macroeconomic policies.

At the onset of trade policy shifts and the surge in uncertainty, the April 2025 World Economic Outlook (WEO) revised the 2025 global growth projection downward by 0.5 percentage point to 2.8 percent. This was predicated on tariffs being supply shocks for tariff-imposing countries and demand shocks for the targeted, with uncertainty being a negative demand shock all around. By July, announcements that lowered tariffs from their April highs prompted a modest upward revision to 3.0 percent. Inflation projections, while little changed overall, went up for the United States and down for many other economies.

After a resilient start, the global economy is showing signs of a moderate slowdown, as predicted. Incoming data in the first half of 2025 showed robust activity. Inflation in Asian economies was subdued, while it remained steady in the United States. This apparent resilience, however, seems to be largely attributable to temporary factors such as front loading of trade and investment and inventory management strategies rather than to fundamental strength. As these factors fade, weaker data are surfacing. The front-loading is unwinding, and labor markets are softening. Pass-through of tariffs to US consumer prices, previously muted, appears increasingly likely. Advanced economies, traditionally reliant on immigration, are seeing sharp declines in net labor inflows, with implications for potential output.

Global growth is projected to slow from 3.3 % in 2024 to 3.2 percent in 2025 and to 3.1 percent in 2026. This is an improvement relative to the July WEO Update but cumulatively 0.2 percentage point below forecasts made before the policy shifts in the October 2024 WEO, with the slowdown reflecting headwinds from uncertainty and protectionism, even though the tariff shock is smaller than originally announced. On an end-of-year basis, global growth is projected to slow down from 3.6 percent in 2024 to 2.6 percent in 2025. Advanced economies are forecast to grow about 1½ percent in 2025–26, with the United States slowing to 2.0 percent. Emerging market and developing economies are projected to moderate to just above 4.0 percent. Inflation is expected to decline to 4.2 percent globally in 2025 and to 3.7 percent in 2026, with notable variation: above-target inflation in the United States—with risks tilted to the upside and subdued inflation in much of the rest of the world. World trade volume is forecast to grow at an average rate of 2.9 percent in 2025–26 boosted by front-loading in 2025 yet still much slower than the 3.5 percent growth rate in 2024 with persistent trade fr entation limiting gains.

Risks to the outlook remain tilted to the downside, as they were in previous WEO reports. Prolonged policy uncertainty could dampen consumption and investment. Further escalation of protectionist measures, including nontariff barriers, could suppress investment, disrupt supply chains, and stifle productivity growth. Larger-than-expected shocks to labor supply, notably from restrictive immigration policies, could reduce growth, especially in economies facing aging populations and skill shortages. Fiscal vulnerabilities and financial market fragilities may interact with rising borrowing costs and increased rollover risks for sovereigns. An abrupt repricing of tech stocks

could be triggered by disappointing results on earnings and productivity gains related to artificial intelligence (AI), marking an end to the AI investment boom and the associated exuberance of financial markets, with the possibility of broader implications for macro financial stability. Pressure on the independence of key economic institutions, such as central banks, could erode hard-earned policy credibility and undermine sound economic decision making, including as a result of reduced data reliability. Commodity price spikes—stemming fromclimate shocks or geopolitical tensions—pose additional risks, especially for low-income, commodity-importing countries. On the upside, a breakthrough in trade negotiations could lower tariffs and reduce uncertainty. Renewed reform momentum in an effort to navigate the intensifying challenges could give a boost to medium-term growth. Faster productivity growth because of AI could bring economy-wide gains. The task ahead is to restore confidence through credible, predictable, and sustainable policy actions. Policymakers should establish clear, transparent, and rules-based trade policy road maps to reduce uncertainty and support investment and to reap the productivity and growth benefits that more trade brings. Trade rules should be modernized for the digital age and offer opportunities for stronger multilateral cooperation. Pairing tradediplomacy with macroeconomic adjustment is crucial for correcting persistent external imbalances by addressing their underlying causes and securinglastinggains. Rebuilding fiscal buffers andsafeguarding debt sustainability remain a priority. Medium-term fiscal consolidation should involve realistic, balanced plans that combine spending rationalization and revenue generation. Any new support measures should be temporary, well-targeted, and offset by clear savings. Monetary policy should be calibrated to balance price stability and growth risks, in line with central banks' mandates. Preserving the independence of central banks remains critical for anchoring inflation expectations and enabling them to achieve their mandates. Countries should embrace reform without any further delay to enhance resilience as a new global economic landscape takes shape. Efforts on structural reforms—promoting labor mobility, encouraging workforce participation, investing in digitalization, and strengthening institutions—should be redoubled now to lift growth prospects. industrial policy may have a role in improving resilience and growth, but full consideration should be given to opportunity costs and trade-offs involved in its use. For low-income countries, mobilizing domestic resources, including through governance and administrative reforms, is essential as external aid declines. In times of uncertainty, scenario planning and predesigned policy playbooks can improve preparedness and credibility, ensuring that policy responses are both effective and timely.

Bangladesh Economic Outlook

Despite the political turmoil experienced in 2024, the economy showed signs of recovery in the second half of FY2025, with real GDP growth overall declining only slightly to 4.0% in FY2025 from 4.2% a year ago. This is the third consecutive year of moderation, reflecting ongoing broad-based domestic challenges.

Thanks to a substantial increase in remittance inflows, resilient export performance and budgetary support from the development partners, the pressure on the external sector has eased in FY2025, with the current account balance returning to a surplus for the first time in eight years. As a result, foreign exchange reserves, which had been on a declining trend in recent years, have somewhat stabilized. The exchange rate has remained steady, notwithstanding the adoption of a more flexible exchange rate regime in May 2025. In FY2025, Bangladesh's remittances sent home by Bangladeshi wage earners living abroad surged by 26.81%, particularly as more funds were routed through the banking channel. The increased contributed significantly to easing the pressure on the forex reserves. Inflation, which has been on a surging streak since 2022, has remained a major concern. Average inflation rose to 10% in FY2025 from 9.7% a year ago, due to a host of factors including the local currency's depreciation, flooding in 2024 and supply-chain disruptions caused by the political upheaval last year. It has slightly cooled off in recent months due to the tight monetary policy adopted by the central bank. However, inflation still remains elevated. Non-Performing Loan (NPL) in the banking sector is another challenge that has continued to haunt the economy in recent years. During the reporting period, the interim government and the central bank have initiated banking sector reforms. Besides focusing on urgent measures to manage risks, authorities are conducting asset quality reviews in selected weak banks and strengthening regulations to improve governance and transparency in the banking sector. Revenue mobilization remained weak in the reporting period. According to official data, only 71.3% of the FY2025 revenue target was met during the July-May period of FY25. That said, the interim government has initiated several reforms that pertain to improving domestic revenue mobilization. On the other hand, due to the current economic sloth and inflation, new job creation has stalled, leading to a rise in the unemployment rate. Consequently, the poverty rate climbed in FY2025, which is

a matter of concern. The national poverty rate is projected to have risen to 21.2% during this period, up from 20.5% a year ago in FY 2024.

Despite efforts by the authorities, the overall investment climate has not witnessed much improvement, as both private and public sector activities have remained sluggish. Although the situation has improved somewhat in recent months, political uncertainty and the law-and-order issues are still a concern.

While the ready-made garment sector blazes the trail for the country's export-led growth model that heavily leans on labor cost competitiveness, multiple new sectors offer possibilities. A study commissioned by UNDP and the UK government identified three priority sectors, namely agro-processing, jute/jute products and IT-enabled services (IT), with the potential for Bangladesh to expand its export portfolio. Industry insiders project that the IT sector can become the country's "next big thing," with Bangladesh being home to 2% of Asia's start-ups, up from almost zero ten years ago, putting the country on a similar level as Vietnam and Malaysia. Electronics and pharmaceuticals also demonstrate the capability of obtaining business know-how in more high-tech industry segments. Other emerging sectors include the leather and ceramic industries. However, local enterprises enjoy a steep advantage and influence across most sectors. Despite the considerable potential for Foreign Direct Investments (FDI), the current level remains low (0.4 of the GDP). Multiple challenges persist for foreign enterprises, albeit not unique compared to the rest of South Asia. Proximity to regional economic giants, such as India and China (India encircles Bangladesh on three sides), gives Bangladesh an added geo-strategic significance and proximity to large markets. With adequate policy reform and support, a level playing field and framework conditions, foreign companies, including the Swiss ones, can potentially become investment and technology (hi and clean-tech) partners in these promising and emerging sectors, which will be mutually beneficial.

The bilateral trade and investment ties between Switzerland and Bangladesh hold immense potential. Bangladesh is Switzerland's second largest trading partner in South Asia (considering two-way trade), after India. Swiss companies are active in all crucial economic sectors in Bangladesh and provide state of the art technology, products and services. Knowledge, technological and innovation partnerships will likely shape the future course of bilateral economic cooperation.

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 62 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,
- Probashi Kollyan 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 PLC
- Exim Bank PLC
- First Security Islami Bank PLC
- Islami Bank Bangladesh PLC

- ICB Islami Bank PLC
- ShahjalalIslami Bank PLC
- Social Islami Bank PLC
- Union Bank PLC
- Standard Islami Bank PLC
- Global Islami Bank PLC

Digital Commercial Banks

There is 1 digital commercial bank [yet not granted permission for Commercial Operation] which is owned by individuals/private entities. It is a digital bank with no branches.

Overall Banking Scenario

Banks Deposits

Total Deposit (excluding inter bank items) of the scheduled banks increased by Tk. 1,972,060 million representing 11.10% point to point growth from Tk. 19,739,580 million as on 31 December 2025 to Tk. 17,767,520 million as on 31 December 2024.

Islamic Banks Deposits

All Islamic Banks' deposits stood at TK. 4,811,920 million during the year 2025 as against Tk. 4,397,580 million in the previous year 2024 and it increased by Tk. 414,340 million registering a growth of 9.42% in 2025. The share of Islamic Banks' deposits as of 31 December 2025 stood at 24.38% as compared to at 24.75% on 31 December 2024.

Banks' Advances /Investment

Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,018,340million representing 5.98% point to point growth from Tk. 18,044,230 million as on 31 December 2025 to Tk.17,025,890million as on 31 December 2024.

Islamic Banks Investments

All Islamic Banks' Investments stood at TK 5,250,710 million during the year 2025 as against Tk. 4,793,100 million in the previous year 2024 and the Investment increased by Tk457,610 million registering a growth of 9.55% in 2025. The share of Islamic Banks' Investments as of 31 December 2025 stood at 29.10% as compared to 28.15% on 31 December 2024.

Operating Profit

Despite a tough start of the year 2025 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 attractiveday by day to peoples irrespective of nations, religious, colorsand species. More than 300 Banks & financial institutions areserving Islami banking throughout the world. At present in ourcountry 10full-fledged Islamic Banks are working successfully. Andother traditional banks have Islami Banking Wings conductingShariah based banking activities. Recent Development ofBangladesh Government Islamic Investment Bond (BGIIB) is themilestone for shariah based banking practices in Bangladesh.

Al-Arafah Islami Bank PLC

With the objective of achieving success in life here & hereafterfollowing the way directed by the Holy Quran and the pathshown by Rasul (SM) Al-ArafahIslami Bank PLC was established(registered) as a public limited company on 18 June 1995. Theinaugural ceremony took place on 27 September 1995. Theauthorized capital of the Bank is Tk. 15,000.00 million and thepaid-up capital is Tk. 11,516.92 million as on 31.12.2025.

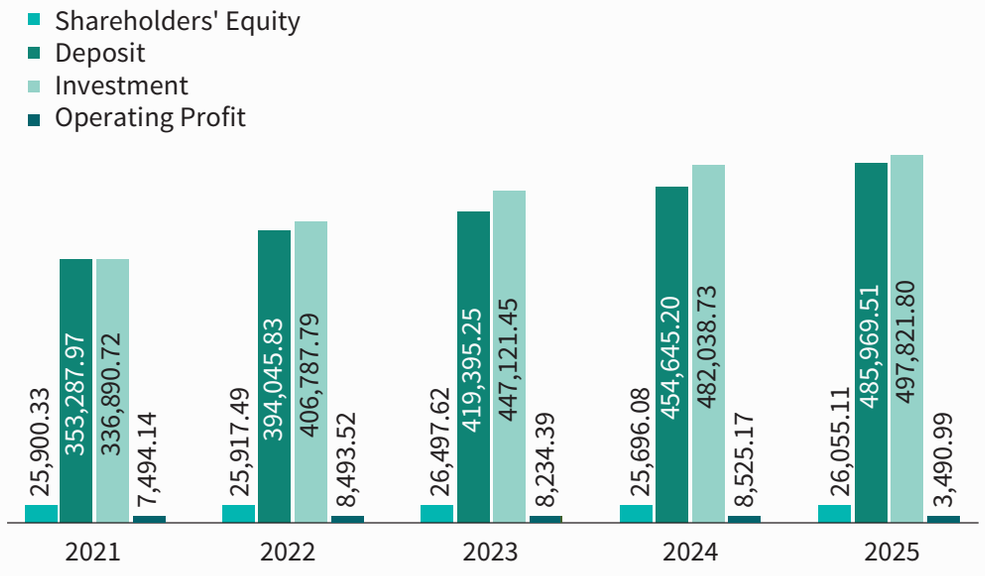
Renowned Islamic Scholars and pious businessmen of the country are the sponsors of the Bank. 100% of paid up capitalis being owned by local shareholders.

The equity of the bank has stood at Tk. 26,055.11 million as on 31 December 2025, the man power was 5,593 and the number of shareholders was 15,183. 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 226 branches of which 27 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 anddevoted to high quality service to customers. Our aims are for boosting modern management, advanced technology, good rofitability and steady growth transparency. We are also firmly committed to disclosure and compliance to shariah andregulatory authorities. Today the bank is an agile organization which promotes innovation, encourages improvement, values sense of urgency and develops people who accept challenges and turns them into opportunities.

Performance at a glance

(In Million Taka)



Special Features of Al-Arafah Islami Bank PLC

- 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-incomegroup of people, create employment opportunities.
- According to the need and demand of the society and thecountry as a whole the bank invests money to different'Halal' business. The bank participates in different activitiesaiming at creating jobs, implementing developmentprojects of the government and creating infrastructure.
- The bank is committed to establish an economic systemresulting in social justice and equitable distribution ofwealth. It is committed to bring about changes in theunderdeveloped 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 thepartners of the investment income of the bank. About70% of the investment income is distributed among the Mudaraba depositors.
- To render improved services to the clients imbued withIslamic spirit of brotherhood, peace and fraternity and bydeveloping an institutional cohesion. The bank is contributing to economic and philanthropicactivities. AIBL English Medium Madrasah, AIBL library andAl-ArafahIslami Bank Foundation Kidney Dialysis Centrepatronizes by the Bank are such examples.

Activities of Shariah Supervisory committee for the year 2025

Al-hamdulillah, Shariah Supervisory committee consists of 7members including 5 specialized in FiqhulMuamalat (Islamic Commercial Law)according to guidelines given by the Bangladesh Bank to ensurewhether all banking operations are transacted in accordance withIslamiShariah i.e. Qur'an, Sunnah, Ijma and Iztihad. Shariah Supervisory committee has by the grace of Al-mightyAllah managed to contribute a lot to run all the businessactivities of the Bank according to Shariah guidelines. During theyear 2025 our HonorableMembers of the Shariah Supervisory Committee sat in 3(Three)General Meetings and 1(one) Emergency Meeting to discussthe matters of the Bank to give opinions & directives and givensolutions 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 Tk31.25million as doubtful income of the branches of the Bank. Besides, after analyzing balance sheet, the Supervisory committee identified Tk.1,364.35 million as compensation realized in different branches and Tk. 62.46million 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 income 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 2025, 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 Secretariatof Al-Arafah Islami Bank having about 500 books on Qur'an, Hadith, Fiqh, Islamic Economics and Islami Banking. Honorablemembers of the Council give Shariah guidelines to run theBank's operations taking necessary consultations and datafrom 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 PLC. The Company is incorporatedunder the company's Act, 1994 as a public limited companyby 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 thecompany is subscribed by Al- ArafahIslami Bank Limited andother individuals at the ratio of 60.50:39.50. During the year 2025 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 3.07million with Earning per Share (EPS) Tk. 0.01.

AIBL Capital Management Limited

AIBL Capital Management Limited (AIBLCML), a Subsidiary ofAl-ArafahIslami Bank Limited, was incorporated under thecompanies Act, 1994 on October 25, 2011 with a view to runand manage the operations of Merchant Banking Serviceswith an authorized Capital of BDT 2 billion (2,000 million)and paid up capital of BDT 500 million (500 million). It aimsto be one of the leading Merchant Banks of the country byrendering quality Merchant Banking Services with a high levelof professional expertise and integrity.During the year 2025 the company earned Operating Profit (Before provision for investment & taxation) of Tk.(12.83)Million with Earning per Share (EPS) Tk.(0.26).

Position in the Stock Market

Bank's share sustained a steady strong position since itsinduction at Dhaka Stock Exchange & Chittagong Stock Exchange in 1998. In Dhaka Stock Exchange the face value oftaka 10 of our share was traded at taka 23.80 highest in 2025.The market trend of our bank's share in Dhaka Stock Exchangefrom January 2025 to December 2025 is stated in the list:

Monthwise Position in the Stock Market in 2025

(BDT)

Month	Opening	High	Low	Closing
January	23.70	19.50	18.00	18.50
February	18.50	21.60	18.10	20.70
March	20.70	23.70	20.50	23.50
April	23.50	23.80	21.50	22.50
May	22.50	23.20	15.00	17.00
June	17.00	18.00	16.00	16.80
July	16.80	19.10	17.30	18.90
August	18.90	19.50	16.90	17.30
September	17.30	17.60	16.70	16.90
October	16.90	17.10	14.80	15.00
November	15.00	17.30	12.00	16.70
December	16.70	17.00	14.00	15.00

Progress Analysis

At the end of 2025, the number of depositors stood at 39,17,579 and the accumulated deposit was Tk.486,267.39 million. The total number of investors stood at 198,206 andtotal investment extended to them was Tk501,219.70 million.During the year 2025 the total income was Tk 50,399.68 million and total expenditure was Tk.46,898.94 million. Atthe end of the year the profit before tax and provision stood Tk.3,500.74 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 compliancewith the new provision, the bank has raised its Capital fromTk. 42,982.78 million to Tk.43,274.32 million (Consolidated Basis) and Tk.40,763.14 million to Tk. 41,435.41 million (Solo Basis). Outstanding balance of AIBL Mudaraba Subordinated Bond Tk. 6,398.00 millionas at 31st December 2025.

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

In the year 2015 AIBL issue Mudaraba Subordinated Bond

Tk. 3,000.00 million, in the year 2018 for Tk. 5,000.00 million,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 BaselIII Guidelines. The paid-up capital of the bank was at Tk.11,516.92 million at 31st December 2025. The total reserve fund has stood at Tk. 12,601.09 million in the current year against Tk. 12,324.74 million at 31st December 2024. 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 31.12.2025 are appended below:

Consolidated Basis

Tk. in million

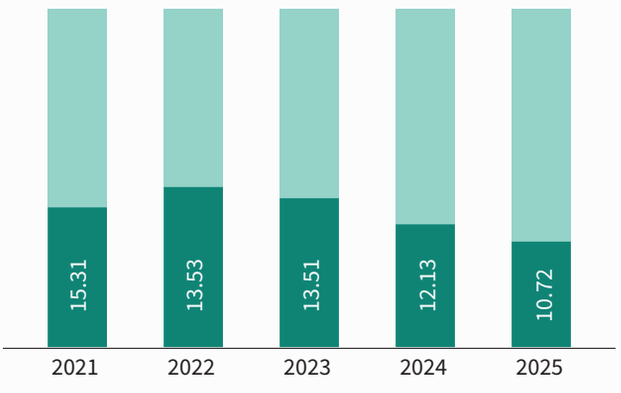
a) Core Capital (Tier-I)	2025	2024
Paid up Capital	11,516.92	11,516.92
Statutory Reserve	11,516.92	11,238.49
Retained Earnings	252.84	170.78
AIBL Perpetual Bond	5000.00	5000.00
Non Controlling Interest	1,684.26	1673.93
Total	**29,970.94**	**30,413.45**
Less Good will and other Intangible assets	618.41	446.60
Total Core Capital	29,352.53	29,163.23
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	7,523.79	4,874.60
Assets Revaluation Reserve	542.09	543.13
AIBL Sub Ordinate Bond	6,398.00	9,000.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.09)	(543.13)
Less: Excess Amount over Maximum Limit of T-2	0.00	655.14
Total Supplementary Capital	13,921.79	13,819
Total Capital (a+b)	**43,274.32**	**42,982.77**
c) Capital Adequacy Ratio	**11.08%**	**12.44%**

Solo Basis

Tk. in million

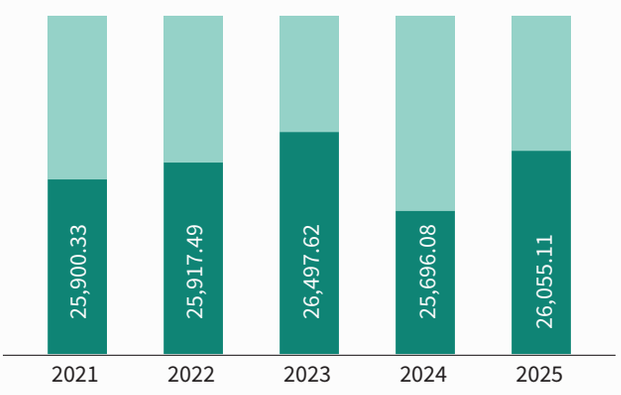
a) Core Capital (Tier-I)	2025	2024
Paid up Capital	11.516.92	11.516.92
Statutory Reserve	11.516.92	11,238.49
Retained Earnings	98.19	11.50
AIBL Perpetual Bond	5000.00	5000.00
Total	**28,132.03**	**27,766.91**
Less Good will and other Intangible assets	618.41	446.60
Total Core Capital	27,513.62	27,320.31
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	7,523.79	4,874.60
Assets Revaluation Reserve	542.09	543.13
AIBL Sub Ordinate Bond	6,398.00	9,000.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.09)	(543.13)
Less: Excess Amount over Maximum Limit of T-2	0.00	431.77
Total Supplementary Capital	13,921.79	13,442.83
Total Capital (a+b)	**41,435.41**	**40,763.14**
c) Capital Adequacy Ratio	**10.72%**	**12.13%**

Capital Adequacy Ratio As %



Shareholders' Equity

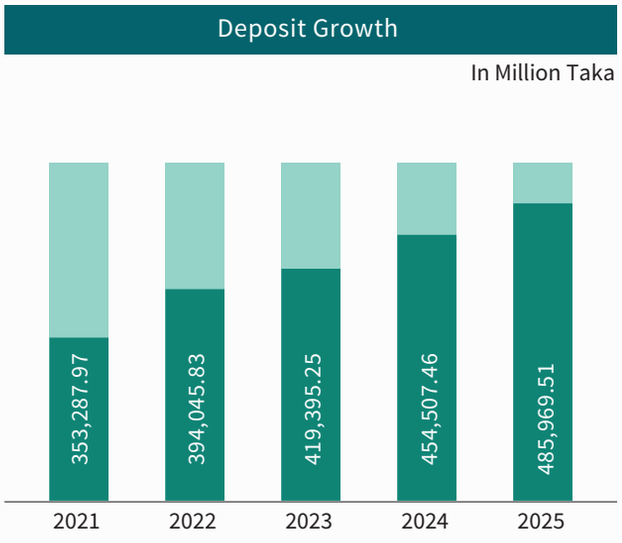
In Million Taka



Deposits

The total deposit of the bank was Tk. 485,969.51 million at 31st December 2025 as against Tk. 454,507.46 million at 31 st December 2024 a growth of 6.90% of which Tk 3,401.40 million was bank deposit and Tk. 482,568.11 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 withan average return on investment.



The mix deposit of the bank on December 31, 2025 was as follows:

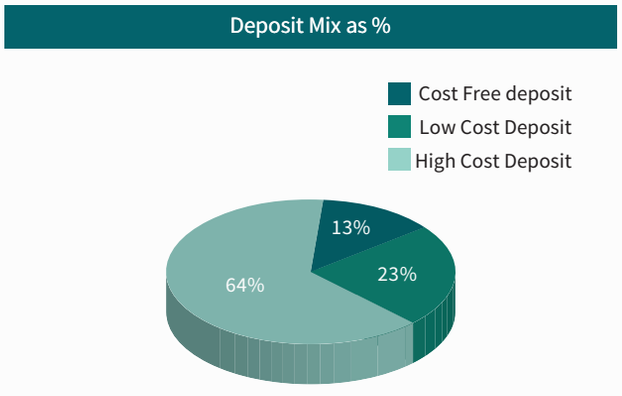
Deposit Mix

Products	Taka in Million
a) Al Wadia Current Account	59,828.62
b) Mudaraba Savings Deposit	83,895.75
c) Other Mudaraba Deposit	96,283.80
d) Mudaraba Term Deposit	240,980.72
e) Bills Payable	4,980.62
Total	485,969.51

Deposit Mix (%)

Products	Taka in Million	% of Total
a) Cost Free deposit	64,439.56	13.26%
b) Low Cost Deposit	110,665.26	22.77%
c) High Cost Deposit	310,874.70	63.97%
Total	485,969.51	100.00%

Deposit Mix as %



Various deposit product of the Bank in 2025:

1. Mudaraba Term Deposit

A. 36 Months

B. 24 Months

C. 12 Months

D. 06 Months

E. 03 Months

F. 01 Month

G. 100 Days

H. 200 Days

I. 400 Days

2. Mudaraba Savings Deposit
3. Short Notice Deposit (SND)
4. Monthly Hajj Deposit
5. Monthly Installment Term Deposit (LTD)
6. Monthly Profit Based Term Deposit (PTD)
7. Monthly Savings Investment (SID)
8. One Time Hajj Deposit
9. Al-Arafah Savings Bond (3 Years)
10. Al-Arafah Savings Bond (5 Years)
11. Al-Arafah Savings Bond (8 Years)
12. Marriage Saving Investment Scheme (MSIS)
13. Pensioners Deposit Scheme
14. Special Saving (Pension) Scheme
15. Cash Waqf
16. Mudaraba Somriddhi Deposit Scheme
17. Excellent Benifit Deposit Scheme
18. Mudaraba Aman Deposit Scheme
19. Mudaraba Ahsan Deposit Scheme
20. Mudaraba Ahsan Plus Deposit Scheme
21. Education Savings Scheme
22. Shadhin Term Sanchay Prokalpa (As Wish)
23. Advantage Deposit Scheme
24. Probashi kallyan Deposit Pension Scheme
25. Mudaraba Savings Deposit-Student
26. MSD Farmers
27. MSD Freedom Fighters
28. MSD Senior Citizen.
29. MSD (Germents Ind. Workers)
30. MSD (Pathashishu)
31. AIB PLC Payroll Privilege Services
32. Non Resident Taka Deposit Account (NRT)

AIBL Mudaraba Bond:

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

AIBL MudarabaPerpetual 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 meantime100% of the Bond amount hasredeemed 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.

AIB PLC 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 semiannualprofit 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,100% of the Bond amount was redeemed at the end of 31st December 2025. 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 3rdMudaraba 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 beSemi-annually not later than 60 days from expiry of 6 (six) months and 12 (twelve) months of each year from the issuance of Bond. TheMudaraba 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 meantime40% of the Bond amount was redeemed at the end of 31 st 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 issuedin 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 beSemi-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

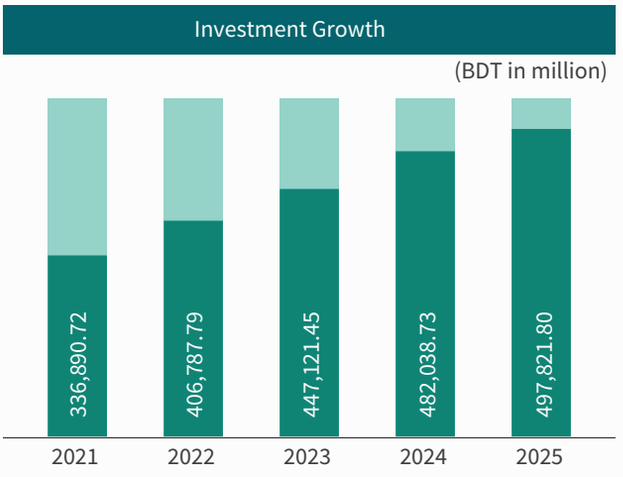
20% of the bond value respectively. The issue has been proposed to be transferable but will not be listed with any bourses. The UCB Investment Limited and Prime Bank Investment Limited is the lead arranger of this issue andFirst Security Islami Capital & Investment Limited Limited is the trustee.

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

Instrument Name	Particulars	Amount in Million BDT
AIBPLC Mudaraba Subordinated Bond		100% of the Bond amount has redeemed at the end of 31st December 2022
AIBPLC 2nd Mudaraba Subordinated Bond		100% of the Bond amount has redeemed at the end of 31st December 2025
AIBPLC 3rdMudaraba 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/-
AIBPLC 4th 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

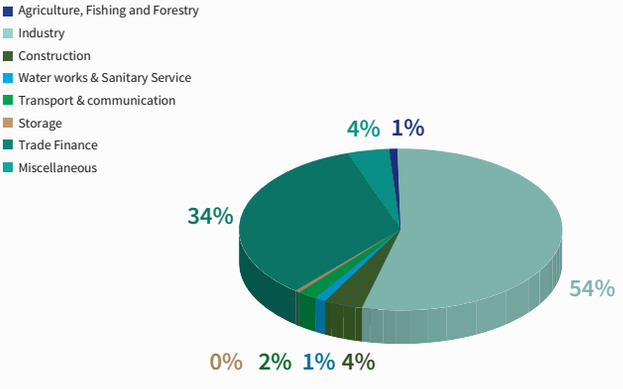
The investment of the bank has stood at Tk. 497,821.80 million as on 31st December 2025 as against Tk. 482,038.73 (Net off PR) million in the previous year showing an increased by 3.27% The investment portfolio of the bank is well diversified and covers a broad spectrum of businesses and industries including ready made 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 improvethe recovery rate of disbursed investment and also taken adequate measures for converting the classified investment into performing assets. As a result, classified investment ofthe bank could be kept at a low level far below the national average. It is 5.98% in our bank as on 31 December 2025.



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

Sector wise Investment 2025

Sectors	Taka in million
Agriculture, Fishing and Forestry	8,225.03
Industry	275,305.67
Construction	20,391.74
Water works & Sanitary Service	3,200.45
Transport & communication	9,345.55
Storage	1,120.00
Trade Finance	171,900.58
Miscellaneous	20,687.36
Total (Including Profit Receivable)	510,176.38
Less Unearned Profit on Investment	12,354.58
Total	497,821.80



Income

Investment income

The investment income was Tk. 41,618 million during the year 2025 which was growth of 1.55% over the previous year. Investment income is 82.08% of the total income of Tk. 50,703.57 million.

Income from other than investment:The bank has earnedTk.9,085.57 commission income, exchange income, locker rent etc. in thecurrent year which is17.92%of the total income. It indicates 10.91% growth over the year 2024.

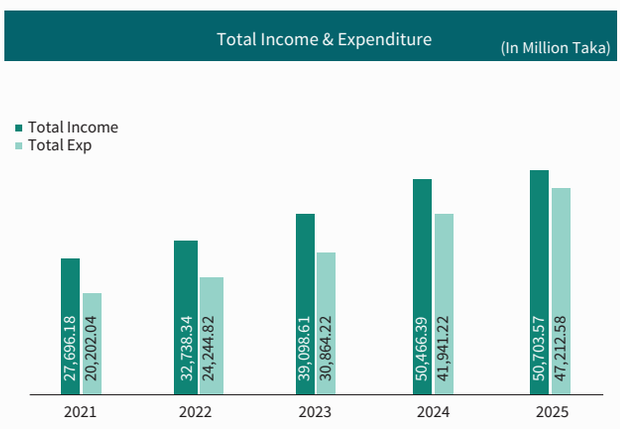
Expenditure

Profit paid to depositors

The Bank has paid the depositors Tk. 35,504.56 million which is 85.31% of the investment income and 75.20% of the total expenditure for the year 2025. It was 19.47% growth over the year 2024.

Administrative and Other Expenses

The administrative and other expenses were Tk. 11,708.02 million during the year showing -4.21% growth over the year 2024. It is 24.80% of the total expenditure.



Operating Profit

The bank earned operating profit of Tk. 3,490.99 million during the year 2025. The operating profit of the Bank during the year 2024 was Tk.8,525.17 million and thus the Bank attained negative growth of -59.05% in respect of operating profit. The provision for income tax for the year amounted to Tk. 217.55 million.

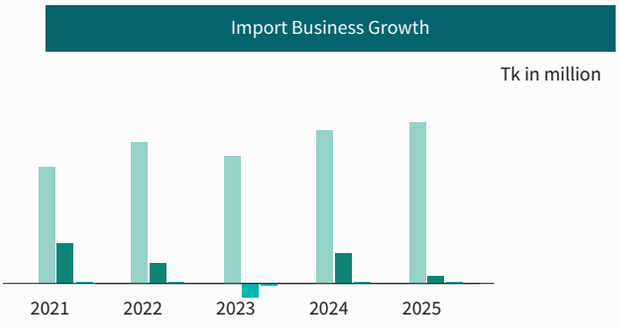
International Banking Wing (IBW)

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. 706,00.35 million during the year 2025 as against the Target of Tk.861,000.00 million. Our Foreign Exchange business has increased by Tk.16,321.30 million recording a growth of 2.37%. Target of International Trade for the year 2026 has been fixed at Tk.815,000.00 million with 15.42% 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 2025 stood at Tk. 350,840.00 million as against Tk 343,840.00 million in the previous year. We recorded a 2.04% growth in import business in 2025 over 2024. Target for Import business for the year 2026 has been fixed at Tk. 400,000.00 million with an expected growth of 14.01%.



	2021	2022	2023	2024	2025
Import	261,566.10	300,430.90	269,322.70	343,840.00	350,840.00
Growth (Amt)	92,187.20	38,864.80	(31,108.20)	74,517.30	7,000.00
Growth %	54.43%	14.86%	-10.35%	27.67%	2.04%

Export Business

Total Export business of the bank for the year 2025 stood at Tk.259,200.00 million as against Tk255,800.00 million in year 2024 and thus recorded a growth of 1.33% over previous year. Our target for Export business for the year 2026 has been fixed at Tk 300,000.00 million with an expected growth of 15.74%.



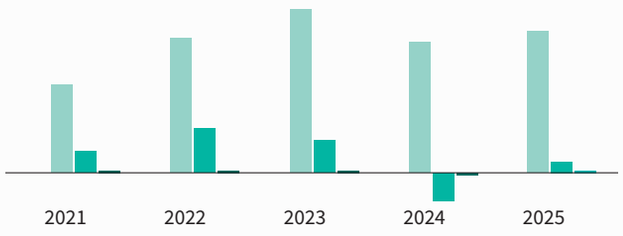
	2021	2022	2023	2024	2025
Export	135,786.90	181,070.20	200,352.30	255,800.00	259,200.00
Growth (Amt)	30,847.50	45,283.30	19,282.10	55,447.70	3,400.00
Growth %	29.40%	33.35%	10.65%	27.68%	1.33%

Remittance

Total remittance of the bank stood at Tk.96,063.50 million during the year 2025 as against Tk. 90,140.60 million, in the previous year. Our remittance business recorded 6.57% growth in 2025 over 2024. Target for Remittance business for the year 2026 has been fixed at Tk. 115,000.00 million and thus expecting a growth of 19.72%.

Remittance Business Growth

(In Million Taka)



	2021	2022	2023	2024	2025
Remittance	52,662.10	88,531.70	113,797.20	90,140.60	96,063.50
Growth (Amt)	14,948.70	35,869.60	25,265.50	(23,656.60)	5,920.70
Growth %	39.64%	68.11%	28.54%	-20.79%	6.57%

Foreign Trade Processing

Al-Arafah Islami Bank Plc. 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 2026. 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 intended to centralize the bank Trade operation shortly.

The Division hit a tremendous stride on the volume of transaction in cash LC and back to back LC in 2025. The volume of workflow of the division is gradually increasing whereas the manpower remains almost alike. By the year 2026 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.

SWIFT Operation

During the year 2025, the Bank successfully completed the migration of SWIFT payment messaging system to the ISO 20022/SWIFT CBPR+ Standard (PACS.008 & PACS.009). All required activities, configuration updates, and validation checks have been finalized, and the system is fully operational under the new messaging format. All necessary training on ISO 20022/SWIFT CBPR+ Standard has been provided to all SWIFT users of AIBPLC. This upgrade ensures enhanced data quality, improved interoperability, and alignment with global payment modernization initiatives.

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-24 (Million USD)	DEC-25 (Million USD)	GROWTH (%)
Total Assets	71.07	93.41	31.43%
UPAS	40.79	68.34	67.54%
MDBFC	23.45	19.69	-16.03%
HPSM Machinery	6.2	5.15	-16.93%
Placement from Parent Bank	68.84	91.17	32.43%
Borrowing from Overseas Banks	0	0	
Net Operating Income	1.02	1.11	8.82%

Financial Institutions

The Financial Institution Division continued to play a pivotal role in strengthening and managing relationships with foreign correspondent banks throughout 2025. During the year, the Bank successfully established 24 new Relationship Management Applications (RMAs) with leading global banks across Asia, the Middle East, and Europe, thereby enhancing its capacity to facilitate international trade. As a result, the Bank now maintains correspondent relationships with more than 352 banks and branches spanning 57 countries.

In line with its strategic objective to expand global transaction capabilities, Nostro accounts in AUD and CAD were established to facilitate smoother and more efficient settlement of remittance transactions in those respective currencies. During the year, the Bank initiated and completed the process of opening USD Nostro account with JPMorgan Chase Bank, New York. This is expected to significantly strengthen the Bank's ability to process international payments efficiently.

To ensure seamless treasury, remittance, and trade settlements, the Bank currently operates Nostro Accounts in major global currencies, including USD, EUR, GBP, JPY, SAR, AED, CNY, SGD, CAD and AUD. As of the end of 2025, the Bank total of 37 Nostro Accounts across 22 correspondent banks, ensuring efficient and reliable execution of international transactions.

Despite prevailing global and domestic economic challenges, the Bank successfully arranged credit lines to support import trade activities. Its trusted network of foreign correspondents continued to provide financial backing for the import of essential commodities such as fertilizers, industrial raw materials, and capital machinery, thereby supporting key sectors of the economy.

All international trade operations are conducted through a centralized framework, in strict compliance with the guidelines of the central bank and international best practices. These operations are managed by a team of highly experienced and professionally certified officials, ensuring operational efficiency, accuracy, and regulatory compliance.

To further strengthen security and compliance, the Bank has implemented robust regulatory frameworks, including migration of SIWFT ISO integration with its Core Banking System and the deployment of advanced sanction screening solutions from SWIFT. In addition, the Bank subscribes to globally recognized credit intelligence providers such as Dun & Bradstreet and Creditsafe. The use of vessel tracking services from Lloyd's List Intelligence further enhances the Bank's risk management capabilities.

Furthermore, the Bank has implemented a state-of-the-art transaction monitoring system to strengthen oversight of trade transactions and reinforce a strong compliance culture across all operations.

Through these strategic initiatives and continuous technological advancements, the Bank remains committed to strengthening global banking relationships, ensuring full regulatory compliance, and facilitating seamless international trade.

NRB Banking Division

The NRB Banking 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 39 (thirtynine) 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.

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

1. Remittance Achievement:

Performance of Foreign Inward Remittance from 2021 to 2025:

The Branches & Agent Banking Outlets of AIBPLC have procured foreign remittance BDT 1,909.58 crore which is 19.88%, disbursement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 7,674.42 crore which is 79.89% and disbursement of foreign remittance through MFS (bKash and Nagad) was BDT 22.34 crore which is 0.233% of the total remittance in 2025.

2. Remittance Drawing Arrangement:

We have executed 4 (four) new remittance drawing arrangements with different exchange houses in Spain, UK, & USA (Global) in 2025 and another 10 (Ten) more exchange houses from different hubs of the world are under process. In order to boost-up remittance business

the division is deploying all-out effort to establish new drawing arrangement with exchange houses in KSA, UAE, Oman, Bahrain, Kuwait, Qatar, Malaysia, UK, USA & across the globe.

3. Foreign Remittance Operation at Agent Banking Outlets

Our all Agent banking outlets have been disbursing foreign remittance under the support of NRB Banking Division. Remittance achieved through Agent Banking Outlets during 2025 was BDT 833.06 crore which was 8.67% of total remittance.

Internal Control & Compliance Wing

1. Overview

Internal control is widely recognized as the cornerstone of sound corporate governance in modern financial institutions. The Committee of Sponsoring Organizations of the Tread way Commission (COSO, 2013) defines internal control as "a process, affected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance." This universally adopted framework forms the intellectual basis upon which Al-Arafah Islami Bank PLC (AIBPLC) has built its Internal Control and Compliance Wing (ICCW).

In Bangladesh, the Bangladesh Bank — through its Risk Based Capital Adequacy (RBCA) guidelines and various BRPD Circulars — mandates that all scheduled banks maintain comprehensive internal control and compliance frameworks. AIBPLC's ICCW is structured in full alignment with these domestic regulatory requirements, as evidenced by its 100% resolution rate on all Bangladesh Bank inspection observations received during 2025.

At Al-ArafahIslami Bank PLC, internal control is established as a permanent and integral mechanism of corporate governance, systematically implemented by the Board of Directors, Management, and all personnel. This framework is designed to uphold the Bank's core values of transparency, Shari'ah compliance, and ethical responsibility while ensuring operational effectiveness, the reliability of financial reporting, and strict adherence to regulatory requirements and internal policies. By integrating robust policies and procedures, the Bank proactively manages risks and reinforces its commitment to legal and ethical operational excellence.

1.1 Key Pillars of the Integrated Framework

Pillar	Strategic Implementation at AIBPLC
Governance & Oversight	A "Tone at the Top" approach where the Board ensures a rigorous control culture through the Board Audit Committee and Risk Management Committee.
Operational Integrity	Streamlined procedures to safeguard assets and ensure Shari'ah-compliant transactions across all 226 branches.
Risk Mitigation	Comprehensive internal policies designed to identify, assess, and neutralize potential institutional risks across the Three Lines of Defense.
Compliance & Reporting	Rigorous standards to guarantee accuracy of financial disclosures and alignment with Bangladesh Bank directives and statutory laws.
Human Capital	Investment in technical proficiency and ethical alignment with Islamic banking values through continuous training and certification.

1.2 The Five Components of Internal Control (COSO)

Component	Description at AIBPLC
A. Control Environment	AIBPLC fosters a corporate culture rooted in integrity and ethical behavior. The Board and Senior Management promote a rigorous control environment through visionary leadership, transparent communication, and a clearly defined organizational structure.
B. Risk Assessment & Three Lines of Defense	Systematic risk assessments identify and evaluate potential vulnerabilities. The Three Lines of Defense model operationalizes this: Branch operations (1st), Head Office Risk & Compliance oversight (2nd), and Independent Internal Audit (3rd).
C. Control Activities	A comprehensive suite of control measures — including strict segregation of duties, multi-level authorization protocols, and continuous monitoring — ensures transaction accuracy, asset safeguarding, and regulatory compliance.

D. Information & Communi-cation	Advanced technological infrastructure ensures seamless real-time information flow. Digital platforms facilitate dissemination of policies and circulars; structured executive briefings keep top management informed.
E. Monitoring Activities	A proactive monitoring ecosystem — combining internal and external audits with Concurrent Auditors at branch level — enables real-time identification of control weaknesses and immediate corrective action.

2. ICCW at a Glance — Performance Dashboard 2025

The year 2025 marked a period of significant operational achievement for the Internal Control & Compliance Wing of Al-ArafahIslami Bank PLC. The following dashboard encapsulates the Wing's key performance indicators, demonstrating its comprehensive coverage, high rectification efficiency, and uninterrupted regulatory compliance record.

Key Performance Indicator	2025 Achievement
Branches Audited (Total Network)	226
Total Audit Findings Identified	1,32,523
Findings Rectified On-Spot	76,073
On-Spot Rectification Rate	57.4%
Post-Audit Compliance (2025 Audit)	24,131
Post-Audit Compliance Rate	42.75%
Unrectified Lapses (Pre-2025)	66,790
Compliance of Pre-2025 Lapses	50,328
Pre-2025 Rectification Rate	75.35%
Bangladesh Bank Inspection Reports Received	30
Total Bangladesh Bank Observations	2,045
BB Observations sent on time	100%
Independent Concurrent Audit Branches	17
General Concurrent Audit Branches	198

3. Statistical Analysis & Graphical Presentation

3.1 Audit Findings Distribution by Risk Category

A total of 1,32,523 audit findings were identified across all 226 branches during 2025. The distribution follows a characteristic pattern consistent with the COSO risk stratification model, with medium-risk operational findings (DVSL/SL category) representing the dominant proportion at 66.0%, reflecting day-to-day procedural and operational irregularities. Very serious lapses (VSL) and very serious observation (VSO) collectively constitute less than 2.5% of total findings, indicating a generally sound control environment.

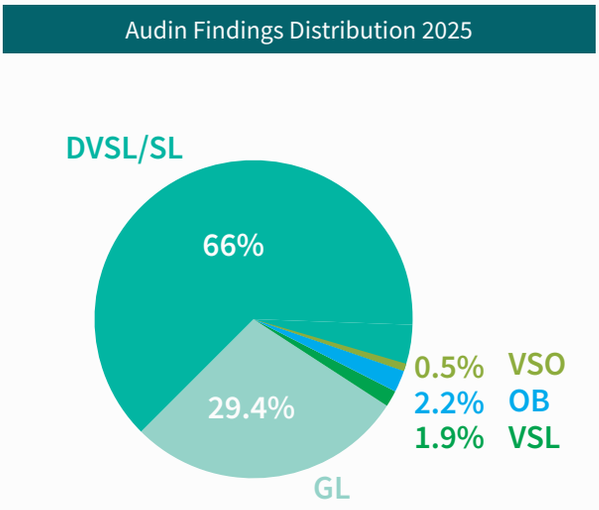


Figure 1: Audit Findings Distribution by Category — 132,523 Total Findings (2025)

Category	Description	Findings	Percentage
VSL	Very Serious Lapse	2,518	1.90%
DVSL/SL	Deemed to be Very Serious & Serious Lapse	87,459	66.00%
GL	General Lapse	38,907	29.36%
VSO	Very Serious Observation	674	0.51%
OB	Observation	2,965	2.24%
Total		1,32,523	100%

3.2 Audit Findings Rectification & Compliance Status

The rectification performance of AIBPLC's ICCW in 2025 demonstrates a commendable commitment to continuous improvement. On-spot rectification — where findings are corrected during the audit engagement itself — reached 76,073 cases, representing a 57.4% instantaneous resolution rate. This metric is particularly significant as it reflects the proactive engagement of branch management and the effectiveness of real-time corrective action guidance provided by auditors.

For pre-existing lapses from years prior to 2025, a rectification rate of 75.35% was achieved on 66,790 outstanding items, indicating systematic and sustained follow-up by the Compliance Division. Cumulatively, post-audit compliance resolution (both current-year and carry-forward) amounted to 74,459 findings — a testament to the institutional resolve of AIBPLC's management team in addressing audit observations.

Figure 2: Audit Findings Reflaction & Compliance Status (2025)

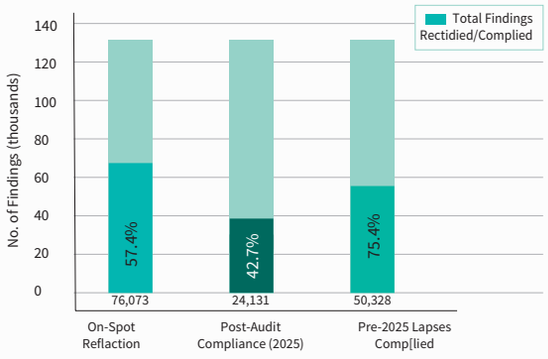


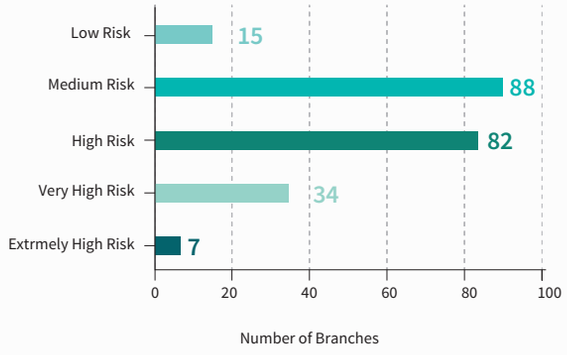
Figure 2: Audit Findings Rectification & Compliance Status (2025)

3.3 Branch Risk Profile Classification

Risk-based auditing, as advocated by the Institute of Internal Auditors (IIA) and the Basel Committee, requires that audit resources be allocated in proportion to risk exposure. AIBPLC's annual branch risk grading exercise classifies all branches into five risk tiers — Extremely High, Very High, High, Medium, and Low — thereby enabling the Audit & Inspection Division to prioritize higher-risk branches for more frequent and intensive audit coverage.

