

# Half-Yearly (2<sup>nd</sup> Quarter) Financial Statement 2017 (un-audited)

## Consolidated Balance Sheet

As at June 30, 2017

PROPERTY AND ASSETS	30-06-17 Taka	31-12-16 Taka
<b>Cash in hand</b>		
Cash in hand (including foreign currencies)	2,771,542,674	2,033,960,977
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	31,788,886,024	30,853,508,125
	34,560,428,698	32,887,469,102
<b>Balance with other Banks and Financial Institutions in Bangladesh</b>		
Outside Bangladesh	1,465,892,094	3,426,434,934
	9,846,226,826	5,703,406,904
	<b>11,312,118,920</b>	<b>9,129,841,838</b>
<b>Placement with Banks &amp; Other Financial Institutions</b>	<b>1,500,000,000</b>	<b>3,333,450,160</b>
<b>Investment in Share &amp; Securities</b>	<b>7,563,902,769</b>	<b>9,158,676,294</b>
Government	5,500,000,000	6,990,000,000
Others	2,063,902,769	2,168,676,294
<b>Investments</b>		
General Investments etc.	202,740,726,236	180,155,243,596
Bills purchased and discounted	20,255,136,175	16,364,134,345
	<b>222,995,862,411</b>	<b>196,519,377,941</b>
<b>Fixed assets less Accumulated Depreciation</b>	<b>3,282,199,803</b>	<b>3,240,185,718</b>
<b>Other Assets</b>	<b>21,832,575,063</b>	<b>18,631,047,423</b>
<b>Non-Banking Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>303,047,087,664</b>	<b>272,900,048,477</b>
<b>LIABILITIES AND CAPITAL</b>		
<b>Liabilities</b>		
<b>Placement from Banks &amp; Other Financial Institutions</b>	<b>30,538,832,180</b>	<b>25,084,653,806</b>
Deposits and other Accounts		
Mudaraba Savings Deposits	28,732,481,837	26,053,949,961
Mudaraba Term Deposits	117,839,749,704	104,981,785,080
Other Mudaraba Deposits	47,446,331,052	46,027,267,857
Al-wadeeah Current Accounts and Other Accounts etc.	25,067,443,400	20,693,095,761
Bills Payable	2,627,448,929	1,947,821,349
	<b>221,713,454,922</b>	<b>199,703,920,008</b>
<b>Other Liabilities</b>	<b>27,004,303,052</b>	<b>23,698,530,129</b>
<b>Deferred tax Liabilities/ (Assets)</b>	<b>79,297,980</b>	<b>75,456,597</b>
<b>Total Liabilities</b>	<b>279,335,888,134</b>	<b>248,562,560,539</b>
<b>AIBL Subordinate Bond</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>
<b>Capital/Share holders Equity</b>		
Paid-up Capital	9,943,064,280	9,943,064,280
Statutory Reserve	6,921,969,723	6,490,088,540
Revaluation Reserve	980,007,429	978,069,978
Retained Earnings	969,727,691	2,199,578,985
	<b>18,814,769,123</b>	<b>19,610,801,783</b>
<b>Total Equity attributable to equity holders of the bank</b>	<b>18,814,769,123</b>	<b>19,610,801,783</b>
Non-Controlling Interest	1,896,430,406	1,726,686,152
<b>Total Equity</b>	<b>20,711,199,529</b>	<b>21,337,487,935</b>
<b>Total Liability and Share holders equity</b>	<b>303,047,087,664</b>	<b>272,900,048,477</b>
<b>Contingent Liabilities</b>		
Acceptance and endorsement	8,754,564,951	10,243,938,166
Letters of Guarantee	6,256,666,090	4,981,342,733
Letters of Credit	35,315,318,659	26,110,933,527
Bills for Collection	4,705,277,796	3,652,427,592
Other Contingent Liabilities	-	-
<b>Total</b>	<b>55,031,827,496</b>	<b>44,988,642,018</b>
<b>Other Commitments :</b>		
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	-	-
<b>Total Off Balance sheet items including Contingent liabilities</b>	<b>55,031,827,496</b>	<b>44,988,642,018</b>

