

3rd Quarter (Q3) Financial Statement 2018 (un-audited)

Consolidated Balance Sheet (Un-Audited)

As at September 30, 2018

PROPERTY AND ASSETS	30-09-2018	31-12-2017
	Taka	Taka
Cash in hand		
Cash in hand (including foreign currencies)	2,768,794,762	2,096,407,675
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	25,317,930,308	37,669,574,111
Balance with other Banks and Financial Institutions	28,086,725,070	39,765,981,786
In Bangladesh	6,197,219,360	1,070,656,791
Outside Bangladesh	11,183,057,885	10,327,998,227
17,380,277,246	11,398,655,018	
Placement with Banks & Other Financial Institutions	6,000,000,000	4,400,000,000
Investment in Share & Securities	11,883,093,547	10,145,490,279
Government	11,000,000,000	8,000,000,000
Others	883,093,547	2,145,490,279
Investments		
General Investments etc.	238,138,022,305	216,659,827,253
Bills purchased and discounted	14,263,881,734	19,245,407,271
252,401,904,039	235,905,234,524	
Fixed assets less Accumulated Depreciation	4,514,885,801	3,260,376,895
Other Assets	17,290,938,669	14,379,554,005
Non-Banking Assets	-	-
Total Assets	337,557,824,372	319,255,292,507
LIABILITIES AND CAPITAL		
Liabilities		
Placement from Banks & Other Financial Institutions	25,407,157,714	32,218,677,048
Deposits and other Accounts		
Mudaraba Savings Deposits	34,889,508,309	32,130,000,015
Mudaraba Term Deposits	155,028,081,533	135,929,026,231
Other Mudaraba Deposits	49,001,611,151	47,832,419,620
Al-wadeah Current Accounts and Other Accounts etc.	25,669,648,000	26,435,038,160
Bills Payable	2,059,265,660	2,479,779,449
266,648,114,653	244,806,263,475	
Other Liabilities	21,184,634,112	16,608,728,003
Deferred tax Liabilities/ (Assets)	114,534,600	100,949,200
Total Liabilities	313,354,441,078	293,734,617,726
AIBL Subordinate Bond	2,400,000,000	3,000,000,000
Capital/Share holders Equity		
Paid-up Capital	10,440,217,500	9,943,064,280
Statutory Reserve	7,945,474,134	7,576,581,114
Revaluation Reserve	980,427,093	980,376,225
Retained Earnings	670,913,392	2,259,155,807
Total Equity attributable to equity holders of the bank	20,037,032,119	20,759,177,426
Non-Controlling Interest	1,766,351,174	1,761,497,355
Total Equity	21,803,383,294	22,520,674,781
Total Liability and Share holders equity	337,557,824,372	319,255,292,507

OFF BALANCE SHEET ITEMS	
Contingent Liabilities	
Acceptance and endorsement	21,176,074,863
Letters of Guarantee	6,878,634,357
Letters of Credit	32,981,921,357
Bills for Collection	3,217,189,816
Other Contingent Liabilities	-
Total	64,253,820,412
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	64,253,820,412

Chief Financial Officer: [Signature] Company Secretary: [Signature] Managing Director: [Signature] Director: [Signature] Chairman: [Signature]

Consolidated Profit & Loss Accounts (Un-Audited)