The 2025 risk grading results reveal that 138 out of 226 branches (61.1%) fall within the Medium Risk category, reflecting a stable overall control environment. However, 30 branches are classified as Very High or Extremely High Risk, warranting heightened monitoring attention and targeted intervention by the ICCW.

Figure 3: Branch Risk Profile Classification (2025)



Risk Category	No. of Branches	% of Network
Extremely High Risk	7	3.10%
Very High Risk	34	15.04%
High Risk	82	36.28%
Medium Risk	88	38.94%
Low Risk	15	6.64%
Total	226	100%

3.4 Regulatory Compliance & Audit Coverage Overview

AIBPLC's regulatory compliance record in 2025 is exemplary. All 2,045 observations contained in the 30 Bangladesh Bank inspection reports received during the year were responded on time ensuring proper compliance. This achievement is consistent with international best practice benchmarks set by the Basel Committee, which identifies timely resolution of regulatory observations as a key indicator of institutional governance quality.

Figure 4: Regulatory Compliance & Audit Coverage Overview (2025)

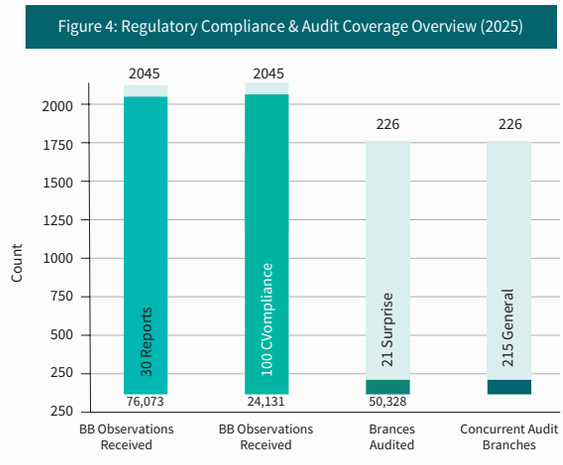


Figure 4: Regulatory Compliance & Audit Coverage Overview (2025)

3.5 Income Leakage Identification & Recovery

Beyond risk mitigation, internal audit creates direct financial value through income leakage identification. In 2025, collaborative efforts between the internal audit team and concurrent auditors identified income leakages to talling Tk. 26.67 crore across the branch network. Through proactive recovery measures conducted in parallel with the audit process, Tk. 23.07 crore (approximately 86.5%) was successfully realized, representing a significant financial benefit to the Bank's stakeholders. The outstanding balance of Tk. 3.60 crore remains under active follow-up.

Figure 5: Income Leakage - Recovery Status (2025)
Total Identified: TK. 25.67 Crore

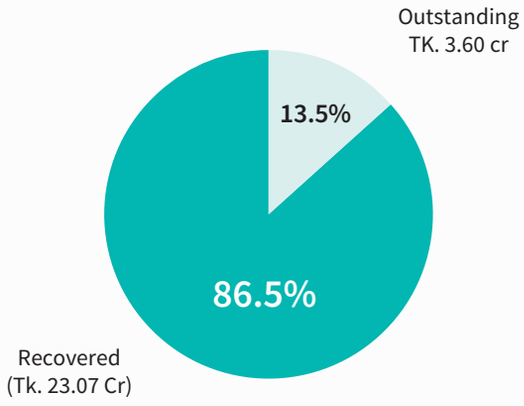


Figure 5: Income Leakage Recovery Status — Total Identified Tk. 26.67 Crore (2025)

4. Governance & Oversight Framework

In 2025, the Board of Directors of Al-ArafahIslami 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 — the Executive Committee, the Audit Committee, and the 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.

4.1 ICCW Organizational Structure

To ensure independence and accountability, the ICCW is structured into three dedicated and functionally distinct divisions:

- Audit & Inspection Division — responsible for risk-based internal audit across all branches and Head Office divisions.
- Compliance Division — responsible for regulatory compliance monitoring and follow-up of audit observations.
- Monitoring Division — responsible for continuous surveillance of operational indicators, concurrent audit oversight, and control tool management.

5. Performance Review: ICC Wing's Activities 2025

5.1 Audit & Inspection Division

Operating as the third line of defense, the Audit & Inspection Division ensures that risk management protocols are strictly followed across the Bank's entire network. The Division's activities in 2025 delivered complete audit coverage with strong corrective action outcomes.

Activity / Metric	2025 Result
Annual Audit Plan Execution Rate	100%
Branches Covered under RBIA	226
Head Office Divisions Audited	24
Surprise Inspections Conducted	21
Total Findings Identified (RBIA)	~1,32,523
On-Site Rectification Rate (RBIA)	~57.4%
Income Leakage Identified	Tk. 26.67 Crore
Income Leakage Recovered	Tk. 23.07 Crore (~86.5%)

The 100% execution of the Annual Audit Plan represents a hall mark of institutional discipline. The near-57% instantaneous rectification rate during Risk-Based Internal Audits (RBIA) is indicative of the cooperative relationship between the audit team and branch management — a factor identified in internal audit effectiveness research as critical to maximizing audit value (Lenz & Hahn, 2015).

5.2 Compliance Division

The Compliance Division functions as the primary interface between the Bank and its regulatory supervisors, most notably Bangladesh Bank. It also drives the post-audit

follow-up process to ensure that findings identified by the Audit & Inspection Division are addressed systematically and within regulatory timelines.

Activity / Metric	2025 Result
Internal Audit Lapses Rectified (Follow-Up)	74,459
Rectification Rate on Outstanding Lapses	60.42%
Bangladesh Bank Compliance Reports Submitted (On-Time)	100%
Formal Memos to BAC / Board (Branch Operations)	7
Formal Memos to BAC / Board (HO Divisions)	8
Formal Memos to BAC / Board (Miscellaneous)	43
Total Formal Memos Submitted	58
Audit Files Finalized& Closed	267

A 100% on-time regulatory submission rate is a distinction that directly mitigates the risk of supervisory sanctions under the Bank Company Act, 1991 (amended 2023) and Bangladesh Bank's BRPD Circular framework. The 58 formal memos submitted to the Board Audit Committee during 2025 ensured that decision-making authority was informed on all material control issues, consistent with the principles of effective board oversight prescribed by the BCBS Corporate Governance Guidelines for Banks (2015).

5.3 Monitoring Division

The Monitoring Division provides continuous real-time surveillance of key operational indicators, serving as an early-warning mechanism against systemic failures. In 2025, the Division executed the following principal activities:

- Concurrent Audit Oversight: Supervision and rigorous follow-up of concurrent audit activities at all branch levels.
- Human Resources Compliance: Monitoring of Mandatory Leave and Job Rotation policies to mitigate operational and fraud risks.
- Operational Reporting: Consistent follow-up of the Quarterly Operation Report (QOR) and monitoring of employee/staff accounts.
- Investment Oversight: Oversight of MPI/Murabaha Godown inspection reports to ensure the physical security of collateral.
- Investment Documentation Checklist:Checking and follow-up of investment document checklist.
- Reviewing Quarterly Operations Report and ensuring compliance thereon.
- Policy Updates: Review and modernization of the Monitoring Policy and Operational Guidelines.
- Training provided to 209 General Concurrent Auditors.

Control Tools Maintained by the Monitoring Division:

Control Tool	Purpose
Departmental Control Function Checklist (DCFCL)	Real-time departmental self-assessment of control adherence
Investment Documentation Check List (IDCL)	Validation of Shari'ah-compliant investment documentation standards
Self-Assessment of Anti-Fraud Internal Controls (SAAFIC)	Bangladesh Bank-mandated annual anti-fraud self-assessment report
Quarterly Operation Report (QOR)	Quarterly operational performance and control status reporting
Annual Health Report	Comprehensive annual integrated health report to Bangladesh Bank
Monitoring effectiveness of the bank's internal control system	Establishing a Robust Control Culture in Bank.

6. Key Achievements in 2025

The ICCW's performance in 2025 reflects the collective commitment of the Board, Senior Management, and the Wing's personnel to institutional governance excellence. Key highlights include:

Achievement	Detail
Complete Audit Coverage	Conducted audits across all 226 branches of the Bank, ensuring no branch remained outside the internal control oversight perimeter.
Comprehensive Findings Identification	Identified and reported 1,32,523 audit findings, providing the Board and Management with a thorough picture of the operational risk landscape.

High On-Spot Rectification Rate	Facilitated on-spot rectification of 76,073 findings (57.4%) during audit engagements, demonstrating proactive corrective action culture.
Substantial Compliance Follow-Through	Ensured post-audit compliance of 74,459 findings (24,131 current-year + 50,328 carry-forward) through systematic follow-up.
Audit File Closure	Successfully finalized and closed 267 audit files from previous years, clearing a significant backlog and improving institutional record management.
100% Regulatory Compliance	Resolved all 2,045 Bangladesh Bank observations contained in 30 inspection reports, maintaining an unblemished regulatory compliance record.
Income Leakage Recovery	Recovered Tk. 23.07 crore (86%) of identified income leakages totaling Tk. 26.59 crore, delivering tangible financial benefit to shareholders.
Risk-Based Branch Grading	Strengthened the annual risk grading exercise, classifying all branches into five risk tiers to drive risk-proportionate audit resource allocation.

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% CO_2e reduction across Scope 1, 2, and 3 emissions by 2029. Emissions in 2024 were: Scope 1 – 9,990.25 tCO_2e, Scope 2 – 2,812.93 tCO_2e, Scope 3 – 1,009,033.18 tCO_2e. 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 2025 strengthened implementation. That year, green finance disbursement reached BDT 9,889.90million, and total sustainable finance stood at BDT 1,45,219.71million, focused on sectors like LED lighting, recycling, green bricks, and eco-friendly industries. In 2025, the Bank significantly exceeded its targets for environmental and social investing. It achieved a 43.57% allocation of term investments to green finance (against a 5% target) and directed 30.74% of total investments toward sustainable finance (against a 20% target).

AIBPLC also participates in Bangladesh Bank refinance schemes, including the Refinance Scheme for Green Products/ Projects /Initiatives, Technology Upgradation Fund, and Green Transformation Fund (GTF), earning recognition as one of the most sustainable banks in 2022. Under GTF, outstanding of refinance obtained from BB is BDT 869.3 million with profit rate of 5% at client level.

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 and direct CSR activities in some special environment friendly projects such as Climate resilience and disaster management, in green clean transportation project, govt. approved eco-tourism projects, sandwich

panel, natural eco-system protection and restoration. The reduced portion of profit from subsidized financing will be treated as a CSR contribution.

AIBPLC spent BDT 75.59 million out of total approved budget of BDT 100.00 million in 2025. In Education sector, the bank has spent BDT 24.0 million to 321 underprivileged undergraduate students through its own Education Scholarship Program, helping them pursue higher studies. Additionally, it allocated BDT 3.14 million to Healthcare, BDT 48.3 million to Disaste Relief, BDT 0.15 million to Climate Riskinitiatives under Environment Protection significantly benefiting the society.

In 2025 our total expenditure in CSR is BDT 75.59 million which is Shown sector wise in the table below:

(Amount in Million BDT)

Sl No.	Particulars	2024	2025
1	Health	143.81	3.14
2	Education	60.58	24.00
3	Disaster Management	89.10	48.30
4	Cultural Activities	0.00	0.00
5	Environmental Protection	5.71	0.15
Total		**299.20**	**75.59**

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:

a. 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 up to 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 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.

c. Al-Arafah Islami Bank Foundation Kidney Dialysis Center, Chattogram: Al-Arafah Islami Bank Foundation stablished 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.

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 the banking sector in Bangladesh. The bank has already invested a total taka 504571.80 million in investment sector out of which taka 154517.20 million has been invested in the CMSME sector and participated in most of refinance and pre-finance schemes announced by Bangladesh Bank.

In 2026 AIB PLC CMSME moto is "quality growth with centralized strength and Branch execution". Our aim is to minimize investment risk through small scale investment

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. We have already created a separate SME Business Division to accelerate our CMSME Business. At the same time, we have introduced several shariah based CMSME investment product which will definitely assist to contribute higher in GDP. Another thing to note is that which investment product is more attractive to the customer and should be presented to investment client s in easier way. Government and Bangladesh Bank have provided refinancing facility at only 5% profit rate to women entrepreneur sector and 2% more cash incentive 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.

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 & Service.

Figure in Million

Description	2025	2024
Total CMSME Portfolio	154,517.20	159,854.65
% of CMSME Portfolio to Total Portfolio	30.62%	33.06%
Target of CMSME Investment	145,000.00	115,000.00
% of Achievement	106.56%	139.00%

Investment on Women Entrepreneurs

Women entrepreneurs are playing an increasingly important role in the economic development of Bangladesh. They contribute to employment generation, poverty reduction, and family income enhancement across urban and rural areas. The Government of Bangladesh has introduced various policies and incentives to promote women's participation in business. Financial institutions, under the guidance of Bangladesh Bank, provide dedicated loan facilities and refinance schemes for women entrepreneurs.

The SME Foundation actively supports women through training, market linkage, and capacity development programs. Women entrepreneurs are significantly contributing to sectors such as handicrafts, agro-processing, retail, and light manufacturing. Their involvement strengthens the CMSME sector and promotes inclusive economic growth. Access to digital platforms has further enabled women to expand their businesses nationwide. Despite progress, challenges such as limited access to finance, training, and market opportunities still exist. However, with continued institutional support and policy focus, women entrepreneurs are expected to play a stronger role in Bangladesh's sustainable economic growth.

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.

Investment Data Summary for Women Entrepreneurs:

Description	Figure In Million
Total SME Portfolio in women Entrepreneurs	6654.60

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 5Millionat 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) 2024-25

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 2024-25

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. 'GhorePhera' Refinance Scheme

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

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

Under this Refinance scheme Bangladesh Bank set the target of 200Million. 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 66.0Million was accumulated from where 9.70Million 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:

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

Performance of FID in the year of 2025:

Particulars	Target	Achievement	(In %)
10/50/100 Taka Refinancing Investment Scheme	100.00	96.10	96.10%
School Banking A/C (number)	15000	11997	79.98%
Financial Literacy Programs (FLP)	128	122	95.31%

Agent Banking

The year 2025 marked a strategic milestone for Al-Arafah Islami Bank PLC (AIBPLC) with the transfer of Agent Banking Division profits to 140 designated Link Branches. This policy is not merely a financial adjustment but a long-term structural integration intended to remain permanent. By aligning the financial interests of Link Branches with Agent Outlets, the management envisions a robust growth trajectory starting in 2026, focusing on core deposit mobilization, rural investment expansion, and a zero-tolerance approach toward fraud.

Responsibilities of the Head Office (Strategic Oversight)

In accordance with Bangladesh Bank's "Agent Banking Operational Guidelines" and AIBPLC's internal policies, the Head Office serves as the central regulatory body. Its core duties include:

- Policy Formulation & Shariah Compliance: Ensuring all agent banking products and processes strictly adhere to Islamic Shariah principles and central bank directives.
- Technological Infrastructure: Maintaining a secure, real-time transaction environment and implementing Advanced AML/CFT monitoring tools to detect suspicious activities centrally.
- Monitoring & Evaluation: Analyzing the performance data of the 140 link branches and providing strategic direction to bridge performance gaps.
- Capacity Building: Designing comprehensive training modules for Outlet Managers and Link Branch Focal Persons to enhance professionalism and ethical standards.

Responsibilities of the Link Branch (Operational Supervision)

The transfer of profit transforms the Link Branch from a passive observer into an active stakeholder. Their duties are now intensified:

- Core Deposit Mobilization: Actively guiding agents to collect low-cost deposits (CASA), which will be reflected in the Link Branch's own performance KPIs.
- Rural & CMSME Investment Management: Identifying and supervising potential investments in Agriculture and Small Enterprises at the grassroots level, ensuring proper utilization and timely recovery.
- Physical Verification & Audit: Conducting mandatory monthly visits to outlets to verify cash balances, registers, and customer KYC documents, as per Bangladesh Bank's "Internal Control and Compliance (hr)" standards.
- Fraud Prevention: Serving as the first line of defense against financial irregularities by maintaining a close professional rapport with agents.

Strategic Expectations for 2026 and Beyond

The authority anticipates several transformative outcomes from this integrated model:

- Exponential Growth in Core Deposits: Since Link Branches now have a direct financial incentive, they will provide better support to agents, leading to a significant rise in stable, long-term deposits.
- Enhanced Financial Inclusion: By focusing on Agricultural and Micro-investments, the bank will play a pivotal role in the rural economy, fulfilling the Financial Inclusion goals of the Government.
- Eradication of Malpractice: Dual-layer monitoring (Link Branch + Head Office) ensures that any attempts at fraud or forgery are detected and neutralized instantly.
- Empowered Outlet Managers: With the direct mentorship of Link Branches, Outlet Managers will become more effective, professional, and aligned with the bank's corporate culture.
- Superior Customer Experience: Proximity to the Link Branch ensures that customer grievances are resolved swiftly, fostering trust in the AIBPLC brand.

Retail Banking

In 2025, the Retail Banking Division of Al-Arafah Islami Bank PLC entered a phase of strategic consolidation and calibrated expansion, building upon the strong foundation established in the previous year. Our focus remained firmly anchored on sustainable profitability, disciplined deposit mobilization, customer-centric innovation, and Shariah-aligned financial inclusion.

The year was characterized by a deliberate shift toward strengthening our core deposit base, refining customer segmentation strategies, and accelerating digital integration across retail touchpoints. Through data-driven decision-making and enhanced field execution, the Division reinforced its operational resilience while maintaining steady growth momentum across key retail verticals.

Guided by the principles of Islamic banking and a commitment to responsible finance, we continued to deliver value-driven solutions that meet the evolving needs of our customers. Through innovative product development, targeted business campaigns, and enhanced customer engagement initiatives, the Division further strengthened its position as a trusted provider of Shariah-compliant retail financial services.

Card:

- The Division introduced three new retail deposit products—Mudaraba Savings Plus Deposit, Al-Wadiah Current Plus Account, and Mudaraba YouthSaver Account—a suite of innovative banking solutions designed to address the evolving needs of diverse customer segments. These products offer compelling value propositions, enhanced flexibility, and digital convenience, enabling the Bank to strengthen CASA growth while deepening customer engagement among high-value customers, youth, professionals, and the broader retail banking market.

- Retail investment outstanding grew by 18% year-on-year, reflecting the Division's sustained efforts to expand access to Islamic financial services across diverse retail segments. This growth was supported by innovative propositions offerings and responsive, relationship-driven service delivery.

- The Division successfully onboarded new payroll clients and expanded its payroll customer base, contributing to strengthened customer loyalty, increased cross-sell conversion, and more stable recurring deposit inflows through the AIBPLC Payroll Privilege Services (APPS) proposition. These efforts further reinforced our position as a preferred banking partner for various organizations and their employees.

- The Division launched Retail Business Hub in Chattogram, establishing a purpose-built center of excellence that promotes collaboration, performance accountability, and a business-oriented service culture. Building on its early success, plans are underway to establish additional hubs in strategic locations, creating a dedicated retail sales infrastructure to deepen customer relationships, enhance service quality, and accelerate business growth.

- A targeted campaign was executed to re-engage less-active and low-value account holders. The initiative successfully revitalized customer relationships, generated meaningful deposit inflows, and reinforced the Division's core deposit base, demonstrating the significant untapped potential within the existing customer portfolio.

- Regular branch visits and comprehensive training programmes were conducted across the network throughout the year. These initiatives reinforced product knowledge, strengthened Shariah banking awareness, improved frontline execution quality, and ensured alignment between branch-level activities and the Division's overall retail business objectives.

- Dedicated retail campaigns were executed across social media platforms and the official AIBPLC website, significantly enhancing the Division's digital visibility. These efforts generated higher levels of customer engagement and directly supported business acquisition initiatives across key product categories.

- The Division continued to leverage customer data analytics and segmentation frameworks to better understand customer behavior, identify growth opportunities, and deliver more personalized product propositions. These initiatives supported informed decision-making and improved customer experience across the retail banking portfolio.

Card Business Highlights

While the Retail Banking Division continued to drive deposit and investment growth, the Card Business Unit served as a high-efficiency revenue engine and a key contributor to customer engagement. During the year, the Bank successfully strengthened its card portfolio through focused business development initiatives, enhanced customer value propositions, and expanded market presence. Features like "Pre-approved Cards" and "Card-to-Card" transfers became the preferred choice for all professionals seeking Shariah-compliant flexibility. We have issued contactless cards, supported by a nationwide "Tap & Go" campaign.

The Bank continued to promote its Shariah-compliant card offerings, including debit and credit card products, while expanding customer adoption through targeted campaigns and strategic partnerships. A dedicated card sales team was established to accelerate card acquisition and portfolio growth. Furthermore, several strategic alliance partners were onboarded, enabling the Bank to offer attractive discounts, privileges, and lifestyle benefits to cardholders across a broad merchant network.

The continued expansion of contactless payment solutions and digital card services further enhanced customer convenience and supported the Bank's broader digital transformation agenda.

Wholesale Banking

The Wholesale Banking Division of Al-Arafah Islami Bank PLC (AIBPLC) previously known as Corporate Marketing Division & RMG is undergoing a strategic transformation through the centralization of its investment facilities to enhance efficiency, strengthen governance, and deliver superior client service. Under this restructured model, AIBPLC will operate through a well-defined corporate network comprising four clusters in Dhaka and one cluster in Chattogram, each supported by multiple Relationship Units. In addition, a dedicated Cash Management Unit and Transaction Banking Unit will work in close coordination with the asset-focused Relationship Units to provide comprehensive, end-to-end financial solutions.

As part of the centralization initiative of Al-Arafah Islami Bank PLC, the Corporate Business operations of 13 Dhaka-based branches—including 11 dedicated corporate branches—will be brought under a phased centralization framework. These branches collectively manage approximately 180 corporate groups with total sanctioned credit facilities amounting to BDT 35,592 crore approx.

The centralization process will begin with a pilot phase covering the Head Office Corporate Branch and Dilkusha Branch. Following successful implementation, other designated branches will be integrated sequentially. In subsequent phases, corporate clients from AD, SME, and Retail branches will also be gradually incorporated into the centralized structure to ensure a unified and efficient corporate banking platform.

This centralized structure enables AIBPLC to offer 360-degree Shariah-compliant banking services, including project finance, working capital finance, trade finance, work order finance, bridge financing, structured finance, offshore financing, and integrated cash and liquidity management solutions. The strengthened presence in Chattogram through a centralized cluster further enhances the Bank's ability to effectively serve corporate and institutional clients across the region with improved turnaround time, standardized processes, and stronger risk oversight.

While traditionally strong in industries such as RMG, steel, pharmaceuticals, textiles, and ship breaking & trading, AIBPLC has significantly diversified its portfolio into high-growth and emerging sectors including packaging, food processing, power and renewable energy, construction, glassware, edible oil refining, healthcare, plastic and polymer, telecommunications, lithium batteries, leather and footwear, and agri-business. This diversified industry footprint enhances portfolio resilience and supports sustainable long-term growth.

The Relationship Units will serve as the foundation of the Corporate & Institutional Banking Division, focusing on building and maintaining sustainable, profitable client relationships. By closely engaging with clients and understanding their business cycles, the Corporate Team will deliver tailored financing packages comprising various combinations of trade finance, project finance, working capital facilities, and structured Islamic financing solutions. The centralized framework ensures clear accountability, uniform credit standards, enhanced monitoring, and improved coordination among business, risk, and operations functions.

Driven by strong corporate governance, a skilled and dedicated team, advanced IT infrastructure, and innovative digital banking solutions, AIBPLC has demonstrated resilience even amid global economic uncertainties. The centralization initiative positions the Bank to further strengthen its credit discipline, operational efficiency, and client service excellence, reinforcing its commitment to supporting the sustainable growth of Bangladesh's economy while maintaining exceptional creditworthiness and long-term partnerships with its corporate and institutional clients.

Cash Management Division

Driving Liquidity and Digital Transformation

The Cash Management Team serves as the strategic backbone of the Bank's liquidity management, establishing a vital link between high-level treasury objectives and day-to-day operational cash flows. By moving beyond traditional account-based services, the team has positioned the Bank directly within the operational heart of our clients' businesses through integrated receivables and payables solutions.

The Cash Management Division plays a critical role in strengthening low-cost deposit mobilization while enhancing non-funded income streams. Its strategic objectives include:

- Corporate Fund Flow Management
- Collection & Distribution Solutions
- Digital & API Banking Solutions
- Government & Institutional Partnerships
- Low-Cost Deposit Mobilization

Cash Management Products:

Al-Arafah Islami Bank PLC offers a wide array of corporate account schemes in order to provide distinctive services to its client base as per their requirements.

- Short Notice Deposit Account (SND)
- Corporate Current Account
- Fixed/Term Deposit Account
- Export Retention Quota (ERQ)
- Proposed Account
- Corporate FC Account

Cash Management Services:

Al-Arafah Islami Bank PLC offers a wide range of cash management services to meet the specific requirements of the clients. These services areflexible and customizable as per the requirements of the different clients. Within a very short span of time, we have been able to establish our foothold very sharply by providing different types of collection solutions to the different types of organizations such as Government organizations, autonomous bodies, large local conglomerates, developments organizations, MNCs etc.

Key AIBPLC Cash Management Services includes:

- Deposit Facility
- Nationwide Collection Service (NCS)
- Secured Cash Service (SCS)
- Payment Transfer Solution (PTS)
- Cash Pick up and Drop service
- Transactional Services
- Internet Banking
- Mobile Financial Services

2025 Performance Highlights

Since its inception in August 2025, the team has demonstrated rapid momentum in both market penetration and operational efficiency:

- Deposit Mobilization: Successfully collected Tk 149 crore in deposits from a diverse mix of new and existing corporate clients.
- Strategic Partnerships: Secured formal Cash Management Agreements with 5 major domestic and multinational corporate institutions by year-end.
- Operational Efficiency: Expanded digital collection channels, significantly reducing the Bank's "cost to serve" by automating previously manual processes.

Strategic Outlook for 2026:

Looking ahead, the Cash Management Team is set to aggressively scale its footprint. The primary objective for 2026 is to optimize the Bank's funding mix by focusing on high-velocity, low-cost liquidity.

Key Target: The team aims to expand the portfolio by an additional Tk 505 crore through targeted low-value deposit mobilization from large-scale corporate institutions.

By further integrating our digital ecosystem with corporate ERPs and payment gateways, we remain committed to delivering seamless financial supply chain management while reinforcing the Bank's liquidity position.

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. ARDPactivities are being conducted at a total 298 work stations, including 25 sub branches and 98 agent outlets through 175 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–ArafahIslamiBank PLC.

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Sl	Particular	2022 (YTD)	2023 (YTD)	2024 (YTD)	2025 (YTD)
1	Designated Branch	127	145	166	175
2	Total Employee wit HO	377	407	441	397
3	Beneficiary Member	75337	76116	83455	83487
4	Client	63227	60061	58057	58579
5	Number of A/C	272621	302220	381750	406992
6	Deposit/Savings	220.85	336.57	550.64	733.33
7	Investment	257.85	381.88	436.99	506.37
8	Profit (Excluding provision)	6.17	4.54	22.02	15.14

Figure in crore

SL		Particular	December' 2023	December' 2024	November' 2025	December' 2025	Inc/(Dec) (Dec'25-Nov'25)	YTD Inc/(Dec) (Dec'25-Dec'24)	Growth over Dec'24
1		**Area Coverage**							
	a	Designated Branch	145	166	175	175	0	9	5.42%
	b	No of Sub-Branch	20	25	25	25	0	0	0.00%
	c	District	57	63	65	65	0	2	3.17%
	d	Village	2,500	2,789	2,778	2,769	-9	-20	-0.72%
	e	Centre/Smity (Consist of 8 groups)	3,733	3,984	4,130	4,102	-28	118	2.96%
	f	Group (Consist of 5 Members)	15,223	16,691	16,603	16,685	83	-6	-0.03%
	g	**Total Member**	**76,116**	**83,455**	**83,013**	**83,427**	**414**	**7,339**	**9.64%**
	h	% of Women Member	80%	73%	74%	74%	0%	1.00%	1.37%
	i	% Of Non Muslim Member	5%	8%	9%	9%	0%	1.00%	12.50%
2		**Clients**							
	a	Society Based Clients	54,586	48,884	48,102	48,576	474	-308	-0.63%
	b	SMIS-SAIS-Re-finance Client	5,475	9,173	9,788	10,003	215	830	9.05%
	c	**Total Client**	**60,061**	**58,057**	**57,890**	**58,579**	**689**	**522**	**0.90%**
	d	% of Client on Member	79%	70%	70%	70%	0%	0.65%	0.93%
3		**Number of Accounts**							
	a	CASA	245,309	292,894	318,721	316,117	-2,604	23,223	7.93%
	b	SSP	56,911	88,856	90,838	90,875	37	2,019	2.27%
	c	**Total Account**	**302,220**	**381,750**	**409,559**	**406,992**	**-2,567**	**25,242**	**6.61%**
4		**Saving/Deposit**							
	a	CASA	88.66	113.64	135.21	141.88	6.67	28.24	24.85%
	b	SSP	200.46	395.87	543.56	551.91	8.35	156.04	39.42%
	c	Welfare Fund (Central)	28.3	31.56	34.38	35.23	0.85	3.67	11.62%
	d	Borrowing from BB	19.15	9.57	4.32	4.31	-0.01	-5.26	-55.01%
	e	**Total savings**	**336.57**	**550.64**	**717.47**	**733.33**	**15.86**	**182.68**	**33.18%**
5		**Cumulative Disbursement'24**							
	a	Society Based	310.98	272.61	247.01	276.17	29.16	276.17	1.31%
	b	SMIS-SAIS-Refinance	132.03	139.86	143.41	166.79	23.38	166.79	19.25%
	c	**Total Disbursement**	**443.01**	**412.47**	**390.42**	**442.96**	**52.54**	**442.96**	**7.39%**
	d	Number of Disbursement		41882	32042	45575	45575	45575	8.82%
6		**Investment Outstanding**							
	a	Society Based	200.87	215.74	247.09	248.76	1.67	33.02	15.31%
	b	SMIS-SAIS-Refinance	181.01	221.25	239.92	257.62	17.70	36.37	16.44%
	c	**Total Outstanding**	**381.88**	**436.99**	**487.01**	**506.38**	**19.37**	**69.39**	**15.88%**
7		**Overdue**							
	a	Society Based	29.43	38.22	44.92	41.30	-3.62	3.08	8.07%
	b	SMIS-SAIS-Refinance	0.34	3.92	9.76	9.47	-0.29	5.55	141.68%
	c	**Total Overdue**	**29.77**	**42.14**	**54.68**	**50.78**	**-3.90**	**8.64**	**20.50%**
	d	Installment Overdue (Not expired)	-	17.03	21.82	19.14	-2.68	2.11	12.39%
	e	% of Overdue on outstanding	7.80%	9.64%	11.23%	10.03%	-1.20%	0.38%	3.98%

Figure in crore

SL		Particular	December' 2023	December' 2024	November' 2025	December' 2025	Inc/(Dec) (Dec'25-Nov'25)	YTD Inc/(Dec) (Dec'25-Dec'24)	Growth over Dec'24
	Classified								
	a	SS	5.82	10.29	4.18	3.85	-0.33	-6.44	-62.57%
	b	DF	1.50	2.66	7.72	6.55	-1.16	3.89	146.28%
8	c	BL	0.62	1.27	20.21	20.10	-0.11	18.83	1487.34%
	d	**Total Classified**	**7.94**	**14.21**	**32.10**	**30.50**	**-1.60**	**16.29**	**114.57%**
	e	% of Classified on outstanding	2.08%	3.25%	6.59%	6.02%	-0.57%	0.03	85.17%
	f	% of Recovery	97.92%	96.75%	93.41%	93.98%	0.57%	-2.77%	-2.86%
	Profit/Loss								
	a	Investment Income, AIBG, Fees, etc.	43.49	71.65	82.46	90.96	8.50	19.31	26.94%
	b	Expenditure (profit paid, salary, Bills, etc.)	38.95	47.72	59.23	64.54	5.31	16.82	35.24%
	c	**Operating Income**	**4.54**	**23.93**	**23.23**	**26.42**	**3.19**	**2.49**	**10.40%**
		Provision		1.91	9.56	11.28	1.72	9.37	490.58%
9		**Profit**	**43.49**	**22.02**	**13.67**	**15.14**	**1.47**	**-6.88**	**-31.25%**
		% of Operating Expenses		66.60%	71.83%	70.95%	-0.87%	4.35%	6.53%
		Cost of Fund							
	d	Average Income Rate		13.52%	12.57%	13.27%	0.70%	-0.25%	-1.85%
		Cost of Fund		4.23%	5.66%	6.06%	0.40%	1.83%	43.26%
		Spread / Net Margin Calculation		9.29%	6.91%	7.21%	0.30%	-2.08%	-22.39%
		Operating expenses					0.00%	0.00%	0.00%
	e						0.00	0.00	0.00%
	Agent-Outlet								
	a	No of Agent Outlet	105	90	93	93	0	3	3.33%
	b	Member	17507	18816	18129	18183	54	-633	-3.36%
10	c	Client	13213	13255	13172	13268	96	13	0.10%
	d	Deposit	16.57	59.78	88.44	94.45	6.01	34.67	58.00%
	e	Outstanding	61.10	74.25	83.16	85.61	2.45	11.36	15.30%
	f	Overdue	5.06	7.75	11.04	10.04		2.29	29.55%
	Employee Position								
	a	Total Field Employee (At ARDP Ho- 22)	382	414	379	382	3	-32	-7.73%
	b	Member per employee Standard- 400	199	202	219	218	-1	17	8.34%
	c	Client per employee Standard- 320	157	140	153	153	1	13	9.35%
	d	Investment per employee	1.00	1.06	1.28	1.326	0.04	0.27	25.59%
11		Standard- 3.00 crore							
	e	Deposit per employee	0.88	1.33	1.89	1.920	0.03	0.59	44.33%
	f	Classified per employee	0.021	0.034	0.085	0.080	-0.005	0.046	132.55%
	g	Total income per employee including ARDP HO	0.11	0.16	0.202	0.225	0.024	0.064	39.51%
	h	Expenditure per employee including ARDP HO	0.10	0.11	0.145	0.188	0.043	0.080	74.61%
	i	Net profit per employee including ARDP HO	0.01	0.05	0.057	0.037	-0.019	-0.012	-24.44%

Figure in crore

SL		Particular	December' 2023	December' 2024	November' 2025	December' 2025	Inc/(Dec) (Dec'25-Nov'25)	YTD Inc/(Dec) (Dec'25-Dec'24)	Growth over Dec'24
	Welfare								
	a	Welfare Balance (Branch)	6.69	6.92	0.00	0.00	0.00	-6.92	
	b	Welfare Balance (Central)	21.61	24.64	34.05	34.05	0.00	9.41	38.20%
	c	**Total Welfare Balance (Central+Branch)**	**28.30**	**31.56**	**34.05**	**35.23**	**1.18**	**3.67**	**11.62%**
12	d	Amount Spent (Dead Settlement) This year	0.390	0.795	0.744	1.108	0.364	0.313	39.30%
	e	Amount Spent (Dead Settlement) Cumulative	2.980	3.770	4.514	4.878	0.364	1.108	29.39%
	f	**Profit obtained from WF Fund Cumulative**	**8.90**	**9.69**	**11.28**	**12.09**	**0.81**	**2.40**	**24.77%**
	Portflio								
	a	PAR (Portfolio At Risk) Standard-5% & Maximum 10%	7.80%	9.64%	11.23%	10.03%	-1.20%	0.38%	3.98%
13	b	LAR (Loanee At Risk) {-day clients numer-STD}	13.71%	23.64%	4.17%	3.65%	-0.52%	-19.99%	-84.54%
	c	CRR (Cumulative Recovery Ratio) Standard 95%	92.20%	90.36%	88.77%	89.97%	1.20%	-0.38%	-0.43%

Brand Communication and Marketing Division

Al-Arafah Islami Bank has successfully enhanced consumer awareness through a strategically integrated branding and corporate communication framework that combines mass media, digital marketing, public relations, stakeholder engagement, and brand experience initiatives. Recognizing that brand awareness is a fundamental driver of customer trust, brand recall, and market differentiation, the Bank continuously invests in consistent and impactful communication to strengthen its corporate identity and reinforce its position as a leading Shariah-based financial institution in Bangladesh.

During the year, AIB PLC executed a comprehensive branding strategy designed to increase visibility, improve customer engagement, and promote its diversified portfolio of Shariah-compliant products and services, including SME, CMSME, retail banking, investment, and financial inclusion solutions. Bank organized more than 64 major corporate and business events, generating approximately 480 news coverages across 23 national television channels, significantly amplifying brand exposure and strengthening public recognition. To maximize seasonal audience engagement, branding activities were further intensified during the holy month of Ramadan through 23 dedicated television programmes broadcast on 17 leading satellite channels, enabling the Bank to connect with a broad nationwide audience during one of the country's highest media consumption periods.

Strategic media relations continued to play a pivotal role in reinforcing the Bank's corporate reputation. Throughout the year, AIB PLC disseminated 3,346 press releases through 81 leading newspapers and media outlets, ensuring extensive coverage of corporate milestones, product launches, business achievements, and CSR initiatives. Complementing these efforts, the Bank published more than 650 advertisements across 149 newspapers, magazines, and other publications, substantially enhancing brand visibility among diverse customer segments. Additionally, over 14 exclusive interviews featuring senior management were published in prominent media outlets, further strengthening the Bank's thought leadership, institutional credibility, and reputation for ethical and innovative Islamic banking.

The Bank's digital branding strategy also delivered significant results, reflecting the growing importance of digital engagement in building brand equity. Between January and December 2025, AIB PLC's official Facebook page expanded to 739,742 followers, recording a net growth of 25,152 new followers. During the year, 756 posts generated 384,331 engagements, 23.1 million video and content views, and a total reach of 10.25 million users. The platform also recorded 30,244 post link clicks, 3,555 customer responses, and an outstanding 35.4% engagement rate, demonstrating strong audience

interaction, content relevance, and increasing brand affinity.

The Bank's presence across other digital platforms further strengthened its integrated brand ecosystem. The official YouTube channel attracted 3,251 subscribers, published 108 videos, accumulated 1,126,540 views, generated 1,142 audience reactions, and achieved 598.3 hours of watch time, indicating sustained interest in the Bank's digital content. On Instagram, AIB PLC recorded 1,748 followers, 586 new followers, 23,436 views, 6,785 reach, and 443 content reactions, while LinkedIn expanded to 9,912 followers, adding 1,720 new followers and generating 109,250 content views, 13,125 reactions, and 7,977 link clicks, reinforcing the Bank's visibility among professionals, corporate clients, and institutional stakeholders.

These measurable branding outcomes demonstrate the effectiveness of AIB PLC's integrated marketing communication strategy in strengthening brand awareness, enhancing customer engagement, and reinforcing corporate reputation. The successful integration of television, print, digital media, public relations, and stakeholder communications has enabled the Bank to achieve sustained visibility across multiple customer touchpoints while strengthening brand recall and public trust. Collectively, these initiatives have enhanced the Bank's brand equity, supported customer acquisition and retention, strengthened stakeholder confidence, and further established AIB PLC as one of Bangladesh's most trusted and progressive Islamic banking brands. The continued growth across both traditional and digital communication channels provides strong evidence that the Bank's branding initiatives have successfully increased consumer awareness while creating long-term value for customers, shareholders, and other stakeholders.

Information & Communication Technology

In 2025, the ICT Division of Al-Arafah Islami Bank PLC 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 the completion of major infrastructure modernization initiatives, significant enhancements to digital channels, and continued investment in building a secure, resilient, and future-ready banking ecosystem.

Key Achievements & Initiatives

1. Core Banking System (CBS) Modernization

Al-Arafah Islami Bank PLC reached a defining milestone in 2025 by completing a comprehensive modernization of its Core Banking System — the engine that powers every transaction, account, and service the Bank delivers to its customers. This transformation was undertaken with one clear purpose: to serve customers better, faster, and more reliably than ever before.

As a direct result of this modernization, customers now experience significantly faster account opening and transaction processing, reduced waiting times at branches, and smoother access to banking services across all channels. The upgraded system ensures greater reliability during peak hours, minimizing service disruptions that customers may have previously encountered. It also lays the foundation for a wider range of digital products and Shariah-compliant financial solutions to be introduced in the coming period — enabling the Bank to respond to customer needs more swiftly and innovatively.

The same modernized infrastructure has been replicated at the Bank's Disaster Recovery site, ensuring that customers continue to enjoy uninterrupted banking services even in the event of any unforeseen disruption.

2. Internet Banking Enhancement

The Bank significantly expanded its Internet Banking platform in 2025, bringing a range of new services directly to customers' fingertips — reducing the need for branch visits and making everyday banking simpler and more accessible.

- Customers can now register and activate their Internet Banking account entirely online, no branch visit required.
- Mobile and data recharge services are now available through Internet Banking, adding everyday convenience for customers.
- Customers can open Islamic Term Deposit (ITD) and MTDR accounts digitally through the iBanking platform — saving time and enabling self-service banking.
- The Rapid Account opening process has been simplified, allowing new customers to get started with the Bank faster than ever before.

3. Islamic Wallet Enhancement

The Bank's Islamic Wallet continued to evolve as a comprehensive Shariah-compliant digital payment and lifestyle platform, offering customers an ever-growing range of services that align with their faith and daily needs.

- Al-Arafah Islami Bank PLC became the first bank in Bangladesh to offer both Static and Dynamic Bangla QR payments, making cashless payments easier and more widely accepted for customers.
- Customers can now transfer funds seamlessly to other

banks, mobile financial services, and payment platforms — all from within the Islamic Wallet.

• Deen, an Islamic content platform, is now integrated within the wallet — offering customers access to faith-enriching content alongside their banking services.

• The Digital Dan Box allows customers to make charitable donations digitally through the app — reflecting the Bank's commitment to community and Islamic values.

• Customers can now recharge their Rapid Pass and MRT cards directly through the Islamic Wallet, making daily commuting more convenient.

4. Infrastructure Enhancement

Behind every smooth banking experience is a strong and reliable infrastructure. In 2025, the Bank made significant investments in modernizing its infrastructure — improvements that directly translate into more stable, faster, and more secure services for customers across all channels.

• Upgraded the Bank's core infrastructure to deliver greater speed, reliability, and stability for all banking services.

• Enhanced connectivity and storage between systems to ensure seamless and uninterrupted service across branches and digital platforms.

• Strengthened network and data security to better protect customer data and transactions.

• Expanded the infrastructure setup at the Disaster Recovery site, further safeguarding continuity of customer services during any disruption.

5. Disaster Recovery (DR) Site Modernization

To further strengthen service continuity and protect customer interests, the Bank commenced relocating its Disaster Recovery site to a state-of-the-art facility at Kaliakoir Hi-Tech Park. This investment ensures that in any unlikely event of a disruption, the Bank can quickly restore full operations — keeping customers' accounts, transactions, and digital services running without significant interruption.

Looking Ahead — 2026 Priorities

The Bank remains committed to placing customers at the heart of every technology initiative. In 2026, the ICT Division will focus on:

• Completing infrastructure modernization to ensure faster, more reliable, and always-available banking services for all customers.

• Strengthening data protection and cybersecurity to safeguard customer information and build trust.

• Internet Banking: Refreshed user interface for a simpler experience; fund transfers to Nagad, Upay, and TAP; interoperable MFS and PSP transfers; more utility and lifestyle payment options; Branch QR for cash withdrawal; and e-Investment application through iBanking.

• Islamic Wallet: Refreshed user interface; Education Management System for institutional tuition fee payments; Digital Term Deposit (ITD and MTDR) opening through the wallet; more utility and lifestyle payment options; and e-Investment application through the wallet.

• Introducing AI-driven tools to enhance service quality, detect fraud more effectively, and offer customers more personalized banking experiences.

• Ensuring full readiness of the new Disaster Recovery site to guarantee uninterrupted services for all customers.

Asset Quality

Overdue investments stood at Tk. 19676.20 millions as on 31st December 2025 as against Tk. 21343.10 million as of December, 2024. Total overdue decreased by Tk. 1666.90 million during the year 2025 bringing the same to 3.90% of our total investment as against 4.45% 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. 21587.70 million from Tk. 61902.90 million to Tk. 8349.60 million (Term investments by Tk. 38748.60 million plus Continuous and Demand investments by Tk. 44742 million) which was 16.55% of total Investment. Recovery against rescheduled investment during the year 2025 was Tk. 3907.50 million.

Classified investments increased by Tk. 14466.67 million in 2025 from Tk. 74055.36 million to Tk. 88522.03 million representing 17.16% of total investment as against 15.14% in the previous year. During the year 2025, recovery & regularization against classified investment stood at Tk. 32355.67 million while recovery against written off investments stood at Tk. 191.12 million recording a total recovery of Tk. 36454.29 million which includes a recovery Tk. 3907.50 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 portfolio 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 decisionmaking 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'sinternal 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. AIBLformed AllRisk 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 oversights 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. CCClooks after the money laundering and terrorist financing activities, STR (Suspicious Transaction Report), CTR (Cash Transaction Report), KYC (Know Your Customer) and TP (Transaction Profile) related compliances. The committee also supervises and monitors the entire transactional activities of the Bank including money laundering aspects involved with foreign exchange transactions.

6. Information & Communication Technology Risk Management Committee:

ICT risks include hardware and software failure, human error, spam, viruses and malicious attacks, as well as natural disasters such as fires, cyclones or floods. This committee monitors and supervises the risks related to Data security, Physical security, Network security, Disaster recovery, Fraud, Forgery, System failure and Business continuity etc.Banks always run the risk of insufficient liquidity and investment/credit defaults. While conducting day to day operation AIBL usually faces the following major risk:

1. Credit/Investment Risk:

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

I. Individual client wise: Investment Wing considers the risk on a case-to-case basis. Their sole purpose is to measure the weighted risk of individual clients and disburse loan/investment accordingly. IIRS is approved & verified by CRO of the Bank.

II. Portfolio wise: IAD considers the risk on a sector-to-sector basis or on industry-to- industry basis and is reviewed in ARC/MC meeting. This is what is referred to as portfolio wise investment risk management.

1.1 Credit Concentration Risk

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

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

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

Internal Investment Risk Rating System (IIRRS)

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

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

2. Market Risk:

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

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

2.1 Interest/Profit Rate Risk

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

3. Operational risk

Operational risk is the risk that is not inherent in financial, systematic or market wide risk. Itis 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 continuesurveillance, 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.AIBLinvolves 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 environmentalrisk. This risk is managed by InvestmentRisk 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 supportsBIU/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/ decisionstaken 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), andStress 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 watch lists
- 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.

Emphasis of Matter

The external auditors completed the audit of Bank's financial statements for the year ended December 31, 2025.

The external auditors would like to draw attention of the users of this report to the following facts:

1. Note 15: Other Liabilities – The required provisions against investments, off balance sheet items, other assets, non-banking assets, placement with other banks and gratuity have been determined as per Bangladesh Bank letter BSD-12/57/2026-396 dated 28.04.2026 based on the tripartite meeting among Bangladesh Bank, external auditors and the Bank, held on 21.04.2026. The details are as under:

A) The required provision against investments and off balance sheet items is BDT 6,983.89 crore, while the Bank maintained BDT 1,985.31 crore, resulting in a shortfall of BDT 4,998.58 crore, against an NPI ratio of 17.16% as per the above mentioned Bangladesh Bank letter and dividend is not distributable this year.

Classified investment of the bank has been increased by

BDT 1,971.53 crore during 2025 considering the write-off during the year BDT 524.87 crore but no provision against classified investment has been accounted for this year due to insufficient profit.

The Bank applied investment rescheduling under Policy Support for more than 16% of the total investment. The rescheduling of classified investments, including extended grace periods, delays cash recoveries and may exert pressure on the Bank's liquidity position. Although compliant with regulatory guidelines, such rescheduling introduces heightened uncertainty over recoverability and may not fully reflect the underlying credit risk.

B) The required provisions against i) Others Assets is BDT 154.52 crore, while the Bank reported BDT 55.50 crore, ii) Non-Banking Assets is BDT 3.01 crore, while the Bank did not keep any provision, iii) Placement with Other Banks under Liquidity Stress is BDT 206.19, while the Bank did not keep any provision and iv) Gratuity is BDT 428.39, while the Gratuity Asset Fund is BDT 342 crore resulting provision shortfall of these accounts BDT 394.61 crore.

