

Half-Yearly (2nd Quarter) Financial Statement 2016

(un-audited)

Consolidated Balance Sheet

As at June 30, 2016

	30-06-16 Taka	31-12-15 Taka
PROPERTY AND ASSETS		
Cash in hand		
Cash in hand (including foreign currencies)	1,932,606,497	1,779,992,510
Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)	31,343,110,653	24,951,466,555
Balance with other Banks and Financial Institutions in Bangladesh	3,243,785,799	2,436,891,773
Outside Bangladesh	4,683,625,139	3,953,284,997
	7,927,410,938	6,390,176,770
Placement with Banks & Other Financial institutions Investment in Share & Securities	1,150,000,000	1,100,000,000
Government	6,628,599,909	6,180,000,000
Others	2,636,343,117	2,671,134,487
Investments		
General Investments etc.	166,108,473,234	148,484,014,726
Bills purchased and discounted	17,202,699,933	14,019,129,402
	183,311,173,167	162,503,144,128
Fixed assets less Accumulated Depreciation	3,140,577,677	3,057,379,053
Other Assets	21,968,404,883	20,473,363,436
Non-Banking Assets	-	-
Total Assets	260,038,226,841	229,106,656,939
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks & Other Financial institutions	19,893,299,453	12,795,916,017
Deposits and other Accounts		
Mudaraba Savings Deposits	22,352,004,493	21,905,934,320
Mudaraba Term Deposits	103,553,317,691	92,519,200,283
Other Mudaraba Deposits	42,085,876,956	37,764,527,251
Al-Wadia Current Accounts and Others Accounts etc.	20,895,364,176	16,457,585,767
Bills Payable	1,786,273,275	1,239,833,780
	190,672,836,591	169,887,081,401
Other Liabilities	26,798,165,533	24,104,783,880
Deferred tax Liabilities/ (Assets)	82,801,119	82,801,120
Total Liabilities	237,447,102,696	206,870,582,418
AIBL Subordinate Bond	3,000,000,000	3,000,000,000
Total Liabilities	240,447,102,696	209,870,582,418
Capital/Share holders Equity		
Paid up Capital	9,943,064,280	9,469,585,030
Statutory Reserve	5,801,292,342	5,440,728,703
Revaluation Reserve	996,874,019	991,589,940
Retained Earnings	965,157,961	1,615,987,762
Total Equity attributable to equity holders of the bank	17,706,388,602	17,517,891,435
Non-Controlling Interest	1,884,735,545	1,718,183,082
Total Equity	19,591,124,147	19,236,074,517
Total Liability and Share holders equity	260,038,226,841	229,106,656,939
OFF BALANCE SHEET ITEMS		
Contingent Liabilities		
Acceptance and endorsement	24,384,732,745	9,956,571,853
Letters of Guarantee	5,030,671,070	4,471,407,869
Letters of Credit	11,080,201,878	16,316,709,625
Bills for Collection	4,585,269,666	3,835,366,743
Other Contingent Liabilities	-	-
Total	45,080,875,359	34,580,056,090
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	45,080,875,359	34,580,056,090

