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): 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;	--	--	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.
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) Complied	Not complied	Remarks (if any)
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 held	Attendance: No. of Meetings Present	No. of Meetings Absent	Remarks
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