For the period ended September 30, 2018

	01-01-2018 to 30-09-2018	01-01-2017 to 30-09-2017	01-07-2018 to 30-09-2018	01-07-17 to 30-09-17
	Investment Income	18,652,152,816	15,216,862,294	6,596,056,654
Profit paid on deposits & Borrowing	(12,803,120,480)	(8,466,411,356)	(4,368,057,443)	(2,894,302,100)
Net Investment Income	5,849,032,336	6,750,450,938	2,227,999,211	2,202,910,698
Income from Investment in Shares /Securities	273,555,878	284,390,745	93,303,003	77,327,433
Commission, Exchange and Brokerage	1,988,217,367	2,171,044,332	691,407,616	763,422,308
Other Operating Income	227,645,581	210,879,540	58,470,233	70,723,908
2,489,418,826	2,666,314,617	843,180,852	911,473,649	
Total operating income	8,338,451,162	9,416,765,555	3,071,180,064	3,114,384,347
Salaries and allowances & contribution to P.F	3,055,880,422	2,798,540,959	1,078,882,797	1,245,708,451
Directors fees & expenses	11,273,438	11,723,148	4,681,124	3,312,710
Shariah Supervisory Committee's fees & expenses	560,969	439,773	-	122,396
Rent, taxes, insurance and lighting etc.	545,601,221	465,886,612	220,571,021	188,315,424
Postage, telegram, telephone and stamp etc.	70,884,564	68,220,464	23,142,804	19,087,835
Legal charges	12,459,377	6,303,477	3,120,184	2,516,985
Auditors' fee	207,250	262,500	46,000	46,000
Salary & Allowances to the Managing Director	12,754,000	12,914,000	3,630,000	3,630,000
Depreciation and repairs to the bank's properties	349,230,102	259,674,536	140,255,496	87,699,265
Stationery, printing & advertisement etc.	140,226,402	102,935,944	47,054,908	27,295,303
Other expenses	467,699,659	412,437,242	150,336,112	101,447,691
Total operating expenses	4,666,777,403	4,139,358,655	1,671,720,446	1,679,182,059
Profit/(Loss) before Tax & provision	3,671,673,758	5,277,406,900	1,399,459,618	1,435,202,288
Provision against Investments & Contingent Liabilities	1,813,271,280	1,462,568,523	688,663,500	323,724,100
Provision for diminution in value of investment	-	(173,799,456)	-	(117,550,228)
Other Provision	-	-	-	-
Total provision	1,813,271,280	1,288,769,067	688,663,500	206,173,872
Profit/(Loss) before Tax	1,858,402,478	3,988,637,833	710,796,118	1,229,028,416
Current tax	1,070,699,792	1,985,526,276	310,827,799	570,145,241
Deferred tax	13,585,400	12,072,207	8,017,337	8,230,823
Provision for Taxation	1,084,285,192	1,997,598,482	318,845,137	578,376,064
Net Profit/(Loss) after tax	774,117,287	1,991,039,351	391,950,981	650,652,353
Net Profit attributable to:				
Equity holders of the bank	769,263,468	1,787,998,441	324,605,760	597,355,697
Non-controlling Interest	4,853,819	203,040,910	67,345,221	53,296,656
Profit for the year	774,117,287	1,991,039,351	391,950,981	650,652,353
Appropriation				
Statutory Reserve	368,893,020	641,844,870	105,472,038	209,963,687
Non-Controlling Interest	4,853,819	203,040,910	67,345,221	53,296,656
373,746,839	844,885,780	172,817,259	263,260,343	
400,370,448	1,146,153,571	219,133,722	387,392,010	
Transfer to Retained Earnings	0.74	1.71	0.31	0.60
Earning per Ordinary Share				

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Consolidated Cash Flow Statement (Un-Audited)