Bangladesh Bank has allowed deferral recognition of resulted entire shortfall of provision BDT 5,393.19 crore vide Bangladesh Bank letter BSD-12/57/2026-396 dated 28.04.2026 and the financial statements have been prepared accordingly by the Bank.

While the preparation of the financial statements is in accordance with regulatory guidance, it has the effect of increasing reported profit for the year and may not reflect the underlying credit risk or the Bank's expected loss position in future. The financial statements of the bank exhibited financial performance with a net profit after tax of BDT 86.51 crore. Had the bank made full provision, the total loss after tax would have amounted to BDT 5,306.68 crore, with a negative effect on CRAR.

2. The bank has recognized profit from profit rent suspense account without repayment for BDT 20 crore non complying with Bangladesh Bank Guidelines. Also, the bank did not maintain adequate provision against Income Tax for BDT 21.4 crore. As a result, net profit after tax has been overstated by BDT 41.4 crore.

3. Note 18: Capital Adequacy Ratio - The bank reports a CRAR of 10.72% (Core: 7.12%, Supplementary: 3.60%), which is already below the regulatory requirement of 12.5% reflecting a shortfall of 1.78% or BDT 689.45 crore. However, factoring in the BDT 5,393.19 crore provision shortfall causes the CRAR to turn negative, indicating a critically depleted capital position.

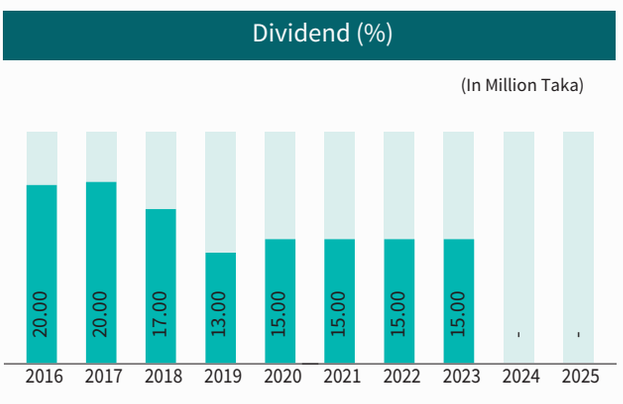
4. As per the audited financial statements of AIB Capital Market Services Limited, the market value of investment made by the subsidiary has declined by BDT 142.85 crore against which provision of only BDT 50.38 crore was accounted for. As a result, there is a shortfall of provision for BDT 92.47 crore, of which the portion of the bank is BDT 55.94 crore, being the shareholder of 60.5% of the share capital. The subsidiary did not account for the required provision as per the BSEC letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16.11.2025 issued by of Bangladesh Securities and Exchange Commission (BSEC) that allows them to defer such provision till 31.12.2031

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
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
2025	0.00



Credit Rating

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

Long Term	**:**	**AA-(pronounced Double AMinus)**
Short Term	:	ST-3
Based on	:	Audited Financial Statement 2024
Date of Rating	:	July 14, 2025
Validity	:	July 13, 2026
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
14 July 2025	AA-	ST-3	Stable
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

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-3 (Good Grade):Good certainty of timely payment. Liquidity factors andcompany fundamentals are sound. Although ongoing funding needs may enlarge total financing requirement, access to capital market is good. Risk factors are 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.We have 5593 staff in the Bank of whom 591 are executives 4202 are officers and 800 other staff a as on 31st December 2025.

Sl No	Designation	Category Number
1	Executives	591
2	Officers	4202
3	Others	800
	Total	5593

We nominated 200 employees in outside training course viz. BIBM, BBTA, BAB etc. in 2025 and they have completed the course successfully.

Human Capital Development by AIBTI of Al-Arafah Islami Bank

Since its inception in 1996, the Al-Arafah Islami Bank Training Institute (AIBTI) has consistently evolved, cementing its position as a premier institution dedicated to pedagogical excellence and professional development. In the contemporary knowledge economy, highly skilled human resources constitute an organization's ultimate competitive advantage. Strategic institutional growth and the optimization of both cognitive (soft) and technical (hard) competencies are fundamentally dependent on continuous, high-impact training.

AIBTI's core mandate focuses on equipping Al-Arafah Islami Bank PLC professionals with a comprehensive understanding of operational workflows, governance frameworks, institutional policies, and regulatory mandates. As the global financial ecosystem undergoes rapid paradigm shifts driven by modern complexities—such as Fintech, Regtech, and decentralized finance—targeted, specialized training is imperative to successfully transition the Bank's workforce into high-yield human capital.

Training initiatives at AIBTI are meticulously curated, relying on data-driven Training Need Assessments (TNAs) executed by a dedicated cadre of internal faculty members. Despite operational constraints, AIBTI remains steadfast in its pursuit of institutional excellence, continuously elevating workforce competency through a robust curriculum of specialized training courses, strategic seminars, andcollaborative workshops addressing

contemporary financial and macroeconomic issues.

Navigating Structural Reforms and Socio-Economic Shifts

The financial sector of Bangladesh is currently navigating structural reforms alongside an evolving socio-economic landscape. In alignment with these dynamics, AIBTI has proactively restructured its methodologies and strategic frameworks to enhance its manpower development services. By fostering an environment of innovative thinking and modern banking insights, AIBTI ensures that AIBPLC officials are thoroughly equipped to champion institutional reform and drive capacity building across all operational tiers.

Training in Risk Management and Compliance

Effective risk management is one of the major strengths of AIBPLC. The bank regularly trains it's employees on operational activities and on Risk Based Supervision(RBS) structure of Bangladesh Bank e.g. Investment Risk, Internal Control and Compliance, ICT & Cyber Security & Digital Banking Risk, ALM Risk, Foreign Exchange & Foreign Trade Risk, Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) Risk, Comprehensive Risk, Stress Testing, Market Risk, Regulatory Compliance, Basel Accord/Basel III Framework Requirements,

Training Programs and Capacity Building Initiatives of the Year 2025

Amidst enduring operational challenges due to banking turmoil on political volatility, AIBTI executed a comprehensive balance of theoretical and hands-on interventions/case study based training programs, course, workshops, EDP, Lead Bank training programs & professional development programs for employees at different levels. Besides conducted comprehensive EDP under SICIP, Ministry of Finance & Bangladesh Bank in 2025.

During 2025, AIBTI successfully delivered 127 training initiatives—comprising core Training Courses, Workshops, Outreach Programs, Specialized Modules, and Faculty Development Programs—benefiting a total of 8,573 participants. These programs seamlessly integrated hybrid delivery models, balancing virtual learning with strictly regulated, health-compliant on-site sessions.

- **Training Courses (TC):** AIBTI deployed 20 classroom-based courses designed to deepen technical proficiency in Shariah compliance, core banking operations, structured finance, rural/microfinance models, and elevated customer relationship management.

- **Strategic Workshops (TW):** A total of 63 specialized workshops were executed to address critical regulatory and operational challenges. Key focus areas included evolving paradigms in International Trade and Finance, the integration of Fintech applications, the National Integrity Strategy (NIS), documentation risk mitigation, investment property valuation metrics, FATCA compliance, and Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) frameworks. Additionally, internal colloquiums were held to deliberate on contemporary Islamic Shariah jurisprudential developments.

- **Specialized Training Courses (STC):** 04 (four) high-level, specialized courses were custom-designed and delivered to senior executives and management officials to align leadership vision with modern banking complications.

- **Outreach Training Programs (OTP):** To decentralize knowledge distribution, AIBTI conducted 40 regional and zonal outreach programs. These initiatives successfully engaged promising young officers, fostering critical competencies in Islamic economics, time and stress management, non-performing investment (NPI) recovery strategies, Environmental Risk Rating (ERR) methodologies, and localized Islamic Financial Literacy campaigns.

- **Conducted 2 Regulatory Comprehensive Training courses** each one month long on Entrepreneurship Development Programs (EDP) to generate Entrepreneurs for the economic development of the Country. In association with Bangladesh Bank, AIBPLC signed agreement in 2025 under the Skills for Industry Competitiveness and Innovation Program (SICIP) of

Finance Division, Ministry of Finance funded by Asian Development Bank (ADB). Through this initiative, entrepreneurship development training programs are being conducted across different regions of Bangladesh from 2025 to 2027. This reflects the bank's contribution to national capacity building and economic development.

Future Trainings Roadmap

Training Need Assessment (TNA) conducted in November-December, 2026 by AIBTI in cooperation with Human Resources Division and designed/developed an structured training programs roadmap for 2026 addressing identified skill gaps and need based trainings including digital transformation and heightened regulatory focus. As per newly designed Academic Calendar 2026, training courses, workshops, seminars, EDP, specialized developed programs and Foreign Training Program relevant to the Bank's strategic priorities and Risk Based Training Program under RBS circulars & other relevant guidelines of Bangladesh Bank trainings to be conducted throughout the year including weekly holidays for the greater interest of the Bank. In such way progress of training programs will be ensured in the coming days.

Appointment of Statutory Auditor

In the 31st Annual General Meeting of the Bank M/S K M Alam & Co.Chartered Accountants was appointed External Auditors of the Bank for a term till conclusion of the 31st Annual General Meeting.

Corporate Governess Auditor

M/S Ahsan Manzur & Co. Chartered Accountants was appointed to provide Corporate Governance Certificate for 2025 and they will retire in this AGM, New appointment will be made in the AGM for 2026 in this regard.

Board Meeting

During the year 2025, 36 regular Board Meeting had been held. Besides, 13 meetings of Executive Committee, 16 meetings of Audit Committee and 12 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 2025. 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 2026. 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,



Badiur Rahman
Chairman, Board of Directors
Date: 09th November 2026

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



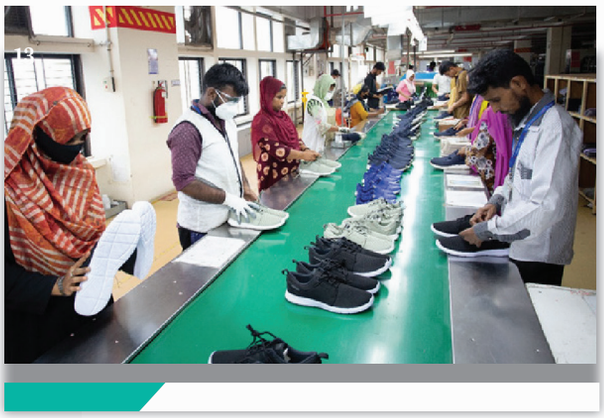
Fakir Group of Industries is one of the largest 100% export-oriented and LEED-certified readymade garment (RMG) manufacturers in Bangladesh, proudly financed by Al-Arafah Islami Bank PLC. Headquartered in Narayanganj, Fakir Group is a renowned industrial conglomerate with deep-rooted expertise in textile 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.



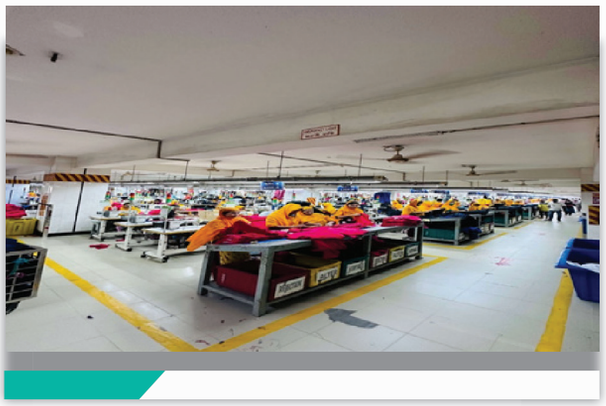
H & S Glass Ware Limited, financed by Al-Arafah Islami Bank PLC, is Bangladesh's largest manufacturer and supplier of glass household items, jars, and bottles. It operates the country's only fully automatic glass plant, with an annual production capacity exceeding 100 tons per day of opal glass and soda 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.



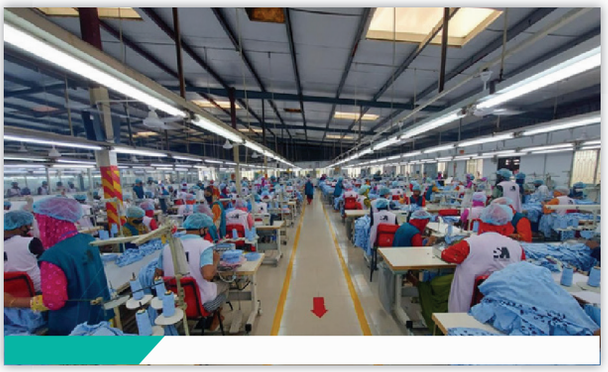
Maf Footwear Ltd is a First LEED Platinum Shoe Factory in Bangladesh financed by Al-Arafah Islami Bank PLC, scored: 85/100 pionts. It is a promising and valued 100% synthetic shoe exporter. MAF Footwear Ltd. & its sister concern MAF Shoes Ltd have the ability to deliver impeccable quality and punctual 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.



Mondol Spinning Mills Ltd. is a prominent yarn manufacturing facility with 76,800.00 nos spindles with rated production capacity 49.92MT/Day. under the Mondol Group, a leading conglomerate in Bangladesh's textile and garment sector. Established to support the Group's knitwear operations, the mill specializes in producing high-quality cotton and blended yarns for in-house consumption and export markets. The company was incorporated in 09.07.2006. Factory Location: Gorai, Tangail, Bangladesh.
The factory is equipped with msodern European and Asian spinning machinery, ensuring consistent quality and production efficiency. Mondol Spinning Mills Ltd. produces a range of yarns, including: Carded Yarn, Combed Yarn, and Blended Yarns. The primary raw materials include: Cotton, Polyester, Sourced from local markets and international suppliers. Mondol Spinning Mills Ltd. exports its products to various international markets, including: Germany, United States, Netherlands etc.



Victor Bags Factory Ltd. as a sister concern of Rider Group, is a 100% export-oriented leather bag & luggage manufacturer under (LFMEAB), financed by Al Arafah Islami Bank PLC. Specializing in manufacturing of export-quality backpacks, daypacks, schoolbags, duffle bags, travel bags, sports bags, accessories bags, messenger bags, laptop bags, luggage, trolleys, etc. — made from polyester fabrics, canvas fabrics, nylon fabrics, denim fabrics, woven fabrics, leather and synthetic leather as primary raw materials.
The company exports its products under various brand names to prestigious buyers in the UK, USA, Germany, Croatia, UAE, Switzerland, Sweden and Spain tailored to their specific requirements as a LFMEAB and EPB registered company. Currently, the company operates with 15 production lines, with an installed capacity of 6,000 bags and 600 pieces of luggage per day.



Healthcare Pharmaceuticals Ltd. (HPL) is the 4th largest pharmaceutical manufacturer of Bangladesh as per latest IMS ranking established in 1996, committed to producing high-quality, affordable medicines that improve healthcare outcomes. The company manufactures a broad portfolio of generic pharmaceutical products covering major therapeutic areas, including cardiovascular, diabetes, antibiotics, oncology, gastroenterology, and respiratory care. Equipped with modern manufacturing facilities that comply with international Good Manufacturing Practice (GMP) standards, HPL serves both domestic and international markets through exports to numerous countries. By emphasizing research and development, innovation, quality assurance, and regulatory compliance, Healthcare Pharmaceuticals continues to strengthen its reputation as a trusted and rapidly growing pharmaceutical company in Bangladesh.

EVENTFUL YEAR



01

Chairman, Directors & Managing Director of AIB PLC are seen as they participated in the 30th Annual General Meeting (AGM) arranged virtually at Al-Arafah Tower.



02

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



03

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



04

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



05

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



06

Al-Arafah Islami Bank PLC celebrates three decades of its journey, which began on September 27, 1995



07

Al-Arafah Islami Bank achieves MasterCard Excellence Awards 2025



08

Al-Arafah Islami Bank Provides Financial Assistance to 784 Fishermen Nationwide Under CSR Initiative



09

Al-Arafah Islami Bank PLC, as the proud title sponsor of NCL T20 2025, joined the prize-giving ceremony where the Chairman, senior officials, and the winning team were present.



10

Al-Arafah Islami Bank has inaugurated a tree plantation program on the premises of Chittagong University



11

Al Arafah Islami Bank 11th Bangladesh Junior Science Olympiad- 2025 national phase was held in Dhaka



12

Al-Arafah Islami Bank donated taka 8 (eight) lac to Dhaka National Medical College under its CSR program



13

Al-Arafah Islami Bank concludes month-long training on SME entrepreneurship



14

Al Arafah Islami Bank entrepreneur receives Bangladesh Bank's Women entrepreneur award



15

Al-Arafah Islami Bank Distributes Blankets Among Cold-Affected People



16

Al Arafah Islami Bank inagurates Sub Branch at Maijdee Bazar, Noakhali

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. 50-53

ii) The segment-wise or product-wise performance; Page No. 56-57 & 59

iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on Environment, if any; Page No. 82-86

iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; Page No. 95

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. 208

vii) A statement of utilization of proceeds raised through public issues, rights issues and /or any other instruments (AIBL Mudaraba Subordinate Bond) Page: 58

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	2025 Amount in million	2024 Amount in million	Growth (%)
Investment income	41402.52	42,038.25	-1.51%
Profit paid to depositors	35335.07	29573.86	19.48%
Net Investment Income	6067.45	12464.39	-51.32%
Commission, Exchange and other Income	8997.16	8,107.89	10.97%
Total Operating Income	15064.61	20572.28	-26.77%
Total Operating Expense	11563.87	12077.99	-4.26%
Profit before tax and provision	3500.74	8,494.28	-58.79%
Provision on Investment and others	2419.09	4,416.42	-45.23%
Profit Before tax	1081.65	4,077.86	-73.48%
Provision for taxation	216.54	3,333.62	-93.50%
Net Profit after tax	865.12	744.24	16.24%
EPS	0.75	0.65	15.38%

A statement of remuneration paid to the directors including independent directors; Page no. 190

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. 95

xviii) A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; Page No. 20

xix) The Bank has declared no dividend (cash or stock) for the year 2025;

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. 87

xxi) The total number of Board meetings held during the year and attendance by each director; Page No. 116

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:

a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details); Page No. 117
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); page no. 118
c) Executives; and); page no. 11
d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Not applicable

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

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

a) Brief resume of the director; Page No. 208
b) Nature of his or her expertise in specific functional areas; and Page No. 208
c) Names of companies in which the person also holds the directorship and the membership of committees of the Board; Page No. 208

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:

a) Bank has an accounting policy and there in after have been consistently applied in estimation for preparation of financial statements;
b) Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; Not applicable
c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; Not applicable.
d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; Not applicable
e) Briefly explain the financial and economic scenario of the country and the globe; Page no. 50-52
f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and page no. 82-86
g) Future plan or projection or forecast for Bank's operation, performance and financial position, with justification thereof,

Budgeted Deposit, Investment, Classified Investment, Foreign Exchange and Operating Profit for the year 2025

(Amount in million Taka)

SL No	Particulars	Achievement December 2024	Budget 2025	Achievement December 2025	Achievement Of Budget 2025	% Growth on 2024	Budget 2026	Budgeted Growth on 2025 (In Taka)	(%) Growth on 2025
1	2	3	4	5	6= (5/4) %	7= (5-3)/3	8	9= (8-5)	10= (8-5)/5
1	Deposit & Borrowings	517,439.82	580,000	543,654.28	93.73%	5.07%	612,000	68,346	12.57%
2	Investment	484,844.36	539,000	501,219.70	92.99%	3.38%	563,000	61,780	12.33%
3	No. of Accounts	3,595,882.00	4,500,000	3,917,579	87.06%	8.95%	4,200,000	282,421	7.21%
4	Classified Investment	74,055.37	53,900	88,522.04		-	78,820	-	-
5	Percentage (%) Of Classified Investments	15.14%	10.00%	17.16%	-	-	14.00%	-	-
6	Foreign Exchange Business	689,780.00	861,000	70,6100	82.01%	2.37%	815,000	108,900	15.42%
	A) Import	343,840.00	425,000	35,0840	84.71%	2.04%	400,000	49,160	14.01%
	B) Export	255,800.00	306,000	25,9200	82.55%	1.33%	300,000	40,800	15.74%
	C) Remittance	90,140.00	130,000	9,6060	73.89%	6.57%	115,000	18,940	19.72%
7	Operating Profit	8,494.28	10,000	3,500.74	35.01%	-58.73%	7,000	3,499	17.73%

CORPORATE GOVERNANCE TO THE SHAREHOLDERS

of Al-Arafah Islami Bank PLC.

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 2025

We have examined the compliance status to the Corporate Governance Code by Al-Arafah Islami Bank PLC. For the year ended on December 31, 2025. 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 Bank. 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 bank 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 bank 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 bank 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: 22 June 2026

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

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 IslamiBank 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): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company.		√	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 onepercent (1%) shares of the total paid-up shares of the company;	√		-
1(2) (b) (ii)	who is not a sponsor of the company oris 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 ofthetotal 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 anintermediary 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.
	Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of the 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 aknowledge able individual with integrity who is able to ensure compliance with financial laws, gulatory requirements and corporate laws and can make meaningful contribution to the business;	√		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.
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 whois or was a top-level executive not lower than Chief Executive Officeror Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Auditand 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, 2025. 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 Chair person of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board'smeeting; 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 impacton environment, if any;	√		-
1(5) (iv)	A discussion on Cost of Goodssold, 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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xi)	A statement that the financial statement sprepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cashflows and changes in equity;	√		-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		-
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 share holders 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 there of shall be explained;	√		-
1(5)(xix)	Astatement 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 years ended December 31, 2025 due to regulatory restrictions & inadequacy of distributable fund.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	-	-	The Board of Directors of the Bank has recommended No Dividend to the shareholders for the year ended December 31, 2025 due to regulatory restrictions & inadequacy of distributable fund.
1(5)(xxii)	The total number of Board meeting sheld during the year and attendance by each director;	√		Total 36 nos. of meetings held during the year 2025& average attendance per meeting 95.55%.
1(5)(xxiii)	Are port on the pattern of share holding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 immediate preceding five years explaining reasons there of;	√		-
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;	√		-
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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	√		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.	√		-
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);	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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:			
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;	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	-		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.
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 thereis any circumstance causing any Committee member to be unable tohold office before expiration of theterm of service, thus making the number of the Committee membersto 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 laterthan 60 (sixty) days from the date ofvacancy in the Committee toensurecontinuity of the performance of workof the AuditCommittee;	√		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 16meetings in 2025.
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.	√		-

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)	**Role of Audit Committee**			
	The audit committee shall: -			
5(5) (a)	Oversee the financial reporting process;	√		
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: -			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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
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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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**			
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

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	√		
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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	√		

Annexure-III

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

1. Compliance of section 1.5 (xxii)

a) Board of Directors meeting held during the year 2025 and attendance by each Director:

Sl No.	Name of Directors	Designation	Attendance		No. of Meetings Absent	Remarks
			No.of Meetings held	No. of Meetings Present		
1.	Khwaja Shahriar	Chairman & Independent Director	36	35	01	
2.	Md. Shahin Ul Islam	Independent Director	36	36	-	
3.	Md. Abdul Wadud	Independent Director	36	36	-	
4.	Prof. Dr. Mohammed Abu Eusuf	Independent Director	36	31	05	
5.	Mohammad Asraful Hasan, FCA	Independent Director	36	34	02	

Note: The 03 (three) directors were absent from the Board meetingsas per the above statement dueto their stay abroad. However, they duly notified the Board, in a timely manner, of their overseas stay.

b) Board of Executive Committee meeting held during the year 2025 and attendance by each Director:

Sl No.	Name of Directors	Designation	Attendance		No. of Meetings Absent	Remarks
			No. of Meetings held	No. of Meetings Present		
1.	Md. Abdul Wadud	Chairman (Independent Director)	13	13	-	
2.	Khwaja Shahriar	Member (Independent Director)	13	13	-	
3.	Md. Shahin Ul Islam	Member (Independent Director)	13	13	-	

c) Board of Audit Committee meeting held during the year 2025 and attendance by each Director:

Sl No.	Name of Directors	Designation	Attendance		No. of Meetings Absent	Remarks
			No. of Meetings held	No. of Meetings Present		
1.	Mohammad Asraful Hasan, FCA	Chairman (Independent Director)	16	16	-	
2.	Prof. Dr. Mohammed Abu Eusuf	Member (Independent Director)	16	16	-	

d) Board of Risk Management Committee meeting held during the year 2025 and attendance by each Director:

Sl No.	Name of Directors	Designation	Attendance		No. of Meetings Absent	Remarks
			No. of Meetings held	No. of Meetings Present		
1.	Md. Shahin Ul Islam	Chairman (Independent Director)	12	12	-	
2.	Khwaja Shahriar	Member (Independent Director)	12	12	-	
3.	Md. Abdul Wadud	Member (Independent Director)	12	12	-	
4.	Prof. Dr. Mohammed Abu Eusuf	Member (Independent Director)	12	11	1	
5.	Mohammad Asraful Hasan, FCA	Member (Independent Director)	12	11	1	

Note: The 02 (two) directors were absent from RMC meetings as per the above statement due to their stay abroad. However, they duly notified the Board, in a timely manner, of their overseas stay.

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 AIBL Capital Management Ltd. and AIBL Capital Market Services Ltd. are subsidiary companies 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	Relation	No of Shares held	% of holding position
1.	AIBL Capital Management Ltd.	Subsidiary	49,000,000	98.00%
2.	AIBL Capital Market Services Ltd.	Subsidiary	242,000,000	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-25	Dec-25
1.	KDS Garments Industries Ltd. Rep: Janab Khalilur Rahman	Chairman	20,000,000	5.00
2.	Al-Arafah Islami Bank PLC. Representative: Mohd. Rafat Ullah Khan	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.	Alhaj Abdus Salam	Director	5,000,000	1.25
6.	Badshah Meah	Director	7,000,000	1.75
7.	Alhaj 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: Janab Md. Ashik Hossain	Director	5,000,000	1.25
11.	Mrs. 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: Mrs. Ishrat Hasina Chowdhury	Director	2,000,000	0.50
14.	China Builders & Machineries Ltd. Rep: Janab Tahreer Nawas	Director	2,500,000	0.63
15.	Mrs. Farhana Ahmed	Director	2,000,000	0.50
16.	Purbachal Exclusive Ltd. Rep: Janab Md. Nazmus Sadat	Director	1,000,000	0.25
17.	Savoy Ice Cream Factory Ltd. Rep: Janab 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:

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

Sl. No.	Designation		Shares held
3	a)	**Mohammad 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 (RMC)	Nil
	b)	Spouse/Minor Children of Director & Chairman, Risk Management Committee (RMC)	Nil
5	a)	**Prof. Dr. Mohammed Abu Eusuf** Independent Director	Nil
	b)	Spouse/Minor Children of Independent Director	Nil
6	a)	**Mohd. Rafat Ullah Khan** Managing Director (MD)	Nil
	b)	Spouse/Minor Children of Managing Director & Chief Executive Officer	Nil
7	a)	**Kamal Hossain, FCA** Senior Executive Vice President (SEVP) & Chief Financial Officer (CC)	Nil
	b)	Spouse/Minor Children of Senior Executive Vice President (SEVP) & Chief Financial Officer (CC)	Nil
8	a)	**Jb. Mohammed Moniruzzaman, FCA** Vice President (VP) & Company Secretary	Nil
	b)	Spouse/Minor Children of Vice President (VP) & Company Secretary	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)

Sl. No.	Name	Relation	Shares held
1	Muhammed Nadim, FCA	Deputy Managing Director	-
2	Md. Abdullah Al- Mamun	Deputy Managing Director	-
3	Mohammed Fazlur Rahman Chowdhury	Deputy Managing Director	-
4	Md. Asaduzzaman Bhuiyan	Deputy Managing Director	-
5	Mohammed Hossain	Deputy Managing Director	-

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

শরী'আহ সুপারভাইজরী কমিটি-এর বার্ষিক প্রতিবেদন

(৩১ ডিসেম্বর, ২০২৫ ঈসায়ী তারিখে সমাপ্ত বছরের জন্য)

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

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

اَلسَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللهِ وَبَرَكَاتُهٗ.

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

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

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি.-এর শরী'আহ সুপারভাইজরী কমিটি কর্তৃক বিগত ২০২৫ ঈসায়ী বছর, ১৪৪৬-১৪৪৭ হিজরীতে প্রধান কার্যালয়ের বিভিন্ন বিভাগসহ ব্যাংকের সকল শাখায় অনুসৃত সকল ধরনের বিনিয়োগ কার্যক্রম পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র এবং লেনদেন যাচাই-বাছাইপূর্বক ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত বার্ষিক ব্যালেন্সশীট পর্যালোচনা করে নিম্নোক্ত অভিমত ও পরামর্শ প্রদান করছে ঃ

অভিমত

ক. বিগত অর্থবছরে আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি. কর্তৃক ব্যাংকিং কার্যক্রমে অনুসৃত ও পরিচালিত যাবতীয় কার্যাবলী, লেনদেন এবং চুক্তিসমূহ, আমরা যা পর্যালোচনা করেছি, তা শরী'আহর নীতিমালা অনুযায়ী করা হয়েছে;

খ. ব্যাংকের বিভিন্ন শ্রেণীর মুদারাবা ডিপোজিটরদের মাঝে যে লাভ বন্টন করা হয়েছে, তা শরী'আহর মুদারাবা নীতিমালার ভিত্তিতে সাহিবুল মাল তথা ডিপোজিটরদের ও মুদারিব হিসেবে ব্যাংকের সাথে চুক্তি মোতাবেক করা হয়েছে;

গ. আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি ডিপোজিটর ও শেয়ারহোল্ডারদের একাউন্ট এবং 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;

ঘ. 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

১. 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 অধিকতর সতর্কতা অবলম্বন করা;

২. মুদারাবা ও মুশারাকা তথা ব্যাংক ও গ্রাহকের মধ্যে অংশীদারিত্বমূলক বিনিয়োগ কার্যক্রম চালু করার যথাযথ ব্যবস্থা গ্রহণ করা;

৩. দেশের অপেক্ষাকৃত দরিদ্র গ্রাহকদের আর্থ-সামাজিক উন্নয়নের লক্ষ্যে শরী'আহ নীতিমালার আলোকে ক্ষুদ্র বিনিয়োগ প্রকল্প জোরদার করার ব্যবস্থা গ্রহণ করা;

৪. ব্যাংকের সর্বস্তরের জনশক্তি, ডিপোজিটর ও বিনিয়োগ গ্রাহককে ইসলামী ব্যাংকিং বিষয়ে প্রশিক্ষিত করে গড়ে তোলার লক্ষ্যে ইসলামী ব্যাংকিং কার্যক্রম ও মুয়ামালাত বিষয়ে প্রয়োজনীয় প্রশিক্ষণের ব্যবস্থা গ্রহণ করা;

৫. আল-আরাফাহ্ ইসলামী ব্যাংক ফাউন্ডেশনের মাধ্যমে দেশের দরিদ্র জনগোষ্ঠির মাঝে সম্ভবপর জনকল্যাণমূলক কার্যক্রম জোরদার করা;

৬. ব্যাংকের সর্বস্তরের সকলকে সর্বদা মনে রাখা একান্ত জরুরী যে, শরী'আহ নীতিমালা পরিপালনে ইসলামী ব্যাংকিং-এর ক্ষেত্রে সবাই নিজ নিজ অবস্থান থেকে দায়িত্বশীল। এই দায়িত্ব পালনে প্রত্যেককে আল্লাহর নিকট জবাবদিহী করতে হবে। তাই আমাদের সবাইকে সর্বোচ্চ সতর্কতার সাথে দায়িত্ব পালনে সচেষ্ট থাকতে হবে।

আল্লাহ্ 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 তাক্বওয়া অবলম্বনের মাধ্যমে আমাদেরকে দেশ ও জাতির জন্য আরো বেশী শরী'আহসম্মত ব্যাংকিং কার্যক্রম ও অর্থনৈতিক কল্যাণমূলক কাজ করার তাওফীক দান করুন, আমীন।

وَالسَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللهِ وَبَرَكَاتُهٗ

(ড. মুহাম্মদ রুহুল আমিন রব্বানী)
সদস্য
শরী'আহ সুপাভাইজরী কমিটি

(ড. হাফিজ মুজতাবা রিজা আহমাদ)
সদস্য
শরী'আহ সুপাভাইজরী কমিটি

(মুফতী আবুল কাশেম মোহাম্মদ ফজলুল হক)
সদস্য
শরী'আহ সুপাভাইজরী কমিটি

(মোঃ কবির আহমেদ)
ইভিপি ও সচিব (ভারপ্রাপ্ত)
শরী'আহ সুপাভাইজরী কমিটি।

(প্রফেসর ড. আবু নোমান মোঃ রফিকুর রহমান)
চেয়ারম্যান
শরী'আহ সুপাভাইজরী কমিটি।

ANNUAL REPORT OF THE SHARI'AH SUPERVISORY COMMITTEE

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

(For the year ended December 31, 2025 AD)

In the name of Allah, the Most Gracious, the Most Merciful

Honorable Shareholders of Al-Arafah Islami Bank PLC!

اَلسَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللهِ وَبَرَكَاتُهٗ.

Alhamdulillah! We have met in review to express our opinion on whether Al-Arafah Islami Bank PLC. has properly implemented the guidelines, decisions and specific fatwas issued by the Bank's Shariah Supervisory Committee and the rules and regulations of Shariah.

While the responsibility for conducting the bank's overall business operations in accordance with Islamic Shari'ah Principles lies with the bank's management, the Shari'ah Supervisory Committee's role is to provide Shari'ah-compliant guidance and independent opinions based on reviews of the bank's activities.

The Shari'ah Supervisory Committee has monitored and verified investment activities, relevant documents, and transactions across various departments of the head office and all branches for the year 2025 AD (1446-1447 Hijri). After reviewing the annual balance sheet presented by the management, the committee provides the following Opinions and Advices:

Opinions

A. We have observed that the overall banking activities, transactions, and contracts followed by the bank during the last financial year were conducted in accordance with Shari'ah principles.

B. The distribution of profits among various classes of Mudaraba depositors was carried out according to Shari'ah Mudaraba principles and the agreements between the depositors (Sahibul Mal) and the bank (Mudarib).

C. Al-ArafahIslami Bank PLC does not pay Zakat on the accounts or deposits of shareholders and depositors. Therefore, it is the individual responsibility of depositors and shareholders to pay Zakat on their respective amounts if applicable.

D. Interest earned due to central and international banking obligations, as well as some "Doubtful Income" resulting from inadvertent errors during investments, have been carefully identified. To ensure this money is not distributed as dividends, it has been separated from the bank's main income to be spent in Shari'ah-designated ways.

Advices

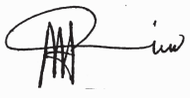
1. Ensure the actual buying and selling of goods in Bai-Murabaha and Bai-Muajjal investments. Management should exercise more caution when issuing circulars to encourage branch managers regarding deposit & investment to strictly follow Shari'ah principles.
2. Take necessary measures to initiate more partnership-based investment programs like Mudaraba and Musharaka between the bank and its clients.
3. Strengthen micro-investment projects based on Shari'ah principles to improve the socio-economic status of the country's relatively poor clients.
4. Organize necessary training programs on Islamic banking activities and Muamalat (transactions) for bank workforce,

depositors, and investment clients to build their expertise.

5. To strengthen the welfare and CSR activities among the underprivileged people of the country through the Al-Arafah Islami Bank Foundation.
6. It is vital for everyone at all levels of the bank to remember that they are responsible for following Shari'ah principles in their respective positions and will be accountable to Allah. Therefore, everyone must perform their duties with the utmost caution.

May Allah Subhanahu wa Ta'ala forgive our known and unknown mistakes and accept our good deeds for His pleasure. May He grant us Tawfiq to perform more Shari'ah-compliant and economically beneficial work for the country and the nation. Ameen.

وَالسَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللهِ وَبَرَكَاتُهُ



(Dr. Md. Ruhul Amin Rabbani)
Member
Shari'ah Supervisory Committee.



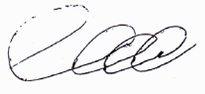
(Dr. Hafiz Muztaba Riza Ahmed)
Member
Shari'ah Supervisory Committee.



(Mufti Abul Kashem Mohammad Fazlul Hoque)
Member
Shari'ah Supervisory Committee.



(Md. Kabir Ahmed)
EVP & Secretary (Acting)
Shari'ah Supervisory Committee.



(Prof. Dr. Abu Noman Md. Rafiqur Rahman)
Chairman
Shari'ah Supervisory Committee.

INTEGRITY OF AIBL & 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:

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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.

- **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 447th Meeting held on 24 December, 2025. 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	Jb. Md. Shahin ul Islam	BSc (Hons), MSc in Physics, University of Dhaka. MSS in Economics, National University.	Independent Director	Member

Meetings of Board Audit Committee:

During the Year 2025, 16 (sixteen) meetings of the Committee were held.

Activities during the year:

The Board Audit Committee carried out the following activities during the year 2025:-

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, 2025.

3. Reviewed audited accounts and report of 2025 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, 2025.

8. Reviewed and approved action plan for turning loss-incurring branches into profitable branches.

9. Reviewed comparative position of half yearly income - expenditure statement as on 30 June, 2025 and 30 June, 2024.

10. Recommended various measures for improvement of performance of the bank.

11. Reviewed cost of fund as on June 30, 2025 of the bank.

12. Reviewed half yearly report of Self-Assessment of Anti-Fraud Internal Control.

13. Reviewed Annual Health Report on ICCW and Integrated Health report of the Bank.

Acknowledgement

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

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

For and on behalf of Board Audit Committee.



Mohammad Asraful Hassan, FCA
Chairman
Board Audit Committee (BAC)
Al-Arafah Islami Bank PLC.

ACTIVITIES OF THE BOARD RISK MANAGEMENT COMMITTEE IN THE YEAR 2025

The major activities of the Board Risk Management Committee (BRMC) of Al-Arafah Islami Bank PLC. in the year 2025 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-20investments of the Bank and advised the management to closely monitor such investments for further improvement and also reviewed Risky client.

p) Reviewed the CAMELS rating and Comprehensive Risk Management Ratings of the Bank and advised the management for further improvement.

q) Reviewed the report of Risk Management Policies and Effectiveness of Risk Management functions of the Bank.

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

Reporting to the Board

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

Acknowledgement

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



Md. Shahin ul Islam
Chairman
Board Risk Management Committee
Al-ArafahIslami Bank PLC.

FINANCIAL STATEMENTS
OF AL-ARAFAH ISLAMI BANK PLC

CEO AND CFO'S DECLARATION TO THE BOARD

April 30, 2026

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, 2025

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, 2025 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: -

1. We have reviewed the financial statements for the year ended on December 31, 2025 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.

2. 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



Sayed Abul Hashem, FCA, FCMA
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

Al Arafah Islami bank PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

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 2025, and consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements 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 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and 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

We would like to draw attention of the users of this report to the following facts:

1. Note 15: Other Liabilities – The required provisions against investments, off balance sheet items, other assets, non-banking assets, placement with other banks and gratuity have been determined as per Bangladesh Bank letter BSD-12/57/2026-396 dated 28.04.2026 based on the tripartite meeting among Bangladesh Bank, external auditors and the Bank, held on 21.04.2026. The details are as under:

A) The required provision against investments and off balance sheet items is BDT 6,983.89 crore, while the Bank maintained BDT 1,985.31 crore, resulting in a shortfall of BDT 4,998.58 crore, against an NPI ratio of 17.16% as per the above mentioned Bangladesh Bank letter and dividend is not distributable this year.

Classified investment of the bank has been increased by BDT 1,971.53 crore during 2025 considering the write off during the year BDT 524.87 crore but no provision against classified investment has been accounted for this year due to insufficient profit.

The Bank applied investment rescheduling under Policy Support for more than 16% of the total investment. The rescheduling of classified investments, including extended grace periods, delays cash recoveries and may exert pressure on the Bank's liquidity position. Although compliant with regulatory guidelines, such rescheduling introduces heightened uncertainty over recoverability and may not fully reflect the underlying credit risk.

B) The required provisions against i) Others Assets is BDT 154.52 crore, while the Bank reported BDT 55.50 crore, ii) Non-Banking Assets is BDT 3.01 crore, while the Bank did not keep any provision, iii) Placement with Other Banks under Liquidity Stress is BDT 206.19, while the Bank did not keep any provision and iv) Gratuity is BDT 428.39, while the Gratuity Asset Fund is BDT 342 crore resulting provision shortfall of these accounts BDT 394.61 crore.

Bangladesh Bank has allowed deferral recognition of resulted entire shortfall of provision BDT 5,393.19 crore vide Bangladesh Bank letter BSD-12/57/2026-396 dated 28.04.2026 and the financial statements have been prepared accordingly by the Bank.

While the preparation of the financial statements is in accordance with regulatory guidance, it has the effect of increasing reported profit for the year and may not reflect the underlying credit risk or the Bank's expected loss position in future. The financial statements of the bank exhibited financial performance with a net profit after tax of BDT 86.51 crore. Had the bank made full provision, the total loss after tax would have amounted to BDT 5,306.68 crore, with a negative effect on CRAR.

2. The bank has recognized profit from profit rent suspense account without repayment for BDT 20 crore non complying with Bangladesh Bank Guidelines. Also, the bank did not maintain adequate provision against Income Tax for BDT 21.4 crore. As a result, net profit after tax has been overstated by BDT 41.4 crore.

3. Note 18: Capital Adequacy Ratio - The bank reports a CRAR of 10.72% (Core: 7.12%, Supplementary: 3.60%), which is already below the regulatory requirement of 12.5% reflecting a shortfall of 1.78% or BDT 689.45 crore. However, factoring in the BDT 5,393.19 crore provision shortfall causes the CRAR to turn negative, indicating a critically depleted capital position.

4. As per the audited financial statements of AIB Capital Market Services Limited, the market value of investment made by the subsidiary has declined by BDT 142.85 crore against which provision of only BDT 50.38 crore was accounted for. As a result, there is a shortfall of provision for BDT 92.47 crore, of which the portion of the bank is BDT 55.94 crore, being the shareholder of 60.5% of the share capital. The subsidiary did not account for the required provision as per the BSEC letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16.11.2025 issued by of Bangladesh Securities and Exchange Commission (BSEC) that allows them to defer such provision till 31.12.2031

Our opinion is not modified in respect of above matters.

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
1. Investment and measurement of provision for Investment	
The process for estimating the provision for investment portfolios associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Bank reported total gross investments of BDT 50,121.97 crore (2024: BDT 48,484.44 crore) and provision for investments including off balance sheet items of BDT 1985.31 crore (2024: BDT 2,255.63 crore). We have focused on the following significant judgements and estimates which could give rise to material management bias: • Completeness and timing recognition of loss events in accordance with criteria set out in BRPD Circular No. 15, dated- 27 November 2024, BRPD Circular No. 05, dated- 25 June 2025, BRPD Circular No. 06, dated- 25 June 2025, BRPD Circular Letter No. 33, dated- 03 August 2022, BRPD Circular No. 16, dated- 18 August 2022 • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	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 is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Investments; 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 inspection team to the actual amount of provision maintained.
See note # 9 and 15.2 to the financial statements.	

Description of key audit matters	Our response to key audit matters
2. Investment income recognition	
Recognition and measurement of investment income involve a complex IT environment as well as require critical estimates and judgment. Since investment income from investments is one of the key performance indicators of the Bank, there is an inherent risk of fraud and error in recognition of investment income. The Bank has reported investment income of BDT 4,140.25 crore which is 1.51% lower than the previous year up to December (2024: BDT 4203.82 crore). Net Investment Income dropped significantly during the year under audit, mainly driven by increase in profit paid on deposits & borrowings and lower recovery from investments. Net Profit Margin (NIM) has declined to 1.97% in the current year from 2.2% in the previous year indicating a downward trend in core earnings efficiency. Accordingly, this has been considered as key audit matter.	We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment. For selected customers and investment files on a sample basis we have also performed substantive test of details including recalculation and cut-of testing to check the accuracy of investment income. We performed several analytical and substantive procedures to check whether the calculations relating to the investment income, profit paid on deposits and borrowings etc. and the EPS are accurate or not. View of the Shariah Supervision Committee has been obtained on the profit recognition procedure complying with Shariah Law. Finally, we also conducted substantive analytical procedures to assess reasonableness of income recognised during the year with reference to the product-wise outstanding investment balances. However, due to the current uncertainty in the overall economic situation, conflict, volatility in fuel and commodity prices, strengthening of the USD, etc., there is an inherent risk that the actual recovery of accrued investment income—especially from those clients receiving deferral facilities—could differ materially from the actual situation in the future and a portion of the investment income accrued during the year ending December 31, 2025.
See note 23 to the financial statements.	

Description of key audit matters	Our response to key audit matters
3. Valuation of bonds, sukuk and other investments	
The Bank has made significant investments in fixed term financial instruments such Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna as well as Mudaraba Sub-Ordinated Bond. Bond, classification and measurement of these require judgment and complex estimates. In the absence of a quoted price in an active market, these Bonds are valued at cost.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bond & Sukuks. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note 8 to the financial statements.	

Description of key audit matters	Our response to key audit matters
4. Carrying value of investments in subsidiaries by the Bank	
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 2025 (2024: BDT 291 crore). In our audit of the standalone financial statements for the year ended 31 December 2025, we identified that the Bank did not recognize an impairment loss for its investments in these subsidiaries. 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 subsidiary, CMSL has not made provisions for the client margin investments, as per the BSEC letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16.11.2025 that allows them to defer such provision till 31.12.2031, subsequently requiring additional provisions.
See note 8.b to the financial statements.	

Description of key audit matters	Our response to key audit matters
5. Legal and regulatory matters	
We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties, and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions that have been established and other contingent liabilities.	We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

Description of key audit matters	Our response to key audit matters
6. 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 Classification of investment 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 Classification of Investments 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.

Other Matters

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.

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

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

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

Auditors' 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 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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, actions taken to eliminate threats or safeguards applied.

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

Report on other Legal and Regulatory Requirements

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

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) 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;

(iii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

(iv) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;

(v) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank. Previous year's balances have been restated in applicable cases due to the consolidation of the OBU financial statement this year;

(vi) adequate provisions have not been made for advance and other assets which are in our opinion, doubtful of recovery. Please refer to our report no 1 under Emphasis of Matter section of this report;

(vii) based on our checking of sample, no advance or Investment in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed except for the fact that the Bank exceeded the single borrower exposure limits of BDT 621.53 crore for funded exposure (15% of capital of BDT 4,143.56 crore) for multiple clients. In addition, it was also noticed that investment was sanctioned to bank's subsidiary AIBL Capital Market Service Limited exceeding 10% of tier 1 capital of the bank which is non compliant with BRPD Circular No. 3 of 2025;

(viii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements 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 Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls:

(a) internal audit, internal control and risk management arrangements of the Group which are disclosed in the financial statements appeared to be materially adequate;

(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);

(ix) financial statements for the year ended 31 December 2025 of subsidiary companies of the Bank namely AIBL Capital Market Services Limited and AIBL Capital Management Limited have been audited by K M Alam & Co., Chartered Accountants and Anil, Salam, Idris & Co., Chartered Accountants respectively. The auditors of both subsidiaries emphasised the matter of deferral in recognition of provision against the unrealized loss on the company's investment as per BSEC approval based on specific action plan. The consolidated financial statements accurately reflect these accounts, with an opportunity for further development scope identified in the non-controlling interest calculation process. The Bank has pledged its placement with Union Bank PLC. in mode of MTDR for BDT 100 crore against loan facilities of its subsidiary AIBL Capital Market Services Ltd. as security;

(x) the information and explanations required by us have been received and found satisfactory;

(xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 12,000 person hours;

(xii) We have reviewed the operational expenses and procurement process of fixed assets;

(xiii) Capital to Risk-weighted Asset Ratio (CRAR) could not be maintained as required by Bangladesh Bank. Details of which is mentioned in Sl. No. 3 of Emphasis of Matter section of this report. Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;

(xiv) As part of our going concern assessment, we reviewed maturity mismatch between assets and liabilities which may adversely affect the Bank's subsequent liquidity position and noticed that the Structural Liquidity Profile (SLP) statement, Net Stable Funding Ratio (NSFR), Liquidity Coverage Ratio (LCR) suffer from inaccurate aging/maturity calculations. Assets, liabilities as well as off balance sheet exposures are not being classified according to their actual maturity buckets, rendering the maturity gap analysis unreliable. This failure to reflect the true liquidity position prevents the bank from proactively managing its future cash flow obligations; and

(xv) Non-banking assets have been accounted in conformity with Bangladesh Bank guidelines except for the fact that the allowed time line for recovery of the non-banking assets has been elapsed in all cases long ago.