Chief Financial Officer Company Secretary Managing Director Director Chairman

Consolidated Profit & Loss Accounts

For the half year ended June 30, 2016

	01-01-16 to 30-06-16 Taka	01-01-15 to 30-06-15 Taka	01-04-16 to 30-06-16 Taka	01-04-15 to 30-06-15 Taka
Investment Income	9,758,477,563	9,241,728,356	5,731,734,327	4,236,054,315
Profit paid on deposits & Borrowing	(5,387,650,510)	(5,461,984,324)	(3,481,639,546)	(2,258,026,315)
Net Investment Income	4,370,827,053	3,779,744,032	2,250,094,781	1,978,028,000
Income from Investment in Shares/Securities	92,897,034	82,133,621	72,666,667	63,110,214
Commission, Exchange and Brokerage	1,109,092,588	1,036,048,060	518,826,498	567,518,130
Other Operating Income	128,403,096	107,114,379	90,936,812	86,489,100
	1,330,392,718	1,225,296,060	682,429,977	717,117,444
Total operating income	5,701,219,771	5,005,040,092	2,932,524,758	2,695,145,444
Salaries and allowances & contribution to P.F	1,127,157,518	1,013,873,266	572,141,226	468,432,017
Directors' fees & expenses	9,607,088	6,563,893	6,247,096	4,534,578
Shariah Supervisory Committee's fees & expenses	108,477	130,935	5,452	52,425
Rent, taxes, insurance and lighting etc.	239,738,294	191,222,703	155,484,287	78,896,130
Postage, telegram, telephone and stamp etc.	44,223,506	34,472,250	31,386,725	20,303,895
Legal charges	7,818,766	1,572,491	5,748,395	586,079
Auditors' fee	113,000	193,500	50,000	86,250
Salary & Allowances to the Managing Director	6,700,000	5,500,000	3,030,000	3,250,000
Depreciation & repairs to the bank's properties	146,236,125	128,930,579	75,899,226	66,887,498
Stationery, printing & advertisement etc.	56,168,655	52,144,322	30,659,087	24,207,213
Other expenses	233,714,396	194,059,487	127,717,508	109,815,560
Total operating expenses	1,871,585,825	1,628,663,427	1,008,369,002	777,051,645
Profit/(Loss) before Tax & provision	3,829,633,946	3,376,376,666	1,924,155,756	1,918,093,799
Provision against Investments & Contingent Liabilities	1,370,000,000	1,192,849,000	1,128,538,137	614,617,000
Provision for diminution in value of investment	(46,070,325)	69,132,356	(9,134,896)	14,584,650
Other Provision	-	-	-	-
Total provision	1,323,929,675	1,261,981,356	1,119,403,241	629,201,650
Profit/(Loss) before Tax	2,505,704,271	2,114,395,310	804,752,515	1,288,892,149
Current tax	1,208,980,218	1,242,797,976	550,591,953	676,337,998
Deferred tax	-	-	-	-
Provision for Taxation	1,208,980,218	1,242,797,976	550,591,953	676,337,998
Net Profit/(Loss) after tax	1,296,724,053	871,597,334	254,160,563	612,554,151
Net Profit attributable to:				
Equity holders of the bank	1,130,171,590	706,474,113	165,890,676	519,557,118
Non-controlling Interest	166,552,463	165,123,221	88,269,887	92,997,033
Profit for the year	1,296,724,053	871,597,334	254,160,563	612,554,151
Appropriation				
Statutory Reserve	360,563,639	285,398,419	83,403,181	182,473,998
Non-Controlling Interest	166,552,463	165,123,221	88,269,887	92,997,033
	527,116,102	450,521,640	171,673,068	275,471,031
Transfer to Retained Earnings	769,607,951	421,075,694	82,487,495	337,083,120
Earning per Ordinary Share	1.14	0.71	0.17	0.52

Chief Financial Officer Company Secretary Managing Director Director Chairman

Consolidated Cash Flow Statement

For the half year ended June 30, 2016

	30-06-16 Taka	30-06-15 Taka
Cash flows from operating activities		
Investment income receipt in Cash	8,554,013,483	8,015,618,747
Profit paid on deposits and borrowing	(5,387,650,510)	(5,461,984,324)
Dividend received	1,689,168	12,571,284
Fees & Commission received in cash	1,109,092,588	1,036,048,060
Recoveries from written off investments	1,849,869	1,849,869
Cash payments to employees	(1,133,857,518)	(1,019,373,266)
Cash payments to suppliers	(56,168,655)	(52,144,322)
Received from other operating activities (item-wise)	128,403,096	107,114,379
Paid for other operating activities (item-wise)	(565,233,476)	(440,678,450)
Advance income tax paid	(1,095,722,875)	(1,137,035,890)
Operating profit before changes in operating assets and liabilities	1,556,415,170	1,061,986,087
Change in Operating assets & liabilities		
Increase/Decrease of trading securities	34,791,370	(17,826,275)
Increase/Decrease of placement to other banks	(50,000,000)	7,100,000,000
Increase/Decrease of investment and advances to customers (other than Banks)	(20,808,029,051)	(6,867,059,230)
Increase/Decrease of other assets (item-wise)	894,503,507	5,416,852,515
Increase/Decrease of placement from other banks and financial institution	7,097,383,436	158,449,596
Increase/Decrease of Deposits from customers (other than Banks)	20,785,755,190	1,533,382,273
Increase/Decrease of Other liabilities account of customers	44,145,583	376,913,416
Increase/Decrease of Trading liabilities (item-wise)	-	-
Cash receipt from operating activities	7,998,550,035	7,700,712,296
A. Net Cash from operating activities	7,998,550,035	7,700,712,296
Cash flows from investing activities:		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(83,198,619)	(253,677,377)
Sales proceeds of Fixed assets	-	-
Purchase-sale of subsidiary	-	-
B. Net cash flows from investing activities	(83,198,619)	(253,677,377)
Cash flows from financing activities		
Increase in Exchange Equalization Account	5,284,079	-
Increase in Share Capital	-	-
Dividend paid	(946,958,503)	(1,325,741,904)
C. Net cash flows from financing activities	(941,674,424)	(1,325,741,904)
D. Net increase in cash and cash equivalent (A+B+C)	8,530,092,162	7,183,279,101
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent D+E	8,530,092,162	7,183,279,101
G. Cash & Cash Equivalents at the beginning of the year	39,301,635,835	31,890,709,305
H. Cash & Cash Equivalents at the end of the year	47,831,727,997	39,073,988,406