Chief Financial Officer Company Secretary Managing Director Director Chairman

## Consolidated Profit & Loss Accounts

For the half year ended June 30, 2017

	01-01-17 to 30-06-17 Taka	01-01-16 to 30-06-16 Taka	01-04-17 to 30-06-17 Taka	01-04-16 to 30-06-16 Taka
Investment Income	10,119,649,496	9,758,477,563	5,895,159,729	5,731,734,327
Profit paid on deposits & Borrowing	(5,572,109,256)	(5,387,650,510)	(3,484,425,584)	(3,481,639,546)
<b>Net Investment Income</b>	<b>4,547,540,240</b>	<b>4,370,827,053</b>	<b>2,410,734,145</b>	<b>2,250,094,781</b>
Income from Investment in Shares/Securities	207,063,312	92,897,034	162,276,161	72,666,667
Commission, Exchange and Brokerage	1,407,622,024	1,109,092,588	715,220,901	518,826,498
Other Operating Income	140,155,632	128,403,096	76,465,609	90,936,812
	<b>1,754,840,968</b>	<b>1,330,392,718</b>	<b>953,962,671</b>	<b>682,429,977</b>
	<b>6,302,381,208</b>	<b>5,701,219,771</b>	<b>3,364,696,816</b>	<b>2,932,524,758</b>
<b>Total operating income</b>	<b>1,552,832,508</b>	<b>1,127,157,518</b>	<b>680,968,285</b>	<b>572,141,226</b>
Salaries and allowances & contribution to P.F. Directors fees & expenses	8,410,438	9,607,088	6,247,096	6,247,096
Shariah Supervisory Committee's fees & expenses	317,377	108,477	94,921	5,452
Rent, taxes, insurance and lighting etc.	277,571,188	239,738,294	181,314,086	155,484,287
Postage, telegram, telephone and stamp etc.	49,132,629	44,223,506	27,258,782	31,386,725
Legal charges	3,786,492	7,818,766	2,162,134	5,748,395
Auditors' fee	216,500	113,000	92,000	50,000
Salary & Allowances to the Managing Director	9,284,000	6,700,000	3,774,000	3,030,000
Depreciation & repairs to the bank's properties	171,975,271	146,236,125	85,976,854	75,899,226
Stationery, printing & advertisement etc.	75,660,641	56,168,655	34,480,961	30,659,087
Other expenses	310,989,552	233,714,396	200,058,472	127,717,508
<b>Total operating expenses</b>	<b>2,460,176,596</b>	<b>1,871,585,825</b>	<b>1,211,938,388</b>	<b>1,008,369,002</b>
<b>Profit/(Loss) before Tax &amp; provision</b>	<b>3,842,204,612</b>	<b>3,829,633,946</b>	<b>2,152,758,428</b>	<b>1,924,155,756</b>
Provision against Investments & Contingent Liabilities	1,138,844,423	1,370,000,000	774,019,423	1,128,538,137
Provision for diminution in value of investment	(56,249,228)	(46,070,325)	929,682	(9,134,896)
Other Provision	-	-	-	-
<b>Total provision</b>	<b>1,082,595,195</b>	<b>1,323,929,675</b>	<b>774,949,105</b>	<b>1,119,403,241</b>
<b>Profit/(Loss) after Tax</b>	<b>2,759,609,417</b>	<b>2,505,704,271</b>	<b>1,377,809,323</b>	<b>804,752,515</b>
Current tax	1,415,381,035	1,208,980,218	838,974,911	550,591,953
Deferred tax	3,841,383	-	(3,757,671)	-
<b>Provision for Taxation</b>	<b>1,419,222,419</b>	<b>1,208,980,218</b>	<b>835,217,240</b>	<b>550,591,953</b>
<b>Net Profit/(Loss) after tax</b>	<b>1,340,386,998</b>	<b>1,296,724,053</b>	<b>542,592,083</b>	<b>254,160,563</b>
<b>Net Profit attributable to:</b>				
Equity holders of the bank	1,190,642,744	1,130,171,590	486,457,519	165,890,676
Non-controlling Interest	149,744,254	166,552,463	56,134,563	88,269,887
	<b>1,340,386,998</b>	<b>1,296,724,053</b>	<b>542,592,083</b>	<b>254,160,563</b>
<b>Profit for the year</b>				
Appropriation				
Statutory Reserve	431,881,183	360,563,639	232,330,555	83,403,181
Non-Controlling Interest	149,744,254	166,552,463	56,134,563	88,269,887
	<b>581,625,437</b>	<b>527,116,102</b>	<b>288,465,118</b>	<b>171,673,068</b>
Transfer to Retained Earnings	758,761,561	769,607,951	254,126,964	82,487,495
Earning per Ordinary Share	1.20	1.14	0.49	0.17