For and on behalf of
K M Alam & Co.
Chartered Accountants

FRC Enlistment No.: CAF-001-023



Kazi Ahmmed Monowar, FCA
Engagement Partner
ICAB Enrolment Number: 822
DVC: 2604300822AS929914
Place: Dhaka
Date: 30 April 2026

Al-Arafah Islami Bank PLC

CONSOLIDATED BALANCE SHEET

As at December 31, 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
PROPERTY AND ASSETS:			
Cash in hand			
Cash in hand (including foreign currencies)	**5.A**	5,592,493,767	5,807,425,610
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	**5.(b+c)**	23,090,240,119	28,483,472,625
		28,682,733,886	**34,290,898,235**
Balance with other Banks and Financial Institutions	**6.A**		
In Bangladesh	**6.a**	1,205,953,984	770,652,712
Outside Bangladesh	**6.b**	1,078,187,856	945,448,370
		2,284,141,840	**1,716,101,082**
Placement with Banks & Other Financial Institutions	**7.A**	**6,600,000,000**	**6,950,000,000**
Investment in Share & Securities	**8.A**	**79,561,064,572**	**68,401,058,267**
Government	**8.a**	58,946,345,000	44,322,655,000
Others	**8.A.i**	20,614,719,572	24,078,403,267
Investments	**9.A**		
General Investments etc.		454,931,705,522	442,038,158,369
Bills purchased and discounted		42,890,090,882	40,000,571,999
		497,821,796,404	**482,038,730,368**
Fixed assets less Accumulated Depreciation	**10.A**	**5,931,380,327**	**5,575,430,442**
Other Assets	**11.A**	**24,337,939,523**	**19,553,406,833**
Non-Banking Assets	**12**	**37,683,927**	**37,683,927**
Total Assets		**645,256,740,479**	**618,563,309,153**
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions	**13.A**	**59,239,874,243**	**64,471,886,287**
Deposits and other Accounts	**14.A**		
Mudaraba Savings Deposits		83,895,753,704	73,317,455,413
Mudaraba Term Deposits	**14.A.ii.**	240,980,715,391	233,494,543,146
Other Mudaraba Deposits		96,283,805,292	75,420,266,080
Al-wadeeah Current Accounts and Other Accounts etc.		59,828,628,206	68,351,849,494
Bills Payable		4,980,615,632	4,061,095,218
		485,969,518,225	**454,645,209,351**
Other Liabilities	**15.A**	**62,594,235,740**	**59,713,040,303**
Deferred tax Liabilities	**16.A**	-	**37,087,625**
AIBL Mudaraba Bond	**17**	**11,398,000,000**	**14,000,000,000**
Total Liabilities		**619,201,628,208**	**592,867,223,565**
Capital/Share holders Equity			
Paid -up Capital	**18**	11,516,917,130	11,516,917,130
Statutory Reserve	**19**	11,516,917,130	11,238,492,510
Assets 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**	252,842,871	170,780,664
Total Equity attributable to equity holders of the bank		**24,370,851,450**	**24,012,444,869**
Non-Controlling Interest	**18.A**	1,684,260,819	1,683,640,721
Total Equity		**26,055,112,269**	**25,696,085,590**
Total Liability and Share holders equity		**645,256,740,479**	**618,563,309,153**
Net assets value per share (NAV)	**42**	**21.16**	**20.85**

Al-Arafah Islami Bank PLC

CONSOLIDATED BALANCE SHEET

As at December 31, 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		47,729,656,103	65,507,108,327
Letters of Guarantee	**22**	19,320,242,578	16,501,446,000
Letters of Credit		58,954,383,314	57,081,681,230
Bills for Collection		39,668,557,000	43,012,066,290
Other Contingent Liabilities		-	-
Total		**165,672,838,995**	**182,102,301,846**
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		**165,672,838,995**	**182,102,301,846**

Accompanying notes form an integral part of these financial statements.

Managing Director **Director** **Director** **Chairman**

Signed in terms of our report of even date

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822
DVC : 2604300822AS929914
Place: Dhaka, Bangladesh
Date : 30-April-2026

Al-Arafah Islami Bank PLC

CONSOLIDATED PROFIT OR LOSS ACCOUNTS

For the period ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Investment Income	**23.A**	41,617,998,752	42,274,753,602
Profit paid on Deposits & Borrowing	**24.A**	(35,504,556,311)	(29,718,594,015)
Net Investment Income		**6,113,442,441**	**12,556,159,587**
Income from Investment in Shares /Securities	**25.A**	3,876,454,755	2,723,807,235
Commission, Exchange and Brokerage	**26.A**	4,197,186,472	4,384,685,469
Other Operating Income	**27.A**	1,011,928,376	1,083,146,243
		9,085,569,603	**8,191,638,947**
Total operating income		**15,199,012,044**	**20,747,798,534**
Salaries and allowances & contribution to P.F	**28.A**	7,274,453,104	7,936,443,024
Directors fees & expenses	**29.A**	8,480,132	11,505,382
Shariah Supervisory Committee's fees & expenses	**30**	253,639	526,355
Rent, taxes, insurance and lighting etc.	**31.A**	524,567,158	506,972,644
Postage, telegram, telephone and stamp etc.	**32.A**	140,250,535	148,226,738
Legal charges		50,239,903	25,258,289
Auditors' fee		6,147,066	2,093,000
Salary & Allowances to the Managing Director		21,424,646	25,332,000
Depreciation and repairs to the bank's properties	**33.A**	1,071,351,694	1,075,102,497
Stationery, Printing and Advertisement etc.	**34.A**	292,663,583	286,309,786
Other expenses	**35.A**	2,318,193,010	2,204,858,234
Total operating expenses		**11,708,024,470**	**12,222,627,949**
Profit/(Loss) before Tax & provision		**3,490,987,574**	**8,525,170,586**
Provision against Investments & Contingent Liabilities	**36.A**	2,234,000,000	3,734,066,075
Provision for diminution in value of investment		176,586,529	176,394,157
Other Provision		8,500,000	505,963,773
Total provision		**2,419,086,529**	**4,416,424,005**
Profit/(Loss) before Tax		**1,071,901,045**	**4,108,746,580**
Current tax	**15.1.A**	291,007,138	3,347,237,541
Deferred tax		(73,461,155)	(3,162,568)
Provision for Taxation		**217,545,983**	**3,344,074,973**
Net Profit/(Loss) after tax		**854,355,062**	**764,671,607**
Net Profit attributable to:			
Equity holders of the bank		853,734,963	754,956,374
Non-controlling Interest		620,099	9,715,234
Profit for the year		**854,355,062**	**764,671,608**
Appropriation			
Statutory Reserve		278,424,620	270,000,000
General Reserve (1 % start-Up fund)		-	7,442,421
Profit Paid on AIBL Mudaraba Perpetual Bond		500,000,000	464,000,000
Non-Controlling Interest		620,099	9,715,234
		779,044,719	**751,157,655**
Transfer to Retained Earnings		**75,310,343**	**13,513,952**
Earning per Ordinary Share (EPS)	**41.A**	**0.74**	**0.66**

Accompanying notes form an integral part of these financial statements.

Managing Director **Director** **Director** **Chairman**

Signed in terms of our report of even date

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023
Kazi Ahmmed Monowar FCA
Engaement Partner
ICAB Enrolment number- 822
DVC : 2604300822AS929914
Place: Dhaka, Bangladesh
Date : 30-April-2026

Al-Arafah Islami Bank PLC

CONSOLIDATED CASH FLOW STATEMENT

For the period ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Cash flows from operating activities:			
Investment income receipt in Cash		45,192,100,299	46,147,621,262
Profit paid on deposits and borrowing		(34,925,000,321)	(28,484,443,271)
Dividend received		33,432,081	68,489,460
Fees & Commission received in cash		4,197,186,472	4,384,685,469
Recoveries from written off investments		191,155,746	320,676,379
Cash payments to employees		(7,295,877,750)	(7,971,399,703)
Cash payments to suppliers		(292,663,583)	(286,309,786)
Received from other operating activities (Item-wise)		1,011,928,376	1,083,146,243
Paid for other operating activities (item-wise)	**37.A**	(3,590,109,440)	(2,348,862,219)
Advance income tax paid		(2,642,343,645)	(3,405,692,920)
Operating profit before changes in operating assets and liabilities		**1,879,808,233**	**9,507,910,914**
Changing in Operating assets & liabilities			
(Increase)/Decrease of trading securities		545,783,695	(360,523,876)
(Increase)/(Decrease) of placement to other banks		350,000,000	1,300,000,000
(Increase)/Decrease of Investment and advances to customers (other than Banks)		(8,546,878,889)	(27,696,650,813)
(Increase)/Decrease of other assets (item-wise)	**38.A**	(8,002,737,495)	3,522,330,724
Increase/ (Decrease) of placement from other banks and financial institution		(5,232,012,043)	6,517,116,124
Increase/(Decrease) of Deposits from customers (other than Banks)		30,752,245,008	33,071,167,990
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	**39.A**	1,690,834,655	(9,610,117,497)
Cash receipt from operating activities		**11,557,234,932**	**6,743,322,651**
A. Net Cash from operating activities		**13,437,043,165**	**16,251,233,565**
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(1,250,392,059)	(1,469,950,321)
Sales proceeds of Fixed assets		995,550	5,080,532
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		**(1,249,396,509)**	**(1,464,869,789)**
Cash flows from financing activities			
Increase in Exchange Equalization Account		(2,080,247)	2,080,247
Issue of AIBL Subordinate Bond / Perpetual Bond		(2,602,000,000)	(2,000,000,000)
Increase in Share Capital		-	548,424,620
Dividend paid		-	(1,096,849,251)
C. Net cash flows from financing activities		**(2,604,080,247)**	**(2,546,344,384)**
D. Net increase in cash and cash equivalent (A+B+C)		**9,583,566,409**	**12,240,019,393**
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent D+E		**9,583,566,409**	**12,240,019,393**
G. Cash & Cash Equivalents at the beginning of the year		**80,329,654,317**	**68,089,634,924**
H. Cash & Cash Equivalents period ended	**40.A**	**89,913,220,726**	**80,329,654,317**
Net Operating Cash Flow per Share (NOCFPS)	**43**	**11.67**	**21.28**

Managing Director **Director** **Director** **Chairman**

Al-Arafah Islami Bank PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended December 31, 2025

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, 2025	11,516,917,130	11,238,492,510	170,780,665	1,084,174,318	2,080,247	24,012,444,870	1,683,640,721	25,696,085,591
Changes in accounting policy	-		-	-	-	-		-
Offload share	-	-	-	-	-	-	-	-
Restated Adjustment		-	-	-	-	-	-	-
Restated balance	11,516,917,130	11,238,492,510	170,780,665	1,084,174,318	2,080,247	24,012,444,870	1,683,640,721	25,696,085,591
AIT adjustment for CML (2012-2017)	-	-	7,506,946	-	-	7,506,946	-	7,506,946
Prior Year Adjustment for Suspense Account (CML)	-	-	(1,371,629)	-	-	(1,371,629)	-	(1,371,629)
Prior Year Adjustment (CMSL)			616,546			616,546	-	616,546
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	-	-	853,734,963	-	-	853,734,963	620,099	854,355,062
Cash Dividend	-	-	-	-	-	-		-
Bonus Share	-	-	-	-	-	-	-	-
Asset Revaluation Reserve	-	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-	-
Profit Paid on AIBL Mudaraba Perpetual Bond			(500,000,000)		-	(500,000,000)	-	(500,000,000)
Transfer to 1 % strat-Up fund	-	-	-	-	-	-	-	-
Appropriations during the year	-	278,424,620	(278,424,620)	-	-	-	-	-
Balance as at December 31, 2025	**11,516,917,130**	**11,516,917,130**	**252,842,871**	**1,084,174,318**	**-**	**24,370,851,450**	**1,684,260,819**	**26,055,112,269**
Balance as at December 31, 2024	**11,516,917,130**	**11,238,492,510**	**170,780,665**	**1,084,174,318**	**2,080,247**	**24,012,444,870**	**1,683,640,721**	**25,696,085,591**

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, 2025

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 (including balance with Bangladesh Bank and its agent banks)	5,592,493,767	-	-	-	23,090,240,119	28,682,733,886
	Balance with other Bank and Financial Institution	1,535,244,918	499,626,192	-	-	249,270,730	2,284,141,840
	Placement with Banks & Other Financial Institutions	500,000,000	4,600,000,000	500,000,000	-	1,000,000,000	6,600,000,000
	Investments (in Shares & Securities)	-	-	22,965,715,000	24,955,600,000	31,639,749,572	79,561,064,572
	Investments	79,249,016,155	149,810,705,776	149,666,960,410	86,487,165,825	32,607,948,239	497,821,796,404
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,931,380,327	5,931,380,327
	Other Assets	60,100,000	-	308,879,000	29,832,663	23,901,833,872	24,300,645,535
	Deferred Tax Liablities/ (Assets)	-	-	-	-	36,389,814	36,389,814
	Non Banking Assets	-	-	-	-	37,683,927	37,683,927
	Total Assets	**86,936,854,840**	**154,910,331,968**	**173,441,554,410**	**111,472,598,488**	**118,494,496,599**	**645,255,836,305**
2	**Liabilities :**						
	Placement from Banks & Other Financial institutions	2,997,600,000	24,498,800,000	29,890,479,419	1,852,994,824	-	59,239,874,243
	Deposits and Other Accounts	88,838,353,838	148,197,825,877	142,646,391,262	83,513,237,699	22,773,709,549	485,969,518,225
	Provision and Other Liabilities	3,206,758,000	12,868,861,621	-	-	46,518,489,118	62,594,108,739
	Deferred tax Liabilities/ (Assets)	-	-	-	-	-	-
	AIBL Muadaraba Subordinated Bond	-	-	-	-	11,398,000,000	11,398,000,000
	Total Liabilities	**95,042,711,838**	**185,565,487,498**	**172,536,870,681**	**85,366,232,524**	**80,690,198,667**	**619,201,501,208**
	Net Liquidity Gap	(8,105,856,998)	(30,655,155,530)	904,683,729	26,106,365,965	37,804,297,932	26,054,335,097

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, 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
PROPERTY AND ASSETS:			
Cash in hand	**5**		
Cash in hand (including foreign currencies)	**5.a**	5,592,493,767	5,804,554,951
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		23,090,240,119	28,483,472,625
		28,682,733,886	**34,288,027,576**
Balance with other Banks and Financial Institutions	**6**		
In Bangladesh		1,205,570,626	770,652,712
Outside Bangladesh		1,078,187,856	945,448,370
		2,283,758,482	**1,716,101,082**
Placement with Banks & Other Financial Institutions	**7**	**6,600,000,000**	**6,950,000,000**
Investment in Share & Securities	**8**		
Government	**8.a**	58,946,345,000	44,322,655,000
Others	**8.b**	12,184,486,285	12,608,907,981
		71,130,831,285	**56,931,562,981**
Investments	**9**		
General Investments etc.		460,717,549,635	444,843,791,174
Bills purchased and discounted		40,502,146,769	40,000,571,999
		501,219,696,404	**484,844,363,173**
Fixed assets less Accumulated Depreciation	**10**	**5,930,656,786**	**5,574,059,500**
Other Assets	**11**	**24,603,892,769**	**22,965,901,136**
Non-Banking Assets	**12**	**37,683,927**	**37,683,927**
Total Assets		**640,489,253,539**	**613,307,699,376**
LIABILITIES AND CAPITAL			
Liabilities:			
Placement from Banks & Other Financial institutions	**13**	**57,386,879,419**	**62,585,347,478**
Deposits and other Accounts	**14**		
Mudaraba Savings Deposits		83,895,753,704	73,317,455,413
Mudaraba Term Deposits		240,988,615,391	233,703,804,152
Other Mudaraba Deposits	**14.ii**	96,573,785,272	75,420,266,080
Al-wadeeah Current Accounts and Other Accounts etc.	**14.iii**	59,828,628,206	68,351,849,494
Bills Payable		4,980,615,632	4,061,095,218
		486,267,398,205	**454,854,470,357**
Other Liabilities	**15**	**61,220,775,105**	**57,977,628,430**
Deferred tax Liabilities	**16**	-	**37,087,626**
AIBL Mudaraba Bond	**17**	**11,398,000,000**	**14,000,000,000**
Total Liabilities		**616,273,052,729**	**589,454,533,890**
Capital/Share Holders Equity			
Paid up Capital	**18**	11,516,917,130	11,516,917,130
Statutory Reserve	**19**	11,516,917,130	11,238,492,510
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**	98,192,233	11,501,281
Total Share holders equity		**24,216,200,810**	**23,853,165,486**
Total Liability and Share holders equity		**640,489,253,539**	**613,307,699,376**
Net assets value per share (NAV)	**42**	**21.03**	**20.71**

Al-Arafah Islami Bank PLC

BALANCE SHEET

As at December 31, 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		47,729,656,103	65,507,108,327
Letters of Guarantee	**22**	19,320,242,578	16,501,446,000
Letters of Credit		58,954,383,314	57,081,681,230
Bills for Collection		39,668,557,000	43,012,066,290
Other Contingent Liabilities		-	-
Total		**165,672,838,995**	**182,102,301,846**
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		**165,672,838,995**	**182,102,301,846**

Accompanying notes form an integral part of these financial statements.

Managing Director **Director** **Director** **Chairman**

Signed in terms of our report of even date

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822
DVC : 2604300822AS929914
Place: Dhaka, Bangladesh
Date : 30-April-2026

Al-Arafah Islami Bank PLC

PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2025

Particulars	Notes	2025	2024
		Taka	Taka
Investment Income	23	41,402,521,711	42,038,251,080
Profit paid on Deposits & Placements from Other Banks	24	(35,335,070,113)	(29,573,862,026)
Net Investment Income		**6,067,451,598**	**12,464,389,054**
Income from Investment in Shares /Securities	25	3,875,571,760	2,718,977,082
Commission, Exchange and Brokerage	26	4,118,482,325	4,263,791,337
Other Operating Income	27	1,003,107,009	1,125,118,846
		8,997,161,094	**8,107,887,265**
Total operating income		**15,064,612,692**	**20,572,276,319**
Salaries and allowances & contribution to P.F	28	7,190,577,956	7,855,533,266
Directors fees & expenses	29	5,729,459	11,505,382
Shariah Supervisory Committee's fees & expenses	30	253,639	526,355
Rent, taxes, insurance and lighting etc.	31	503,445,493	486,888,090
Postage, telegram, telephone and stamp etc.	32	140,108,238	148,083,756
Legal charges		50,028,124	25,099,962
Auditors' fee		6,072,066	2,035,500
Salary & Allowances to the Managing Director		21,424,646	25,332,000
Depreciation and repairs to the Bank's properties	33	1,067,688,679	1,071,217,692
Stationery, Printing and Advertisement etc.	34	291,326,195	284,982,064
Other expenses	35	2,287,217,251	2,166,788,698
Total operating expenses		**11,563,871,746**	**12,077,992,765**
Profit/(Loss) before Tax & provision		**3,500,740,946**	**8,494,283,554**
Provision against Investments & Contingent Liabilities	36	2,234,000,000	3,734,066,075
Provision for diminution in value of investment		176,586,529	176,394,157
Other Provision		8,500,000	505,963,773
Total provision		**2,419,086,529**	**4,416,424,005**
Profit/(Loss) before Tax		**1,081,654,417**	**4,077,859,549**
Current tax	15.1	290,000,000	3,336,767,557
Deferred tax	16	(73,461,155)	(3,150,137)
Provision for Taxation		**216,538,845**	**3,333,617,420**
Net Profit/(Loss) after tax		**865,115,572**	**744,242,129**
Appropriation			
Statutory Reserve		278,424,620	270,000,000
Profit paid on aibl mudaraba perpetual bond		500,000,000	464,000,000
General Reserve (1 % Start-Up Fund)		-	7,442,421
		778,424,620	**741,442,421**
Retained Earnings		**86,690,952**	**2,799,707**
Earning per Ordinary share (EPS)	41	**0.75**	**0.65**

Accompanying notes form an integral part of these financial statements.

Managing Director **Director** **Director** **Chairman**

Signed in terms of our report of even date

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023
Kazi Ahmmed Monowar FCA
Engaement Partner
ICAB Enrolment number- 822
DVC : 2604300822AS929914
Place: Dhaka, Bangladesh
Date : 30-April-2026

Al-Arafah Islami Bank PLC

CASH FLOW STATEMENT

For the year ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Cash flows from operating activities			
Investment income receipt in Cash		44,975,740,263	43,993,584,401
Profit paid on deposits and borrowings		(34,755,514,123)	(28,243,949,416)
Dividend recieved		27,138,296	45,216,830
Fees & Commission received in cash		4,118,482,325	4,263,791,337
Recoveries from write off investments		191,155,746	320,676,379
Cash payments to employees		(7,212,002,602)	(7,890,489,945)
Cash payments to suppliers		(291,326,195)	(284,982,064)
Received from other operating activities (item-wise)		1,003,107,009	1,125,118,846
Paid for other operating activities (item-wise)	37	(3,535,044,046)	(2,290,349,320)
Advance income tax paid		(2,628,321,160)	(3,380,294,798)
Operating profit before changes in operating assets and liabilities		**1,893,415,511**	**7,658,322,250**
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		424,421,697	(397,108,230)
Increase/(Decrease) of placement to other banks		350,000,000	1,300,000,000
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(9,139,146,084)	(35,311,586,348)
Increase/(Decrease) of other assets (item-wise)	38	(7,752,988,669)	4,303,486,334
Increase/ (Decrease) of placement from other banks and financial institution		(5,198,468,058)	6,539,510,086
Increase/(Decrease) of Deposits from customers (other than Banks)		30,833,543,060	33,029,972,589
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39	2,027,268,921	(870,441,059)
Cash receipt from operating activities		**11,544,630,866**	**8,593,833,371**
A. Net Cash from operating activities		**13,438,046,378**	**16,252,155,621**
Cash flows from investing activities:			
Purchase of property, plant and equipment		(1,248,907,971)	(1,468,474,082)
Sales proceeds of Fixed assets		995,550	5,080,532
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		**(1,247,912,421)**	**(1,463,393,550)**
Cash flows from financing activities			
Increase/(Decrease) in Exchange Equalization Account		(2,080,247)	2,080,247
Issue of AIBL Subordinate Bond / Perpetual Bond		(2,602,000,000)	(2,000,000,000)
Increase in Share Capital		-	548,424,620
Dividend paid		-	(1,096,849,251)
C. Net cash flows from financing activities		**(2,604,080,247)**	**(2,546,344,384)**
D. Net increase in cash and cash equivalent (A+B+C)		**9,586,053,710**	**12,242,417,688**
E. Effects of exchange rate changes on cash and cash-equivalents		**-**	**-**
F. Net increase in cash and cash equivalent (D+E)		**9,586,053,710**	**12,242,417,688**
G. Cash & Cash Equivalents at the beginning of the year		**80,326,783,658**	**68,084,365,970**
H. Cash & Cash Equivalents at the end of the year	40	**89,912,837,368**	**80,326,783,658**
Net Operating Cash Flow per Share (NOCFPS)	43	**11.67**	**21.29**

Managing Director **Director** **Director** **Chairman**

Al-Arafah Islami Bank PLC

STATEMENT OF CHANGES EQUITY

For the year ended December 31, 2025

Particular	Paid up Capital	Statutory Re-serve	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total Taka
Balance at 1st January, 2025	11,516,917,130	11,238,492,510	11,501,282	1,084,174,318	2,080,247	23,853,165,488
Changes in accounting policy	-	-		-	-	-
Issue of the share capital	-	-	-	-	-	-
Restated balance	**11,516,917,130**	**11,238,492,510**	**11,501,282**	**1,084,174,318**	**2,080,247**	**23,853,165,488**
Tax adjustment previous year	-	-		-	-	-
Surplus/deficit on account of revaluaton of investments	-	-	-	-	-	-
Currency translation differences recognized in the income/(Loss)	-	-	-	-	(2,080,247)	(2,080,247)
Net gain and losses not recognised in Income Statement	-	-	-	-	-	-
Net profit for the year	-	-	865,115,572	-	-	865,115,572
Cash Dividend	-	-	-	-	-	-
Bonus Share	-	-	-	-	-	-
Asset revalution Reserve		-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(500,000,000)	-	-	(500,000,000)
Transfer to 1 % strat-Up fund	-	-	-	-	-	-
Appropriations during the year	-	278,424,620	(278,424,620)	-	-	-
Total shareholders' equity as on December 31,2025	**11,516,917,130**	**11,516,917,130**	**98,192,233**	**1,084,174,318**	**-**	**24,216,200,810**
Total shareholders' equity as on December 31,2024	**11,516,917,130**	**11,238,492,510**	**11,501,282**	**1,084,174,318**	**2,080,247**	**23,853,165,488**

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, 2025

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 (including balance with Bangladesh Bank and its agent banks)	5,592,493,767	-	-	-	23,090,240,119	28,682,733,886
	Balance with other Bank and Financial Institution	1,580,244,918	499,990,450	-	-	203,523,114	2,283,758,482
	Placement with Banks & Other Financial Institutions	500,000,000	4,600,000,000	500,000,000	-	1,000,000,000	6,600,000,000
	Investments (in Shares & Securities)	-	-	21,965,715,000	22,955,600,000	26,209,516,285	71,130,831,285
	Investments	79,249,016,155	149,810,705,776	153,064,860,410	86,487,165,825	32,607,948,239	501,219,696,404
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,930,613,360	5,930,613,360
	Other Assets	60,100,000	-	308,879,000	29,832,663	24,168,707,576	24,567,519,239
	Deferred tax Liabilities/ (Assets)	-	-	-	-	36,389,814	36,389,814
	Non Banking Assets	-	-	-	-	37,683,927	37,683,927
	Total Assets	**86,981,854,840**	**154,910,696,226**	**175,839,454,410**	**109,472,598,488**	**113,284,622,434**	**640,489,226,398**
2	**Liabilities :**						
	Placement from Banks & Other Financial Institutions	2,997,600,000	24,498,800,000	29,890,479,419	-	-	57,386,879,419
	Deposits and Other Accounts	88,838,353,838	148,197,825,877	142,944,051,242	83,513,237,699	22,496,029,549	485,989,498,205
	Provision and Other Liabilities	3,206,758,000	12,868,861,621	-	-	45,423,012,058	61,498,631,679
	Deferred tax Liabilities/ (Assets)	-	-	-	-	-	-
	AIBL Mudaraba Subordinated Bond	-	-	-	-	11,398,000,000	11,398,000,000
	Total Liabilities	**95,042,711,838**	**185,565,487,498**	**172,834,530,661**	**83,513,237,699**	**79,317,041,607**	**616,273,009,303**
	Net Liquidity GAP	**(8,060,856,998)**	**(30,654,791,272)**	**3,004,923,749**	**25,959,360,789**	**33,967,580,827**	**24,216,217,095**

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

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

1. The Bank and its activities

1.1 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 up to 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. 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 Chittagong 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 up to 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.

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 10.72% against the regulatory requirement of 12.50%.

In spite of some constraints, the Bank management has prioritized maintaining adequate provisions 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. BSD-12/57/2026-396, dated: 28/04/2026. 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 (PublicIssue) 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 Bagladesh 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. The reporting format prescribed by Bangladesh Bank superceeded requirement of IFRS reporting format including IAS 8.

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

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 recognized 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 recognized through profit or loss and other comprehensive income. Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit or loss and other comprehensive income. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized 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 recognized 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 amortized at the year end, and gains or losses on amortization are recognized in other reserve as a part of equity.

v) Provision on Investments and Off-balance Sheet Items

IFRS/IAS: As per IFRS 9, an entity shall recognize 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 amortized cost as per IFRS 9 and interest income is recognized 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 amortized 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 recognized 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 categories, recognize, 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

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 recognized 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 recognized 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 recognized 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.

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

2.4 Liquidity Statement

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

i) Balance with other banks and financial institutions, 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, 2025 to December 31, 2025.

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 recognized amounts and there is an intention to settle on a net basis, or realize 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.

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 recognized 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.

vi) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognized, 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 recognized 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 recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized 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

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 0.5% 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	0.50%
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	0.5% to 5%
General provision on special mention account	0.5% to 5%
Specific provision on substandard loans and advances / investments	20%
Specific provision on doubtful loans and advances / investments	50%
Specific provision on bad / loss loans and advances / investments	100%
General provision for COVID 19	1.5% & 2%
Start-up Fund on Net Profit	1%

2.13.2 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.

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 differed tax for the year ended 31 December 2025, has given below:

Prticulars	As Per Books of Account			As Per Tax			Deferred Tax
Iteams giving rise temporary Diference	Carring Amount	Assets not Depreciable	Net Carring Amount	Tax Base	Temporary Difference Taxable / (Deductible)	Tax Rate	Liability / (Assets)
1. Fixed Assets	5,930,656,786	2,854,059,214	3,076,597,572	317,35,93,651	(96,996,079	37.50%	(36,373,530)
2. Specific Provision for bad and debt not allowed for Tax Credit			-	-	-	37.50%	-
Net deferred tax liability (asset)							(36,373,530)

Deferred tax Liability Expenses

Balance as on 1 January 2025	**37,087,625**
Provision required as on December 31, 2025	**(73,461,155)**
Balance as on December 31, 2025	**(36,373,530)**
Deferred tax Income	**(73,461,155)**
Deferred tax Assets (Income)	**-**
Provision required as on December 31, 2025	**(73,461,155)**

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 recognized 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

2.14 Revenue recognition

2.14.1 Profit on Investment

a) Income from investments has been accounted for on accrual basis except investment under Musharaka. Income in case of Musharaka is accounted for on realization basis.

b) Profit/rent/compensation accrued on classified investment are suspended and accounted for as per Circulars issued by the Bangladesh Bank. Moreover, incomes which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank. Bank charges compensation on unclassified overdue Bai-Murabaha and Bai-Muazzal investment. Such compensation is not permissible by Shariah to take into regular income of the bank. Therefore, the amount of compensation treated as a component of provision against bad & doubtful investment. Interest received due to legal obligation is also not taken into regular income of the bank.

c) Profit on investment is calculated on daily product basis and charged on yearly basis.

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

Dividend Income from investment is recognized 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 recognized 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, 2025 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 categories, recognize, 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 Financial guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD Circular No. 14 dated September 23, 2012, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

2.21.2 Approval of the financial statements

Financial Statements were approved by the Board of Directors on 457th meeting held on 30 April 2026 has approved the audited financial statements for the year ended 31 December 2025.The Board has not recommended any dividend for the year ended 31 December 2025 as per Bangladesh Bank letter no. BSD-12/57/2026-396, dated: 28/04/2026.

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 & up to 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) Financial statements of Offshore Banking Unit (OBU) has been merged with solo as well as consolidated Financial statements this year. 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

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 demarcated. 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.

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.

During the year 1st January to 31 December, 2025 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.

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

Name of the IFRS	IFRS No.	Status
Financial Instruments: Disclosures	7	Applied
Financial Instruments: Recognition and Measurement	9	Applied
Consolidated Financial Statements	10	Applied
Disclosure of interest in other entities	12	Applied
Fair value Measurement	13	Applied
Revenue from contracts with customers	15	Applied
Leases	16	Applied

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

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 Systems, 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 2025 the audit committee of the bank conducted 9 (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, 2025.

5.a Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labor 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 Labor Act 2006 as amended contradicts with that of the Bank Company Act 1991(as amended up to 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars			2025 Taka	2024 Taka
5.	**Cash**				
	a) Cash in hand				
	In local currency			5,562,522,951	5,776,417,551
	In Foreign currency (Note 5.a.i)			29,970,816	28,137,400
				5,592,493,767	**5,804,554,951**
	a.i) In Foreign currency:				
	Currency Name	**Amount in FC**	**Ex. Rate**	**Amount in BDT.**	**Amount in BDT.**
	US Dollar	245,010.00	122.325	29,970,816	27,968,420
	REYAL			-	168,980
				29,970,816	**28,137,400**
	b) Balance with Bangladesh Bank				
	In local currency			21,137,994,738	25,287,205,494
	In Foreign currency			718,132,616	1,784,167,390
				21,856,127,354	**27,071,372,884**
	c) Balance with Sonali Bank PLC.				
	In local currency			1,234,112,765	1,412,099,741
	In Foreign currency			-	-
				1,234,112,765	**1,412,099,741**
	Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)			**23,090,240,119**	**28,483,472,625**
	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 25 & 33 of Bank Companies Act.1991 as amended, the Instruction of Bangladesh Bank Order 1972, Article 36, clause (1) & as per Bangladesh Bank Circular No: MPD/03 Dated: 09.04.2020

e) Cash Reserve Requirements (CRR):

The Cash Reserve Requirement (CRR) of the Bank was 4.00% of average total demand and time liabilities on bi-weekly basis with a provision of minimum 3.00% on daily basis as per Bangladesh Bank MPD Circular No. 01 dated 04 March 2025. The cash reserve maintained by the Bank was in excess of the statutory requirement throughout the year.

Required Reserve (DBO 4.00 % of Average Demand and Time Liabilities)	19,119,192,000	17,798,936,000
Actual reserve held with Bangladesh Bank	21,466,614,000	24,273,402,000
Surplus/(Deficit)	**2,347,422,000**	**6,474,466,000**
Statutory Liquidity Requirements (SLR)		
Required Reserve(DBO 5.50 % of Average Demand and Time Liabilities)	26,300,531,000	24,519,999,000
Actual reserve held	29,934,847,000	27,226,150,000
Surplus/(Deficit)	**3,634,316,000**	**2,706,151,000**

5.A	**Consolidated Cash in hand**:		
	Al-Arafah Islami Bank PLC.	5,592,493,767	5,804,554,951
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	2,870,659
		5,592,493,767	**5,807,425,610**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
6.	**Balance with other Banks and** Financial Institutions		
a)	**In Bangladesh:**		
	Islami Bank Bangladesh PLC.	1,677,160	2,356,615
	Dutch Bangla Bank PLC.	2,113,788	124,938
	National Bank PLC.	44,745	65,435
	Agrani Bank PLC.	26,890,927	36,548,110
	Dhaka Bank PLC.	1,641,532	10,653,027
	Prime Bank PLC.	396,169	361,169
	Social Islami Bank PLC.	4,423	162,619
	Shahjalal Islami Bank PLC.	10,146,797	9,847,598
	EXIM Bank PLC.	1,057	10,429
	ICB Islamic Bank PLC.	161,877,924	161,928,154
	Jamuna Bank PLC.	3,071,211	7,952,980
	The City Bank PLC.	4,787,822	16,677,540
	Southeast Bank PLC.	746,169	2,635,091
	AB Bank PLC.	91,116	18,720,786
	Mercantile Bank PLC.	19,817,945	1,220,902
	Bank Alfalah PLC.	1,725	886,846
	Standard Bank PLC	970,138,536	-
	Rajshahi Krishi Unnayan Bank	2,121,582	500,500,475
		1,205,570,626	**770,652,712**
b.	**Outside Bangladesh (NOSTRO A/C)**		

Name of bank	Currency Name	Amount in Foreign Currency	Conversion rate per unit F.C	Amount In BDT.	Amount In BDT.
Habib Bank American Bank, New York	USD	200,622	122.2954	24,535,208	(34,435,603)
ICICI Bank Limited, Hongkong	USD	164,413	122.2954	20,106,906	75,292,216
Mashreque Bank PSC, New York	USD	1,289,589	122.2954	157,710,853	56,735,908
Citibank N.A., New York, USA	USD	391,808	122.2954	47,916,290	(20,198,671)
Standard Chartered Bank Ltd. New York	USD	1,249,529	122.2954	152,811,644	(11,397,429)
Commerzbank AG, Frankfurt EURO	EURO	1,188,305	143.9664	171,075,589	8,382,550
Sonali Bank Ltd. London, USD	USD	178,679	122.2954	21,851,632	11,154,382
Zhejiang Chouzhou Comm. Bank, USD	USD	171,515	122.2954	20,975,498	2,398,020
Ab Bank Ltd. Mumbai	USD	70,671	122.2954	8,642,715	1,455,911
Axis Bank Ltd. Kolkata	ACUD	-	0.000	-	30,156,545
Bank Of Bhutan, Bhutan	USD	28,238	122.2954	3,453,351	14,758,250
ICICI Bank Limited, Mumbai	USD	173,363	122.2954	21,201,473	5,000,032
Sonali Bank Ltd. Kolkata	USD	52,103	122.2954	6,371,905	37,534,402
Standard Chartered Bank Ltd. Karachi	USD	132,757	122.2954	16,235,614	9,398,928
Standard Chartered Bank Ltd. Mumbai	USD	62,040	122.2954	7,587,207	29,723,303
Habib Metropolitan Bank Ltd. Karachi	USD	129,946	122.2954	15,891,826	15,319,948
Kumari Bank Ltd. Nepal	USD	100,132	122.2954	12,245,683	5,761,200
Punjab National Bank, Kolkata	USD	116,866	122.2954	14,292,185	12,457,918
Punjab National Bank	ACUD	7,812	143.9661	1,124,699	-
Al Raji Banking & Inv Corp, KSA	SAR	113,297	32.6052	3,694,073	21,584,709
Emirates NBD, Riyadh, KSA	SAR	590,435	32.6052	19,251,239	6,090,652
Riyad Bank, KSA	SAR	155,622	32.6052	5,074,086	14,410,759
Standard Chartered Bank Ltd. Japan	JPY	663,154	0.7825	518,918	734,819
Standard Chartered Bank Ltd. London	GBP	133,457	165.1110	22,035,263	41,360,770

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars				2025 Taka	2024 Taka
	Commerzbank AG, Frankfurt GBP	GBP	45,488	165.1110	7,510,582	21,848,567
	Commerzbank AG, Frankfurt USD	USD	1,108,155	122.2954	135,522,233	13,106,350
	Standard Chartered Bank Ltd. Frankfurt	EURO	145,437	143.9661	20,937,944	320,762,944
	Intesa Sanpaolo SPA, Italy	EURO	415,028	143.9661	59,750,019	52,185,895
	Punjab National Bank, Kolkata, Acue	ACUE	-	0.0000	-	977,312
	Shanghai Pudong Development Bank, China	CNY	278,080	17.4638	4,856,339	101,280,394
	Habib Bank AG, Zurich	CHF	-	0.0000	-	10,045,974
	Abu Dhabi Commercial Bank PJSC, UAE	AED	328,231	33.2949	10,928,429	41,643,046
	Zhejiang Chouzhou Comm. Bank. CNY	CNY	207,609	17.4638	3,625,649	13,885,843
	Standard Chartered Bank Ltd. Singapore	SGD	14,050	95.0827	1,335,949	9,215,296
	Standard Chartered Bank Ltd. Singapore	AUD	239,753	82.0113	19,662,445	-
	Standard Chartered Bank Ltd. Singapore	CAD	250,916	89.3189	22,411,513	-
	Axis Bank Ltd. Mumbai	USD	16,265	122.2954	1,989,163	-
	Mashreque Bank PSC, Mumbai	USD	123,093	122.2954	15,053,732	26,817,232
	Sub-Total: (Previous year's figure restated)				**1,078,187,856**	**945,448,370**
	Placement to OBU-USD					
	Grand-Total (A+B):				**2,283,758,482**	**1,716,101,082**
6.A.	**Consolidated Balance with other Banks and financial institutions**					
a)	**In Bangladesh:**					
	Al-Arafah Islami Bank Ltd. [Note-6.a]				1,205,570,626	770,652,712
	AIBL Capital Market Services Ltd.				285,611,688	209,261,006
	AIBL Capital Management Ltd.				4,751,650	-
					1,495,933,964	**979,913,718**
	Less: Inter-Company Adjustment				(289,979,980)	(209,261,006)
					1,205,953,984	**770,652,712**
b.	**Outside Bangladesh (AIB PLC)**				1,078,187,856	945,448,370
	Total: (Previous year's figure restated)				**2,284,141,840**	**1,716,101,082**
6.A.i	**Maturity - wise Groupings (Inside & Outside Bangladesh)**					
	Payable on Demand					
	Up to 1 (one) month				1,535,244,918	1,082,700,000
	Over 1 (one) Month but not more than 3 (three) Months				499,626,192	546,802,164
	Over 3 (three) Months but not more than 1 (one) year				-	-
	Over 1 year but not more than 5 years				-	-
	Over 5 years				249,270,730	86,598,918
					2,284,141,840	**1,716,101,082**
7.	**Placement with Banks & Other Financial institutions**					
	Islami Bank Bangladesh PLC.				-	2,000,000,000
	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.				500,000,000	550,000,000
	Union Bank PLC.				2,500,000,000	2,500,000,000
	Mercantile Bank PLC.				200,000,000	-
	NCC Bank PLC.				1,500,000,000	-
	Social Islami Bank PLC.				450,000,000	450,000,000
					6,600,000,000	**6,950,000,000**

Note: Placement with Union Bank in mode of MTDR for BDT 100 crore is kept as lien with the same Bank against investment facilities of our subsidiary AIBL Capital Market Services Ltd.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
7.A	**Al-Arafah Islami Bank Ltd.**	6,600,000,000	6,950,000,000
	AIBL Capital Market Services Ltd.	-	-
		6,600,000,000	**6,950,000,000**
8.	**Investment in Shares & Securities**		
	Bangladesh Govt. Islamic Bond (BGIIB) (8.a)	23,000,000,000	19,500,000,000
	Bangladesh Government Investment Sukuk (BGIS) (8.a)	28,096,470,000	16,472,780,000
	Investment In Islamic Refinance Fund (8.a)	-	500,000,000
	Bangladesh Govt. Shariah (AIB PLC) special bond power 10 yrs	230,414,000	230,414,000
	Bangladesh Govt. Shariah (AIB PLC) special bond fertilizer 10 yrs	7,619,461,000	7,619,461,000
	Investment in Share and Securities (8.b)	12,184,486,285	12,608,907,981
		71,130,831,285	**56,931,562,981**
	Investments in Share & Securities		
8.a	**Government Securities**	**58,946,345,000**	**44,322,655,000**
	Bangladesh Govt. Islami Bond Fund (BGIIB) (8.a)	23,000,000,000	19,500,000,000
	Bangladesh government investment sukuk (BGIS) (8.a)	28,096,470,000	16,472,780,000
	Bangladesh govt. Shariah (aibplc) special bond power 10 yrs	230,414,000	230,414,000
	Bangladesh govt. Shariah (aibplc) special bond fertilizer 10 yrs	7,619,461,000	7,619,461,000
	Investment in Islamic Refinance Fund (8.a)	-	500,000,000
8.b	**Investment In shares (Quoted and Unquoted)**		
	Quoted: Private (8.b)	1,418,594,729	1,443,016,425
	Unquoted: Private (8.b)	10,765,891,556	11,165,891,556
		12,184,486,285	**12,608,907,981**
8.b.1	**Cost price of share as on 31 December 2025 as follows**		
	A. Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
	DAFODILCOM	398,980,623	398,980,623
	PADMAOIL	395,722	395,722
	JAMUNAOIL	230,796,024	230,796,024
	PRIMELIFE	114,905,548	114,905,548
	BBSCABLES	7,740,115	7,740,115
	SINOBANGLA	7,445,152	31,866,848
	PREMIERCEM	32,357,061	32,357,061
	UNIONINS	1,485,527	1,485,527
	BEXIMCO	15,099,579	15,099,579
	BSC	4,274,995	4,274,995
	EHL	6,014,454	6,014,454
	ITC	4,305,621	4,305,621
	TITASGAS	77,147,434	77,147,434
	UNIQUEHRL	46,874,069	46,874,069
	SPCL	35,433,157	35,433,157
	ACIFORMULA	2,828,826	2,828,826
	ACMELAB	4,351,600	4,351,600
	BSCCL	12,078,337	12,078,337

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	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	8,305,539
	LINDBD	18,286,086	18,286,086
	KDSALTD	28,667,990	28,667,990
	DELTALIFE	12,465,436	12,465,436
	ANWARGALV	11,985,211	11,985,211
	CONFIDCEM	2,977,804	2,977,804
	NAVANAPHA	4,495,615	4,495,615
	RENATA	826,361	826,361
	CONTININS	1,561,770	1,561,770
	AAMRANET	4,982,862	4,982,862
	NHFIL	12,803,440	12,803,440
	RAKCERAMIC	6,234,602	6,234,602
	MEGHNACEM	9,204,502	9,204,502
	POWERGRID	12,210,798	12,210,798
	BEXGSUKUK	101,837,894	101,837,894
	AIBL 1st Islamic Mutual Fund	170,000,000	170,000,000
		1,418,594,729	**1,443,016,425**
	B. Unquoted shares in		
	Swift Share	23,268,161	23,268,161
	Central Depository Bangladesh Limited	3,138,890	3,138,890
	Investment in Union Bank Mudaraba Sub-Ordinated Bond	200,000,000	200,000,000
	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	1,600,000,000	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
		10,765,891,556	**11,165,891,556**
	Total: (A+B)	**12,184,486,285**	**12,608,907,981**
8.A	**Consolidated Investment in Shares & Securities**		
	Al-Arafah Islami Bank PLC.	71,130,831,285	56,931,562,981
	AIBL Capital Market Services Ltd. 8.A.i	10,825,353,920	10,957,943,438
	AIBL Capital Management Ltd. 8.A.i	522,779,368	511,551,848
		82,478,964,572	**68,401,058,267**
	Less: Intercompany Adjustment	**2,917,900,000**	**-**
	Total: (Previous year's figure restated)	**79,561,064,572**	**68,401,058,267**
8.A.i	**Investment in Shares & Others**		
	Al-Arafah Islami Bank PLC	12,184,486,285	12,608,907,981
	AIBL Capital Market Services Ltd.	10,825,353,920	10,957,943,438
	AIBL Capital Management Ltd.	522,779,368	511,551,848
		23,532,619,572	**24,078,403,267**
	Less: Intercompany Adjustment	**2,917,900,000**	**-**
		20,614,719,572	**24,078,403,267**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
8.A.ii	**Maturity grouping of investments**		
	Payable on Demand	-	-
	Not more than 3 months	-	-
	Over 3 (three) months but not more than 1 (one) year	22,965,715,000	1,498,900,000
	Over 1 year but not more than 5 years	24,955,600,000	10,311,900,250
	More than 5 years	31,639,749,572	56,590,258,017
		79,561,064,572	**68,401,058,267**
9.	**Investments**		
a)	**General Investment**		
i.	**In Bangladesh:**		
	Murabaha Investment	124,710,498,857	116,692,052,508
	Bai-Muazzal Investment	177,875,495,537	175,268,099,245
	Hire Purchase Investment	159,672,314,656	155,714,991,984
	Quard	3,918,373,100	2,809,917,300
	Other Investment	6,265,476,052	6,200,685,070
	Investment through OBU	629,967,789	745,111,003
		473,072,125,991	**457,430,857,110**
ii.	**Out side Bangladesh:**	**-**	**-**
		473,072,125,991	**457,430,857,110**
	Less: Unearned profit on Investment	12,354,576,355	12,587,065,936
		460,717,549,635	**444,843,791,174**
b)	**Bill Purchased & Discounted**		
	Payable in Bangladesh	30,099,880,366	30,489,709,398
	Payable out side Bangladesh	2,024,057,079	1,800,628,651
	Investment through OBU	10,766,153,437	7,710,233,951
		42,890,090,882	**40,000,571,999**
	Less: Balance with OBU	**(2,387,944,113)**	**-**
		40,502,146,769	**40,000,571,999**
	Total: (Previous Year's Figure Restated)	**501,219,696,404**	**484,844,363,173**
c)	**Maturity grouping of Investment Including bills purchased and discounted**		
	Up to 1 (one) month	79,249,016,155	77,749,288,353
	Over 1 (one) month but not more than 3 (three) months	149,810,705,776	142,676,500,000
	Over 3 (three) months but not more than 1 (one) year	153,064,860,410	150,994,944,955
	Over 1 (one) year but not more than 5 years	86,487,165,825	82,368,520,000
	Over 5 years	32,607,948,239	31,055,109,866
		501,219,696,404	**484,844,363,174**
d)	**An analysis to disclose following Significant concentration:**		
i.	Investment to Directors and others	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	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	220,752,400,000	212,257,200,000
	iv. Investments to customers for more than 10% of Bank's Total Capital		
	Number of clients	43	38
	Amount of outstanding Investment	220,752,400,000	212,257,200,000
	Amount of Classified Investment	88,522,035,000	74,055,365,000