For the period ended September 30, 2018

	30-09-2018	30-09-2017
	Taka	Taka
Cash flows from operating activities		
Investment income receipt in Cash	18,572,012,390	14,174,317,161
Profit paid on deposits and borrowing	(11,933,498,956)	(8,408,779,888)
Dividend received	16,456,984	18,705,470
Fees & Commission received in cash	1,988,217,367	2,171,044,332
Recoveries from written off investments	124,258,720	23,139,577
Cash payments to employees	(3,068,634,422)	(2,811,454,959)
Cash payments to suppliers	(140,226,402)	(102,955,944)
Received from other operating activities (item-wise)	227,645,581	210,879,540
Paid for other operating activities (item-wise)	(1,183,825,565)	(1,018,330,291)
Advance income tax paid	(511,150,667)	(2,243,694,466)
4,091,255,031	2,012,870,532	
Operating profit before changes in operating assets and liabilities		
Changing in Operating assets & liabilities		
Increase/(Decrease) of trading securities	1,262,396,732	1,367,313,772
Increase/(Decrease) of placement to other banks	(1,600,000,000)	(3,566,549,840)
Increase/(Decrease) of investment and advances to customers (other than Banks)	(17,859,241,004)	(36,664,310,117)
Increase/(Decrease) of other assets (item-wise)	(2,167,253,396)	6,792,082,563
Increase/(Decrease) of placement from other banks and financial institution	(6,811,519,334)	263,113,687
Increase/(Decrease) of Deposits from customers (other than Banks)	20,972,229,653	37,362,243,520
Increase/(Decrease) of Other liabilities account of customers	-	-
Increase/(Decrease) of Trading liabilities (item-wise)	2,160,415,509	(5,025,672,695)
Cash receipt from operating activities	(4,042,971,839)	528,220,891
A. Net Cash from operating activities	48,283,192	2,541,091,423
Cash flows from investing activities:		
Proceeds from sale of securities	-	-
Payments for purchases of securities	-	-
Purchase of property, plant and equipment	(1,254,508,906)	(180,314,202)
Sales proceeds of fixed assets	-	-
Purchase-sale of subsidiary	-	-
(1,254,508,906)	(180,314,202)	
B. Net cash flows from investing activities		
Cash flows from financing activities		
Increase in Exchange Equalization Account	50,868	1,937,451
Issue of AIBL Subordinate Bond	-	-
Dividend paid	(1,491,459,642)	-
(1,491,408,774)	1,937,451	
C. Net cash flows from financing activities		
D. Net increase in cash and cash equivalent (A+B+C)	(2,697,634,488)	2,362,714,672
E. Effects of exchange rate changes on cash and cash-equivalents		
F. Net increase in cash and cash equivalent D+E	(2,697,634,488)	2,362,714,672
G. Cash & Cash Equivalents at the beginning of the year	59,164,636,804	49,006,838,852
H. Cash & Cash Equivalents period ended	56,467,002,316	51,369,553,524

Chief Financial Officer: [Signature] Company Secretary: [Signature] Managing Director: [Signature] Director: [Signature] Chairman: [Signature]

Consolidated Statement of Changes in Equity (Un-Audited) For the period ended September 30, 2018

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2018	9,943,064,280	7,576,581,114	2,259,155,806	980,376,225	20,759,177,425	1,761,497,355	22,520,674,781
Changes in accounting policy	-	-	-	-	-	-	-
offload share	-	-	-	-	-	-	-
Restated Adjustment	-	-	-	-	-	-	-
Restated balance	9,943,064,280	7,576,581,114	2,259,155,806	980,376,225	20,759,177,425	1,761,497,355	22,520,674,781
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	50,869	50,869	-	50,869
Share premium	-	-	-	-	-	-	-
Cash Dividend	-	-	769,263,468	-	769,263,468	4,853,819	774,117,287
Bonus Share	497,153,220	-	(1,491,459,642)	-	(1,491,459,642)	-	(1,491,459,642)
Issue of share capital of subsidiary	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earning	-	-	368,893,020	-	368,893,020	-	368,893,020
Appropriations during the year	-	-	-	-	-	-	-
Balance as at September 30, 2018	10,440,217,500	7,945,474,134	670,913,393	980,427,093	20,037,032,119	1,766,351,174	21,803,383,294
Balance as at September 30, 2017	9,943,064,280	7,131,933,410	1,357,119,700	980,405,278	19,412,522,668	1,949,727,062	21,362,249,730

Chief Financial Officer: [Signature] Company Secretary: [Signature] Managing Director: [Signature] Director: [Signature] Chairman: [Signature]

Notes to the Financial Statements For the period ended September 30, 2018

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-Murabah, 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 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 is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). Presently the bank has 162 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 98% 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 a subsidiary company of Al-Arafah Islami