Chief Financial Officer Company Secretary Managing Director Director Chairman

## Consolidated Cash Flow Statement

For the half year ended June 30, 2017

	30-06-17 Taka	30-06-16 Taka
<b>Cash flows from operating activities</b>		
Investment income receipt in Cash	10,338,218,492	8,554,013,483
Profit paid on deposits and borrowing	(5,897,472,861)	(5,387,650,510)
Dividend received	18,705,470	1,689,168
Fees & Commission received in cash	1,407,622,024	1,109,092,588
Recoveries from written off investments	23,139,577	1,849,869
Cash payments to employees	(1,562,116,508)	(1,133,857,518)
Cash payments to suppliers	(75,660,641)	(56,168,655)
Received from other operating activities (item-wise)	140,155,632	128,403,096
Paid for other operating activities (item-wise)	(684,099,325)	(565,233,476)
Advance income tax paid	(1,531,800,847)	(1,095,722,875)
	<b>2,176,691,013</b>	<b>1,556,415,170</b>
<b>Operating profit before changes in operating assets and liabilities</b>		
<b>Change in Operating assets &amp; liabilities</b>		
Increase/(Decrease) of trading securities	104,773,525	34,791,370
Increase/(Decrease) of placement to other banks	1,833,450,160	(50,000,000)
Increase/(Decrease) of investment and advances to customers (other than Banks)	(28,326,325,122)	(20,808,029,051)
Increase/(Decrease) of other assets (item-wise)	(1,133,077,523)	894,503,507
Increase/(Decrease) of placement from other banks and financial institution	5,454,178,374	7,097,383,436
Increase/(Decrease) of Deposits from customers (other than Banks)	22,334,898,519	20,785,755,190
Increase/(Decrease) of Other liabilities account of customers	-	-
Increase/(Decrease) of Trading liabilities (item-wise)	669,496,571	44,145,583
	<b>367,394,504</b>	<b>7,998,550,035</b>
<b>Cash receipt from operating activities</b>	<b>2,544,085,517</b>	<b>9,554,965,205</b>
<b>A. Net Cash from operating activities:</b>		
<b>Cash flows from investing activities:</b>		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(180,314,202)	(83,198,619)
Sales proceeds of Fixed assets	-	-
Purchase-sale of subsidiary	-	-
	<b>(180,314,202)</b>	<b>(83,198,619)</b>
<b>B. Net cash flows from investing activities</b>	<b>(180,314,202)</b>	<b>(83,198,619)</b>
<b>Cash flows from financing activities</b>		
Increase in Exchange Equalization Account	1,937,451	5,284,079
Issue of AIBL Subordinate Bond	-	-
Dividend paid	-	(946,958,503)
	<b>1,937,451</b>	<b>(941,674,424)</b>
<b>C. Net cash flows from financing activities</b>	<b>1,937,451</b>	<b>(941,674,424)</b>
<b>D. Net increase in cash and cash equivalent (A+B+C)</b>	<b>2,365,708,766</b>	<b>8,530,092,162</b>
<b>E. Effects of exchange rate changes on cash and cash-equivalents</b>	<b>-</b>	<b>-</b>
<b>F. Net increase in cash and cash equivalent D+E</b>	<b>2,365,708,766</b>	<b>8,530,092,162</b>
<b>G. Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>49,006,838,852</b>	<b>39,301,635,835</b>
<b>H. Cash &amp; Cash Equivalents at the end of the year</b>	<b>51,372,547,618</b>	<b>47,831,727,997</b>

Chief financial Officer Company Secretary Managing Director Director Chairman

## Consolidated Statement of Changes in Equity For the half year ended June 30, 2017

Particular	Paid up Capital Taka	Statutory Reserve Taka	Retained Earnings Taka	Asset Revaluation Reserve Taka	Total Taka	Non-Controlling Interest Taka	Total Equity Taka
Balance at 1st January, 2017	9,943,064,280	6,490,088,540	2,199,578,985	978,069,978	19,610,801,783	1,726,686,152	21,337,487,935
Changes in accounting policy	-	-	-	-	-	-	-
Off Load share	-	-	-	-	-	20,000,000	-
Restated Adjustment	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>9,943,064,280</b>	<b>6,490,088,540</b>	<b>2,199,578,985</b>	<b>978,069,978</b>	<b>19,610,801,783</b>	<b>1,746,686,152</b>	<b>21,337,487,935</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	1,937,451	1,937,451	-	1,937,451
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	1,190,642,744	-	1,190,642,744	149,744,254	1,340,386,998
Bonus Share	-	-	-	-	-	-	-
Cash Dividend	-	-	(1,988,612,856)	-	(1,988,612,856)	-	(1,988,612,856)
Issue of share capital of subsidiary	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-
Appropriations during the year	-	-	431,881,183	-	431,881,183	-	431,881,183
<b>Balance as at June 30, 2017</b>	<b>9,943,064,280</b>	<b>6,921,969,723</b>	<b>969,727,691</b>	<b>980,007,429</b>	<b>18,814,769,123</b>	<b>1,896,430,406</b>	<b>20,711,199,529</b>
<b>Balance as at June 30, 2016</b>	<b>9,943,064,280</b>	<b>5,801,292,342</b>	<b>965,157,961</b>	<b>996,874,019</b>	<b>17,706,388,602</b>	<b>1,884,735,545</b>	<b>19,591,124,147</b>

Chief financial Officer Company Secretary Managing Director Director Chairman

## Notes to the Financial Statements For the half year ended June 30, 2017

**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-Murabahah, Bai-Mu'azzal 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 146 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.