SL No	Name of Clients	Funded	Non-Funded	2025	2024
1	City Group	660.38	62.96	723.34	1,056.01
2	Thermax Group	443.25	63.05	506.30	470.06
3	Majumder Traders	291.37	16.39	307.76	-
4	Abul Khair Steel Industries Ltd.	354.53	380.54	735.07	740.00
5	AIBL Capital Market Services Ltd.	413.67	40.00	453.67	439.57
6	Noapara Traders	60.49	510.07	570.56	348.67
7	Techno Electricals ltd	306.04	222.83	528.87	492.61
8	Badsha Group	193.95	267.91	461.86	532.90
9	Masihata Sweaters Ltd.	684.22	166.82	851.04	806.13
10	Tafrid Cotton Mills Ltd.	395.86	4.16	400.02	-
11	Sheikh Brother & its Sister Concern	306.93	311.03	617.96	855.55
12	NICE Denim Mills Ltd.	285.53	335.22	620.75	782.60
13	Momtex	516.62	13.94	530.56	510.98
14	Kabir Steel Re-rolling Mills	602.26	-	602.26	827.70
15	IBN Sina	83.56	170.05	253.61	520.62
16	Aman Group	433.84	246.52	680.36	681.12
17	Nitol Motors Ltd.	287.60	-	287.60	-
18	Creative paper Mills	315.95	48.60	364.55	479.00
19	Biswas Poultry & Fish Feeds Ltd.	611.87	112.60	724.47	202.93
20	PRAN-RFL Group	122.02	143.40	265.42	-
21	M S Dyeing, Printing & Finishing Ltd.	536.71	284.40	821.11	950.65
22	Mahmud Fabrics And Finishing Ltd.	886.68	-	886.68	911.38
23	S Suhi industrial Park Ltd	922.35	19.39	941.74	931.28
24	H.R. Re-Rolling Mills	324.48	145.57	470.05	434.65
25	Healthcare pharmaceuticals Ltd.	434.34	27.94	462.28	546.00
26	Nassa Taipei Denim & Textile Ltd	644.55	0.07	644.62	567.97
27	Bashundhara Group	770.57	-	770.57	680.60
28	Formula One	206.03	66.01	272.04	280.01
29	Esquire Knit Composite & Esquire Dyeing Industries Ltd.	352.54	255.79	608.33	505.98
30	GMS Trims Ltd., GMS Composite Knitting Ltd	210.31	134.22	344.53	496.24
31	Unique Hotel & Resorts Ltd.	330.18	-	330.18	-
32	N. Mohammad Group	256.60	107.51	364.11	344.75
33	Mondal Group	238.66	206.23	444.89	494.86
34	Fakir Knit Wear Ltd.	189.08	154.28	343.36	394.43
35	H.R Textile Mills Ltd.	295.55	167.43	462.98	501.31
36	Crown Cement, GPH Ispat & Molla Salt	298.81	54.00	352.81	471.68

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars				2025 Taka	2024 Taka
37	Z & Z Intimates Ltd.		282.43	52.92	335.35	369.80
38	Ifad Group		416.64	47.15	463.79	427.62
39	Ibrahim Knit Garments Pvt. Ltd.		263.83	152.12	415.95	381.14
40	Woodland Plywood and Particle Board Mills Ltd., H & S Glassware Ltd.		512.03	47.47	559.50	407.23
41	Premier Steel Re-Rolling Mills Pvt. Ltd.		587.83	2.00	589.83	550.00
42	Bonafide Composite Textile Mills Ltd.		214.49	97.57	312.06	348.82
43	Interoff Apparels Ltd		228.01	47.88	275.89	286.20
					22,075.24	**21,225.72**

v)	**Industry/Sector wise Investments**		
	Agriculture	8,225,034,043	8,097,815,971
	Manufacturing Industries [Note: V-1]	261,027,770,947	253,919,923,504
	Agro Based Industries	47,215,643,028	44,093,822,533
	Service Industries	67,904,943,621	66,745,701,327
	Trading	88,161,861,737	88,240,333,760
	Financial Companies	7,997,085,311	8,961,698,249
	Individuals	15,717,090,338	14,111,213,580
	Others	4,970,267,380	4,805,575,233
		501,219,696,404	**488,976,084,156**
	Less: Unearned profit on Investment	12,354,576,355	12,587,065,936
		488,865,120,049	**476,389,018,219**
v.1	**Clarification of Manufacturing Industries:**		
	RMG	82,713,531,777	83,786,439,321
	Textiles	32,664,961,875	33,720,983,616
	Spinning Mills	27,566,185,821	32,044,024,639
	Pharmaceutical Industries	15,640,481,595	14,714,493,985
	Chemical Fertilizer etc.	1,885,720,339	1,929,752,857
	Cement	973,563,834	171,883,083
	Ceramic	2,455,721,221	2,452,521,063
	Ship Building Industry & Ship Breaking	3,059,625,946	2,667,056,037
	Steel & Engineering Industry	41,099,936,087	33,174,607,773
	Assembling Industry	8,282,724,247	7,001,829,929
	Jute	4,422,078,741	4,298,118,432
	Rubber & Plastic	6,638,848,147	7,328,766,465
	Paper & Paper Products	5,704,594,957	5,694,487,692
	Packaging Industries	3,935,610,332	3,684,236,478
	Wood Products	4,735,837,870	4,639,828,461
	Bricks & Sand	2,926,589,121	3,169,869,696
	Glass & Glassware	3,683,668,217	1,969,780,191
	Leather	3,792,079,457	3,384,161,872
	Electrical & Electronic Goods MFG	4,950,736,650	4,221,170,383
	Battery Manufacturing	2,008,383,213	2,027,873,203
	Other Manufacturing	1,886,891,499	1,838,038,330
		261,027,770,947	**253,919,923,504**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars			2025 Taka	2024 Taka
vi)	**Geographical Location -wise Investment**				
		Urban	**Rural**		
	Dhaka	369,573,495,769	17,371,870,931	386,945,366,700	380,269,641,801
	Chittagong	52,893,111,340	11,918,993,409	64,812,104,749	57,263,933,000
	Sylhet	2,930,880,502	410,631,110	3,441,511,611	3,161,432,000
	Rajshahi	9,202,357,970	3,672,857,388	12,875,215,358	12,108,262,354
	Mymensingh	2,384,421,893	264,892,508	2,649,314,401	2,535,590,000
	Khulna	18,661,334,605	3,600,173,753	22,261,508,358	22,520,108,000
	Rangpur	6,363,550,331	1,384,075,867	7,747,626,198	7,187,786,000
	Barisal	33,208,710,338	624,737,932	3,833,448,270	3,929,331,000
				504,566,095,646	**488,976,084,155**
	Less: Unearned profit on Investment			12,354,576,355	12,587,065,936
				492,211,519,290	**476,389,018,219**
e)	**Classification of Investment including bills purchased and discounted:**				
	Unclassified			**416,044,061,000**	**414,920,719,155**
	Standard including (Staff investment)			372,428,100,000	405,222,057,155
	Special Mention Accounts (SMA)			43,615,961,000	9,698,662,000
	Classified			**88,522,035,000**	**74,055,365,000**
	Sub Standard			6,933,504,000	14,054,663,000
	Doubtful			9,904,858,000	5,532,428,000
	Bad / Loss			71,683,673,000	54,468,274,000
				504,566,096,000	**488,976,084,155**
	Less: Unearned profit on Investment			12,354,576,355	12,587,065,936
				492,211,519,645	**476,389,018,219**
f)	**Required Provision on Investment & Off -balance sheet exposures**				
	Unclassified				
	General provision on unclassified Investment			3,340,627,000	2,841,954,000
	General provision on small enterprise Investment			153,242,000	327,643,000
	General provision on Housing financing Investment			51,016,000	22,103,000
	General provision on consumer financing Investment			84,589,000	99,335,000
	General provision on Micro Investment			39,764,000	79,761,000
	General provision on special mention Investment			2,165,774,000	103,624,000
	General provision on BHS/MHS/SDS			-	1,280,000
				5,835,012,000	**3,475,700,000**
	Classified				
	Specific provision on substandard Investment			966,871,000	742,000,000
	Specific provision on doubtful Investment			2,916,207,000	379,000,000
	Specific provision on bad/loss Investment			58,860,500,000	55,950,763,000
	Unclassified			**62,743,578,000**	**57,071,763,000**
	General provision on Off-balance sheet			1,260,300,000	1,398,900,000
				69,838,890,000	**61,946,363,000**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
g)	**Provision made on Investment & Off-balance sheet exposures**		
	Unclassified		
	General provision on unclassified Investment	3,353,915,000	2,841,954,000
	General provision on small enterprise Investment	153,242,000	327,643,000
	General provision on Housing financing Investment	51,016,000	22,103,000
	General provision on consumer financing Investment	84,589,000	99,335,000
	General provision on Micro Investment	39,764,000	79,761,000
	General provision on special mention Investment	2,165,774,000	103,624,000
	General provision on BHS/MHS/SDS	-	1,280,000
		5,848,300,000	**3,475,700,000**
	Classified		
	Specific provision on substandard Investment	966,871,000	742,000,000
	Specific provision on doubtful Investment	2,916,207,000	379,000,000
	Specific provision on bad/loss Investment	8,861,432,257	16,560,700,000
		12,744,510,257	**17,681,700,000**
	General provision on Off-balance sheet	1,260,300,000	1,398,900,000
	Total Provision Maintained	**19,853,110,257**	**22,556,300,000**
	Total required Provision as per BSD-12 (BB) & External Auditor	**69,838,890,000**	**61,946,363,000**
	Provision Excess/(Shortfall)	**(49,985,779,743)**	**(39,390,063,000)**

Bank Supervision Department (BSD)-12 as well as External Auditors of the Bank have calculated Tk. 6,983.89 Crore as total required provision against Investment of the Banks. Among which Tk. 1,985.31 crore is kept as provision on Investment. Rest of the Provision Tk. 4,998.58 (6,983.89-1,985.31) crore will be kept later as per approval of the Bank Supervision Department (BSD)-12 through ref: BSD-12/57/2026-396, dated: 28/04/2026. Although, the Bank has to be maintained Taka 5,393.19 crore as deferrel provision including Other Assets, Non-Banking Assets, Gartuity and Placements with Other Banks.

h)	**Particulars of Investments**		
i)	Investments considered good in respect of which the bank is fully secured	301,598,297,294	312,815,435,911
ii)	Investments considered good in respect of which the Bank holds debtors' personal security	184,446,076,827	184,554,428,523
iii)	Investments considered good and secured by personal security of one or more persons in addition to personal security of debtors	-	-
iv)	Investment adversely classified; provision not maintained there against;	49,985,779,743	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	27,462,950
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;	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
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	71,683,673,000	54,468,274,000
	i) Decrease/Increase in provision (Specific)	(4,937,189,743)	3,548,682,000
	ii) Amount of Investment written off;	13,289,517,000	8,231,970,000
	iii) Amount realized against Investment previously written off;	191,155,746	320,676,379
	b) Amount of provision kept against Investment classified as "bad/loss" on the date of preparing the balance sheet ;	8,861,432,257	16,560,700,000
	c) Profit creditable to the profit suspense/Compensation A/c;		
xi)	i) Cumulative amount of the written of Investment;	15,658,961,000	10,410,294,000
	ii) Amount written off during the current year;	5,248,667,000	649,142,000
	iii) The amount of written off Investment for which lawsuit has been field;	13,289,517,000	8,231,970,000
9.A.	**Investments**		
	Al-Arafah Islami Bank PLC.	501,219,696,404	484,844,363,173
	AIBL Capital Market Services Ltd.	-	570,952,323
	AIBL Capital Management Ltd.	-	21,314,870
		501,219,696,404	**485,436,630,366**
	Less : Inter company Adjustment	3,397,900,000	3,397,899,998
	Total: (Previous year's figure restated)	**497,821,796,404**	**482,038,730,368**
9.A.i	**Maturity grouping of Investment Including bills purchased and discounted**		
	Payable on Demand	-	-
	Up to 1 (one) month	79,249,016,155	77,749,288,353
	Over 1 (one) month but not more than 3 (three) months	149,810,705,776	142,676,500,000
	Over 3 (three) months but not more than 1 (one) year	149,666,960,410	147,597,044,957
	Over 1 year but not more than 5 years	86,487,165,825	82,368,520,000
	Over 5 years	32,607,948,239	31,647,377,058
		497,821,796,404	**482,038,730,368**
10.	**Fixed Assets**		
	Tangible Assets		
	Land	1,519,150,690	1,519,150,690

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Building	1,221,316,331	1,221,316,331
	Furniture (Wood)	1,675,598,609	1,606,561,168
	Furniture (Steel)	255,135,843	247,152,732
	Computer	441,309,525	426,203,225
	Computer (Accessories)	195,545,675	188,279,465
	Motor Car	248,274,621	238,304,298
	Machine equipment & appliance	1,714,044,580	1,666,132,655
	Online Hardware (IT)	1,425,328,063	1,264,533,065
	Interior Decoration	192,032,737	182,116,168
	Right of use Assets as per IFRS-16*	3,020,563,720	2,402,163,720
	Books & Library	9,846,414	9,664,835
		11,918,146,806	**10,971,578,352**
	Intangible Assets		
	Online Software (IT)	1,341,571,396	1,044,949,003
	Total	**13,259,718,203**	**12,016,527,355**
	Less: Accumulated Depreciation & Amortization	7,329,061,417	6,442,467,855
		5,930,656,786	**5,574,059,500**
	Schedule of Fixed Assets are given in Annexure - A.		
10.A.	**Consolidated Fixed Assets (Written Down Value):**		
	Al-Arafah Islami Bank PLC.	5,930,656,786	5,574,059,500
	AIBL Capital Market Services Ltd.	700,384	1,153,847
	AIBL Capital Management Ltd.	23,157	217,096
		5,931,380,327	**5,575,430,442**
11.	**Other Assets**		
	Acquiring settlement	4,832,614,254	569,903,792
	Cash Incentive from B. Bank (F. Remittance)	800,074,301	280,000,000
	Suspense Account	10,828,275	32,279,819
	Stock of stationary	256,430,600	285,233,815
	Stamp in hand	14,842,138	13,669,687
	Security Deposit	5,167,181	5,179,947
	Advance Rent	289,601,426	399,612,039
	Parking for RTGS outgoing	1,102,984	92,845,710
	P.R (BB) against stimulus fund	46,488,083	3,894,128
	Advance Income Tax & TDS [Note 11.2]	13,561,018,885	17,364,969,955
	Protested bill	509,594,594	43,613,309
	Prepaid expenses	23,743,399	14,693,564
	Balance with CMSL for portfolio account	1,008,878,185	980,523,543
	Parking for overdue claims (IBW)	-	4,461,181
	Accrued income	2,949,825,633	2,647,472,425
	SCB MC settlement a/c (local)	13,412,581	35,005,477
	Remittance adjustment A/c	80,001,000	-
	Clearing adjustment	111,468,820	141,576,453
	Dividend receivable	23,961,631	27,031,317
	Revaluation adjustment A/c	8,190	-

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Other Assets from OBU (Accrued Income)	27,832,309	23,934,974
	Due from off-shore Banking Unit	11,149,890,631	8,261,642,760
	Deferred Tax Asset	36,373,530	-
	Islamic Wallet Pre fund	500,000	-
	IW Cash in & Cash Out Pre fund & RTGS Settlement Account	124,771	-
		35,753,783,400	**31,227,543,896**
	Less: Balance with OBU for elimination investment with OBU	11,149,890,631	8,261,642,760
	Total: (Previous year's figure restated):	**24,603,892,769**	**22,965,901,136**
11.1	**Classification of other Assets under the following categories**		
	i) Investment in shares of subsidiary companies;		
	In Bangladesh		
	ii) Stationery, Stamps, Printing materials etc.	271,272,738	298,903,502
	iii) Advance rent and advertisement;	289,601,426	399,612,039
	iv) Profit accrued on Investment but not collected, commission & brokerage receivable on shares and debenture and other income receivable	2,949,825,633	2,647,472,425
	v) Security deposit	5,167,181	5,179,947
	vi) Preliminary, formation and organization expenses, renovation development expenses and prepaid expenses	23,743,399	14,693,564
	vii) Acquiring Settlement	4,832,614,254	569,903,792
	viii) Suspense account	10,828,275	32,279,819
	ix) Cash incentive from B. Bank (F. Remittance)	800,074,301	280,000,000
	x) Protested Bills	509,594,594	43,613,309
	xi) P.R. (BB) against stimulus fund	46,488,083	3,894,128
	xii) Membership Cost	-	4,461,181
	xiii) IW Cash-in & Cash-out Prefund (DFS)	124,771	100,000
	xiv) Parking for RTGS outgoing USD	1,102,984	-
	xv) Others *	25,949,139,923	18,641,852,456
		35,689,577,562	**22,941,966,162**
	xvi) Others		
	Parking for RTGS outgoing USD	800,686	(57,755,290)
	Clearing adjustment A/c	111,468,820	141,576,453
	Advance Income Tax & TDS	13,561,018,885	17,364,969,955
	SCB MC settlement A/c (local)	13,412,581	35,005,477
	Balance with CMSL for portfolio account	1,008,878,185	980,523,543
	Dividend receivable	23,961,631	-
	Revaluation adjustment a/c	8,190	-
	Due from off-shore Banking unit	11,149,890,631	-
	Islamic Wallet Pre fund	500,000	500,000
	Remittance adjustment a/c	80,001,000	150,001,000
		25,949,940,609	**18,641,852,456**
11.2	**Advance Income Tax & TDS**		
	Beginning of the year	17,364,969,954	15,948,992,836
	Advance tax paid during the year	2,226,368,159	3,070,178,452

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Tax deducted at Source during the year	401,953,001	310,116,346
	Settlement for previous year (2018-2020)	(6,432,272,230)	(1,964,317,679)
	Advance income tax at the end of the year	**13,561,018,884**	**17,364,969,954**
11.A.	**Consolidated Other Assets**		
	Al-Arafah Islami Bank PLC.	24,603,892,769	22,965,901,136
	AIBL Capital Market Services Ltd.	725,549,874	447,120,746
	AIBL Capital Management Ltd.	14,537,390	30,908,494
		25,343,980,033	**23,443,930,376**
	Inter-Company Adjustment	(1,006,040,865)	(3,890,523,543)
		24,337,939,523	**19,553,406,833**
12.	**Non-Banking Assets**	**37,683,927**	**37,683,927**
13.	**Placement from Banks & Other Financial Institutions**		
	Bangladesh Government Islamic Investment Bond (BGIIB) from BB (Note 13.i)	10,000,000,000	19,500,000,000
	FC Refinance from Bangladesh Bank (Note 13.ii)	47,386,879,419	43,085,347,478
	Fund from Treasury Division, AIBL -OBU	11,149,890,631	8,261,642,760
		68,536,770,050	**70,846,990,238**
	Less: Fund from Treasury Division, AIBL- OBU	11,149,890,631	8,261,642,760
		57,386,879,419	**62,585,347,478**

13.i **The Bank has taken finance from Islami Investment Bond** (Islami Bond) at banks' own mudaraba savings rate (i.e.. as on 31st December 2025 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 Date	Nature	Amount	Amount
In Bangladesh				
Placement from Bangladesh Bank	07.02.2026	D.P Note	1,000,000,000	2,500,000,000
Placement from Bangladesh Bank	09.02.2026	D.P Note	3,000,000,000	2,000,000,000
Placement from Bangladesh Bank	11.02.2026	D.P Note	1,000,000,000	500,000,000
Placement from Bangladesh Bank	16.02.2026	D.P Note	2,500,000,000	1,000,000,000
Placement from Bangladesh Bank	10.03.2026	D.P Note	1,000,000,000	500,000,000
Placement from Bangladesh Bank	29.03.2026	D.P Note	1,500,000,000	1,000,000,000
Placement from Bangladesh Bank		D.P Note		3,500,000,000
Placement from Bangladesh Bank		D.P Note		1,000,000,000
Placement from Bangladesh Bank		D.P Note		500,000,000
Placement from Bangladesh Bank		D.P Note		2,500,000,000
Placement from Bangladesh Bank		D.P Note		500,000,000
Placement from Bangladesh Bank		D.P Note		1,500,000,000
Placement from Bangladesh Bank		D.P Note		1,000,000,000
Placement from Bangladesh Bank		D.P Note		500,000,000
Placement from Bangladesh Bank		D.P Note		1,000,000,000
Total =			**10,000,000,000**	**19,500,000,000**

13. ii	**F.C. REFINANCE FROM BANGLADESH BANK**	**47,386,879,419**	**43,085,347,478**
	F.C. Refinance from Bangladesh Bank	7,951,149,047	12,386,260,684

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Refinance From B. Bank, Stimulus Fund (QSF)	0.1	0.1
	Refinance From B. Bank, Stimulus Fund (Agri)	264,010,624	898,000,678
	Refinance From B. Bank Refinance Scheme (CMSME)	-	1,038,811,520
	Refinance From B. Bank Refinance (Working Capital)	1	1
	Refinance From B. Bank Bai-Istishna Refinance (Bb Pre-shipment)	-	374,200,000
	Refinance From BB, CMSME (Term) RF	2,572,493,925	3,361,760,586
	Refinance From Bb, Women Entrepreneur Re-Finance (CMSME)	132,656,248	261,913,952
	Refinance From BB, 10/50/1000 Taka Refinance (Fid)	132,752,082	196,343,124
	Refinance From Bb, Ghore Fera Re-Finance (Fid)	38,378,995	73,450,000
	Refinance From B. Bank Sukuk Fund (IBLF)	26,600,000,000	15,640,000,000
	Refinance From B. Bank, Agriculture Crops Refinance 1000 Crore	4,414,000	12,770,000
	Mudaraba Short Term Fc Refinance	971,850,000	14,000,000
	Refinance From B. Bank SLS Fund (Power)	230,414,000	230,414,000
	Refinance From B. Bank SLS Fund (Fertilizer)	7,619,461,000	7,619,461,000
	Refinancing (GTF Fund)	869,299,497	977,961,933
	Total:	**57,386,879,419**	**62,585,347,478**
13.A	**Consolidated Placement from Banks & Other financial Institutions**		
	Al-Arafah Islami Bank PLC.	57,386,879,419	62,585,347,478
	AIBL Capital Market Services Ltd.	5,250,894,824	5,284,438,807
		62,637,774,243	**67,869,786,285**
	Less: Intercompany Adjustment	**3,397,900,000**	**3,397,899,998**
		59,239,874,243	**64,471,886,287**
14.	**Deposit and Other Accounts**		
	Mudaraba Savings Deposits	83,895,753,704	73,317,455,413
	Mudaraba Term Deposits [Note :14.i]	240,988,615,391	233,703,804,152
	Other Mudaraba Deposits [Note :14. ii]	96,573,785,272	75,420,266,080
	Al-wadeeah Current Accounts and Other Accounts etc.[Note: 14.iii]	59,828,628,206	68,351,849,494
	Bills Payable	4,980,615,632	4,061,095,218
	Total: (Previous year's figure restated):	**486,267,398,205**	**454,854,470,357**
14.i.	**Mudaraba Term Deposits**		
	Al-Arafah Islami Bank PLC	240,776,983,635	233,573,147,313
	MTDR- OBU	211,631,756	130,656,839
		240,988,615,391	**233,703,804,152**
14.ii.	**Other Mudaraba Deposits**		

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Mudaraba Short Term Deposit	29,247,595,460	27,019,769,877
	Installment Term Deposit (ITD)	25,311,673,318	23,811,611,870
	Savings Inv. Deposit (SID)	2,297,973	2,524,272
	P/P Term Deposit (PTD)	26,681,043,075	11,492,734,105
	Monthly Hajj Deposit (MHD)	195,166,296	212,913,083
	Term Hajj Deposit (THD)	2,301,891	2,729,665
	Marriage Savings & Investment Scheme	557,258	820,165
	Special Pension Dep. Scheme	15,227,726	9,608,156
	Mudaraba Term Cash Waqf Deposit	91,515,744	89,782,734
	Mudaraba Aman Deposit Scheme	36,647,074	44,873,152
	Mudaraba Ahsan Deposit Scheme	1,899,477,663	2,020,657,926
	Ahsan Plus Deposit Scheme	2,046,541,939	1,996,264,679
	Somriddhi Deposit Scheme	7,521,064,880	5,956,389,098
	Pension Dep. Scheme (PDS)	3,056,961,225	2,347,587,325
	Triple Benefit Dep. Scheme (TBDS)	-	411,999,973
	Excellent Benefit Triple Deposit	51,392,473	-
	Den Mohor Dep. Scheme (DMS)	6,743,298	-
	Education Savings Scheme (ESS)	2,230,554	-
	Installment Term Deposit (ITD-ARDP)	387,029,698	-
	Mudaraba Advantage Deposit SCHEME	18,317,727	-
		96,573,785,272	**75,420,266,080**
14.iii	**Al-wadeeah Current Accounts and Other Accounts etc.**		
	Al-Wadeah Current Deposits	23,315,595,097	25,401,321,523
	Unclaimed Dividend	209,192,068	227,222,450
	Sundry Deposit	23,526,935,877	24,335,361,810
	Profit Payable For All Deposit Ac	7,192,637,219	6,613,081,229
	Cover Fund Against MDBFC Under OBU	2,387,944,113	-
	Al-Wadeah Current Account- OBU	16,593,058	7,108,994
	FDD / FTT Payable- IBW	10,168,811	-
	F.C Held against EDF	-	636,577,260
	F.C Deposit Account	5,557,506,075	11,131,176,227
	Sub total	**62,216,572,319**	**68,351,849,494**
	Less: Balance with OBU	**2,387,944,113**	**-**
	Total	**59,828,628,206**	**68,351,849,494**
14.A.	**Consolidated Deposit and other Accounts**		
	Mudaraba Savings Deposits	83,895,753,704	73,317,455,413
	Mudaraba Term Deposits [Note :14.A.ii]	240,980,715,391	233,494,543,146
	Other Mudaraba Deposits-Note :14.A.iii	96,283,805,292	75,420,266,080
	Al-wadeah Current Accounts and Others Accounts etc.	59,828,628,206	68,351,849,494
	Bills Payable	4,980,615,632	4,061,095,218
		485,969,518,225	**454,645,209,351**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
14.A.i	**Maturity-wise Classification of Deposits**		
i.	Repayable on Demand	5,301,333,668	4,937,000,000
	With a residual maturity of	-	-
ii.	Repayable within 1 (one) month	90,103,018,227	83,910,696,601
iii.	Over 1 (one) month but within 6 (six) months	183,280,344,811	170,684,420,000
iv.	Over 6 (six) months within 1 (one) year	120,035,438,814	113,722,150,000
v.	Over 1 (one) year within 5 (five) years	83,505,830,508	77,766,900,000
vi.	Over 5 (five) years within 10 (ten) years	3,742,464,925	3,485,264,367
vii.	Unclaimed Deposits 10 (ten) years and above	1,087,272	1,012,550
		485,969,518,225	**454,507,443,518**
14.A.ii	**Mudaraba Term Deposits**	240,988,615,391	233,703,804,152
	Inter-Company Adjustment	(7,900,000)	(209,261,006)
		240,980,715,391	**233,494,543,146**
14.A.ii	**Other Mudaraba Deposits**	96,573,785,272	75,420,266,080
	Inter-Company Adjustment	(289,979,980)	-
		96,283,805,292	**75,420,266,080**
15.	**Other Liabilities**		
	Provision for unclassified investment	5,848,300,000	3,475,700,000
	Provision for classified investment	12,744,510,257	17,681,700,000
	Provision for off balance sheet item	1,260,300,000	1,398,900,000
	Provision for Outstanding expense	178,565,449	175,376,858
	Provision for Excise Duty	223,600,000	-
	Provision for Taxation	12,426,035,841	18,556,739,460
	Provision for Others	554,971,309	546,471,309
	Bank charge Payable (Penalty)	-	75,765,922
	Provision for diminution in value of investment	415,186,859	238,600,330
	Dividend payable	5.50	1
	Adjustment A/c credit balance	940,072	4,603,949
	Clearing adjustment	28,061	(4,979,155)
	Interest income	11,560	21,494
	CIB collection charge	50,203,811	41,737,576
	Risk fund for SHBIS	15,086,120	13,704,323
	Parking account	3,190,084	660,650,957
	FC held against BB L/C	94,973	94,973
	CMSD clearing adjustment a/c.	2,200	-
	Credit card payment (local)	1,896,801	30,068,219
	Supervision fees (SME)	448,092	433,648
	BB borrowing Settlements	107,260,275	303,532,920
	Electronic Govt. Procurement	1,021,879	907,967
	Settlement NPSB (Issuing)	3,541,058,530	647,215,973
	Profit rent suspense	3,344,892,606	1,428,660,368
	Compensation Receivable	19,296,220,372	11,827,543,643

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Mastercard Settlement Account	3,728,614	6,857,138
	1 % start-Up fund	96,916,482	96,916,482
	Lease Liabilities as per IFRS-16 Leases *	792,771,795	690,532,737
	ATM & POS Settlement (Mc-Debit ISS)	85,831,853	-
	Credit Report Payment	6,194,314	-
	Unearned Service Charge	1,671,145	-
	EFT Return (F/R)	5,615,990	-
	Parking For RTGS Incoming USD	37,275,942	-
	Employees' Cash Waqf Deposit Fund	3,897,400	-
	Other Liabilities- OBU	45,838,090	79,871,336
	Settlement Account for Inter-Branch	86,486,795	-
	Provision For IBLF (BB) Borrowing	39,710,959	-
	Others	1,010,569	-
	Total: (Previous year's figure restated):	**61,220,775,105**	**57,977,628,430**

* As per note-2.8.4, in accordance with IFRS-16, the Bank has Recognized the lease Liabilities

15.1	**Provision for income Tax**		
	Current tax		
	Provision held at the beginning of the year	18,556,739,460	17,184,289,582
	Adjustment during the year	11,568,611	205,278,646
	Provision made during the year	290,000,000	3,131,488,911
	Settlement for previous year (2018-2020)	(6,432,272,230)	(1,964,317,679)
	Provision held at the end of the year	**12,426,035,841**	**18,556,739,460**
15.1.a	**Provision for Current Tax made during the year**		
	Income Tax on Business income	-	3,120,614,523
	Capital Gain	591,449	1,831,023
	Minimum Tax u/s 163	-	-
	Cash Dividend	5,427,659	9,043,366
	Extra tax provision maintained during the year	283,980,892	-
		290,000,000	**3,131,488,911**
A.	**Computation of Taxable Profit**		
	Profit before tax	1,081,654,417	4,077,859,549
	Add: Inadmissible expenditure	3,754,515,314	5,621,915,750
	Less: Item of income for separate Consideration	(31,081,291)	(57,423,648)
	Less: Further allowable Expenditure	(5,551,896,198)	(1,320,712,924)
	Allowable deduction	14,916,155	-
	Estimated Business income other than 82(C)	(731,891,603)	8,321,638,727
	Add: Gain on sales of DSE,CSE License	-	-
	Add: Capital Gain	3,942,995	12,206,818
	Add: Cash dividend	27,138,296	45,216,830

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars		2025 Taka	2024 Taka
	Add: Income u/s 82(c) [CMSD Commission]		-	-
	Total Taxable Income		**(700,810,312)**	**8,379,062,375**
15.2	**Provision on Investment & Others**			
	Provision against Classified Investments (Specific) [15.2.a.i]		12,744,510,257	17,681,700,000
	Provision against Unclassified Investments (general) [15.2.a.ii]		5,848,300,000	3,475,700,000
	Provision against Off-balance Sheet exposures [15..a.iii]		1,260,300,000	1,398,900,000
	Provision for diminution in value of investments		415,186,859	238,600,330
	Total Provision Held (a)		**20,268,297,116**	**22,794,900,330**
	a) The movement in Specific provision on classified Investment :			
	i) Provision held at the beginning of the year		17,681,700,000	14,133,018,000
	Fully provision debt written off		(5,128,345,489)	(469,145,454)
	Recoveries of amount previously written off		191,155,746	320,676,379
	Specific provision for the year		-	3,547,038,075
	Provision transferred from covid-19		-	150,113,000
	Provision held at the end of the year		**12,744,510,257**	**17,681,700,000**
	ii) a. The movement in general provision on unclassified Investment :			
	Provision held at the beginning of the year		3,475,700,000	3,483,952,000
	Provision during the year:		-	(8,252,000)
	From Current Year	2,234,000,000	-	-
	From Off-Balance Sheet	138,600,000	2,372,600,000	-
	Provision transferred from classified investment		-	-
	Provision held at the end of the year		**5,848,300,000**	**3,475,700,000**
	iii) The movement in provision against Off-balance sheet exposures			
	Provision held at the beginning of the year		1,398,900,000	1,203,620,000
	Provision during the year		(138,600,000)	195,280,000
	Provision held at the end of the year		**1,260,300,000**	**1,398,900,000**
	Total Provision Maintained on Investments & OBS		**19,853,110,257**	**22,556,300,000**
	b) Provision for Others			
	Provision held at the beginning of the year		546,471,309	40,507,536
	Provision during the year		8,500,000	505,963,773
			554,971,309	**546,471,309**
	Less, Adjustment during the year		-	-
	Provision held at the end of the year		**554,971,309**	**546,471,309**
15.3	**Provision for diminution in value of investment in share**			
	Provision held at the beginning of the year		238,600,330	62,206,173
	Provision during the year		176,586,529	176,394,157
			415,186,859	**238,600,330**
15.4	**General provision -COVID-19:**			

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Provision transfer to classified Investment	-	**150,113,000.00**
	Less: Provision transferred to classified investment	-	**(150,113,000)**
	Provision held at the end of the year	-	-
15.5	**General Reserve (1 % Start-Up Fund)**	-	89,474,060
	Provision during the year	-	7,442,421
	Provision held at the end of the year	-	**96,916,481**
15.A	**Consolidated Other Liabilities**		
	Al-Arafah Islami Bank PLC.	61,220,775,105	57,977,628,430
	AIBL Capital Market Services Ltd.	2,347,257,488	2,665,773,036
	AIBL Capital Management Ltd.	32,243,662	50,162,380
		63,600,276,255	**60,693,563,846**
	Less: Inter-Company Adjustment	(1,006,040,865)	(980,523,543)
		62,594,235,740	**59,713,040,303**
15.A.i	**Consolidated Current tax**		
	Al-Arafah Islami Bank PLC.	290,000,000	3,336,767,557
	AIBL Capital Market Services Ltd.	844,911	9,408,901
		162,227	1,061,083
		291,007,138	**3,347,237,541**
15.3.A	**Provision for diminution in value of investment**		
	Provision held at the beginning of the year	238,600,330	238,600,330
	Provision during the year	176,586,529	-
		415,186,859	**238,600,330**
	Deferred tax Liabilities:		
	Opening balance	-	40,237,761
	Add: Addition for the year	-	(3,150,135)
	Deferred tax Liabilities on revaluation Reserve		
	Total Deferred tax Assets	-	**37,087,625**
16.	**Deferred Tax Assets**		
	Opening balance	(37,087,625)	40,237,761
	Add: Addition for the year	73,461,155	(3,150,135)
	Total Deferred Tax Assets	**36,373,530**	**37,087,626**
17.	**AIBL Mudaraba Bond**		
	AIBL Mudaraba Bond	6,398,000,000	9,000,000,000
	Perpetual bond	5,000,000,000	5,000,000,000
		11,398,000,000	**14,000,000,000**
18. a)	**Authorized 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	**11,516,917,130**	**2,819,339,680**
	Issued for other than Cash (Bonus Share)	-	8,697,577,450
		11,516,917,130	11,516,917,130

c) Issued and paid up Capital of the Bank is 1,151,691,713 nos. of shares of Tk. 10 each as follows

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka

Description	2025 No. of Shares	2024 No. of Shares	2025 Total Taka	2024 Total Taka
Sponsors / Promoters	173,994,649	173,994,649	1,739,946,490	1,739,946,490
Institution	298,751,650	297,454,991	2,987,516,500	2,974,549,910
General Public	678,945,414	680,242,073	6,789,454,140	6,802,420,730
Total	**1,151,691,713**	**1,151,691,713**	**11,516,917,130**	**11,516,917,130**

d) **Break-up of Shares Classification of shareholders by holding as on 31-12-2025**

Range of Holding	Number of Share holders		No. of Shares	No. of Shares
Less than 50,000	14,729		40,768,267	42,698,480
50,001 to 100,000	145		10,072,989	10,245,911
100,001 to 200,000	100		13,838,133	15,063,069
200,001 to 300,000	27		6,623,029	7,284,103
300,001 to 400,000	35		12,246,236	13,274,722
400,001 to 500,000	16		7,414,440	7,479,312
500,001 to 1,000,000	30		21,311,867	23,094,398
1,000,001 to 10,000,000	69		208,102,086	183,142,141
10,000,001 to 20,000,000	32		831,314,666	849,409,577
Total	15,183		**1,151,691,713**	**1,151,691,713**

e)	Minimum Capital Requirement Capital Adequacy Ratio		
1	Tier-I (Core Capital)		
	Paid-up Capital	11,516,917,130	11,516,917,130
	Statutory Reserve	11,516,917,130	11,238,492,510
	Retained Earnings	98,192,233	11,501,282
	Less : Regulatory Adjustment (Goodwill and all other Intangible Assets)	(618,205,942)	(446,763,939)
		22,513,820,551	**22,320,146,983**
2	Additional Tier-I Capital	5,000,000,000	5,000,000,000
	Total Tier-1 Capital	**27,513,820,551**	**27,320,146,983**
	3.Tier- II (Supplementary Capital)		
	General Provision	7,523,786,859	4,874,600,000
	AIBL Mudaraba Bond	6,398,000,000	9,000,000,000
	As per Basel iii excess amount over maximum limit of T-2	-	(428,094,341)
	Maximum Limit of tier-2 Capital (considering para 3.2 (v) including foot note no. of Guidelines)	**13,921,786,859**	**13,446,505,659**
3	**Tier- III**		
	A. Total Eligible Capital (1+2)	**41,435,607,410**	**40,766,652,642**
	B. Total Risk weighted Assets (a+b+c)	**386,640,514,003**	**336,162,641,471**
	a. Credit Risk	**356,211,509,462**	**307,448,436,262**
	i. Balance sheet Exposure	338,589,382,162	288,278,106,262
	ii. Off-balance sheet Exposure	17,622,127,300	19,170,330,000
	b. Market Risk (From WS-3)	3,748,411,473	1,749,358,203

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	c. Operational Risk (From WS-4)	26,680,593,068	26,964,847,006
	C. Capital Adequacy Ratio (CAR) (A / B)	**10.72%**	**12.13%**
	D. Core Capital to RWA	7.12%	8.13%
	E. Supplementary Capital to RWA	3.60%	4.00%
	F. Minimum Capital Requirement (MCR) 10.00% of RWA	38,664,051,400	33,616,264,147
	G. Capital surplus on risk weighted assets based (A-F)	**2,771,556,010**	**7,150,388,495**
	H. Required Capital with Conservation Buffer @ 12.50% on RWA	48,330,064,250	42,020,330,184
	I. Excess Over Capital with Conservation Buffer (A-H)	**(6,894,456,840)**	**(1,253,677,542)**
18.A	**Non-Controlling Interest**		
	Opening balance	1,683,640,721	1,673,925,487
	Add: Non-Controlling Interest in Profit for the year	620,099	9,715,234
		1,684,260,820	**1,683,640,721**
19.	**Statutory Reserve**		
	Opening balance beginning of the year	11,238,492,510	10,968,492,510
	Add. Reserve @ 20% (on pre-tax profit)	278,424,620	270,000,000
	Balance at the end of the year.	**11,516,917,130**	**11,238,492,510**
	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. Thus, the Bank kept 100% of its Paid up capital as Statutory Reserve this year.		
20.	**Revaluation Reserve**		
	Asset revaluation Reserve	1,084,174,318	1,084,174,318
	Less. Deferred tax liability on revaluation Reserve	-	-
	Add. Asset revaluation Reserve	-	-
20.a	**Total Asset revaluation Reserve**	**1,084,174,318**	**1,084,174,318**
20.b	**FC Revaluation Reserve**	-	2,080,247
		1,084,174,318	**1,086,254,565**
21.	**Retained Earnings**		
	Opening balance beginning of the year	11,501,281	1,653,975,457
	Less : Tax adjustment previous year	-	(10)
	Less : Cash Dividend	-	(1,096,849,251)
	Less : Bonus Share	-	(548,424,620)
	Add: Net Profit / (loss) after tax during the year	865,115,572	744,242,129

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
		876,616,853	**752,943,703**
	Less : transfer to Statutory Reserve	(278,424,620)	270,000,000
	Less : transfer to 1 % start-Up fund	-	7,442,421
	Less : Profit paid on aibl mudaraba perpetual bond	(500,000,000)	464,000,000
		98,192,233	**11,501,281**
21.A	**Consolidated Retained Earnings**		
	Opening balance beginning of the year	170,780,665	1,802,540,583
	Add: Net profit after tax during the year	853,734,963	754,956,375
	Add : AIT adjustment for CML (2012-2017)	7,506,946	-
	Add: Prior Year Adjustment (CMSL)	616,546	-
	Less: Prior Year Adjustment for Suspense Account (CML)	(1,371,629)	-
	Less: Stock dividend to equity holders of the bank		(548,424,620)
	Less: Cash dividend to equity holders of the bank	-	(1,096,849,251)
	Less: Transfer to statutory reserve	(278,424,620)	(270,000,000)
	Less : transfer to 1 % start-Up fund	-	(7,442,421)
	Less : Profit paid on aibl mudaraba perpetual bond	(500,000,000)	(464,000,000)
		252,842,871	**170,780,665**
22.	**Letter of Guarantee**		
a)	Claim against the bank which is not acknowledged as debt		
b)	Money for which is the bank is contingently liable in respect of guarantees given favoring		
	i. Directors	-	-
	ii. Government	-	-
	iii. Bank and other financial institution	-	-
	iv. Others	19,320,242,578	16,501,446,000
		19,320,242,578	**16,501,446,000**
23.	**Investment Income**		
i.	Income from General Investments		
	Murabaha	1,075,465,128	1,036,899,518
	Bai-Muazzal	14,218,351,854	14,232,641,087
	Hire-Purchase	14,194,684,857	14,643,412,964
	Others mode income	11,302,412,230	11,093,035,781
		40,790,914,069	**41,005,989,350**
ii.	Profit received from other Islamic Bank	611,607,643	1,032,261,730
	Total (i + ii)	**41,402,521,711**	**42,038,251,080**
23.A	**Consolidated Investment Income**		
	Al-Arafah Islami Bank PLC	**41,402,521,711**	**42,038,251,080**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	AIBL Capital Market Services Ltd.	264,272,489	283,167,289
	AIBL Capital Management Ltd.	1,379,402	1,216,166
		41,668,173,602	**42,322,634,535**
	Less : Inter company Adjustment	50,174,850	47,880,933
		41,617,998,752	**42,274,753,602**
24.	**Profit paid on Deposits & Placements from Other Banks**		
	Mudaraba Savings Deposit	1,299,391,009	1,712,512,980
	Mudaraba Short Term Deposit	1,353,528,833	1,630,030,860
	Mudaraba Term Deposit	24,073,470,414	19,553,410,107
	Mudaraba Special Deposit	5,546,916,424	2,981,706,709
	AIBL Mudaraba Subordinate debt.	854,521,866	979,190,684
	Mudaraba BD. Govt. Islamic Bond fund	2,132,990,724	2,622,141,671
	Profit Expenses of Lease Liabilities (as Per IFRS 16 Leases)	74,250,843	94,869,015
	Total: (Previous year's figure restated):	**35,335,070,113**	**29,573,862,026**
24.A.	**Consolidated Profit paid on Deposits & Placements from Other Banks**		
	Al-Arafah Islami Bank PLC.	35,335,070,113	29,573,862,026
	AIBL Capital Market Services Ltd.	219,661,048	192,612,922
		35,554,731,161	**29,766,474,948**
	Less : Inter company Adjustment	50,174,850	47,880,933
		35,504,556,311	**29,718,594,015**
25.	**Income from Investment in Share / Securities**		
	Dividend income (cash)	27,138,296	45,216,830
	Gain on sale of Shares/Securities	3,942,995	12,206,818
	Profit received from other Islamic Bond	3,844,490,469	2,661,553,434
		3,875,571,760	**2,718,977,082**
25.A.	**Income from Investment in Share / Securities**		
	Al-Arafah Islami Bank PLC.	3,875,571,760	2,718,977,082
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	882,995	4,830,153
		3,876,454,755	**2,723,807,235**
	Less : Inter company Adjustment	-	-
		3,876,454,755	**2,723,807,235**
26.	**Commission, Exchange & Brokerage Income**		
	Commission	2,473,097,620	2,546,519,187
	Exchange	1,645,384,705	1,717,272,150
	Brokerage commission	-	-
		4,118,482,325	**4,263,791,337**
26.A	**Consolidated Commission, Exchange & Brokerage Income**		
	Al-Arafah Islami Bank PLC.	4,118,482,325	4,263,791,337

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	AIBL Capital Market Services Ltd.	77,254,614	116,308,725
	AIBL Capital Management Ltd.	1,449,533	4,585,407
		4,197,186,472	**4,384,685,469**
	Less : Inter company Adjustment	-	-
		4,197,186,472	**4,384,685,469**
27.	**Other Operating Income**		
	Processing fee on investment	105,557,471	108,992,296
	Supervision fee	68,140,417	214,755,207
	Service charge	56,899	4,570
	Capital gain or loss from fixed asset	995,550	4,729,694
	Passbook sales (GSIS)	107,390	123,466
	Account maintenance fee	193,239,339	186,668,295
	Transfer / redemption fee	394	80,000
	SMS Banking fees	244,258,389	241,525,992
	legal expenses recovered	1,077,633	39,861,892
	Printing & Stationary	1,800,074	1,720,662
	P & T charge recovered	37,959,238	1,435,569
	Application form sales (SEIS)	-	200
	Card income	284,657,529	271,605,204
	Misc. Income	65,256,688	53,615,800
		1,003,107,009	**1,125,118,846**
27.A.	**Other Operating Income**		
	Al-Arafah Islami Bank PLC.	1,003,107,009	1,125,118,846
	AIBL Capital Market Services Ltd.	8,551,449	(41,972,603)
	AIBL Capital Management Ltd.	269,918	-
		1,011,928,376	**1,083,146,243**
	Less : Inter company Adjustment	-	-
		1,011,928,376	**1,083,146,243**
28.	**Salaries, Allowances & Contribution to P.F**		
	Basic Pay	2,644,092,279	2,920,095,838
	House Rent Expenses	1,637,187,281	1,647,792,779
	House Maintenance	-	94,920
	Medical Expenses	839,730,823	836,283,338
	Bonus (28.i)	553,687,033	1,117,469,399
	Bank's Contribution to P.F	238,979,714	236,234,358
	Utility	1,372,276	2,426,878
	Conveyance Expenses	136,490,805	145,368,322
	LFA Allowance	120,146,426	114,394,663
	Lunch and Entertainment Allowance	850,091	1,025,217
	Leave Encashment Expenses	188,495,968	191,370,520
	Car Allowances	408,938,311	271,972,334
	Sales Commission	606,950	1,004,700
	Gratuity Expenses	420,000,000	370,000,000
	Total: (Previous year's figure restated):	**7,190,577,956**	**7,855,533,266**
28.i	**Bonus**		
	Incentive Bonus	-	586,152,785
	Bangla New Year	50,703,240	48,155,956
	Eid-ul-Fitre Bonus	251,475,939	241,931,232
	Eid-ul-Adha Bonus	251,507,854	241,229,426
		553,687,033	**1,117,469,399**
28.A.	**Salaries, Allowances & Contribution to P.F**		
	Al-Arafah Islami Bank PLC.	7,190,577,956	7,855,533,266

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars		2025 Taka	2024 Taka
	AIBL Capital Market Services Ltd.		71,968,622	71,355,193
	AIBL Capital Management Ltd.		11,906,526	9,554,565
			7,274,453,104	**7,936,443,024**
29.	**Director Fees & Expenses**			
i.	Directors fees for attending Board/executive Committee/other committee meeting		2,962,600	4,293,200
ii.	TA/DA/ Hotel fare & Foreign Directors		2,766,859	7,212,182
			5,729,459	**11,505,382**
29.A.	**Consolidated Director Fees & Expenses**			
	Al-Arafah Islami Bank PLC.		5,729,459	11,505,382
	AIBL Capital Market Services Ltd.		2,620,833	-
	AIBL Capital Management Ltd.		129,840	-
			8,480,132	**11,505,382**
30.	**Shariah Supervisory Committee's Fees & Expenses**			
i.	Shariah fees for attending meeting		253,639	526,355
			253,639	**526,355**
31.	**Rent, Taxes, Insurance & Lighting**			
	Rent Office	598,065,018		
	Transfer to depreciation and profit expenses	590,411,785	7,653,233	16,870,915
	Lighting & Electricity		161,535,663	166,821,606
	Insurance		334,256,598	303,195,569
			503,445,493	**486,888,090**
31.A.	**Consolidated Rent, Taxes, Insurance & Electricity Bill**			
	Al-Arafah Islami Bank PLC.		503,445,493	486,888,090
	AIBL Capital Market Services Ltd.		18,878,685	17,978,657
	AIBL Capital Management Ltd.		2,242,980	2,105,897
			524,567,158	**506,972,644**
32.	**Postage, Telegram, Telephone & Stamp**			
	Air condition charge		1,340,488	-
	Postage		41,050,282	43,804,025
	Telephone (Office)		3,193,770	3,698,598
	Telephone (Mobile)		19,011,031	16,254,922
	SWIFT Charge		35,464,780	31,299,603
	Internet Charges		1,486,538	1,152,291
	Online Charge		38,561,349	51,874,317
			140,108,238	**148,083,756**
32.A.	**Consolidated Postage, Telegram, Telephone & Stamp**			
	Al-Arafah Islami Bank PLC.		140,108,238	148,083,756
	AIBL Capital Market Services Ltd.		79,518	86,670
	AIBL Capital Management Ltd.		62,779	56,312
			140,250,535	**148,226,738**
33.	**Depreciation Repairs to the Bank's property**			
	Repairs to the Bank's property			
	R.R. Furniture & Fixture (Wood)		3,980,183	4,125,473
	R.R. Furniture & Fixture (Steel)		3,718,844	4,824,205
	R.R. Computer		1,231,875	3,274,414
	Maintenance of Motor Car and other Vehicle		1,474,382	806,374
	R.R. Machine equipment & appliances		58,061,268	31,695,531