Chief Financial Officer Company Secretary Managing Director Director Chairman

Consolidated Statement of Changes in Equity For the half year ended June 30, 2016

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January 2016	9,469,585,030	5,440,728,703	1,615,987,763	991,589,940	17,517,891,436	1,718,183,082	19,236,074,518
Changes in accounting policy	-	-	-	-	-	-	-
Buy back share	-	-	-	-	-	-	-
Issue of the share capital	-	-	-	-	-	-	-
Restated balance	9,469,585,030	5,440,728,703	1,615,987,763	991,589,940	17,517,891,436	1,718,183,082	19,236,074,518
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	5,284,079	5,284,079	-	5,284,079
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	1,130,171,590	-	1,130,171,590	166,552,463	1,296,724,053
Cash Dividend paid - 2015 (10.00 %)	473,479,250	-	(946,958,503)	-	(473,479,250)	-	(473,479,250)
Bonus Share paid-2015 (5%)	-	-	(473,479,250)	-	(473,479,250)	-	(473,479,250)
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Asset revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-
Appropriations during the year	-	360,563,639	(360,563,639)	-	-	-	-
Balance as at June 30,2016	9,943,064,280	5,801,292,342	965,157,961	996,874,019	17,706,388,602	1,884,735,545	19,591,124,147
Balance as at June 30,2015	9,469,585,030	4,928,715,087	600,316,731	977,586,935	15,976,203,783	1,873,971,767	17,850,175,550

Chief Financial Officer Company Secretary Managing Director Director Chairman

Notes to the Financial Statements For the half year ended June 30, 2016

1. The Bank and its activities
Al-Arafah Islami Bank Limited was established in 1995 under the Companies Act, 1994 as a Banking Company with Limited Liability by shares. It is an interest free Shariah Bank of Bangladesh rendering all types of commercial banking services under the regulation of Bank Companies Act, 1991 (as amended 2013). The Bank conducts its business on the principles of Musharaka, Bai-Murabaha, Bai-Mu'ajal and Hire Purchase transactions approved by Bangladesh Bank. Naturally, its modes and operations are substantially different from those of other conventional commercial banks. There is a Shariah Supervisory Committee in the bank who maintains constant vigilance to ensure that the activities of the bank are being conducted on the precepts of Islam. The Shariah Supervisory Committee consists of prominent Ulama, 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 129 Branches and 3 (three) Subsidiary Companies.

The principal activities of the Bank are to provide a comprehensive range of financial services including commercial banking, consumer banking, trade finance and other related custody and clearing services to the customers following the provisions of Bank Companies Act, 1991 (as amended), Bangladesh Bank's directives and the principles of Islamic Shariah.

2. Subsidiaries of the Bank
Al-Arafah Islami Bank Ltd has three subsidiary companies. The financial statements of these subsidiary companies are included in the consolidated financial statements according to BFRS-10.

2.1 AIBL Capital Market Services Limited
Al-Arafah Islami Bank Ltd. owned 60.50% shares of AIBL Capital Market Services Ltd, a subsidiary company of Al-Arafah Islami Bank Limited, AIBL Capital Market Services Ltd, incorporated in Bangladesh on 20 September 2010 as a Public Limited Company. The principal activities of subsidiary company is to provide quality services to the prospective institutional and individual investors in the capital market. The main activities and functions of the company include:
I. Share trading in Dhaka Stock Market and Chittagong Stock Market.
II. Provide Margin facilities to the client.
III. Full service depository participant of Central Depository of Bangladesh Ltd.

2.2 AIBL Capital Management Limited
Al-Arafah Islami Bank Ltd. owned 98% shares of AIBL Capital Management Limited Al-Arafah Islami Bank Ltd. owned 98% shares of AIBL Capital Management Limited a subsidiary company of Al-Arafah Islami Bank Limited AIBL Capital Management Limited has been incorporated under the companies act (Act XVII) of 1994 as a Private limited Company by share on 25th October 2011. The company was entitled to commence the business also from 25th October 2011 with a view to run and manage the operations of Merchant Banking Services with an authorized Capital of BDT 2 billion and paid up capital of BDT 500 million