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Maintenance of Land & Building	30,635	243,274
	Maintenance of Rented Premises	3,398,879	-
	R.R. Computer Accessories	4,157,352	1,771,870
	R.R. Others	603,006	9,230,266
	Software Maintenance Fee	94,368,982	101,261,362
	Hardware Maintenance Fee	4,352,586	12,926,770
		175,377,992	**170,159,539**
	Depreciation to the Bank's property		
	Depr. Furniture (Wood)	137,218,737	130,190,234
	Depr. Furniture (Steel)	18,030,788	17,161,607
	Depr. Computer	39,218,699	39,984,356
	Depr. Motor Car	13,532,515	11,564,865
	Depr. Machine equip & Appliance	101,106,666	92,130,131
	Depr. Books & Library	176,857	72,834
	Depr. Land & Building	35,032,707	30,667,308
	Depr. Online Hardware	100,370,848	83,854,889
	Depr. Online Software	161,553,921	103,572,088
	Depr. Computer Accessories	15,698,164	16,216,768
	Right of use (ROU) Assets*	267,146,438	371633838
	Depr. Interior Decoration	3,224,348	4,009,235
		892,310,687	**901,058,153**
	Total Depreciation & Repairs to the Bank's property	**1,067,688,679**	**1,071,217,692**
33.A	**Depreciation Repairs to the Bank's property**		
	Al-Arafah Islami Bank Plc.	1,067,688,679	1,071,217,692
	AIBL Capital Market Services Ltd.	3,469,076	3,641,090
		193,939	243,715
		1,071,351,694	**1,075,102,497**
34.	**Stationary, Printing & Advertisement**		
	Printing & Stationery	104,394,487	67,451,380
	Paper & Table Stationery	34,434,220	67,935,051
	Advertisement & Publicity Expenses	152,497,488	149,595,633
		291,326,195	**284,982,064**
34.A.	**Consolidated Stationary, Printing & Advertisement**		
	Al-Arafah Islami Bank Plc.	291,326,195	284,982,064
	AIBL Capital Market Services Ltd.	1,295,079	1,296,366
	AIBL Capital Management Ltd.	42,309	31,356
		292,663,583	**286,309,786**
35.	**Other expenses**		
	Local conveyance expenses	23,404,914	23,959,904
	Petroleum oil lubricant motors	20,569,315	49,100,640
	CNG motor car	1,077,377	1,608,136
	Entertainment expenses	31,883,706	44,354,946
	Travelling expenses	38,323,179	44,990,528
	Bank charge	230,255,624	289,309,526
	Wages	351,681,266	83,814,920

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Security guard service	-	252,411,982
	Subscription	17,802,934	19,615,772
	Liveries & Uniforms	800,250	821,980
	Petroleum oil & Lubricants	18,084,567	-
	Donations	84,250	584,665
	Wasa charge	10,142,242	9,711,400
	Gas charge	2,784,894	2,435,486
	Excise duty	224,360,700	1,739,500
	News paper journal & periodical	6,274,246	5,749,551
	Upkeep branches premises	7,440,893	7,140,555
	Washing charge	5,627,980	4,987,853
	Hill track allowance	2,993,312	2,937,115
	Computer Accessories	6,702,299	8,457,991
	Photocopy Machine Accessories	3,803,149	3,758,753
	Business development	47,740,378	78,046,560
	Closing expenses	21,073,030	18,143,750
	Holding tax of own premises	1,619,181	1,615,097
	Capital loss from sale of fixed assets	66,277	3,947,917
	Overtime expense	1,804,666	2,722,917
	Registration expenses	30,828,208	56,669,677
	Remittance expense	21,169,564	21,987,185
	AGM/EGM	46,000	934,954
	Crocarige	821,936	1,069,530
	Credit rating charge	1,253,750	838,800
	Tax token expenditure	516,358	693,039
	Misc. Expenses	6,215,842	5,830,945
	Data info service charge	7,383,322	9,490,889
	Training expenses	21,996,861	21,399,245
	Card expense	289,747,722	242,130,359
	IT Allowance	7,909,245	7,793,505
	Saturday working allowance (Overtime)	3,953,100	2,859,670
	Charge expenses	4,342,000	4,251,790
	Car Expenses	6,259,769	9,624,679
	Risk expenses	18,244,347	9,861,492
	Staff welfare	86,537,727	66,956,640
	Profit paid to Agent Float Sharing	660,460,703	711,113,283
	Account Opening Commission Through Agent Banking	13,139,500	11,381,512
	Exchange Loss	5,939,055	-
	Electronics & fittings item	9,164,237	9,913,675
	Honorarium	14,887,375	10,020,388
	Total: (Previous year's figure restated):	**2,287,217,251**	**2,166,788,698**
35.A.	**Consolidated Other expenses**		
	Al-Arafah Islami Bank Plc.	2,287,217,251	2,166,788,698
	AIBL Capital Market Services Ltd.	28,821,510	36,160,000
	AIBL Capital Management Ltd.	2,154,249	1,909,536
		2,318,193,010	**2,204,858,234**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
36.	**Provision against Investments & Off-Balance sheet exposures**		
	On Classified Investment as per Bangladesh Bank Circular	-	3,547,038,075
	On Un-classified Investment as per Bangladesh Bank Circular	2,234,000,000	(8,252,000)
	On Off-balance sheet as per Bangladesh Bank Circular	-	195,280,000
		2,234,000,000	**3,734,066,075**
36.A.	**Provision against Investments & Off-Balance sheet exposures**		
	Al-Arafah Islami Bank Plc.	2,234,000,000	3,734,066,075
	AIBL Capital Market Services Ltd.	-	-
		-	-
		2,234,000,000	**3,734,066,075**
37.	**Paid for other operating activities**		
	Directors fees & expenses	5,729,459	11,505,382
	Shariah Supervisory Committee's fees & expenses	253,639	526,355
	Rent, taxes, insurance and lighting etc.	503,445,493	486,888,090
	Postage, telegram, telephone and stamp etc.	140,108,238	148,083,756
	Legal charges	50,028,124	25,099,962
	Auditors' fee	6,072,066	2,035,500
	Repairs to the bank's properties	175,377,992	170,159,539
	Rent Adjustment against IFRS 16	590,411,785	-
	Other expenses	2,063,617,251	1,446,050,736
		(3,535,044,046)	**(2,290,349,320)**
37.A.	**Paid for other operating Activities**		
	Al-Arafah Islami Bank Plc.	(3,535,044,046)	(2,290,349,320)
	AIBL Capital Market Services Ltd.	(50,400,546)	(56,489,551)
	AIBL Capital Management Ltd.	(4,664,848)	(2,023,348)
		(3,590,109,440)	**(2,348,862,219)**
38.	**Increase/Decrease of other assets (item-wise)**		
	Acquiring settlement	(4,262,710,462)	(1,723,030,462)
	Cash incentive from B. Bank (F. Remittance)	(520,074,301)	(520,000,000)
	Suspense account	-	(7,162,257)
	Adjustment a/c debit balance	-	(7,647,738)
	Stock of stationary	28,803,215	152,959,821
	Stamp in hand	(1,172,451)	978,010
	security deposit	12,766	-
	Advance rent	110,010,613	23,372,822
	Parking for RTGS outgoing USD	91,742,726	460,951,203
	P.R (BB) against stimulus fund	(42,593,955)	3,827,564
	Advance Income Tax & TDS [Note 11.2]	(2,628,321,160)	(1,964,317,679)
	Protested bill	(465,981,285)	19,435,155
	Prepaid expenses	(9,049,835)	11,943,983
	Balance with CMSL for portfolio account	(28,354,642)	(490,169,924)

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Parking for overdue claims (IBW)	4,461,181	2,068,251
	SCB MC settlement a/c (local)	21,592,897	(3,304,189)
	Remittance adjustment a/c	(80,001,000)	(150,000,099)
	Clearing adjustment	30,107,633	(128,149,347)
	Dividend receivable	3,069,686	14,759,763
	Islamic Wallet Pre fund	(500,000)	-
	IW Cash in & Cash Out Pre fund & RTGS Settlement Account	(124,771)	-
	Other Assets-OBU	(3,897,334)	
	Revaluation adjustment a/c	(8,190)	(1,211)
		(7,752,988,669)	**(4,303,486,334)**
38.A	**Increase/Decrease of other assets (item-wise)**		
	Al-Arafah Islami Bank PLC.	(7,752,988,669)	4,303,486,334
	AIBL Capital Market Services Ltd.	(266,119,930)	-
	AIBL Capital Management Ltd.	16,371,104	-
	Inter company Adjustment	-	(781,155,610)
		(8,002,737,495)	**3,522,330,724**
39.	**Increase/Decrease of Trading liabilities (item-wise)**		
	Hajj foundation	-	62,206,173
	Provident fund	-	(1,500)
	Adjustment a/c credit balance	(3,663,876)	1,636,376
	Clearing adjustment	5,007,216	(2,017,007,549)
	CIB collection charge	8,466,235	6,213,176
	Risk fund for SHBIS	1,381,797	1,937,407
	Parking account	(657,460,872)	660,650,957
	Credit card payment (local)	(28,171,417)	323,229
	Supervision fees (SME)	14,444	(73,652)
	BB borrowing Settlements	(196,272,646)	116,267,793
	Electronic govt procurement	113,912	(89,017)
	Settlement NPSB (Issuing)	2,893,842,558	647,215,973
	Compensation receivable	-	56,519,683
	Parking For RTGS Incoming USD	37,275,942	-
	Employees' Cash Waqf Deposit Fund	3,897,400	-
	Other Liabilities-OBU	(34,033,246)	-
	Mastercard Settlement Account	(3,128,524)	(406,240,108)
		2,027,268,921	**(870,441,059)**
39.A	**Increase/Decrease of Trading liabilities (item-wise)**		
	Al-Arafah Islami Bank PLC.	2,027,268,921	(870,441,059)
	AIBL Capital Market Services Ltd.	(318,515,548)	-
	AIBL Capital Management Ltd.	(17,918,718)	-
	Inter company Adjustment	-	(8,739,676,438)
		1,690,834,655	**(9,610,117,497)**
40.	**Cash and Cash Equivalent at the end of the year**		

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2025

Note	Particulars	2025 Taka	2024 Taka
	Cash in hand	5,592,493,767	5,804,554,951
	Balance with Bangladesh Bank & Sonali Bank PLC.	23,090,240,119	28,483,472,625
	Balance with Other Banks	2,283,758,482	9,977,743,842
	Bangladesh Government Islamic Investment Bond	58,946,345,000	44,322,655,000
		89,912,837,368	**88,588,426,418**
40.A	**Consolidated Cash and Cash Equivalent at the end of the year**		
	Al-Arafah Islami Bank Plc.	89,912,837,368	88,588,426,418
	AIBL Capital Market Services Ltd.	383,358	-
	AIBL Capital Management Ltd.	-	2,870,659
		89,913,220,726	**88,591,297,077**
41.	**Calculation of Earning Per Share (EPS)**		
	The earning per share of the bank has been calculated in accordance with BAS-33 under basic Earning per share method as follows:		
	Basic earning (Net profit after tax) for the year	865,115,572	744,242,128
	Number of ordinary shares outstanding as of the reporting date	1,151,691,713	1,151,691,713
	Earning per Share	**0.75**	**0.65**
41.A	**Consolidated Earnings Per Share (CEPS)**		
	Net profit after tax	853,734,963	754,956,375
	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)	**0.74**	**0.66**
42.	**Net Asset Value**		
	Net Assets Value (Consolidated)	24,370,851,449	24,012,444,870
	Net Assets Value (Bank's)	24,216,200,811	23,853,165,487
	No. of Outstanding Share	1,151,691,713	1,151,691,713
	Net Asset Value (NAV) per Share (Consolidated)	**21.16**	**20.85**
	Net Asset Value (NAV) per Share (Bank's)	**21.03**	**20.71**
43.	**Net Operating Cash Flows per share (NOCFPS):**		
	Net cash flows from operating activities (Consolidated)	13,437,043,165	24,512,876,325
	Net cash flows from operating activities (Banks)	13,438,046,378	24,513,798,381
	No. of outstanding share	1,151,691,713	1,151,691,713
	Net Operating Cash Flow per share (NOCFPS) (Consolidated)	**11.67**	**21.28**
	Net Operating Cash Flow per share (NOCFPS) (Bank's)	**11.67**	**14.11**

Al-Arafah Islami Bank PLC

SCHEDULE OF CONSOLIDATED FIXED ASSETS

As at December 31, 2025

SL. No.	Particulars	Cost / Revaluation					Depreciation/Amortization				Written Down Value as on 31-12-2025
		Balance at 1st January 2025	Reval-uation	Addition during the year	Transfer/ Disposal during the year	Balance at 31-Dec 2025	Balance at 1st January 2025	Charge for the year	Transfer/ Disposal during the year	Balance at 31-Dec 2025	
A. Fixed Assets:											
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	-	389,802,443
2	Building	1,221,316,331	-	-	-	1,221,316,331	278,658,314	35,032,707	-	313,691,021	907,625,309
3	Furniture & Fixture (Wood)	1,609,910,726	-	69,718,656	681,215	1,678,948,167	829,128,119	137,218,737	681,215	965,665,641	713,282,526
4	Furniture & Fixture (Steel)	247,851,279	-	8,048,540	65,430	255,834,389	145,849,974	18,100,643	65,430	163,885,187	91,949,202
5	Computer	433,079,963	-	16,113,310	-	449,193,273	327,429,089	40,298,695	-	367,727,784	81,465,488
6	Computer Accessories	190,440,044	-	7,266,210		197,706,254	148,880,525	15,722,962	-	164,603,487	33,102,767
7	Motor Car	256,367,237	-	9,970,323	-	266,337,560	215,661,745	13,532,515	-	229,194,260	37,143,299
8	Machine Equipment & Appliance	1,679,058,607	-	53,137,302	4,954,100	1,727,241,809	1,379,187,666	101,215,632	4,954,100	1,475,449,198	251,792,611
9	Books & Library	9,664,835	-	194,319	12,740	9,846,414	9,224,801	176,857	12,740	9,388,918	457,496
10	Online Hardware	1,267,479,949	-	160,798,636	3,639	1,428,274,946	967,979,546	100,370,848	3,639	1,068,346,756	359,928,190
11	Interior Decoration	201,292,774	-	9,916,569		211,209,343	188,674,163	3,999,173	-	192,673,336	18,536,007
12	Right of use Assets (ROU)	2,402,163,720		618,400,000		3,020,563,720	1,418,508,758	267,146,438		1,685,655,196	1,334,908,524
Sub-Total:		**9,908,427,906**	**-**	**953,563,865**	**5,717,124**	**10,856,274,647**	**5,909,182,702**	**732,815,207**	**5,717,124**	**6,636,280,785**	**4,219,993,863**
B. Intangible Assets											
13	Online Software	1,047,847,071	-	296,828,194	-	1,344,675,265	601,010,080	161,626,971	-	762,637,051	582,038,214
Sub-Total		**1,047,847,071**	**-**	**296,828,194**	**-**	**1,344,675,265**	**601,010,080**	**161,626,971**	**-**	**762,637,051**	**582,038,214**
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. 2025		**12,085,623,226**	**-**	**1,250,392,059**	**5,717,124**	**13,330,298,162**	**6,510,192,783**	**894,442,177**	**5,717,124**	**7,398,917,835**	**5 ,931,380,327**
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**	**5 ,574,059,500**

Al-Arafah Islami Bank PLC

SCHEDULE OF FIXED ASSETS

As at December 31, 2025

SL. No.	Particulars	Cost / Revaluation					Depreciation/Amortization				Written Down Value as on 31-12-2025
		Balance at 1st January 2025	Reval-uation	Addition during the year	Transfer/ Disposal during the year	Balance at 31-Dec 2025	Balance at 1st January 2025	Charge for the year	Transfer/ Disposal during the year	Balance at 31-Dec 2025	
A. Fixed Assets:											
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	-	389,802,443
2	Building	1,221,316,331	-	-	-	1,221,316,331	278,658,314	35,032,707	-	313,691,021	907,625,309
3	Furniture & Fixture (Wood)	1,606,561,168	-	69,718,656	681,215	1,675,598,609	825,778,562	137,218,737	681,215	962,316,084	713,282,525
4	Furniture & Fixture (Steel)	247,152,732	-	8,048,541	65,430	255,135,843	145,323,627	18,030,788	65,430	163,288,985	91,846,858
5	Computer	426,203,225	-	15,106,300	-	441,309,525	320,769,446	39,218,699	-	359,988,145	81,321,379
6	Computer Accessories	188,279,465	-	7,266,210		195,545,675	146,744,745	15,698,164	-	162,442,909	33,102,766
7	Motor Car	238,304,298	-	9,970,323	-	248,274,621	197,598,807	13,532,515	-	211,131,322	37,143,298
8	Machine Equipment & Appliance	1,666,132,655	-	52,866,025	4,954,100	1,714,044,580	1,366,370,682	101,106,666	4,954,100	1,462,523,248	251,521,332
9	Books & Library	9,664,835	-	194,319	12,740	9,846,414	9,224,801	176,857	12,740	9,388,918	457,496
10	Online Hardware	1,264,533,065	-	160,798,637	3,639	1,425,328,063	965,032,663	100,370,848	3,639	1,065,399,873	359,928,190
11	Interior Decoration	182,116,168	-	9,916,569		192,032,737	170,272,383	3,224,348	-	173,496,731	18,536,006
12	Right of use Assets (ROU)	2,402,163,720		618,400,000		3,020,563,720	1,418,508,758	267,146,438		1,685,655,196	1,334,908,524
Sub-Total		**9,842,230,103**	**-**	**952,285,580**	**5,717,124**	**10,788,798,559**	**5,844,282,790**	**730,756,767**	**5,717,124**	**6,569,322,433**	**4,219,476,127**
B. Intangible Assets											
13	Online Software	1,044,949,003	-	296,622,394	-	1,341,571,397	598,185,064	161,553,921	-	759,738,985	581,832,412
Sub-Total:		**1,044,949,003**	**-**	**296,622,394**	**-**	**1,341,571,397**	**598,185,064**	**161,553,921**	**-**	**759,738,985**	**581,832,412**
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. 2025		**12,016,527,355**	**-**	**1,248,907,974**	**5,717,124**	**13,259,718,206**	**6,442,467,855**	**892,310,687**	**5,717,124**	**7,329,061,417**	**5,930,656,786**
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**	**5,574,059,500**

Al-Arafah Islami Bank PLC

OFF-SHORE BANKING UNIT (OBU)
BALANCE SHEET

As at December 31, 2025

PROPERTY AND ASSETS	Notes	12/31/2025		12/31/2024	
		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		-	-		
Investment in Share & Securities					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Investments					
General Investments etc.		5,151,197.75	629,967,789.32	6,209,258.36	745,111,003.20
Bills purchased and discounted		88,034,001.58	10,766,153,436.8	64,251,949.59	7,710,233,950.8
		93,185,199.33	11,396,121,226.1	70,461,207.95	8,455,344,954.0
Fixed assets including Premises		-	-	-	-
Other Assets	4	**227,582.63**	**27,832,308.77**	**199,458.12**	**23,934,974.40**
Non-Banking Assets		-	-	-	-
Total Assets		**93,412,781.96**	**11,423,953,534.9**	**70,660,666.07**	**8,479,279,928.4**
LIABILITIES AND CAPITAL					
Liabilities					
Placement from Banks & Other Financial institutions	5	**91,171,790.85**	**11,149,890,630.7**	**68,847,022.99**	**8,261,642,758.8**
Deposits and other Accounts					
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		1,730,496.45	211,631,755.55	1,088,806.99	130,656,838.80
Other Mudaraba Deposits		-	-	-	-
Al-Wadia Current Accounts and Others Accounts etc.	6	135,680.15	16,593,058.22	59,241.62	7,108,994.40
Bills Payable		-	-	-	-
		1,866,176.60	228,224,813.77	1,148,048.61	137,765,833.20
Other Liabilities	**7**	**374,814.51**	**45,838,090.43**	**665,594.47**	**79,871,336.40**
Deferred tax Liabilities/ (Assets)		-	-	-	-
Total Liabilities		93,412,781.96	11,423,953,534.9	70,660,666.07	8,479,279,928.4
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		**93,412,781.96**	**11,423,953,534.9**	**70,660,666.07**	**8,479,279,928.4**

The Annexed Notes from an Integral part of these financial statements

	12/31/2025		12/31/2024	
	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, 2025

PROPERTY AND ASSETS	Notes	12/31/2025		12/31/2024	
		USD	Taka	USD	Taka
Investment Income		12,275,782.68	1,501,271,753.16	10,755,960.21	1,290,715,225.20
Profit paid on deposits & Borrowing	8	(11,159,920.62)	(1,364,806,956.2)	(9,730,039.50)	(1,167,604,740.0)
Net Investment Income		**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
Income from Investment in Shares /Securities		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income		-	-	-	-
		-	-	-	-
Total operating income		**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
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.		-	-	-	-
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		-	-	-	-
Profit/(Loss) before Tax & provision		**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
Provision against Investments & Contingent Liabilities		-	-	-	-
Provision for diminution in value of invevtment		-	-	-	-
Other Provision		-	-	-	-
Total provision		-	-	-	-
Profit/(Loss) before Tax		**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Provision for Taxation		-	-	-	-
Net Profit/(Loss) after tax		**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
Appropriation					
Statutory Reserve		-	-	-	-
General Reserve		-	-	-	-
		-	-	-	-
Retained Earnings (Transfer to main operation)		**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
Earning per Ordinary share (EPS)					

The annexed notes from an integral part of these financial statements

Al-Arafah Islami Bank PLC.

OFF-SHORE BANKING UNIT (OBU)
CASH FLOW STATEMENT

As at December 31, 2025

	12/31/2025		12/31/2024	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in Cash	12,275,782.68	1,501,271,753.16	10,755,960.21	1,290,715,225.20
Profit paid on deposits	(11,159,920.62)	(1,364,806,956.19)	(9,730,039.50)	(1,167,604,740.0)
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)	-	-		
Advance income tax paid	-	-	-	-
Operating profit before changes in operating assets and liabilities	**1,115,862.06**	**136,464,796.97**	**1,025,920.71**	**123,110,485.20**
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
Increase/Decrease of Investment and advances to customers (other than Banks)	(22,723,991.38)	(2,779,712,245.56)	22,384,112.05	2,686,093,479.00
Increase/Decrease of other assets (item-wise)	(28,124.51)	(3,440,330.69)	187,951.28	22,554,154.60
Increase/Decrease of Deposits from banks and other financial institutions	22,324,767.9	2,730,877,228.47	(35,721,134.7)	(4,286,536,162.80)
Increase/Decrease of Deposits from customers (other than Banks)	718,127.99	87,845,006.38	1,148,048.61	137,765,833.20
Increase/Decrease of Other liabilities account	(290,779.96)	(35,569,658.61)	(98,977.53)	(11,877,303.60)
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	**(0)**	**(0)**	**(0)**	**(0)**
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

As at December 31, 2025

	12/31/2025		12/31/2024	
	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	-	-		
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	5,151,197.75	630,120,264.77	6,209,258.36	745,111,003.20
Quard	-	-	-	-
Other Investment	-	-	-	-
	-	-	-	-
ii. Out side Bangladesh	-	-	-	-
b) Bill Purchased & Discounted				
Payable in Bangladesh	19,693,077.03	2,408,955,647.69	23,452,088.74	2,814,250,648.80
Payable out side Bangladesh	68,340,924.55	8,359,803,595.58	40,799,860.85	4,895,983,302.00
	88,034,001.58	**10,768,759,243.27**	**64,251,949.59**	**7,710,233,950.80**
Fixed Assets				
Tangiable Assets				

Al-Arafah Islami Bank PLC.

OFF-SHORE BANKING UNIT (OBU)
NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2025

	12/31/2025		12/31/2024	
	USD	Taka	USD	Taka
Land	-	-	-	-
Building	-	-	-	-
Furniture (Wood)	-	-	-	-
Furniture (Steel)	-	-	-	-
Computer	-	-	-	-
Computer (Accossories)	-	-	-	-
Motor Car	-	-	-	-
Machine equipment & appliance	-	-	-	-
Online Hardware	-	-	-	-
Interior Decoration	-	-	-	-
Books & Library	-	-	-	-
Intangiable Assets				
Online Software				
Total	-	-	-	-
Less Accumulated Depreciation				
	-	-	-	-

Other Assets

Placement from Banks & Other financial Institutions				
Parent Bank	**91,171,790.85**	**11,152,589,315.73**	**68,847,023**	**8,261,642,758.8**
Other Bank OBU	-			
Out Side Bangladesh	-			
	91,171,790.85	**11,152,589,315.73**	**68,847,023**	**8,261,642,758.8**
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)

Al-Arafah Islami Bank PLC.

OFF-SHORE BANKING UNIT (OBU)
NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2025

	12/31/2025		12/31/2024	
	USD	Taka	USD	Taka
Balance at the end of the year.				
Other Reserve				
Asset revaluation Reserve				
Retained Earnings				
Opening balance beginning of the year	1,025,920.71	123,110,485.20	1,535,153.77	168,866,914.70
Less : transfer to Parent bank	(1,025,920.71)	(112,851,278.10)	(1,535,153.77)	(168,866,914.70)
Add: Profit during the year	1,115,862.06	136,497,826.49	1,025,920.71	123,110,485.20
Less : transfer to Parent bank				
	1,115,862.06	**136,497,826.49**	**1,025,920.71**	**123,110,485.20**
Investment Income	**12,275,782.68**	**1,501,271,753.16**	**10,755,960.21**	**1,290,715,225.20**
Profit paid on Deposits & Borrowing	**(11,159,920.62)**	**(1,364,806,956.2)**	**(9,730,039.50)**	**(1,167,604,740.0)**
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				

Al-Arafah Islami Bank PLC.

OFF-SHORE BANKING UNIT (OBU)
NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2025

	12/31/2025		12/31/2024	
	USD	Taka	USD	Taka
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				
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 2025

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 122.325 closing rate as at 31 December 2025.

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$ 2,27,582.63 Eqv Taka 27,839,045.21

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.

Name of the Bank	31.12.2025		31.12.2024	
In Bangladesh	USD	TK	USD	TK
Al-Arafah Islami Bank PLC	91,171,790.85	11,152,589,315.7	68,847,022.99	826,16,42,758.80
Other OBU	0.00	0.00		
Outside Bangladesh	0.00	0.00		

6. Al-Wadia Current Accounts and Others Accounts etc.:-

Particulars	USD	TK.
Al-Wadia Current Deposits	12,339.00	1509368.17
Profit payable for Mudaraba Term Deposits	1,23,341.15	15087706.18
Total	135,680.15	16,597,074.35

7. Other Liabilities: Profit Payable to parent Bank amounting for US$ 3,74814.51 Eqv. Taka 4,58,49,184.94

8. Profit paid on deposits & Borrowings

	31.12.2025		31.12.2024	
	USD	TK	USD	TK
AIBL Treasury Division	104,33,985.62	127,63,37,291.00	91,42,189.72	109,70,62,766.40
AIBL AD Branches	6,13,789.13	7,50,81,756.00	5,37,798.01	6,45,35,761.20
Sub Total	110,47,774.75	135,14,19,047.00	96,79,987.73	116,15,98,527.60
Profit paid on Deposit	1,12,145.86	1,37,18,242.84	50,051.77	60,06,212.40
Total	111,59,920.62	136,51,37,289.84	97,30,039.50	116,76,04,740.00

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 2025 to December 31, 2025.

RELATED PARTY DISCLOSURES

Annexure - C

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 31.12.2025

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 H. Asraf K. Abhijit & Co. Chartered Accountants Partner	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	Class-ified Position	Out-standing balance as on 01.01.2024	Disburse-ment / Charged during the year 2024	Realized during the year 2024	Out-standing balance as on 31.12.2024	Provision required & maintained	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	
				31.12.2025	31.12.2024
1	AIBL Capital Market Services Limited (AIBCMSL)	Parent - subsidiary	Investment in share capital by AIBPLC	2,420,000,000	2,420,000,000
			Bank Balance	209,261,006	209,261,006
			Borrowing	3,397,899,998	3,397,899,998
			Share Portfolio	1,008,878,185	980,523,543
			Accounts Payable	979,564,718	979,564,718
2	AIBL Capital Management Limited (AIBCML)	Parent - subsidiary	Investment in share capital by AIBPLC	490,000,000	490,000,000
			Bank Balance	4751650	2,870,659
			MTDR Balance	7,900,000	18,100,000
			Mudaraba Investment	522,779,368	532,866,718

- AIBL Foundation Related with Corporate Social Responsibilities activities. AIBL Foundation has one MUDARABA SAVINGS DEPOSIT and AL-WADEAH CURRENT DEPOSIT account with AIBPLC. The Bank balance of account as on 31st December 2025 is 93,73,547 and 70,90,034.

Other related party disclosures

1. 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.
2. Investment to related parties is effected as per requirement of Section 27 of Bank Company Act, 1991 as amended.
3. Share issued to Directors and Executives without consideration or exercisable at discount is Nil.
4. 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.
5. We have no related party transaction except mentioned above and we had no related transactions among former Board of Directors during the year.

FINANCIAL STATEMENTS OF
AIBL CAPITAL MARKET SERVICES LTD.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF "AIBL CAPITAL MARKET SERVICES LIMITED"

For the year ended 31st December 2025.

Opinion

We have audited the Financial Statements of "AIBL Capital Market Services Limited" (the Company), which comprises of the Statement of Financial Position as at 31st December 2025, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory note.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the company as at 31st December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Emphasis of Matter

Without modifying our report in above paragraph, we would like to draw attention of the users of this report on the below notes that

We draw attention to note 13.00 for Accounts Payable for Tk. 1,338,681,676.00, we have sent balance confirmation letters to the related parties on test basis but till date we did not receive any evidence/response.

We draw attention to note 09.00 of the financial statements for Income Tax as the company has been carrying forward advance income tax since 2013.

We draw attention to note 12.00 Borrowing from Bank for Tk. 5,250,894,824.00; we have sent balance confirmation letter to the Banks and Investment Corporation of Bangladesh but till date we did not receive any response from the ICB or the banks. We have verified the copy documents of loan statements generated from the system.

The company has leased assets; it hasn't considered to adopt IFRS-16 and has not recognized lease assets and corresponding liabilities.

We draw attention to note 14.00 regarding Provision for negative equity and unrealized Loss on Investments, the market value of investments made by the entity has declined by BDT 142.85 crore against which provision of only BDT 50.38 crore was accounted for as on 31.12.2025. The subsidiary did not account for the required provision as per the press release no. BSEC/SMMID/NE/AP/2025/108/635 dated 16.11.2025 issued by of Bangladesh Securities and Exchange Commission (BSEC) that allows the broker house to defer such provision till 31.12.2031

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 Bangladesh, and we have fulfilled our other ethical responsibilities in accordance 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and

We do not provide a separate opinion on these matters. Key audit matters were identified in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public limited entities, our results from those procedures.

Risk	Our response to the risk
Revenue Recognition:	
The Company has adopted the accounting standard IFRS 15 as accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and management exercises judgment to determine timing of revenue recognition, i.e., over time or a point in time. See Note No. 20.00 to the financial statements.	• Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. • Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition. • Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the accounting standard.
Borrowing from Bank	
At the reporting date, the entity has reported Borrowings from banks of Tk. 5,250,894,824.00. Evidently, the entity is utilizing the borrowing for marginal investment activities in addition to its operating activities. Since the bank loan amount is significant and material to the financial statements, it has been identified as a key audit matter. Refer to Note No. 12 to the financial statements.	• Obtained an understanding of the nature, terms, and utilization of bank borrowings and related financing arrangements of the Company. • Evaluated the design of internal controls relating to the authorization, recording, and monitoring of borrowings and the utilization of loan proceeds. • Selected a sample of loan agreements and supporting documents, and through inspection of relevant evidence, tested the operating effectiveness of controls relating to the proper classification and appropriate use of bank borrowings. • Sent direct confirmation by us on test basis.
Accounts Payable	
The Company has reported a net amount due to clients and other persons or bodies carrying on capital market activities of TK.1,338,681,676.00 as at 31st December 2025. The payables mainly relate to unsettled transactions arising from capital market operations, including brokerage and settlement activities. Refer to Note No. 13.00 to the financial statements.	• Obtained an understanding of the nature of payables to clients and other parties arising from capital market operations of the Company. • Evaluated the design of internal controls relating to the recording, settlement, and reconciliation of client-related balances and capital market transactions. • Selected a sample of client balances and, through inspection of trade confirmations, settlement records, and supporting documents, tested the operating effectiveness of controls relating to the accuracy and completeness of amounts due to clients and other capital market participants. • Sent direct confirmation by us on test basis

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than financial statements and our auditors' report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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 Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.

Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the mall 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 auditor's 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 doings would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the other applicable Laws and Regulations, we also report that:

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;

In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examination of those books;

The Statement of Financial Position, Statements of Profit or Loss and Other Comprehensive Income Statement of Changes in Equity and Statement of Cash Flow of the Company together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns; and

The expenditure incurred and payments made were for the purpose of the company's business.



Md. Belayet Hossain
FCA (Enr: 1480)

Partner
K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No. CA-001-314
Firm's FRC Enlistment No.CAF-001-046
DVC No:2604301480AS814427

Place: Dhaka
Dated: April 30,2026

AIBL CAPITAL MARKET SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 December, 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
Assets:			
Non - Current Assets:		**3,380,228**	**3,833,691**
Property, Plant & Equipment	4	700,384	1,153,847
Deferred Tax Assets	9.2	2,679,844	2,679,844
Current Assets:		11,833,835,638	12,182,597,669
Account Receivable	5	20,569,469	16,264,161
Investment	6	10,179,310,732	10,311,900,250
Investment in Share (DSE & CSE)	7	646,043,188	646,043,188
Advance, Deposits & Prepayment	8	10,286,444	11,675,464
Advance Income Tax	9	692,014,117	987,453,600
Cash and Cash Equivalent	10	285,611,688	209,261,006
Total Assets:		**11,837,215,866**	**12,186,431,360**
Equity And Liabilities:			
Capital and Reserve:		**4,239,063,554**	**4,236,219,517**
Paid -up Capital	11	4,000,000,000	4,000,000,000
Retained Earning		239,063,554	236,219,517
		7,598,152,312	**7,950,211,843**
Borrowing from Bank	13	5,250,894,824	5,284,438,807
Accounts Payable	14	1,338,681,676	1,331,601,169
Provision for Investments	15	503,822,672	503,822,672
Provision for taxation	16	504,753,140	830,349,195
Total Equity and Liabilities:		**11,837,215,866**	**12,186,431,360**

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

Director **Director** **Managing Director** **Chief Financial Officer**

Signed in terms of our report of even date

Md. Belayet Hossain FCA
Partner
Enrolment No.: 1480
K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No. CA-001-314
Firm's FRC Enlistment No.CAF-001-046
DVC No:2604301480AS814427

Place: Dhaka
Dated: April 30, 2026

AIBL CAPITAL MARKET SERVICES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended December 31, 2025

Particulars	Notes	31.12.2025	31.12.2024
		Taka	Taka
Investment Income	17	264,272,489	283,167,289
Profit paid on Borrowing	18	(219,661,048)	(192,612,922)
Net Investment Income:		**44,611,441**	**90,554,367**
Income from Commission, Exchange & Others:			
Brokerage Commission	19	77,254,614	116,308,725
Documentation & Maintenance Fess	20	2,554,640	4,395,000
Other Operating Income	21	5,996,809	(46,367,603)
		85,806,063	**74,336,122**
Total operating Income (A):		**130,417,504**	**164,890,489**
Hawla, Laga & CDBL Charges	22	9,006,391	16,304,023
Salary allowances & Contribution to P.F	23	71,968,622	71,355,193
Rents, Taxes, Insurance, Lighting etc.	24	18,878,685	17,978,657
Honorarium & Meetting Expense	25	2,620,833	3,704,444
Law Charges		211,779	158,327
Postage, Telegram, Telephone & Stamps etc	26	79,518	86,670
Depreciation, Amortization & Repairs to Properties	27	3,469,076	3,641,090
Stationary, Printing, Advertisement etc.		1,295,079	1,296,366
Other Expenses	28	19,815,119	16,151,533
Total operating expenses (B):		**127,345,102**	**130,676,303**
Profit/(loss) before provision and Tax C = (A - B)		**3,072,402**	**34,214,186**
Provision for Investment		-	-
Provision for Taxation		844,911	9,408,901
Deferred Tax (Income)/Expense	9.2	-	(12,433)
Net Profit after Tax		**2,227,491**	**24,817,718**
Retained Earning Brought forward		236,219,517	211,401,799
Retained earning Carried forward		**238,447,008**	**236,219,517**
Earning per Share (EPS)		0.01	0.06

The annexed notes 1 to 28.00 form an integral part of these financial statements.

Director **Director** **Managing Director** **Chief Financial Officer**

Signed in terms of our report of even date

Md. Belayet Hossain FCA
Partner
Enrolment No.: 1480
K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No. CA-001-314
Firm's FRC Enlistment No.CAF-001-046
DVC No:2604301480AS814427

Place: Dhaka
Dated: April 30,2026

AIBL CAPITAL MARKET SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY

As at December 31, 2025

Particulars	Notes	Amount In Taka		
		Share Capital	Retained Earning	Total
Balance as on 1st January, 2025		4,000,000,000	236,219,517	4,236,219,517
Add: Prior years adjustment	**12.00**	-	616,546	616,546
Restated Opening balance as on 1st January 2025			236,836,063	4,236,836,063
Add: Net profit for the year 2025			2,227,491	2,227,491
Balance as at December 31, 2025		**4,000,000,000**	**239,063,554**	**4,239,063,554**

AIBL CAPITAL MARKET SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY

As at December 31, 2024

Particulars	Notes	Amount In Taka		
		Share Capital	Retained Earning	Total
Balance as on 1st January, 2024		4,000,000,000	211,401,799	4,211,401,799
Net profit for the Period		-	24,817,718	24,817,718
Dividend			-	
Balance as at December 31, 2024		**4,000,000,000**	**236,219,517**	**4,236,219,517**

The annexed notes 1 to 28.00 form an integral part of these financial statements.

Signed In terms of our Separate report of even date

Director **Director** **Managing Director** **Chief Financial Officer**

Signed in terms of our report of even date

Place: Dhaka
Dated: April 30,2026

AIBL CAPITAL MARKET SERVICES LIMITED
STATEMENT OF CASH FLOWS

For the period ended December 31, 2025

Particulars	Amount (In Taka)	
	31.12.2025	31.12.2024
A.Cash flows from operating activities		
Investment income receipt in Cash	264,272,489	283,167,289
Profit paid on deposits and borrowing	(219,661,048)	(192,612,922)
Commission received in cash	77,254,614	116,308,725
Cash payments to employees	(71,968,622)	(71,355,193)
Cash payments to suppliers	(1,295,079)	(1,296,366)
Received from other operating activities (item-wise)	8,551,449	(41,972,603)
Paid for other operating activities (item-wise)	(52,143,850)	(55,668,628)
Advance income tax paid	(31,001,483)	(24,074,591)
Operating profit before changes in operating assets and liabilities	**(25,991,530)**	**12,495,711**
Changing in Operating assets & liabilities		
Increase/Decrease Investment	132,589,518	410,337,604
Increase/Decrease of Accounts receivable	(3,688,762)	982,860
Increase/Decrease of Borrowing	(33,543,983)	(22,393,962)
Increase/Decrease of Accounts payable	7,080,507	(459,592,870)
Increase/Decrease of other assets (item-wise)	1,389,020	1,089,027
Increase/Decrease of other liabilities (item-wise)	-	16,077,495
Cash receipt from operating activities	**103,826,300**	**(53,499,846)**
Net Cash from operating activities	**77,834,770**	**(41,004,135)**
B.Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,484,088)	(191,266)
Net cash flows from investing activities	**(1,484,088)**	**(191,266)**
C.Cash flows from financing activities		
Increase in Share Capital	-	-
Dividend Paid	-	-
Net cash flows from financing activities	-	-
D. Net increase in cash and cash equivalent (A+B+C)	**76,350,682**	**(41,195,401)**
E.Effects of exchange rate changes on cash and cash-equivalents	-	-
F.Net increase in cash and cash equivalent D+E	**76,350,682**	**(41,195,401)**
G.Cash & Cash Equivalents at the beginning of the period	**209,261,006**	**250,456,407**
H.Cash & Cash Equivalents at the end of the period	**285,611,688**	**209,261,006**

Director **Director** **Managing Director** **Chief Financial Officer**

Signed in terms of our report of even date

Place: Dhaka
Dated: April 30,2026

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the period ended 31st December 2025

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 are assumptions

reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.06 Going Concern

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.07 Materiality and aggregation

Each material item as considered significant by management, has been presented separately in financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

2.08 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, AIBL Capital Market Services Limited applies the accounting disclosure principles consistently from one period to the next. In case of selecting and applying new accounting policies, changes in accounting policies applied and correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8.

2.09 Contingent asset and contingent liability

The Company does not recognize any Contingent Asset and Contingent Liability, but discloses the existence of contingent liability in the financial statements. A contingent liability is a probable obligation that arises from the past events and whose existence will be confirmed by the occurrence of uncertain future events beyond the control of the Company or a present obligation that is not recognized because of outflow of resources is not likely or obligation cannot be measured reliably.

2.10 Books of account

The Company maintains its books of account for main business in Electronic Form through soft automation.

2.11 Reporting period

The financial period of the Company has been determined to be from 1 January to 31 December each period. These financial statements cover the period from 01 January 2025 to 31 December 2025.

2.12 Events after balance sheet date (IAS-10)

Events after the reporting period, dividend declared after the reporting period should not be classified as a liability at the reporting period as the proposed dividend does not represent an Obligation under IAS-37: Provision, Contingent Liabilities and Contingent Assets. Where necessary, all the material events after the reporting period is considered and appropriate adjustments /disclosures is made in the financial statements in accordance with IAS 10 - Events After Balance Sheet Date.

2.13 Comparative figures of financial statements

Comparative information has been disclosed in respect of the period ended 31 December 2025 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.

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the period ended 31st December 2025

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. 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%
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.

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the period ended 31st December 2025

III) Tax exposures:

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

IV) TAX Assesment Position

The status of Income Tax Assesment of the company is summarized in the table below:

Sl.No.	Income Year	Assesment Year	Payment	Unpaid Amount	Status of the dispute tax liability
01	2010	2011-2012	Fully Paid	0	-
02	2011	2012-2013	Fully Paid	0	-
03	2012	2013-2014	Fully Paid	0	-
04	2013	2014-2015	Partly Paid	47,736,886.00	Paying by monthly installment
05	2014	2015-2016	Fully Paid	0	-
06	2015	2016-2017	Fully Paid	0	-
07	2016	2017-2018	Fully Paid	0	-
08	2017	2018-2019	Fully Paid	0	-
09	2018	2019-2020	Fully Paid	0	-
10	2019	2020-2021	Audit Done	5,045,815.00	Process of appeal
11	2020	2021-2022	Audit done but report is not received	9,100,334.00	Process of appeal
12	2021	2022-2023	Still Un-audited	N/A	
				61,883,035.00	

3.09 Provision on expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligations and reliable estimate of the amount can be measured.

3.10 Revenue Recognition

As per International Financial Reporting Standard (IFRS) 15: Revenue, revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

I) Income from margin loan:

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance respective parties. Income is recognized on monthly rest. Interest charged to margin loan that results to negative equity is not probable that the economic benefit associated with that portion will not flow to the company. So, "IFRS-16 : Revenue" this is not recognized in income.

II) Income from gain on sale of securities:

Capital gain or loss on disposal of security listed in the stock exchange is recorded on realized basis i.e. only when the securities are sold in the market. Unrealized capital gain or losses are not accounted for in the Statement of Comprehensive Income.

3.11 Earnings Per Share (EPS)

Earnings Per Share (EPS) is calculated by dividing total earnings available for ordinary shareholders by weighted average number of shares outstanding for the year.

3.12 Statement of Cash Flows

Cash Flow Statement is prepared in accordance with IAS-7 "Cash Flow Statement". The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

3.13 Financial risk management

The company has provided in separate notes the information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risks and the company's management of capital.

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka) 31.12.2025	31.12.2024
4.00	**Fixed Assets:**		
	Property, Plant & Equipment		
	a) Tangible Asset		
	Interior Decoration	19,176,606	19,176,606
	Computer accessories	2,160,579	2,160,579
	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	12,070,089	11,798,811
	Computer	6,914,055	5,907,045
	Furniture & fixture - wood	3,349,558	3,349,558
	Less : Accumulated Depreciation	64,884,674	63,020,173
	Total:	**494,583**	**1,080,796**
b)	**Intangible Assets**		
	Online Software	2,636,093	2,430,293
	Less : Accumulated Depreciation	2,430,292	2,357,242
		205,801	**73,051**
	Total (a+b)	**700,384**	**1,153,847**
	Details have been shown in Annexure-"A"		
5.00	**Accounts Receivable:**		
	Receivable from CSE	-	-
	Receivable from DSE	17,603,662	12,440,746
	Dividend Receivable	2,045,350	3,823,415
	Profit Receivable for Investment	920,457	-
	Total:	**20,569,469**	**16,264,161**
6.00	**Investments:**		
	Margin Investment	9,583,070,428	9,730,947,927
	Investment ICB Fund	104,680,416	88,838,516
	Investment in Dealer A/C	117,237,454	118,291,373
	Investment in Share (BBSF)	360,122,434	360,122,434
	Investment In AIBL Capital Management Ltd.	10,000,000	10,000,000
	Investment In Intech Ltd.	4,200,000	3,700,000
	Total:	**10,179,310,732**	**10,311,900,250**
7.00	**Investment in Share (DSE & CSE):**		
	Investment in Share (DSE & CSE)	646,043,188	646,043,188
	Total:	**646,043,188**	**646,043,188**

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka)	
		31.12.2025	31.12.2024
	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 PLC, face vale of which was Tk. 2,000 (Two thousand) and Tk. 300,000 (Three lac) per share respectively. After demutualization, DSE alloted 5,411,329 number of ordinary shares (of which 2,525,288 shares blocked with DSE demutualization blocked Account) and CSE also alloted 4,287,330 number of ordinary shares (of which 2,572,398 shares are blocked with CSE) at face value of Tk. 10/- each.		
8.00	**Advance, Deposit & Prepayments:**		
	Advance Rent H/O	-	-
	Advance against Office Space Gulshan(old).	344,080	344,080
	Advance rent Gulshan Br.(New)	557,358	807,354
	Advance Rent Khulna	2,452,357	3,278,833
	Advance Rent Uttara Br.	1,968,930	1,968,930
	Advance Rent Barisal Br.	780,849	810,849
	Advance Rent Sylhet Br.	161,296	161,296
	Advance Rent B. Baria	47,540	248,804
	Advance Rent Khatungonj	803,186	1,104,470
	Advance Against Petty Cash	3,170,848	2,950,848
	Closing balance	**10,286,444**	**11,675,464**
9.00	**Advance Income Tax:**		
	Opening Balance	987,453,600	963,379,009
	Tax deducted at source DSE	8,967,302	16,970,891
	Tax deducted at source CSE	73,709	329,878
	AIT CAR	501,656	177,601
	TDS against Dividend	1,457,723	4,300,162
	Tax deducted at source Bank	2,001,093	2,296,059
	Previous year tax Paid 2013	18,000,000	0
	Less: Tax Adjustent 2015	326,440,966	0
	Closing balance	**692,014,117**	**987,453,600**
9.01			
	Tax paid 2024 through Chalan & Source	24,074,591	24,074,591
	Tax paid 2023 through Chalan & Source	22,515,655	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	89,511,175	415,952,141
	Tax paid 2014 through challan & Source	24,693,791	24,693,791
	Tax paid 2013 through challan & Source	317,791,671	299,791,671

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars		Amount (In Taka) 31.12.2025	31.12.2024
	Sub.Total:		**679,012,634**	**987,453,600**
9.02	**Deferred Tax Assets**			
	Opening Balance		2,679,844	2,667,411
	Addition During the year		-	12,433
			2,679,844	**2,679,844**
	Adjustment during the year		-	-
	Sub.Total		**2,679,844**	**2,679,844**
10.00	**Cash and Cash equivalent:**	**Note-10.01**	285,611,688	209,261,006
			285,611,688	**209,261,006**
10.01	**Balance at Bank:**			
	AIBL Capital Market Services Limited Cons.customers Ac AIBL, Motijheel Br. (0021220002927)		198,731,687	197,765,065
	AIBL Capital Market Services Limited.Corporate Ac AIBL, Motijheel br. (0021220002936)		82,846,434	805,627
	AIBL Capital Market Services Ltd. Dividend A/C AIBL,Motijheel Br. (0021120583328)		100,668	53,305
	AIBL Capital Market Services Limited, Union Bank		10,618	31,680
	AIBL Capital Market Services Limited, Dealer AC AIBL, Motijheel Br (0021220003278)		2,060,854	3,981,601
	AIBL Capital Market Services Limited, Dealer AC AIBL, Motijheel Br (0021220003260)		272,601	343,079
	AIBL Capital Market Services Limited, ICB Pronodona Scheme 2 AIBL, Motijheel Br (0021220009614)		181,645	181,294
	BBSF Investment Account, AIBL, Motijheel Br.(10222)		1,034,441	6,093,049
	AIBL Capital Market Services Limited, B. Baria		-	3,500
	AIBL CMSL CCBA One Bank Ltd		2,000	2,000
	AIBL Capital Market Services Limited SIBL, Principal Br.(0021330451189)		370,740	806
			285,611,688	**209,261,006**
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**

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka)	
		31.12.2025	31.12.2024

11.03 Share Holding Position: As at 31 December, 2025

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
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

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka)	
		31.12.2025	31.12.2024

Name of the Share Holder	% of Share holdings	No. of Shares	Amount (In Taka)
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
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	**Prior year adjustment for Retained earnings :**		
	Retained earnings balance as on 31.12.2024	236,219,516.85	236,219,516.85
	Add : Income from investment account for ommission	616,546	
	Restated Retained earnings as on 31.12.2024	**236,836,062.9**	**236,219,516.85**
13.00	**Borrowing from Bank:**		
	Borrowing from Al-Arafah Islami Bank Limited PLC Motijheel	3,397,900,000	3,397,899,998
	Borrowing from Union Bank PLC.	800,000,000	800,000,000
	Borrowing from SIB PLC	486,302,329	496,410,432

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka)	
		31.12.2025	31.12.2024
	Borrowing from Al-Arafah Islami Bank PLC (BBSF)	400,000,000	400,000,000
	ICB pronodona Scheme 2	166,692,495	190,128,377
		5,250,894,824	**5,284,438,807**
14.00	**Accounts Payable :**		
	Payable to AIBL	979,564,718	979,564,718
	Profit Payable for SIBL	13,020,203	63,860,306
	Profit Payable for AIBL Motijheel Br.	26,476,147	20,406,318
	Profit Payable for UNION Bank	66,050,000	57,808,333
	Profit Payable for BBSF Investment	28,750,937	34,906,505
	Profit Payable for ICB Pronodona Scheme 2	11,102,930	5,289,215
	Profit Payable on Positive clients	-	509,302
	VAT, Salary Tax & AIT Payable	494,636	399,270
	Payable to DSE	11,028,919	533,884
	Payable to CSE	-	-
	Bonus & Incentive Payable	91,310	91,310
	Advance Office rent Payable	2,394,924	1,026,348
	Clients Payable	197,305,541	166,549,788
	Accrued exp	1,501,743	294,215
	Dividend adjustment clients	799,301	261,290
	Security Money	100,367	100,367
		1,338,681,676	**1,331,601,169**
15.00	**Provision for Investment:**		
	Openig Balance	503,822,672	503,822,672
	Add : Provision for Investment	-	-
	Closing Balance	**503,822,672**	**503,822,672**
16.00	**Provision for Taxation :**		
	Openig Balance	830,349,195	820,940,294
	Less : Tax Adjustment 2015	326,440,966	-
	Add: Income tax provision during the year	844,911	9,408,901
	Closing Balance	**504,753,140**	**830,349,195**

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka)	
		31.12.2025	31.12.2024
17.00	**Investment Income**		
	Margin Profit income	254,423,473	271,410,268
	Profit on MSND	9,849,016	11,757,021
	Closing Balance:	**264,272,489**	**283,167,289**
18.00	**Profit paid on Borrowing :**		
	SIBL	73,151,292	45,306,577
	Union Bank ltd	71,341,654	74,216,667
	AIBL Motijheel Branch	39,129,417	35,025,114
	BBSF Investment	28,783,182	28,842,325
	ICB Pronodona Scheme 2	7,255,503	9,222,239
	Closing Balance:	**219,661,048**	**192,612,922**
19.00	**Brokerage commission**		
	DSE	76,646,424	113,729,877
	CSE	608,190	2,578,848
	Closing Balance:	77,254,614	116,308,725
20.00	**Documentation & Maintenance Fess**		
	BO Documentation and Maintenance fees	2,552,640	4,379,000
	Margin documentation fees	2,000	16,000
	Closing Balance:	**2,554,640**	**4,395,000**
21.00	**Other Operating Income**		
	CDBL Income	69,056	1,278,266
	Dividend income	5,554,510	18,442,477
	IPO Process Income	2,765	15,675
	Realized Capital gain	64,067	(66,104,021)
	Profit on Investment	303,911	-
	Others	2,500	-
	Closing Balance:	**5,996,809**	**(46,367,603)**
22.00	**Hawla, Laga & CDBL Charges**		
	Hawla DSE	9,300	5,850.00
	Laga charge DSE	5,811,172	8,164,012
	Laga charge CSE	355,864	561,755
	CDBL Charges	2,830,055	7,572,406
	Closing Balance:	**9,006,391**	**16,304,023**
23.00	**Salary allowances & Contribution to P.F**		
	Salary allowances & Contribution to P.F	70,465,260	69,915,771
	Wages	929,990	880,374
	Security Services	573,372	559,048
	Closing Balance:	**71,968,622**	**71,355,193**
24.00	**Rents, Taxes, Insurance, Electricity etc.**		
	RenT	16,802,561	16,064,102
	Insurance	39,065	30,460
	Electricity bill	2,037,059	1,884,095

NOTES TO THE FINANCIAL STATEMENT

For the period ended 31st December 2025

Note No.	Particulars	Amount (In Taka)	
		31.12.2025	31.12.2024
	Closing Balance:	**18,878,685**	**17,978,657**
25.00	**Honorarium & Meeting Expense**		
	Meeting & Honorariam	2,620,833	3,704,444
	Closing Balance:	**2,620,833**	**3,704,444**
26.00	**Postage, Telegram, Telephone & Stamps etc**		
	Postage, Telegram, Telephone & Mobile	54,989	61,482
	Stamps	13,950	18,390
	Photocopy	10,579	6,798
	Closing Balance:	**79,518**	**86,670**
27.00	**Depreciation & Repairs to Properties**		
	Depreciation	1,937,551	2,356,117
	Repair & Maintenance	1,531,525	1,284,973
	Closing Balance:	**3,469,076**	**3,641,090**
28.00	**Other Expenses**		
	Computer Charge	365,048	302,034
	Bank Charge	317,655	399,993
	Petroleum Oil, Lubricant & WASA/ Gas.	1,404,068	1,269,476
	Entertainment	2,143,097	1,598,082
	Festival Bonus	6,016,868	5,752,350
	Mandatory Leave	18,793	68,280
	Registration	5,000	21,796
	Travelling,conveyance,Tranportation Allowance	81,830	112,965
	Internet & Online Charge	2,174,481	2,185,260
	Audit Fees	57,500	57,500
	Utilities bill	630,215	585,550
	Vat	8,456	608,000
	Miscellaneous (Note-27.01)	6,592,108	3,190,247
	Closing Balance:	**19,815,119**	**16,151,533**
28.01	**Miscellaneous**		
	Subscription Renewal	715,340	768,690
	Newspaper	16,415	13,170
	Training & AR Liecence Fee	3,200	96,400
	BO Close Charge	398,203	-
	Agent commission	1,501,746	2,083,994
	Crocarige	-	35,062
	Miscellanous	10,560	-
	Eid Gracia	46,800	45,600
	Mobile App Exp.	-	-
	Upkeep, wasing & cleaning	39,285	33,984
	Investors Protection	3,860,559	45,347
	Closing Allowances	-	68,000
	Closing Balance:	**6,592,108**	**3,190,247**

AIBL Capital Market Services Ltd.

FIXED ASSETS SCHEDULE

As at December 31,2025

Annexure-A

Particular	Cost				Rate %	Depreciation				Written Down Value as on December 31, 2025
	Balance as on January 1, 2025	Addition during the Year	Dispopsal/ Adjustment	Balance as on December 31, 2025		Balance as on January 1, 2025	Charge during the Year	Adjustment	Balance as on December 31, 2025	
Tangible Asset										
Interior Decoration	19,176,606	-	-	19,176,606	10%	18,401,780	774,825	-	19,176,605	1
Computer Accessories	2,160,579	-	-	2,160,579	20%	2,135,780	24,798	-	2,160,578	1
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%	526,347	69,855	-	596,202	102,345
Office Equipment	11,798,811	271,278	-	12,070,089	20%	11,689,844	108,966	-	11,798,810	271,279
Computer	5,907,045	1,007,010	-	6,914,055	20%	5,907,044	886,057	-	6,793,101	120,954
Furniture & Fixture - Wood	3,349,558	-	-	3,349,558	10%	3,349,557	-	-	3,349,557	1
	64,100,969	**1,278,288**	**-**	**65,379,257**		**63,020,173**	**1,864,501**	**-**	**64,884,674**	**494,583**
Intangible Assets			-							
Online Software	2,430,293	205,800	-	2,636,093	20%	2,357,242	73,050	-	2,430,292	205,801
Total	**66,531,262**	**1,484,088**	**-**	**68,015,350**		**65,377,415**	**1,937,551**	**-**	**67,314,966**	**700,384**

FINANCIAL STATEMENTS OF
AIBL CAPITAL MANAGEMENT LTD.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AIBL CAPITAL MANAGEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of AIBL Capital Management Limited, which comprise the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respect of the financial position of the Company as at 31 December 2025 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 the securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with International Ethics Standards Board for Professional Accountants (IESBA Code) and, we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountant 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

We draw attention to Note 12 to the financial statements, which describes the recognition of provision against the unrealized loss on the Company's investment in marketable securities. The Company has recognized such provision for the year 2025 in accordance with a duly approved action plan. The said action plan was subsequently approved by the Bangladesh Securities and Exchange Commission (BSEC) vide letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16 November 2025, allowing the Company to complete the full provisioning over an extended period up to 31 December 2030. Our opinion is not modified in respect of this matter.

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

Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other Legal and Regulatory Requirements

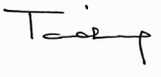
In accordance with the Companies Act 1994 and the securities and Exchange Rules 2020 and other applicable laws and regulations, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statements of financial position and the statement of profit or loss and comprehensive income dealt with by the report are in agreement with the books of accounts. and

d) the expenditure incurred was for the purposes of the Company's business.



S.M Tauhidul Islam, FCA
Partner
ICAB ENROLLMENT NO: 1536
FRC ENLISTMENT NO: CA-001-277
DVC No: 2604291536AS868533
Anil Salam Idris & Co.
Chartered Accountants
'Firm's FRC Enlistment No.: CAF-001-100

Dated: Dhaka
29 April 2026

AIBL Capital Management Limited

STATEMENT OF FINANCIAL POSITION

31st December 2025

Amount in BDT	Note	31 December 2025	31 December 2024
ASSETS			
	3.00	23,157	217,096
Non-current assets		**23,157**	**217,096**
Investment	4.00	522,779,368	532,866,718
Accounts receivable	5.00	3,374,841	8,628,157
Accounts receivable	6.00	11,150,943	22,279,407
Cash and cash equivalents	7.00	4,751,650	2,870,659
Balance with AIBL CMSL		11,606	930
Current assets		**542,068,408**	**566,645,871**
Total assets		**542,091,565**	**566,862,967**
EQUITY			
Share capital	8.00	500,000,000	500,000,000
Retained earnings	9.00	9,847,903	16,700,587
Total equity		**509,847,903**	**516,700,587**
LIABILITIES			
Accounts payable	10.00	4,278,590	2,703,124
Provision for Tax	11.00	12,392,740	31,886,925
Provision for Investment	12.00	15,572,332	15,572,332
Current liabilities		**32,243,662**	**50,162,381**
Total equity and liabilities		**542,091,565**	**566,862,967**
Net asset value per share	**13.00**	**10.20**	**10.33**

The annexed notes 1 to 19 are an integral part of these financial statements.

Chief Executive Officer | Director | Chairman

Signed in terms of our separate report of even date annexed.

S.M Tauhidul Islam, FCA
Partner
ICAB ENROLLMENT NO: 1536
FRC ENLISTMENT NO: CA-001-277
DVC No: 2604291536AS868533
Anil Salam Idris & Co.
Chartered Accountants
'Firm's FRC Enlistment No.: CAF-001-100

Dated: Dhaka
29 April 2026

AIBL Capital Management Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31st December 2025

Amount in BDT	Note	01 January 2025 to 31 December 2025	01 January 2024 to 31 December 2024
Investment income	14.00	1,379,402	1,216,166
Operating income	15.00	2,602,446	9,415,560
Total Income		3,981,848	10,631,726
Administrative expenses	16.00	(14,653,373)	(12,256,511)
Operating expenses	17.00	(2,154,249)	(1,702,370)
Profit/ (Loss) before income tax		**(12,825,774)**	**(3,327,155)**
Current tax expenses	18.00	(162,227)	(1,061,083)
Net Profit/ (Loss) for the year		**(12,988,001)**	**(4,388,237)**
Total comprehensive income		**(12,988,001)**	**(4,388,237)**
Earnings Per Share	**19.00**	**(0.26)**	**(0.09)**

The annexed notes 1 to 19 are an integral part of these financial statements.

Chief Executive Officer | Director | Chairman

Dated: Dhaka
29 April 2026

S.M Tauhidul Islam, FCA
Partner
ICAB ENROLLMENT NO: 1536
FRC ENLISTMENT NO: CA-001-277
DVC No: 2604291536AS868533
Anil Salam Idris & Co.
Chartered Accountants
'Firm's FRC Enlistment No.: CAF-001-100

Dated: Dhaka
29 April 2026

AIBL Capital Management Limited

STATEMENT OF CHANGES IN EQUITY

31st December 2025

Amount in BDT	Share capital	Retained earnings	Total equity
For the year ended 31 December 2025:			
Balance as on 01 January 2025	500,000,000	16,700,587	516,700,587
Prior year adjustment for Suspense Account	-	(1,371,629)	(1,371,629)
AIT Adjustment from 2012-2017	-	7,506,946	7,506,946
Net Profit/(Loss) for the year	-	(12,988,001)	(12,988,001)
Balance as on 31 December 2025	**500,000,000**	**9,847,903**	**509,847,903**
For the year ended 31 December 2024:			
Balance as on 01 January 2024	**500,000,000**	**21,088,824**	**521,088,824**
Net Profit/(Loss) for the year	-	(4,388,237)	(4,388,237)
Balance as on 31 December 2024	**500,000,000**	**16,700,587**	**516,700,587**

The annexed notes 1 to 19 are an integral part of these financial statements.

Chief Executive Officer | Director | Chairman

Dated: Dhaka

29 April 2026

AIBL Capital Management Limited

STATEMENT OF CASH FLOWS

31st December 2025

Amount In BDT	" 01 January 2025 to 31 December 2025 "	" 01 January 2024 to 31 December 2024 "
Cash flow from operating activities		
Investment income receipt in Cash	1,379,402	1,216,166
Paid for other operating activities	(8,554,083)	(7,127,004)
Advance income tax paid	(1,021,002)	(1,323,530)
Net cash generated from operation	**(8,195,684)**	**(7,234,369)**
Net cash flows provided by/(used in) operating activities	**(8,195,684)**	**(7,234,369)**
Cash flow from investing activities		
Property Plant and Equipment	-	-
Increase/Decrease Investment	10,087,350	4,807,039
Increase/Decrease of other assets (item wise)	(10,676)	29,036
Net cash flows provided by/(used in) investing activities	**10,076,674**	**4,836,075**
Cash flow from financing activities		
Increase in share capital	-	-
Net cash flows from/(used in) financing activities	-	-
Net changes in cash and cash equivalents	1,880,991	(2,398,294)
Opening cash and cash equivalents	2,870,659	5,268,954
Closing cash and cash equivalents	**4,751,650**	**2,870,659**

The annexed notes 1 to 19 are an integral part of these financial statements.

Chief Executive Officer | Director | Chairman

Dated: Dhaka

29 April 2026

AIBL Capital Management Limited

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

31st December 2025

1.00 Legal Status and Nature of the Company

1.01 Legal status and Nature of the business

The Company, namely AIBL Capital Management Limited, was incorporated as a private limited company under the Companies Act, 1994 (Act XVIII of 1994) on 25 October 2011. It is a subsidiary of Al-Arafah Islami Bank Limited. The Company was also issued the Certificate of Commencement of Business on 25 October 2011.

1.02 Principal activities:

AIBL Capital Management Ltd. is a full-fledged merchant bank licensed by the Bangladesh Securities and Exchange Commission (BSEC).

The main objective of the Company is to carry out the activities of a full-fledged merchant bank, including issue management, portfolio management, underwriting, and corporate advisory services, in accordance with the Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Regulations, 1996.

2.00 Basis of preparation and significant accounting policies

2.01 Statement of Compliance

The financial statements of AIBL Capital Management Limited have been prepared in accordance with the DFIM Circular, the Companies Act, 1994, the Securities and Exchange Rules, 2020, guidelines issued by Bangladesh Bank, International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS), along with other applicable laws and regulations of the Bangladesh Securities and Exchange Commission (BSEC).

2.02 Basis of preparation and presentation of financial statements

The financial statements except for cash flows as at and for the period ended on 31 December 2025 have been prepared under the historical cost convention, International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996, Dhaka Stock Exchange listing regulations and other laws and rules applicable in Bangladesh.

2.03 Basis of Measurement

The financial statements have been prepared on historical cost basis.

2.04 Components of the financial statements

The financial statements comprise of:

a) Statement of Financial Position as at 31 December 2025.

b) Statement of profit or loss and other comprehensive Income for the year ended 31 December 2025.

c) Statement of changes in equity for the year ended 31 December 2025.

d) Statement of cash flows for the year ended 31 December 2025.

e) Significant accounting policies and explanatory notes to the financial statement.

2.05 Functional and presentational currency

The financial statements have been presented in Bangladeshi Taka which is the company's functional currency Figures have been rounded off to nearest Taka.

2.06 Basis of accounting and measurement

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and financial instruments at fair value through profit or loss.

2.07 Use of estimates and judgments:

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

The preparation of the financial statements in conformity with IFRSs 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 estimates are revised and in any future periods affected.

2.08 Going concern

The Company has adequate resources to continue in operation for foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.09 Reporting Period:

The financial Statements have been prepared for the 12 months' period ending on 31 December 2025.

2.10 Directors' responsibility statement

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of The 'Framework for the Preparation and Presentation of Financial Statements' as stated in International Accounting Standards.

2.11 Date of authorization

The Financial Statements were Authorized for issue by Board of Director's in it's meeting held on 27 April 2026 for Publication

2.12 Property, Plant & Equipment's

2.12.1 Recognition and measurement

Items of property, plant and equipment are measured initially at cost and subsequently at cost less accumulated depreciation in compliance with International Accounting Standards (IAS) 16 Property, Plant & Equipment. The cost 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 asset have been put into use, such as repairs and maintenance are normally charged off as revenue expenditure in the period in which it is incurred. Software and all up gradation / enhancement are generally changed off as revenue expenditure unless they bring similar significant additional benefits. When parts of item of property, plant & equipment's have different useful lives, they are accounted for as separate items (measure components) of property, plant & equipment.

2.12.2 Subsequent cost

The cost of replacing part of an item of a property, Plant & equipment is recognized in the carrying amount for the item if it probable that the future economic benefits embodied within the part will follow to the company and its cost can be measured reliably. Cost of the day to-day servicing of property, plant & equipment are recognized in profit and loss accounts a incorrect.

2.12.3 Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged on the cost of property, plant and equipment to write off the assets over their estimated useful lives, using the straight-line method in accordance with IAS 16. Depreciation is charged for a full month on additions irrespective of the date the related assets are put into use, and no depreciation is charged in the month of disposal. The rates of depreciation used to write off the cost of assets are as follows:

The rates at which property, plant and equipment are depreciated for current and comparative years are as follows:

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

Category of assets	Rate of depreciation
Office Euipment	20%
Computer	20%
MB Operating Software	20%

2.12.4 Disposal of fixed Asset

Gains and losses of disposal of an item of property, Plant & equipment are to be determined by comparing the proceeds from the disposal with the carrying amount of the property, plant & equipment.

2.13 Intangible assets:

Intangible assets include software, integrated systems along with related hardware. Intangible assets are initially recognized at cost including any directly attributable cost. Intangible assets that have definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

2.14 Consistency

In accordance with the IRS framework for the presentation of financial statements together with IAS 1 and IAS 8, BFIL applies the accounting disclosure principles consistently from one period to the next. Where selecting]and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. The company however has applied the same accounting and valuation principles consistently.

2.15 Cash and Cash equivalents

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.

2.16 Share capital

Only ordinary shares are classified as equity.

2.17 Financial risk management

The company's management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's management policies are established to identify and analyze the risk faced by the company to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposed to the following risk from its use of financial instruments.

* Credit risk
* Liquidity risk
* Market risk

2.18 Financial instrument

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

a) A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except impairment gains or losses and foreign exchange gain and losses, until the financial asset is decongested or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. If the financial asset is reclassified out of the fair value through other comprehensive income measurement category, the entity shall account for the cumulative gain or loss that was previously recognized in other compressive income. Interest calculated using the effective interest method is recognized in profit or loss. (Para 5.7.10 of IFRS 9).
Investments in share of the company which are actively traded on a quoted market are designated at fair value (market price)through other comprehensive income (FVTOCI) as per para 5.7.10 of IFRS 9. Gains or losses arising from a change in the fair value of such financial assets are recognized in other comprehensive income of statement of profit one loss and other comprehensive income.

b) Market value is determined by taking the closing price of the securities at the Dhaka Stock Exchange Ltd. As of financial position date and

c) Stock dividend (Bonus shares) are added with existing shares with at zero cost which results in decrease of per unit cost price of the existing shares. However, bonus shares are shown at fair value on the statement of financial position date.

2.19 Revenue recognition

As per International Financial Reporting Standards (IFRS) 15 Revenue from Contracts with Customers, is recognized when the parties to the contract have approved the contract and are committed to perform their respective obligations, the entity can identify each party's rights regarding services to be transferred, the contract has commercial substance, it is probable that the economy benefits associated with the transaction will follow to the company and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be measured reliability.

2.20 Income and expenditures

Income and expenditures are recognized on accrual basis and income is only recognized if its realization is reasonably certain.

2.21 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. There is no Contingent Assets or Liabilities in the reporting period in accordance with IAS-37 Provisions, Contingent Liabilities and Contingent Assets.

2.22 Accounts Receivable

Accounts Receivable is carried at original invoice amount without making any provision for doubtful debts because the revenue is through Merchant bank and brokers.

2.23 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.

2.24 Earnings Per Share:

Earnings per share (EPS) is calculated in accordance with the Bangladesh Accounting Standards IAS-33 "Earnings per share".

2.25 Events after the Reporting period

In compliance with the requirements of IAS 10 Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting date that are not adjusting events are disclosed in the notes when material. All material events occurring after the balance sheet date has been considered.

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

2.26 Related Party Disclosure

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". The Company opines that terms of related party transactions do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 31 December 2025 were as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01 January 2025	Addition during the year	Adjustment during the year	Closing Balance as on 31 December 2025
Al-Arafah Islami Bank PLC	Common Director/ Shareholder	Borrowing (Receivable) from AIB PLC	674,562	-	-	674562
Total:			674,562	-	-	**674562**

2.27 Comparative Figures

Relevant Notes and disclosures are also presented in a comparative way for better understanding. Previous year's figure has been presented whenever considered necessary to ensure comparability with the current year presentation as per "IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors".

2.28 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 Company qualifies as a "Merchant Bank"; hence the applicable corporate tax rate is 37.50% as per the Finance Act 2023.

2.29 Application of International Accounting Standards (IASS):

The financial statements have been prepared in compliance with requirement of IAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following IASs are applicable for the financial statements for the period under review:

Name and Number of IAS
IAS 1 Presentation of Financial Statements
IAS 7 Statement of Cash Flows
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10 Events after the Reporting Period
IAS12 Income Taxes
IAS 16 Property, Plant & Equipment
IAS-19 Employee Benefits
IAS-23 Borrowing Costs
IAS-24 Related Party Disclosures
IAS 33 Earnings per share
IAS 36 Impairment of assets
IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Name and Number of IFRS
IFRS-1 First-time Adoption of Bangladesh Financial Reporting Standards
IFRS 9 Financial Instruments
IFRS-15 Revenue from Contracts with Customers

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

	Particulars	Note	31 December 2025	31 December 2024
	Cost	3.01	2,564,609	2,564,609
	Accumulated depreciation	3.02	2,541,452	2,347,513
	Written Down Value (WDV)		**23,157**	**217,096**
3.01	**Cost**			
	Opening balance		**2,564,609**	**2,564,609**
	Less: Disposal during the year		-	-
	Add: Addition made during the year		-	-
	Closing Balance		**2,564,609**	**2,564,609**
3.02	**Accumulated depreciation**			
	Opening balance		2,347,513	2,103,798
	Less: Adjustment for disposal		-	-
	Add: Charged during the year		193,939	243,715
	Details of assets are shown under 'Annexure-A'			
4.00	**Investment**			
	Margin Investment		1,879,502	1,474,849
	Investment in Marketable & Securities		511,684,440	511,551,848
	Investment in Car		1,315,425	1,740,021
	Investment in MTDR		7,900,000	18,100,000
			522,779,368	**532,866,718**
5.00	**Accounts receivable**			
	Receivable from Panel Broker		1,330,089	252,522
	Dividend Receivable		646,875	5,033,152
	Suspense Account		-	911,523
	Receivable from AIB PLC against Borrowing		674,562	674,562
	Receivable from IPO Agreement		350,000	350,000
	Receivable from Profit on MTDR		-	1,033,083
			-	-
	AIBL Asset Management Ltd.		373,315	373,315
	Closing Balance		**3,374,841**	**8,628,157**
6.00	**Advance Income Tax**			
	Advance Tax 2012		-	2,410,027
	Advance Tax 2013		-	4,843,893
	Advance Tax 2015		-	492,076
	Advance Tax 2016		-	331,663

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

	Particulars	Note	31 December 2025	31 December 2024
	Advance Tax 2017		-	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	1,323,530
	Advance Tax 2025		1,021,002	-
			11,150,943	22,279,407
7.00	**Cash and cash equivalents**			
	Cash in hand		-	-
	Cash at bank	7.01	4,751,650	2,870,659
	Closing Balance		**4,751,650**	**2,870,659**
7.01	**Cash at Bank**			
	Al-Arafah Islam PLC, MSND-A/C No: 0021220003350		380,238	68,076
	Al-Arafah Islam PLC, AWCD - A/C No: 0021020054796		4,371,412	2,802,583
	Closing Balance		**4,751,650**	**2,870,659**
8.00	**Share capital**			
	Authorized			
	200,000,000 Ordinary shares of BDT 10 each		2,000,000,000	2,000,000,000
	Issued, subscribed and paid-up			
	50,000,000 Ordinary shares of BDT 10 each		500,000,000	500,000,000
Note	**Name of shareholders**	**% of holdings**	**Value of shares**	**Value of shares**
	Al-Arafah Islami Bank PLC	98%	490,000,000	490,000,000
	AIBL Capital Market services Ltd.	2%	10,000,000	10,000,000
	Total	**100%**	**500,000,000**	**500,000,000**
9.00	**Retained earnings**			
	Opening balance		16,700,587	21,088,824
	Less: Prior year adjustment for Suspense Account		(1,371,629)	-
	Add: Adjustment for excess tax provision from 2012-2017		7,506,946	-
	Add: Profit/ (Loss) for the year		(12,988,001)	(4,388,237)
	Closing Balance		**9,847,903**	**16,700,587**

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

	Particulars	Note	31 December 2025	31 December 2024
10.00	**Accounts payable**			
	Audit fees		75,000	57,500
	Salary Payable		-	237,988
	Client Matured Balance		4,026,390	2,204,014
	Office Rents and Utilities Payable		177,200	203,622
	Closing Balance		**4,278,590**	**2,703,124**
11.00	**Provision for Tax**			
	Opening Balance		31,886,925	30,825,843
	Less: Adjustment for excess tax provision from 2012-2017		(19,656,412)	-
	Add: Income tax provision during the year	18.00	162,227	1,061,083
	Closing Balance		**12,392,740**	**31,886,925**
12.00	**Provision for Investment**			
	Opening balance		15,572,332	15,572,332
	Add: Addition of Provision for the year		-	-
	Less: Adjust from Provision for Investment		-	-
			15,572,332	**15,572,332**

Provision has been recognized on the unrealized loss of the Company's investment in marketable securities for the year 2025 in accordance with a duly approved action plan. The said action plan was subsequently approved by the Bangladesh Securities and Exchange Commission (BSEC) vide letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16 November 2025. The Company is permitted to complete the full provisioning over an extended period up to 31 December 2030. Accordingly, the remaining provision will be recognized gradually, with 100% provisioning to be completed by 31 December 2030 in line with the approved schedule.

13.00	**Net Assets Value Per Share**	**Note**		
	Amount in BDT			
	Total assets		542,091,565	566,862,967
	Total liabilities		32,243,662	50,162,381
	Total net assets		509,847,903	516,700,586
	No. of Share		50,000,000	50,000,000
	NAV per share		10.20	10.33

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

Note	Particulars	Note	31 December 2025	31 December 2024
14.00	**Investment income**			
	Profit from Cash at Bank		18,918	117,368
	Margin Profit Income		164,067	-
	Profit on MTDR		1,196,417	1,098,798
	Total		**1,379,402**	**1,216,166**
15.00	**Operating income**			
	Capital Gain		143,720	544,527
	Dividend Income		739,275	5,033,152
	Commission Income		1,449,533	1,281,576
	IPO Process income		-	5,285
	Issue Manager Commission income		200,000	350,000
	BO Documentation		13,500	9,000
	Other Income		-	2,139,562
	BO Closing		5,794	6,198
	CDBL for yearly rebates & Charge Income		19,124	41,311
	BO Maintenance, Renewal Fee		31,500	4,950
	Total		**2,602,446**	**9,415,560**
16.00	**Administrative expenses**			
	Salary Allowance and Contribution to P.F and B.F	16.01	11,906,526	9,554,565
	Postage, Telegram, Telephone, Mobile & Stamps etc.		62,779	56,312
	Stationary, Printing, Advertisement etc.		42,309	31,356
	Board Meeting Expense		129,840	207,166
	Office Rents and Utilities		2,242,980	2,105,897
	Audit fees		75,000	57,500
	Expense against Provision for Investment		-	-
	Depreciation and Amortization	Annexure-A	193,939	243,715
			14,653,373	**12,256,511**
16.01	**Salary Allowances & Contribution to P.F. & B.F**			
	Salary and Allowance		9,896,477	8,147,386
	Leave Encashment		145,560	-
	Mandatory Leave Allowance		-	45,205
	Bangla Noboborsho Bonus		77,194	62,574
	Incentive & Festival Bonus		772,150	651,400
	Car Allowance		1,015,145	648,000
	Total		**11,906,526**	**9,554,565**

SIGNIFICANT ACCOUNTS POLICY AND NOTES TO THE FINANCIAL STATEMENTS

Note	Particulars	Note	31 December 2025	31 December 2024
17.00	**Operating expenses**			
	BSEC Annual Fees		460,000	-
	BMBA Membership & Annual fees		110,000	-
	Subscription, Renewal Fees		45,700	359,025
	RJSC return file & other exp		13,625	-
	Entertainment		86,928	68,228
	Newspaper, Journal, Periodicals & Book		-	1,632
	Local Conveyance		3,220	3,074
	EID Gracia		2,200	-
	Bank Charges & Fees		12,529	82,319
	Repair & Maintenance		40,778	5,506
	Pannel Broker Commission		671,701	597,566
	Agent Commission		9,719	6,093
	Wages		184,820	16,323
	Software Vendor Expenses		-	63,000
	Internet and CDBL wan connectivity charges		163,800	138,600
	CDBL Charge		100,729	118,004
	Company secretariat Honorarium		240,000	240,000
	Closing Allowance		8,500	3,000
			2,154,249	**1,702,370**
18.00	**Current tax expenses**			
	Income Tax of @ 37.50% on estimated Business Income		-	-
	Add: Gain on Sale of Securities (10%)		14,371.99	54,453
	Add: Dividend Income (20%)		147,855	1,006,630
	Total		**162,227**	**1,061,083**
19.00	**Earnings Per Share**			
	Amount in BDT			
	Net profit after tax during the year		(12,988,001)	(4,388,237)
	No. of share		50,000,000	50,000,000
	EPS		(0.26)	(0.09)

AIBL Capital Management Limited

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

as on 31 December, 2025

Category of Assets	Cost					Depreciation/Amortization				Written Down Value (WDV) as at 31 December 2025
	Opening balance as at 01 January 2025	Addition during the year	Disposal during the year	Total as at 31 December 2025	Rate	Opening balance as at 01 January 2025	Charged during the year	Adjustment for Disposal Assets	Total as at 31 December 2025	
1	2	3	4	5=(2+3-4)	6	7	8	9	10=(7+8-9)	11=(5-10)
Office Equipment	1,127,141	-	-	1,127,141	20%	1,127,140	-	-	1,127,140	1
Computer	969,693	-	-	969,693	20%	752,599	193,939	-	946,538	23,155
MB Operating Software	467,775	-	-	467,775	20%	467,774	-	-	467,774	1
Balance as at 31 December 2025	**2,564,609**	**-**	**-**	**2,564,609**		**2,347,513**	**193,939**	**-**	**2,541,452**	**23,157**
Balance as at 31 December 2024	**2,564,609**	**-**	**-**	**2,564,609**		**2,103,798**	**243,715**	**-**	**2,347,513**	**217,096**

AIBL Capital Management Limited

INVESTMENT IN MARKETABLE & SECURITIES

Stock at hand as at 31 December 2025

Annexure- B

SL	Name of the Company	No. of Shares	Amount (at cost)	Market Rate	Market Amount
1	ITC	77,000	3,934,593	38.40	2,956,800
2	BESTHLDNG	108,000	4,009,986	13.30	1,436,400
3	BEACONPHAR	8,925	3,072,962	104.60	933,555
4	BXPHARMA	882,100	179,024,696	102.10	90,062,410
5	COPPERTECH	231,920	11,332,821	18.80	4,360,096
6	DAFODILCOM	944,919	76,976,742	35.60	33,639,116
7	MALEKSPIN	203,000	8,497,190	28.70	5,826,100
8	SPCERAMICS	50,000	2,515,413	14.40	720,000
9	BBSCABLES	190,000	7,637,438	15.20	2,888,000
10	BEXIMCO	392,805	58,245,065	110.10	43,247,831
12	ORIONPHARM	118,500	16,835,198	27.40	3,246,900
13	GENNEXT	966,221	13,024,659	2.60	2,512,175
14	SAIFPOWER	750,000	31,360,676	4.90	3,675,000
15	RSRMSTEEL	55,000	3,661,129	6.10	335,500
16	EPGL	238,350	10,010,700	15.50	3,694,425
17	DESCO	1,194,033	75,176,318	20.50	24,477,677
18	SQURPHARMA	27,300	6,368,856	198.60	5,421,780
Total			**511,684,440**		**229,433,764**

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 vides 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:

	2018	2019	2020	2021	2022	2023	2024	2025
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%	11.25%	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, 2025are 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.

The name of the top corporate entity to which this framework applies	Al-Arafah Islami Bank PLC
	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. a. AIBPLC Capital Market Services Ltd. a. AIBPLC Capital Management Ltd. Al-Arafah Islami Bank PLC holds 60.50%of AIBPLC Capital Market Services Ltd and 98%. of 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 CEFI whichever higher	Complied
	5	Tier 2 Capital can be admitted maximum up to 4% of the Total RWA or 88.89% of CEFI whichever higher	Complied
	6	Addition to Minimum CRAR, Capital Conservation Buffer (CCB) of 2.50% of the Total RWA is being introduced which will be maintain in the form of CETI.	Complied

Provision shortfall: Bangladesh Bank has allowed vide letter no– BSD-12/57/2026-396 dated-28/04/2026 to prepare Audited Financial Statements as on 31 December, 2025 without adjustment of provision shortfall of Tk. 5393.19 crore

2. Quantitative Disclosures:

The amount of Regulatory Capital 2025 as follows:

(Figure In million)

1.Common Equity Tier-1(Going Concern Capital):	Solo Basis	Consolidated Basis
Fully Paid-up Capital	11,516.92	11,516.92
Statutory Reserve	11,516.92	11,516.92
Retained Earnings	98.19	252.84
Non Controlling Interest	-	1,684.26
Less: Deferred Tax Assets (DTA)	-	-
	23,132.03	24,970.94
Good will and other Intangible assets	618.20	618.41
Total Common Equity Tier-1 Capital	22,513.83	24,352.53
Additional Tier-1 Capital:		
Instruments issued by the banks that meet the qualifying criteria for Additional Tier-1	5,000.00	5,000.00
Maximum limit of additional tier-1 capital	5,799.60	5,856.11
Total Admissible Additional Tier-1 Capital	5,000.00	5,000.00
2. Tier-2 Capital:		-
General Provision	7,523.78	7523.78
Subordinated debt	6,398.00	6,398.00
Revaluation Reserves for Securities up to 50%	1,084.17	1,084.17
Less: 100%of Revaluation Reserves for Fixed Assets, Securities & Equity	1,084.17	1,084.17
Total Tier-2 Capital	13,921.78	13,921.78
Maximum limit of tier-2 capital	15,465.62	15,616.31
Total Admissible Tier-2 Capital	13,921.78	13,921.78
Total eligible capital	41,435.61	43,274.31

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	356211.52	359062.74
b) Capital requirement for Market Risk	3748.41	4423.21
c) Capital requirement for Operational Risk	26680.59	26921.90
d)Total Capital Requirement (a+b+c)	386640.53	390407.86
e) Capital to Risk –weighted Asset Ratio:	10.72%	11.08%
1.Common Equity Tier 1 (CET 1) Ratio	5.82%	6.24%
Tier 1 Capital Adequacy Ratio	7.12%	7.52%
Tier-2 Capital Adequacy Ratio	3.60%	3.57%
Capital to Risk-weighted Asset Ratio (CRAR)	10.72%	11.08%
f) Capital Conservation Buffer	0.72%	1.08%
Available Capital under Pillar 2 Requirement	13921.78	13921.78
Minimum Capital Requirement (MCR)	38664.05	39040.78

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):

T**here is less possibility of recovery of the overdue amount and probability of loss is high.**

Bad /Loss (B/L):

These are the loans which have almost turned unrecoverable.

Approaches followed for specific and general allowances:

i) Specific provision:

a) Substandard : 20%

b) Doubtful : 50%

c) Bad/Loss : 100%

ii) General Provision:

a) 0.5% to 5% on different categories of unclassified loans.

b) 1% on Off Balance sheet exposure.

c) 5% on the outstanding amount of loans kept in the 'Special Mention Account' after netting off the amount of Profit Suspense.

For classification of loan, specific and general allowances the bank follows Master Circular-Loan Classification and Provisioning vide BRPD circular no. 15 dated November27, 2024; 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	124,710.49
Bai-Muazzal Investment	177,875.49
Hire Purchase Investment	159,672.31
Quard	3,918.37
Other Investment	6,265.47
Investment Through OBU	629.96
Sub Total	**473,072.12**
Outside Bangladesh	-
Sub Total	**473,072.12**
Less: Unearned profit on Investment	12,354.57
	460,717.54
Bill Purchased & Discounted	
Payable in Bangladesh	30,099.88
Payable outside Bangladesh	2,024.05
Investment Through OBU	10,766.15
Sub Total	42,890.09
Less: Balance With OBU	2,387.94
Sub Total	**40,502.14**
Total Funded:	**501,219.69**
b) Total Non- Funded:	**165,672.83**
c) Geographical distribution of exposures	
Region Based	
Dhaka Region	386,945.36
Chittagong Region	64,812.10
Sylhet Region	3,441.51
Rajshahi Region	12,875.21
Mymensingh	2,649.31
Khulna Region	22,261.50
Rangpur Region	7,747.62
Barisal Region	3,833.44
Total	**504,566.09**
Less: Unearned profit on Investment	12,354.57
Investment	492,211.51
d) Country based funded	
Domestic	501,219.69
Overseas	-
e) Country based Non-funded	**73,047.95**
Domestic	165,672.83
Overseas	-
f) Major Industry wise distribution of exposures	
Agriculture, Fishing and Forestry	8,225.03
Manufacturing Industry	261,027.77

Agro Based Industries	47,215.64
Service Industries	67,904.94
Trading	88,161.86
Financial Companies	7,997.08
Individuals	15,717.09
Others	**4,970.26**
Total	**501,219.69**
Less Unearned Profit on Investment	12,354.57
Total	488,865.12
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	-
d) Claims on corporate	246,324.78
e) Claims included in the retail portfolio & small enterprises	69,798.62
f) Claims secured by residential property	7,771.10
g) Claims secured by commercial real estate	4,872.00
h) Consumer Investment	4,782.77
i) Off-balance sheet items	59,338.00
h) Credit risk mitigation	
Claims secured by financial collateral	7,134.63
Net exposure after the application of haircuts	61.74
Claims secured by eligible guarantee	-
g) Residual contractual maturity breakdown of the whole portfolio	
Repayable on demand	-
Up to 1 month	79,249.02
More than 1 month but less than 3 months	149,810.71
More than 3 months but less than 1 year	153,064.86
More than 1 year to less than 5 year	86,487.16
More than 5 year	32,607.95
Total	**501,219.69**
Gross Non Performing Assets- (NPAs)	
Non-performing assets to outstanding Investment (loans and advances)	17.54%
Movement of Non Performing Assets (NPAs)	
Opening balance	74,055.40
Additions	45,014.20
Less Cash Recovery	(9,242.10)
Less RSDL from CL	(16,056.80)
Less Written Off	(5,248.70)
Closing balance	**88,522.00**

(Figure In million)

Movement of specific provisions for NPAs	
Provision held at the beginning of the year	17,681.70
Fully provision debt written off	(5,128.34)
Recoveries of amount previously written off	191.15

Specific provision for the year	-
Provision Transferred from Covid-19	-
Closing balance	**12,744.51**

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 subsidiary Companies	2,910.00
Investment in Millennium Information Solution Ltd	29.48
Investment in Bond	7,800.00
Total	**10,765.89**

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, 2025 (Figure In million)

Particulars	Up to 1 month	1 to 3 month	3 to 12 month	I to 5 years	Above 5 years	Total
Asset						
Cash in hand	5,592.49	0	0	0	23,090.24	28,682.73
Balance with other banks & Financial Institute	1,580.24	499.99	0	0	203.52	2,283.75
Placement with other banks & Financial Institute	500	4,600	500	0	1,000	6,600
Investment in Share& Securities (only HTM)	0	0	21,965.71	22,955.61	26,209.52	71,130.84
Investment (Loans and Advances)	79,249.02	149,810.70	153,064.86	86,487.16	32,607.95	501,219.69
Fixed Assets	0	0	0	0	5,930.62	5,930.62
Non Banking Asset	0	0	0	0	37.68	37.68
Other Assets	60.10	0	308.88	29.83	24205.09	24603.90
Total	86,981.85	154,910.69	175,839.45	109,472.60	113,284.62	640,489.21
Liabilities						
Placement from other banks & Financial Institute	2,997.60	24,498.80	29,890.48	0	0	57,386.88
Deposits and Other accounts	88,838.35	148,197.82	142,944.07	83,513.24	22,496.02	485,989.50
Provision and other liabilities	3,206.75	12,868.86	0	0	45,423.02	61,498.63
Deferred Tax Liabilities/Assets	0	0	0	0	0	-
AIBL Subordinate Bond	0	0	0	0	11398	11398.00
Total	95,402.70	185,565.48	172,834.55	83,513.24	79,317.04	616,273.01
GAP	(8,060.85)	(30,654.79)	3,004.90	25,959.36	33,967.58	24,216.20
Cumulative Gap	(8,060.85)	(38,715.64)	(35,710.74)	(9,751.38)	24,216.20	-

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	(8,060.85)	(8,060.85)	(8,060.85)
Impact on NII (Net Interest Income)	(6.72)	(13.43)	(20.15)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(2.52)	(5.04)	(7.56)
Period	1 to 3 month		
GAP	(30,654.79)	(30,654.79)	(30,654.79)
Impact on NII(Net Interest Income)	(51.09)	(102.18)	(153.27)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income (NIL)	(19.16)	(38.32)	(57.48)
Period	3 to 12 month		
GAP	3,004.90	3,004.90	3,004.90
Impact on NII(Net Interest Income)	22.54	45.07	67.61
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	8.45	16.90	25.35

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	(8,060.85)	(8,060.85)	(8,060.85)
Impact on NII (Net Interest Income)	6.72	13.43	20.15
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	2.52	5.04	7.56
Period	1 to 3 month		
GAP	(30,654.79)	(30,654.79)	(30,654.79)
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	19.16	38.32	57.48
Period	3 to 12 month		
GAP	3,004.90	3,004.90	3,004.90
Impact on NII(Net Interest Income)	(22.54)	(45.07)	(67.61)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	(8.45)	(16.90)	(23.35)

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	(35,710.74)	(35,710.74)	(35,710.74)
Period(Year)	1 Year		
Impact on NII (Net Interest Income)	(357.11)	(714.21)	(1,071.32)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	(133.92)	(267.83)	(401.75)

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	(35,710.74)	(35,710.74)	(35,710.74)
Period(Year)	1 Year		
Impact on NII (Net Interest Income)	357.11	714.21	1,071.32
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.
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, VaRetc, in line with the global best practices. Risk Profiles are analyzed and mitigating strategies/ processes are suggested by the Asset Liability Committee (ALCO). Their effectiveness is monitored on an on-going basis.Forex Open Position limits (Day limit / Overnight limit), Deal-wise cut-loss limits, Stop-loss limit, Profit / Loss in respect of cross currency trading are properly monitored and exception reporting is regularly carried out. Holding of equities is monitored regularly so that the investment remains within the limit as set by Bangladesh Bank. Asset liability management committee (ALCO) analyzes market and determines strategies to attain business goals. Reconciliation of foreign currency transactions.

b) Quantitative Disclosures:

The capital requirements for Market Risk:

(Figure In million)

	SOLO Basis	Consolidated Basis
Interest rate risk	-	-
Equity position risk	107.04	174.52
Foreign exchange risk	267.80	267.80
Commodity risk	-	-
Total	374.84	442.32

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

<table>
<tr><td>iv) Policies and Processes for mitigating operational risk:</td><td>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 2025 ICC Division conducted following No. of audit:
<table>
<tr><td>Nature of Audit</td><td>No of Frequencies</td></tr>
<tr><td>Compressive & Risk based Internal Audit Annually</td><td>226 branches i.e 100% as per Audit Plan</td></tr>
<tr><td>Surprise Inspection</td><td>23 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><td>Nature of Risk</td><td>No of Branches</td></tr>
<tr><td>Extremely High Risk</td><td>4</td></tr>
<tr><td>Very High Risk</td><td>26</td></tr>
<tr><td>High Risk</td><td>55</td></tr>
<tr><td>Medium Risk</td><td>138</td></tr>
<tr><td>Low Risk</td><td>3</td></tr>
<tr><td>Total</td><td>226</td></tr>
</table></td></tr>
<tr><td>v) Approach for calculating capital charge for operational risk</td><td>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 + GI2 + GI3) α]/n</td></tr>
</table>

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-2025	15198.70		
December-2024	20747.79		
December-2023	17897.29		
Total GI	53843.78	17947.92	2692.18

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-ArafahIslami 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-ArafahIslami 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	113.49%
Net Stable Funding Ratio (NSFR)	105.72%
Stock of High quality liquid assets	78,545.11
Total net cash outflows over the next 30 calendar days	69,208.80
Available amount of stable funding	489,487.48
Required amount of stable funding	463,008.49

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 3.75% is being prescribed both at solo and consolidated level. Tier-1 Capital (after related deductions) Leverage Ratio = ---------- Total Exposure (after related deductions)

b) Quantitative Disclosures:

(Fig In Million)

Particulars	Solo	Consolidated
Leverage Ratio	3.99%	4.22%
On Balance Sheet Exposure	627,744.74	632,512.23
Off- Balance Sheet Exposure	63,304.86	63,304.86
Total Deduction	(618.20)	(618.41)
Total Exposure	**690,431.39**	**695,198.67**

11. Remuneration:

The following remuneration disclosures have been prepared in accordance with 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' provided by Bangladesh Bank. The prudential disclosures require that all banks meet the minimum requirements for public disclosure of qualitative and quantitative information of the remuneration practices. The qualitative remuneration disclosures are broader in scope and cover all the individuals included whereas the quantitative information relates to senior managers and material risk takers of the Al-ArafahIslami Bank PLC, for the financial year ended December 31, 2025.

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 plays an independent role, operating as an overseer; and if required, makes recommendation to the Board of Directors of the Bank for its consideration and final approval for any remuneration related policy. The main work includes presenting recommendations to the Board regarding remuneration, compensation packages of senior Management, incentive schemes and retirement benefits. They also assist the Board of Directors to ensure that all employees are remunerated fairly and get performance based compensation by ensuring effective remuneration policy, procedures and practices aligned with the Banks' strategy and applied consistency for all employee levels. A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to all branches. 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-ArafahIslami Bank PLC or for a material business unit: Managing Director : 01 Deputy Managing Director : 07 Senior Executive Vice President : 14 Executive Vice President : 26 Senior Vice President : 38

	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-ArafahIslami 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: a. Oversee Banks remuneration position and revise the structure according to the Competitive market. b. Align compensation strategy with business strategy c. Determine the percentage of increment at each job grade d. 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 me et 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-ArafahIslami Bank PLC: Cash Form: Short-Term Incentives / Rewards 1. Yearly Increment 2. Yearly fixed and incentive bonus 3. Car, fuel and car maintenance allowance for executives 4. Accelerated promotion/Special increment for especial assignments/ accomplishment; 5. Cash Risk allowance for cashier; 6. Charge allowance for Head of Branches 7. Leave Encashment. 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;

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
	i) 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

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 301,598,297,294/-in year ending 2025.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 184,446,076,827/- in year ending 2025.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 184,446,076,827/-in year ending 2025.

(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	**12,744,510,257**	**17,681,700,000**
Sub Standard	966,871,000	742,000,000
Doubtful	2,916,207,000	379,000,000
Bad / Loss	8,861,432,257	16,560,700,000

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:

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
1	Uttara Model Town	Mondol Spinning Mills Ltd & sister conern KNITEX DRESSES LIMITED,ECO INTIMATES LTD,MONDOL FABRICS LTD.	Abdul Momin Mondol(MD)	Mondol Group	501.73	732.00	1233.73	253.49	251.47	504.96
2	Motijheel	Noapara Traders & sister conern 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	60.49	510.06	570.55
3	HO Corporate	M S Dyeing, Printing & Finishing Ltd.	Md. Mamunur Rashid, Managing Director		710.80	284.40	995.20	537.21	284.4	821.61
5	Motijheel	Techno Electricals Ltd & sisterconcern 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	306.04	222.83	528.87

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
6	Khatungonj	ABUL KHAIR LTD & sister concern ABUL KHAIR MILK PRODUCTS LTD,ABUL KHAIR CONSUMER PRODUCTS LTD,ABUL KHAIR STRIP PROCESSING LTD,SHAH CEMENT IND. LTD,ABUL KHAIR STEEL MELTING LTD,ABUL KHAIR CERAMIC IND. LTD.ABUL KHAIR STEEL PRODUCTS LTD,A.K CORPORATION LTD	SHAFIQUL ISLAM, ABUL HASHEM, ABUL KASHEM,ABU SYED CHOWDHURY	Abul Khair Group	340.00	600.00	940.00	354.54	380.56	735.10
7	Agrabad	Kabir Steel Re-Rolling Mills	Md Shajahan , Rokeya Begum, Nawab Sirazudowla, Jamal Uddin, Selim Uddin,Karim Uddin, Sarwar Jahan, Shariar Jahan	KSRM	300.00	600.00	900.00	602.26	0.00	602.26
8	Uttara Model Town	Pretty Composite Textaile Ltd & sister concern S SUHI INDUSTRIAL PARK LTD.,OXFORD Colours Ltd,Pretty Washing Ltd	Pretty Composite Textaile Ltd	PRETTY group	875.46	19.39	894.85	922.35	19.39	941.74
9	Motijheel Corporate	Nice Denim Mills Ltd.	Md. Nurul Islam		447.81	400.00	847.81	398.35	284.73	683.08
10	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	299.40	311.03	610.43
11	Dilkusha	Kamal Yarn Ltd.	Md. Badsha Mia,Asma Begum,Kamal Uddin Ahmed ,Mohiuddin Ahmed	Badsha Group	266.03	495.00	761.03	175.78	226.82	402.60

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
12	Motijheel	Unique Hotel & Resorts Ltd.	Mohammed Noor Ali	Unique Group	500.00	248.00	748.00	330.71	0.00	330.71
13	Banani	Masihata Sweater Ltd & its sister concern SUHCHEON COMPANY (BD) LTD.,Mega Yearn Dying Mills Ltd. ,Masihata Spining Mills Ltd	Khaled Hossain Mahboob(MD), Sayeda Mahfuza Akter(Chairman)	Masihata Group	360.60	356.71	717.31	684.22	166.82	851.04
14	VIP Road	M/S Biswas Poultry & its sister concern Fish Feed Ltd. M/s Shainik Traders ,Biswas Agro Fisheries & Hatchery ,KBC Agro Products (Pvt.) Ltd. ,Classic Melamine Industries Ltd,Fresh Checks Ltd,Classic Fiber Ltd.	Jb. Md. Mahabubur Rahman (MD) ,Jb. Md. Shafiqur Rahman (Director),Mrs. Dil Afroz Rahman (Director)	Biswas Group	230.00	480.00	710.00	611.87	212.60	824.47
15	Dhanmondi	THE IBN SINA TRUST	A.K.M. Sodrul Islam	IBN SINA group	403.28	280.00	683.28	83.55	317.75	401.30
16	Motijheel	Nassa Taipei Denims Ltd & ITS SISTER CONCERN Nassa Taipei Textile Mills Ltd.,ANW Homes Ltd.	NAZRUL ISLAM MAZUMDER	Nassa Group	575.00	80.00	655.00	423.51	0.07	423.58
17	Gulshan	GMS Composite Knitting Ind. Ltd., GMS Trims Ltd.	Jb. Golam Mostafa (Managing Director)		356.00	290.00	646.00	212.90	134.22	347.12
18	North South Road	Premier Steel Re-Rolling Mills (Pvt.) Ltd	MD. SHARIF AHMED (Chairman)	PSRM	581.38	2.00	583.38	578.74	2.00	580.74

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
19	VIP Road	Thermax Group 7 'concerns (THERMAX YARN DYED FABRICS LTD,THERMAX SPINNING LTD,THERMAX TEXTILE MILLS LTD.,THERMAX KNIT YARN LTD.,THERMAX WOVEN DYEING,THERMAX MELANGE SPINNING MILLS LTD. LTD.,THERMAX YARN DYEING LTD)	Jb. Abdul Kadir Molla (MD),Mrs. Nasima Begum (Director),Mrs. Nahida Sultana Kona (Director),Mrs. Nasrin Sultana Dina (Director)	Thermax Group	328.21	223.15	551.36	443.03	63.05	506.08
20	Dilkusha	Healthcare Pharmaceuticals Limited	Alauddin Ahammad, Suraya Bilkis ,Md. Halimuzzaman , Mokarram Hossain (Liton)		393.86	152.00	545.86	432.56	27.88	460.44
21	Khatungonj	CHIN HUNG FIBRES LTD & sister concern CHIN HUNG COTTON MILLS LTD, SAMUDA CONTAINER LTD ,T.K.GAS & GAS CYLINDER, T.K FOOTWEAR LIMITED	ABU TAYAB, ABUL KALAM, LAILA BILKIS BEGUM,KHALEDA BEGUM	TK Group	255.00	284.00	539.00	2.32	30.88	33.20
22	Gulshan	MAHMUD FABRICS AND FINISHING LTD	Mahmud Group	Mahmud Group	386.65	150.00	536.65	661.15	0.00	661.15
23	Motijheel	Interstoff Apparels Ltd	Nazim Uddin Ahmed	Interstoff	350.10	179.00	529.10	228.01	47.89	275.90
24	Motijheel	MAX INFRASTRUCTURE LTD.	GHULAM MOHAMMED		225.83	299.80	525.63	72.87	158.70	231.57
25	Gulshan	Esquire Knit Composite Ltd, Esquire Dyesing Ind. Ltd.	Jb. Ehsanul Habib (Managing Director)		231.21	282.28	513.49	349.87	162.49	512.36
26	Dhanmondi & Islampur	MOMTEX EXPO LTD & Its sister concern Mom Tex Ltd, Pakiza Fabrics Collection	Md. Reajul Islam,Managing Director	Pakiza Group	397.92	110.00	507.92	516.62	12.39	529.01
27	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	324.48	145.57	470.05

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
28	Mouchak	IFAD AUTOS LTD & Its sister concern IFAD MULTI PRODUCTS LTD,IFAD MOTORS LTD,IFAD AUTO SERVICES LTD	Iftakher Ahmed Tipu (Chairman) , Jb. Taskeen Ahmed (MD) ,Janaba Nilufar Ahmed (Director), Jb. Tanveer Ahmed (Director), Jb. Tasfeen Ahmed (Directr)	Ifad Group	395.00	105.00	500.00	416.55	52.02	468.57
29	Motijheel	Formula one Spinning	Md. Rezaul Karim		182.21	310.00	492.21	206.03	66.01	272.04
30	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	360.72	130.00	490.72	256.58	107.63	364.21
31	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	413.67	40.00	453.67
32	Uttara Model Town	SHISHIR KNITTING & DYEING LTD. & its sister concern M. M. FASHIONS & COMPOSITE LTD,DELTA PRINTING & PACKAGING BANGLADESH LTD,MASUM PRINTING AND PACKAGING LTD.	BADRUL HASAN TASLIM (MD)	Shishir group	351.76	123.82	475.58	362.94	34.21	397.15
33	Narayanganj	Ibrahim Knit Garments (PVT) Ltd	Kaniz Fatema Rima (Managing Director) Md. Yusuf (Chairman)		147.81	324.00	471.81	263.84	152.13	415.97
34	Motijheel Corporate	Creative Paper Mills Ltd.	Feroz Ahmed		295.46	166.62	462.08	297.50	185.60	483.10
35	Uttara Model Town	Aman Tex Limited	RAFIQUL ISLAM (MD)	Aman group	101.80	355.00	456.80	310.40	193.54	503.94
36	Motijheel	Majumder Traders & sister concern Majumder Products Ltd	Chitta Majumder (Proprietor)	Majumder Group	255.03	200.00	455.03	293.04	18.41	311.45

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
37	Kawran Bazar	The Delta Blended Yarn Mills Ltd. & sister concern The Delta Composite Knitting Ind. Ltd.,The Delta Apparels Ltd.,Lily Cosmetics Ltd.	Eng. A.K.M Faruque Ahmed, Chairman & Managing Director	Delta Group	391.64	52.00	443.64	121.27	0.72	121.99
38	Dilkusha	Pioneer Denim Ltd	Md. Badsha Mia,Asma Begum,Kamal Uddin Ahmed ,Mohiuddin Ahmed	Badsha Group	166.40	275.00	441.40	18.18	41.09	59.27
39	Motijheel	Birds Garments Ltd unit-2 &sister concern Birds R.N.R Fashions Ltd, Khalifa Apparels Ltd,Birds A & Z Ltd,	Mustafa Anwar (Chairman), Najmus Shahrir Saadat Anwar (MD) , Aktaruzzaman Bablu (Director),Rokeiya Nargis	Birds Group	111.56	328.00	439.56	93.70	0.00	93.70
40	Motijheel	Nitol Motors Ltd	Abdul Matlub Ahmad	Nitol Niloy Group	410.12	15.00	425.12	287.71	0.00	287.71
41	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	0.00	0.00	0.00
42	Motijheel Corporate	MSA Spinning	Shahabuddin Ahmed		305.40	100.00	405.40	343.45	0.00	343.45
43	Agrabad	BSRM	Ali Hossain Akbarali,Amir Ali Hossain,Zohaer Taher Ali, Tehseen Zohaer Taher Ali , Sabeen Amir	BSRM	0.00	405.00	405.00	0.00	85.27	85.27
44	HO Corporate	Z & Z Intimates Ltd.	Sharif Zahir, Managing Director		351.75	52.92	404.67	227.04	52.92	279.96
45	Jubilee Road	GPH ISPAT LTD	MD. ALAMGIR KABIR (Chairman),Mohammad Jahangir Alam (MD)	GPH group	327.31	71.00	398.31	303.21	54.00	357.21
46	HO Corporate	Tafrid Cotton Mills Ltd.	Shaikh Md. Shamiul Islam, Managing Director	Tafrid Group	391.87	4.16	396.03	395.86	4.16	400.02
47	Laldighirpar	M/s. Fakhor Uddin Ali Ahmed	Fakhor Uddin Ali Ahmed,(Managing partner),Salah Uddin Ali Ahmed, (partner),Falah Uddin Ali Ahmed, (partner),Foyez Hasan Ferdous, (partner)		145.00	250.00	395.00	100.24	0.00	100.24

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
48	Agrabad	M/S Mak Corporation and its sister concern Mother Steel Ltd & A.P.S Corporation	1) jb. Master Abul Kashem 2) A.K.M Saifullah Sayed 3) Nigar Sultana Deizi 4) Mofizul Alam 5) Md. Parvez Kamal Chy		195.00	200.00	395.00	0.00	0.00	0.00
49	O.R.Nizam Road	Smart Jacket Ltd ,Al- Razi Chemical Complex Ltd & its Sister Concerns	Md. Mujibur Rahaman (MD)	Smart Group	224.1	170.5	394.60	148.38	110.24	258.62
50	Motijheel	Muazuddin Textile Ltd.	Jb. Morzina Begum (Chairman) ,Jb. Lutfar Rahman (Managing Director)	Muazuddin Group	108.71	285.08	393.79	61.84	129.28	191.12
51	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	357.52	0.00	357.52
52	Motijheel	Buildstone Construction Co Ltd	Omor Goni Chowdhury		0.00	370.71	370.71	0.00	11.94	11.94
53	Dhanmondi	THE IBN SINA TRUST	A.K.M. Sodrul Islam	IBN SINA group	364.35	4.00	368.35	248.33	14.18	262.51
54	Kushtia	H & S Glassware Ltd	(MD)-MD HABIBUR RAHMAN	Woodland Group	315.50	50.00	365.50	367.34	38.96	406.30
55	Agrabad	Maf Footwear Ltd	Mr. Hasnat Md. Abu Obida , Mr. Talha Bin Tayab		231.32	133.25	364.57	212.94	102.57	315.51
56	Motijheel	Hanif Meritime & its sister concern	Mohammed Hanif		312.37	46.53	358.90	215.98	6.11	222.09
57	Islampur	Nannu Spinning Mills Ltd.	B.M. Shoeb, Managing Director		186.98	156.00	342.98	111.20	40.19	151.39
58	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	311.62	88.82	400.44
59	HO Corporate	Bonafide Knitting Mills Ltd	Md. Wahiduzzaman, Managing Director	Bonafide Group	271.97	58.64	330.61	209.14	58.64	267.78
60	Banani	Ayman Textile & Hosiery Ltd.	Bahauddin Mohammad Yousuf(MD),Ziauddin Muhammad Yeahyea, Md. Irtejaur Rahman, Ahmad, Maleka Akter	Ayman Group	322.31	7.65	329.96	417.67	0.77	418.44
61	Mohakhali	Sarker Steel Ltd	Md. Zakir Hossain Sarker (MD)	Sarker group	238.38	83.05	321.43	374.28	42.16	416.44

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
62	Sonargaon janapoth	ADVANCED CHEMICAL IND & its sister concern ACI FORMULATION LTD.	ANIS UD DOWLA,ARIF DOWLA , NAJMA DOWLA , GOLAM MAINUDDIN , WALIUR RAHMAN BHUIYAN	ACI GROUP	150.00	170.00	320.00	272.73	28.65	301.38
63	Khulna	M/S Khorshed Metal Industries	AHMED TALUKDER,ABDUL MALIKE,KABIR HOSSAIN,A.T.M MOSTAFA, ABDULLAH AL MAHMUD,MRS HAZERA BEGUM	HAMKO GROUP	268.71	50.00	318.71	295.43	0.16	295.59
64	Dilkusha	Islam Brothers & Com.	Md. Rafiqul Islam	Aman Group	297.42	20.00	317.42	2.09	0.00	2.09
65	New Elephant Road	Younus Paper Mills Ltd & sister concern	MOHAMMED YOUNUS ,MAHFUZA YOUNUS	Younus Group	205.00	107.00	312.00	233.32	6.10	239.42
66	Uttara Model Town	TM Fashion Ltd & its sister concern TM DESIGNERS LTD,K. M. NOBELY GARMENTS LTD.,TM TRIMS LTD,TM WET AND DRY PROCESSING LTD,TM JEANS LTD.	Md. Shafiqur Rahman(MD)	TM GROUP	54.00	255.97	309.97	27.82	169.55	197.37
67	Motijheel	East West Property Dev. Pvt. Ltd.	AHMED AKBAR SOBHAN	Bashun-dhara-Group	300.00	0.00	300.00	770.58	0.00	770.58
68	Mohakhali	M/S. Sarker Traders	Md. Alamgir Sarker,(Managing partner),Md. Abu Sayeed Sarker (Partner) , Md. Abul Kalam Azad (Partner), Md. Abu Yusuf Sarkar (Partner)	Sarker Group	20.00	280.00	300.00	176.55	24.86	201.41
69	Khatungonj	Smile Food Products Limited.	Mohammad Mahafuzul Hoque (MD) Mr.Jahangir Hossain (Diractor)		0.00	300.00	300.00	87.59	255.41	343.00
70	VIP Road	Navana Pharmaceuticals Ltd	JB. DR. MD. JONAID SHAFIQ(MD),MRS. IMRANA ZAMAN CHOWDHURY(CHAIRMAN),JB. JAVED KAISER ALLY(DIRECTOR), JB. SAYEED AHMED(DIRECTOR), MRS. TARANA AHMED(DIRECTOR)	Navana Group	175.36	121.00	296.36	157.67	56.03	213.70
71	Motijheel	Multazim Textiles Mills Ltd	Md. Abdul Salam (MD) Khadija salam (Chairman)		183.28	110.00	293.28	239.38	0.00	239.38

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
72	Moulvibazar, Dhaka	Star UPVC Pipes & Fittings ltd.Its sister concern	Md. Baker Hossain, Managing Dircetor	Fardin Group	134.68	150	284.68	150.4	1.94	152.34
73	Motijheel	H.R. Textile Mills Limited	Janab Mohammad Abdul Moyeed, Managing Director		212.84	66.56	279.40	213.09	66.56	279.65
74	HO Corporate	Desh Entertrainment	Arif Hasan,Managing Director		275	0	275.00	75.36	0	75.36
75	Bogura	BCL Ceramic Industries Ltd	T M Ali Haider		254.97	20	274.97	100.66	69.46	170.12
76	Motijheel Corporate	Kader Compact Spinning Ltd.	Shahabuddin Ahmed	Kader Compact	272.65	0	272.65	291.28	0	291.28
77	New Elephant Road	Runner Motors Ltd.	HAFIZUR RAHMAN KHAN ,MOHAMMAD ALI DEEN, SHAMSUL ALAM,MD MOZAMMEL HOSSAIN	Runner Group	255.38	12.62	268.00	181.27	15.17	196.44
78	Bandartila	1. Taher And Co. Ltd., 2. T. R. Ship Breakers Ltd. 3. Golden Steel Alloy Works Ltd. 4. Taher Ship Breaking And Recycling Industries	Jb. Alhaj Abu Taher(Chairman) Jb. Alhaj Mohammad Monjur Alam Jb. Didarul Alam Jb. Shahin Alam	Mostafa hakim Group	90.00	177.00	267.00	91.90	0.00	91.90
79	Progoti Sharani	Far Chrmical Industries Ltd-Spinning Unit	Far Group	Far Group	136.72	130.00	266.72	140.06	62.06	202.12
80	HO Corporate	Lariz Fashions Ltd	Md. Mamun Bhuiya, Managing Director		175.62	89.19	264.81	63.48	89.19	152.67
81	Banani	DESH ENERGY CHANDPUR POWER COMPANY LTD	NAVIDUL HUQ (MD) RUBANA HUQ (Sponsor Director)		60.00	200.00	260.00	36.90	31.11	68.01
82	Dhanmondi	Popular Diagnostic Centre Ltd.	Popular Group	Popular Group	247.93	10.00	257.93	219.85	0.00	219.85
83	Uttara Model Town	M/S SM SOURCING	Mirza Shams Mahmud		26	230.00	256.00	0.00	198.16	198.16
84	Pagla	R.B Steel Mills (pvt) Ltd & sister concern RUPALI IRON ENTERPRISE, NB IRON ENTERPRISE, New Rupali Iron Building Structure Manufacture Ltd	Md. HasanMiah-(MD) Fatema Hasan Ruma Alias-(Director) Md. Hasan Miah-(Director)		168.00	83.78	251.78	194.06	20.61	214.67
85	New Elephant Road	Anwer Khan Modern Hospital Ltd.	ANWER HOSSAIN KHAN		251.00	0.00	251.00	312.73	0.00	312.73

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(Fig in Cr.)

SL NO.	Name of the Branch	Borrower Name	Details of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
86	Motijheel	Green Life Knit Composite Ltd	Ms. Hosne Ara Begum (Director) ,Jb. Abu Faisal Mosabber (MD)		72.02	178.35	250.37	42.72	113.26	155.98
87	Motijheel Corporate	Rupayan Housing Eastate Ltd	Md. Liakat Ali Khan Mukul	Rupayan Group	250.00	0.00	250.00	278.51	0.00	278.51
88	Jatrabari Branch	Salam Steel Concast Re-Rolling Mills Madanpur Unit Limited	Md. Abdus Salam	SCRM	150.00	100.00	250.00	35.93	2.39	38.32
89	Motijheel	Bashundhara Food & Bev Ind Ltd.	SHAFIAT SOBHAN	Bashun-dhara Group	150.00	100.00	250.00	0.00	0.00	0.00
90	Motijheel	RIZVI FASHIONS LTD.	Md. Shakil RIZVI (Director)		25.46	223.00	248.46	2.81	167.17	169.98
91	Gulshan	Karooni Knit Composite Ltd. and Karooni Knit Composite Ltd. Unit-2	Jb. KUTUB UDDIN AHAMMED (Managing Director)		85.00	162.48	247.48	103.03	184.04	287.07
92	Kawran Bazar	SUPER PETROCHEMICAL PLC	Mohammad Mostafa Haider, (MD) Farhana Islam, Director Rizwana Afroze Binte Kalam, Director	Joint Venture Company of Samuda & Bay Group	100.00	147.00	247.00	0.00	52.11	52.11
93	Uttara Model Town	Turag Garment & Hosiery Mills Ltd	SAMIA RAHMAN, HOSSAIN BIN M.A. KHALEQUE	Turag group	65.00	175.00	240.00	39.78	76.82	116.60
94	Dilkusha	Bandar Steel Industries Ltd	Sirajul Islam, Harun Ur Rashid, Sharif Ahmed, Kauser Ahmed, Mohammad Akhter Hossain Khan, Sabina Yeasmen,Abul Kalam, Kamrul Islam		0.00	236.00	236.00	0.00	0.73	0.73
95	Gulshan	Sanmar Propersties Ltd	Mashuk Huq (MD)		234.00	0.00	234.00	146.20	1.00	147.20
96	HO Corporate	Dewan Fashion Ltd	Kabir Hossain(MD)	-	42.58	190.15	232.73	7.41	190.15	197.56
97	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	34.56	0.00	34.56
98	Gulshan	Gonga Foundry Limited, Gonga Foundry Lt unit-2 & Gonga Foundry Ltd Unit-3	Jb. Uzma Chowdhury (Director)	Pran RFL Group	109.82	102	211.82	55.79	25.01	80.80

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

(e) 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 :

For the year ended 31 Decmber 2025 (figure in million)

SL	Name of the borrower/ company of which debentures of share subscribed/ bencficiary 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 outstanding	Particulars & value of securities	Remarks
NILL								
			Total					

(f) 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.

(g) 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 = 17,681,700,000

Fully Provision debt Written off = (5,128,345,489)

Recoveries of amount previously written off = 191,155,746

Provision required for the year = 5,671,815,000

Ending balance of provision for bad and doubtful loans/debt = 12,744,510,257

(h) 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.

(i) 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	Re-marks
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 H. Asraf K. Abhijit & Co. Chartered Accountants Partner	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	

(j) Amount of Classified loans, Advances and leases on which interest income has not been recognized is in amount of Tk. 71,683,673,000/-. (Note-9.x.a)

(k) Written-off investments during the year -2025 =524.87 Crore
Cumulative balance of written-off investments =1328.95 crore

(l) Interest credited to interest suspense account and year-end balance of interest suspense account is 3,344,892,606/-, which is presented in Note 15.

SUSTAINABLE FINANCE AND GREEN BANKING ACTIVITIES

Al-Arafah Islami Bank PLC (AIBPLC) drives responsible investment by integrating Environmental, Social, and Governance (ESG) principles into financial decisions, with a distinct focus on climate resilience, social inclusion, and good governance. AIBPLC further advances these priorities through its comprehensive Green Banking initiatives, Sustainable Finance practices, and impactful Corporate Social Responsibility (CSR) activities.

Unlike peer institutions that focus heavily on historical accumulation, AIBPLC defines its leadership through immediate operational efficiency, aggressive regulatory compliance, and a forward-looking transition toward low-carbon operations.

1. Environment Related Initiatives

Under its Green Banking initiatives, the Bank has deployed technical automation to significantly optimize internal resource management. Key milestones implemented to reduce electricity and paper use include:

- Automation Infrastructure: Comprehensive deployment of Business Process Automation (BPA), Sensor-Based Lighting, and an increased network of ATM booths.
- Digital Services: Rapid expansion of Digital Training, E-Statements, SMS Alerts, Mobile Banking, and Internet Banking platforms.

Environmental & Social Risk Framework

In strict alignment with Bangladesh Bank guidelines, all investments falling under the scope of the Environmental and Social Risk Management (ESRM) framework are addressed through the Environmental and Social Risk Ratings (ESRR) checklist. AIBPLC is also set to launch its dedicated Environmental and Social Management Systems (ESMS) integrated with automated MIS reporting.

2. Sustainability & Climate-Related Financial Disclosures

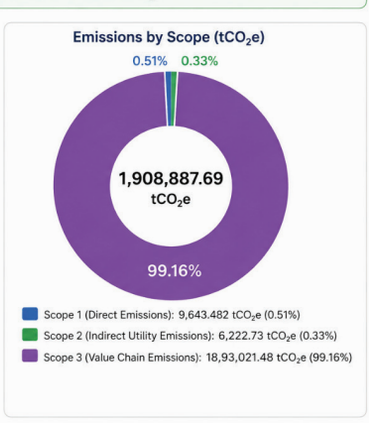
Demonstrating a level of forward-looking accountability that sets a new industry benchmark, AIBPLC has adopted a strict Sustainability and Climate-Related Financial Disclosure framework. Setting 2024 as its base year, the Bank has committed to a definitive 5% CO_2 reduction target across Scopes 1, 2, and 3 emissions by 2029. Progress against these metrics is evaluated quarterly by the Sustainable Finance Committee.

Carbon Footprint Inventory (2025)

Total Managed Carbon Footprint (2025)
1,908,887.69 tCO_2e

Scope	Description	Emissions (tCO_2e)	% of Total
Scope 1	Direct Emissions	9,643.482	0.51%
Scope 2	Indirect Utility Emissions	6,222.73	0.33%
Scope 3	Value Chain Emissions	18,93,021.48	99.16%
	Total	**1,908,887.69**	**100.00%**

tCO_2e (tonnes of Carbon Dioxide equivalent) includes all greenhouse gases converted to CO_2 equivalent using their Global Warming Potential (GWP).



3. Financial Performance & Market Achievements

Guided by the Sustainable Finance Policy (2021), which spans 94 green and sustainable products, AIBPLC has embedded sustainability into its core commercial strategy. Dedicated Help Desks are active across 226 branches to facilitate client on boarding, backed by extensive staff training.

In 2025, AIBPLC drastically outperformed regulatory targets set by Bangladesh Bank, outstripping macro-benchmarks:

- Green Finance Disbursement : BDT 9,889.90 million.
- Total Sustainable Finance Outstanding : BDT 1,45,219.71 million.

Target vs. Achievement: Regulatory Performance (2025)

Finance Category	Bangladesh Bank Target	AIBPLC Actual Achievement	Status	Core Investment Focus Sectors
Green Finance(% of Term Investments)	5.00%	43.57%	Surpassed by 8.7x	Energy-efficient machinery, Effluent Treatment Plants (ETP), LED lighting, recycling, green bricks, eco-friendly industries.
Sustainable Finance	20.00%	30.74%	Surpassed by 1.5x	Socially responsible finance, sustainable agriculture, and eco-infrastructure.

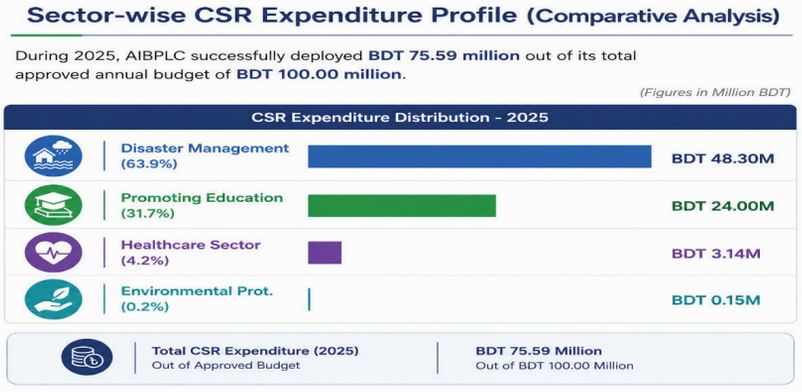
Central Bank Refinance Schemes & Partnerships

AIBPLC continues to utilize central bank facilities, including the Refinance Scheme for Green Products/Projects/ Initiatives, the Technology Upgradation Fund, and the Green Transformation Fund (GTF).

- GTF Portfolio Status: Total outstanding refinance from Bangladesh Bank under GTF stands at BDT 869.3 million.
- Client Benefit: Disbursed at an attractive, concessional profit rate of 5% at the client level.

4. Social Responsibility Initiatives

AIBPLC's CSR strategy prioritizes national emergencies and long-term socioeconomic upliftment. Through our specialized Climate Risk Fund, the bank provides subsidized financing for green, clean transportation, disaster resilience, government-approved eco-tourism, sandwich panel manufacturing, and natural ecosystem protection. The subsidized portion of profits from these accounts is directly recognized as a core CSR contribution.

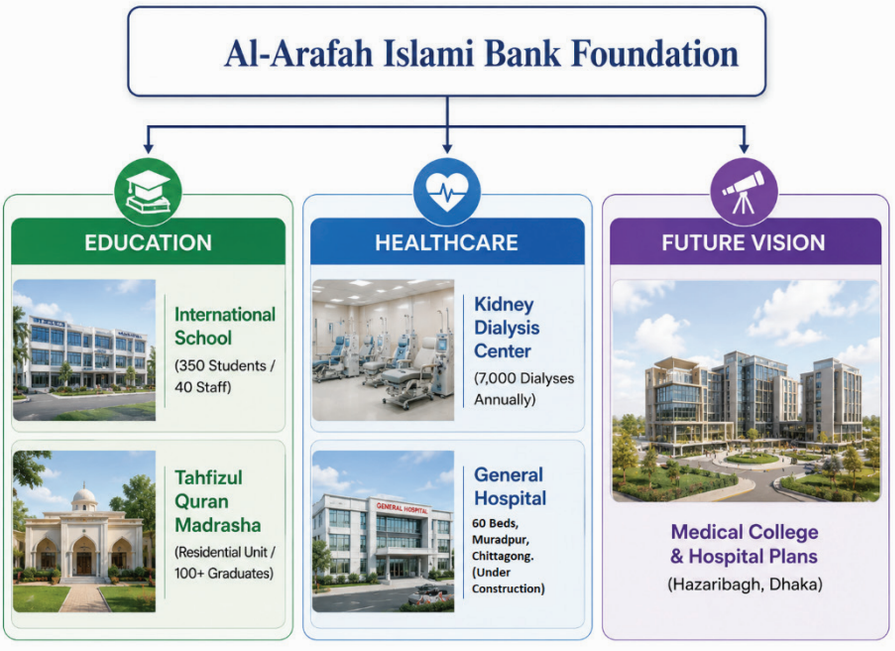


Sector-wise **CSR Expenditure Profile (Comparative Analysis)**

During 2025, AIBPLC successfully deployed BDT 75.59 million out of its total approved annual budget of BDT 100.00 million.

Key Impact Milestones (2025)

- Funded 321 underprivileged undergraduate students through the AIBPLC Education Scholarship Program.
- Subsidized specialized medical access and regional clinical support grids.
- Deployed rapid humanitarian relief and regional flood mitigation infrastructure.
- Directed into critical localized Climate Risk initiatives.
- Funds optimized and redirected to primary social sectors.



5. Benevolence of Al-Arafah Islami Bank Foundation (AIBF)

The Al-Arafah Islami Bank Foundation (AIBF) translates corporate profits into sustainable social institutions, managing high-impact facilities designed to serve underprivileged communities with quality healthcare and education.

Institutional Footprint and Operations

- Al-Arafah Islamic International School & College (Hazaribagh, Dhaka): Established in 1998 in Dhanmondi as the premier O-Level Islamic international educational model in Bangladesh. Relocated to its own premises in Hazaribagh, it currently fosters 350 students guided by an expert academic and support staff of 40.
- Al-Arafah Tahfizul Quran Madrasha (Hazaribagh, Dhaka): Evolved from an internal school department into a fully independent, residential institutional unit. It currently supports 25 students with 4 dedicated staff and has successfully graduated nearly 100 Hafez to date.
- AIBF Kidney Dialysis Center (Chattogram): A specialized 10-bed medical dialysis unit located at Firingi Bazar, Chattogram. It delivers low-cost, heavily subsidized life-saving therapies to underprivileged citizens, performing nearly 7,000 dialysis procedures annually.
- AIBF Hospital (Muradpur, Chattogram): A modern 60-bed general healthcare facility constructed on the foundation's commercial land at Sholoshohor, Muradpur, Chattogram. Designed to offer critical modern interventions (including ICU, NICU, and Dialysis units) to lower-income demographics at subsidized rates. Structural engineering and outfitting are 90% complete, with full medical operations scheduled to commence in January 2026.
- Al-Arafah Islami Bank Medical College and Hospital (Hazaribagh, Dhaka): A pipeline project strategically mapped to expand the bank's tertiary healthcare network on its own land holdings in Hazaribagh.

Concluding Remarks

To preserve a green, safe, clean, and sustainable environment for our future generations, financial institutions must look beyond short-term monetary gains. AIBPLC remains steadfast in its mission to channel capital into social and environment-friendly sectors—pioneering an era of true sustainable development where banking honors both society and the planet.

DIVIDEND DISTRUBUTION 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 2025 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.

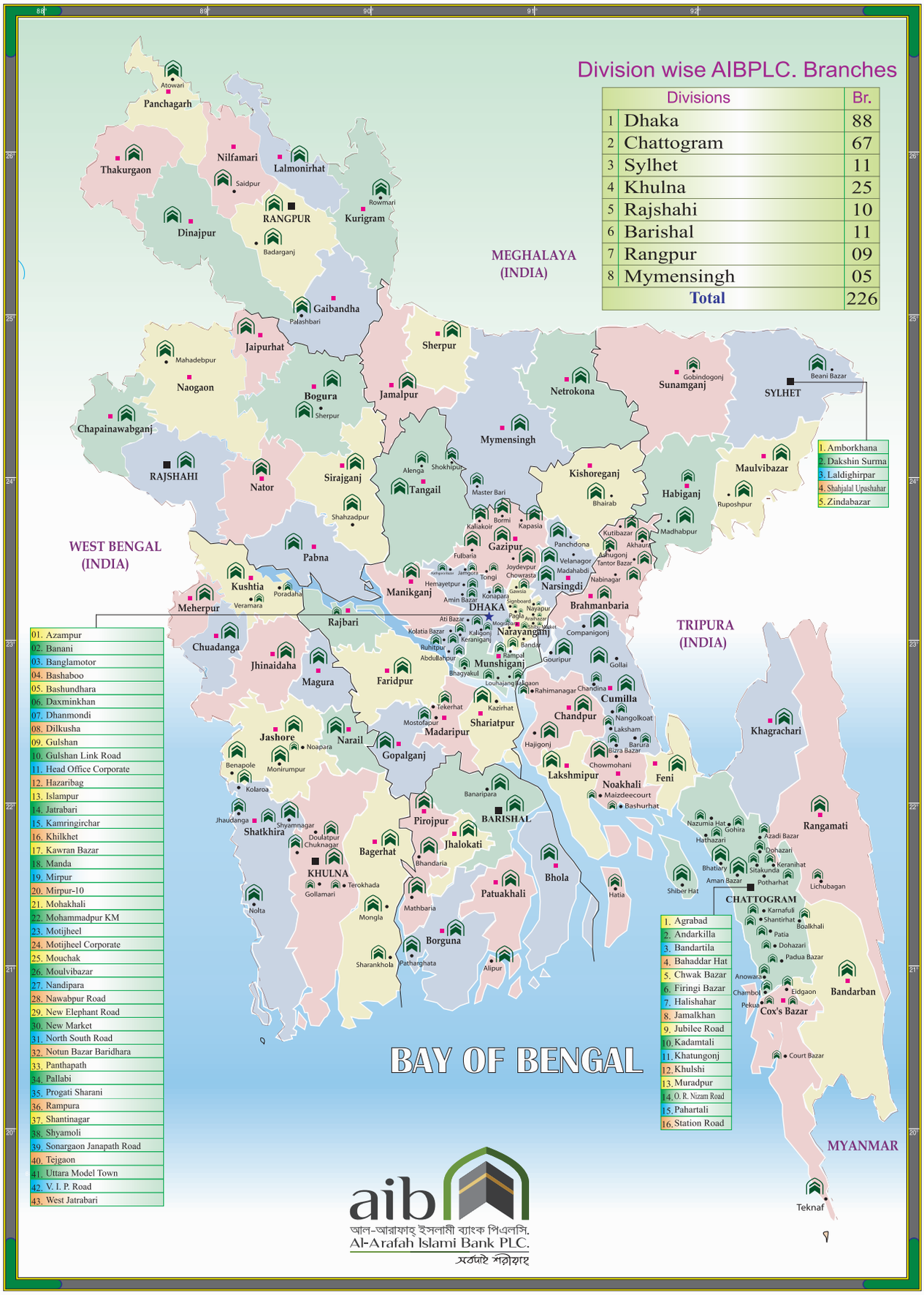
Summary of Unclaimed Dividend

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	Stock Dividend Unpaid/Undistributed/ Unclaimed/ Unsettled			Cash & Fraction Dividend Unpaid/Undistributed/Unclaimed/ Unsettled			Balance of Unpaid/Undistributed/Unclaimed/Unsettled Stock/Right/Cash & Fraction Dividend on 31-12-2025	
			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	2021	15%	-	-	-	11,945,589.50	-	-	-	11,366,851.15
02	2022	12% C & 3% S	99,163	-		6,273,897.37	-	-	37,713	5,686,053.77
03	2023	10% C &5% S	162,562	-	-	199,236,952.42			63,704	192,139,163.41
Total			261,725	-	-	217,456,439.29	-	-	101,417	209,192,068.33

BRANCHES OF

AL ARAFAH ISLAMI BANK PLC.



Branches of AIBPLC

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 Majar 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, 559/1, Wilson Road, Bandar Bazar, Narayanganj; 01914292197

Barmi Branch
Shahjahan Fakir Bhaban, Barmi Bazar, Sreepur, Gazipur; 01847054694

Bashabo Branch
S P Farida Tower, H # 7, Bashabo Tempu Station Road, Sabujbagh, Dhaka; 01817144317

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;

Dhanmondi Branch (AD)
S A Tower, H#54/1, R#4/A, Satmasjid Road, Dhanmondi, Dhaka; 01856797336

Dilkusha Branch (AD)
Amanullah Bhaban, 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; 01911664695

Fulbaria Branch
Fulbaria Bazar, Fulbaria, Kaliakoir, Gazipur; 01847054692

Gawsia Branch
Bhai Bhai Complex, Golakandail, Rupgonj, Narayangonj; 01791418011

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

Gopalgonj Branch
Babla Tower, H # 143, College Road, Gopalgonj Sadar, Gopalgonj; 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; 01976313337

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
Rowshan Plaza, 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; 01833330270

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

Kapasia 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; 01744688362

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; 01869256668

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, Narayangonj; 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; 01811483199

Motijheel Corporate Branch (AD)
125, Motijheel C/A, Dhaka; 01833330272

Moulvibazar Branch (AD)
Al-Shahani Complex, 130 Biren Bose Steet, Chawk Mogoltuly, Moulvibazar, Dhaka; 01819211828

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

Nandipara Branch
Akkel Ali Shopping Complex, Nandipara Bazar, Dhaka; 01920997483

Narayangonj Branch (AD)
71, B.B. Road, Narayangonj; 01811487867

Natun Bazar Baridhara Branch
1209 Madani Avenue, Natun Bazar Dhaka; 01712032254

Nawabpur Road Branch (AD)
85/87, Nawabpur Road, Dhaka; 01711642356

Nayapur Branch
Nayapur Shopping Center, Nayapur Bazar, Narayangonj; 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
435/1, 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
Hawlader Tower, H # 975, Tekerhat Bazar, Rajoir, Madaripur; 01732569143

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; 01716670064

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; 01811418371

Andarkilla Branch
G A Bhaban, 813/1451 Katwali, Chattogram; 01819212754

Anwara Branch
Chowmuhani Bazar, Chaturi, Anwara, Chattogram; 01841226659

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

Azadi Bazar Branch
Masjid Market, Azadi Bazar, Fatikchhari, Chattogram; 01629408998

Bandarban Branch
Bandarban Plaza, 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
34, Main Road, Bashurhat, Companigonj, Noakhali; 01811448041

Bahaddar Hat Branch
H # 4592 Shah Amanat Shetu Shonjog Sarak, Bahaddarhat, Chattogram; 01811413957

Bhatiary Branch
0866, Bhatiary Station Road, 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, Biponibag Bazar, Chandpur; 01820931500

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

Chowmuhani Branch
857,858 Hazipur, Feni Road, Chowmuhani, Begumgonj, Noakhali; 01904417040

Companigonj Branch
Companigonj Bazar, Muradnagor, 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; 01894941348

Eidgoan 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 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; 01847367098

Jubilee Road Branch (AD)
Kader Plaza, 221, Jubilee Road, Chattogram; 01712836797

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

Karnafuly Branch
Karnafuly, Charpaharghata, Chattogram; 01847367124

Keranihat Branch
B-60, Kacha Bazar, Keranihat, Satkaniya, Chattogram; 01816435248

Khatungonj Branch (AD)
Khatungonj Trade Center, H#1625/1351, Khatungonj, Chattogram; 01715008993

Khulshi Branch
Yousuf Tower, 71/1 Zakir Hossian Road, Khulshi, Chattgram; 01732985666

Kutibazar Branch
Siraj Plaza, Kutibazar, Kasba B.Baria; 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; 01811621999

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; 01847367123

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
Kalpataru 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; 01810139613

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 Tower, Court Road, Katwali, Chattogram; 01841123008

SYLHET DIVISION

Amborkhana Branch
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
Kalibari Road, W-07, Madhabpur Hobigonj; 01926697968

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

Sreemangal Branch
1450 Central Road, 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; 01799368224

Kolaroa Branch
H # 583, 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; 01737763000

Noapara Branch
H # 73, Nurbag Mor, Noapara Bazar, Avoynagar, 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; 01720998733

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
Karnaphuly Complex, 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; 01799379652

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
425 Mohammadpur Bus Stand, 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, Jamaplur; 01814659130

Mymensingh Branch
70, Choto Bazar, Mymensingh; 01742747684

Masterbari Branch
R.H. Complex, Masterbari, Bhaluka, Mymensingh; 01847367105

Netrokona Branch
274, Choto Bazar, Netrokona; 01777754849

Sreebordi Branch
Poura Super Market, H # 7/126, Sreebordi Chowrasta, Sreebordi, Sherpur; 01847367119

CHATTOGRAM DIVISION

G A Bhaban, 813/1451 Katwali, Chattogram; 01819212754

Anwara Branch
Chowmuhani Bazar, Chaturi, Anwara, Chattogram; 01841226659

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

Azadi Bazar Branch
Masjid Market, Azadi Bazar, Fatikchhari, Chattogram; 01629408998

Bandarban Branch
Bandarban Plaza, 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
34, Main Road, Bashurhat, Companigonj, Noakhali; 01811448041

Bahaddar Hat Branch
H # 4592 Shah Amanat Shetu Shonjog Sarak, Bahaddarhat, Chattogram; 01811413957

Bhatiary Branch
0866, Bhatiary Station Road, 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, Biponibag Bazar, Chandpur; 01820931500

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

Chowmuhani Branch
857,858 Hazipur, Feni Road, Chowmuhani, Begumgonj, Noakhali; 01904417040

Companigonj Branch
Companigonj Bazar, Muradnagor, 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; 01894941348

Eidgoan 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 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; 01847367098

Jubilee Road Branch (AD)
Kader Plaza, 221, Jubilee Road, Chattogram; 01712836797

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

Karnafuly Branch
Karnafuly, Charpaharghata, Chattogram; 01847367124

Keranihat Branch
B-60, Kacha Bazar, Keranihat, Satkaniya, Chattogram; 01816435248

Khatungonj Branch (AD)
Khatungonj Trade Center, H#1625/1351, Khatungonj, Chattogram; 01715008993

Khulshi Branch
Yousuf Tower, 71/1 Zakir Hossian Road, Khulshi, Chattgram; 01732985666

Kutibazar Branch
Siraj Plaza, Kutibazar, Kasba B.Baria; 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; 01811621999

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; 01847367123

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
Kalpataru 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; 01810139613

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 Tower, Court Road, Katwali, Chattogram; 01841123008

SYLHET DIVISION

Amborkhana Branch
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
Kalibari Road, W-07, Madhabpur Hobigonj; 01926697968

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

Sreemangal Branch
1450 Central Road, 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; 01799368224

Kolaroa Branch
H # 583, 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; 01737763000

Noapara Branch
H # 73, Nurbag Mor, Noapara Bazar, Avoynagar, 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; 01720998733

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
Karnaphuly Complex, 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; 01799379652

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
425 Mohammadpur Bus Stand, 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, Jamaplur; 01814659130

Mymensingh Branch
70, Choto Bazar, Mymensingh; 01742747684

Masterbari Branch
R.H. Complex, Masterbari, Bhaluka, Mymensingh; 01847367105

Netrokona Branch
274, Choto Bazar, Netrokona; 01777754849

Sreebordi Branch
Poura Super Market, H # 7/126, Sreebordi Chowrasta, Sreebordi, Sherpur; 01847367119

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি.
Al-Arafah Islami Bank PLC.
সর্বদাই সঙ্গীহারা

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 31st Annual General Meeting (AGM) of the Company to be held on Monday the 9th November 2026, at 11.30 a.m. hybrid, at KGC Banquet Hall, Kurmitola Golf Club, Dhaka Cantonment, Dhaka at any adjournment thereof.

Signed this in my/our presence on.....day of .....2026.

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.)

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি.
Al-Arafah Islami Bank PLC.
সর্বদাই সঙ্গীহারা

Head Office
Al-Arafah Tower
63, Purana Paltan, Dhaka-1000

ATTENDANCE SLIP

I do hereby record my attendance of the 31st Annual General Meeting (AGM) of the Company to be held on Monday the 9th November 2026, at 11.30 a.m. hybrid, at KGC Banquet Hall, Kurmitola Golf Club, Dhaka Cantonment, Dhaka.

Name of the Shareholder/Proxy (In Block Letter) .....

Folio No. ..... BO A/C. No.

Signature of the Shareholder/ proxy

Authorized Signatory of the Bank

Al-Arafah Islami Bank PLC

aib
আল-আরাফাহ ইসলামী ব্যাংক পি.এলসি
Al-Arafah Islami Bank PLC
সর্বদাই সহায়

Head Office, Al-Arafah Tower, 63, Purana Paltan, Dhaka-1000
PABX: +88-02-44850005, Email: info@aibl.com.bd, Website: www.aibl.com.bd