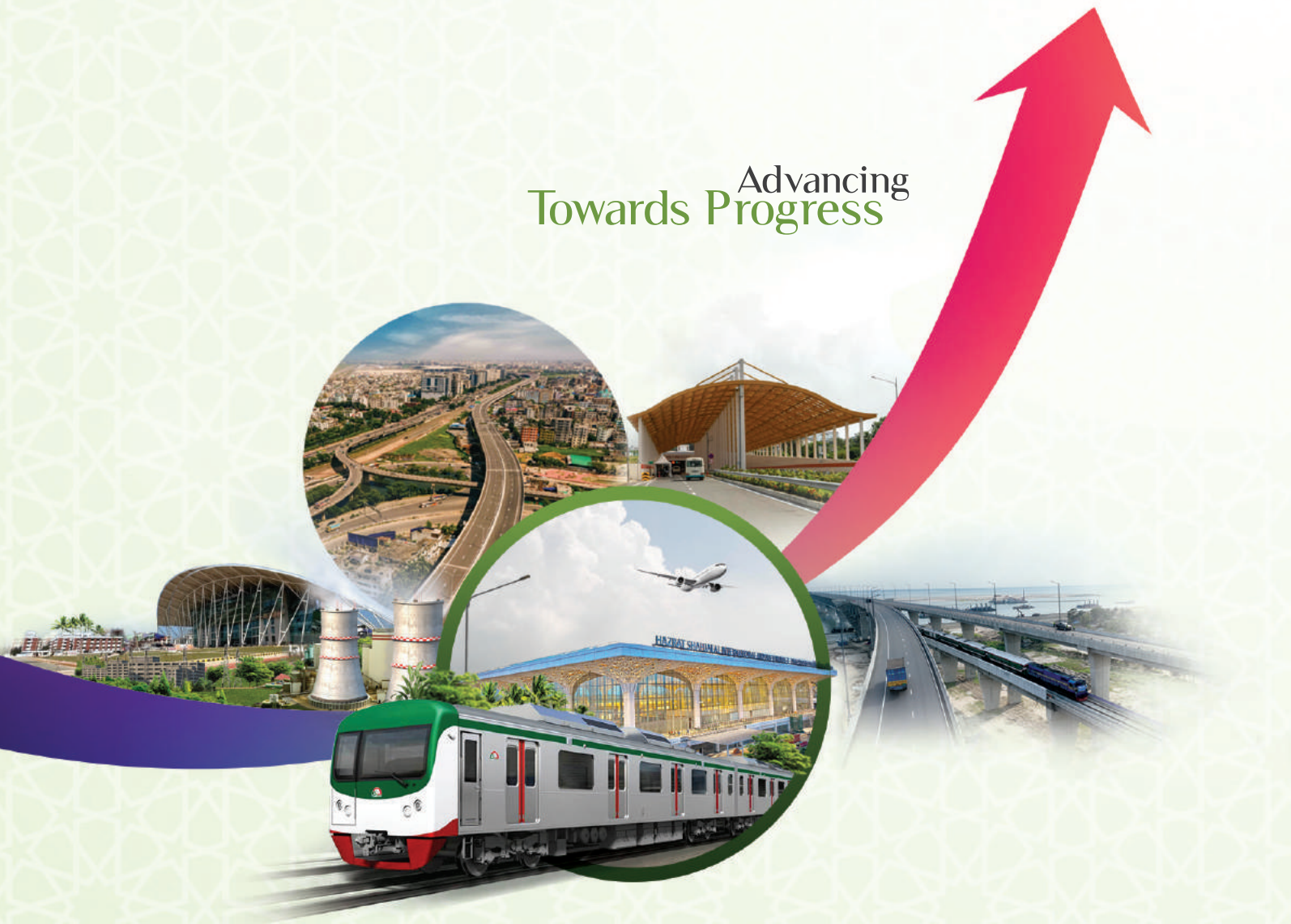


ANNUAL REPORT 2023

Advancing
Towards Progress





ANNUAL
REPORT
2023

Allah has permitted trading and forbidden (Riba) usury.

Surah 2 Al-Baraka-275



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Quranic

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) those are the companions of the Fire; they will abide eternally therein”. (Surah 2 Al-Bakara : 275)

“O you who 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 from Allah and His Messenger (Rasul)”. (Surah 2 Al-Bakara : 278-279)

- “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)

Hadith on Interest



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 Mosaic or Judaism. Mosaic laws or commands of Musa are the basis of Hebrewism. Interest was totally prohibited in Mosaic 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)

Chairman

Alhaji Abdus Samad

Vice-Chairman

Alhaji Abu Naser Md. Yeahea

Member

Alhaji Salim Rahman

Alhaji Mohammad Abdus Salam

Alhaji Md. Abdul Hamid Miah

Alhaji Mahbub Ahmed
(Nominee Director of KDS Garments Industries Ltd.)

Alhaji Md. Enayet Ullah

Alhaji Ahamedul Hoque

Alhaji Niaz Ahmed

Alhaji Mohammed Emadur Rahman

Alhaji Liakat Ali Chowdhury

Alhaji Md. Anwar Hossain

Alhaji Nasir Uddin
(Nominee Director of China Builders & Machineries Ltd.)

Alhaji Md. Rafiqul Islam

Alhaji Anwar Hossain

Jb. Quazi Osman Ali
(Nominee Director of Aspire Enterprises Limited)

Jb. Md. Kamrul Hasan Siddiqui
(Nominee Director of KDS Textile Mills Ltd.)

Janab A.A.M. Zakaria
(Nominee Director of Legacy Trade Impex Limited)

Alhaji M. Kamal Uddin Chowdhury

Alhaji Mahbulul Alam

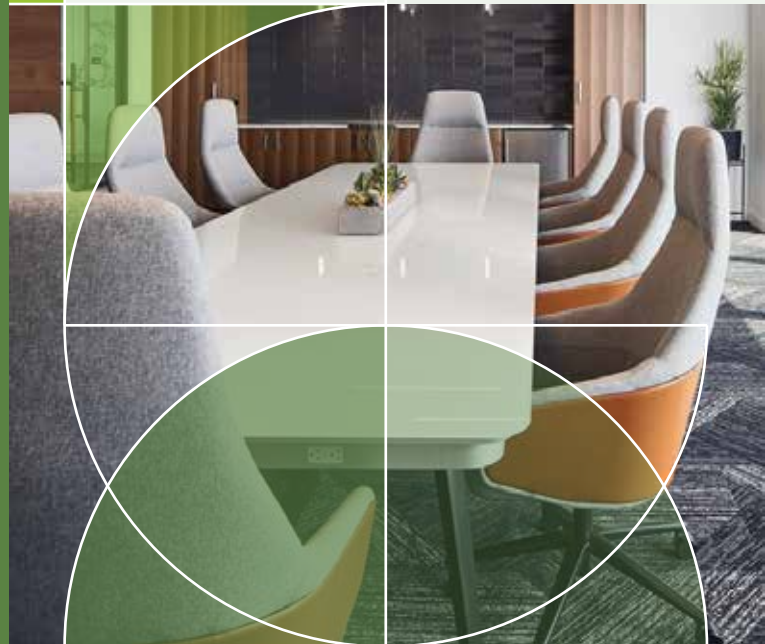
Director & CEO

Farman R. Chowdhury

Company Secretary

Jb. Mohammed Nizam Uddin Bhuiyan

Board of Director



Board of Director



Executive Committee (EC)

Chairman

Alhaji Salim Rahman

Vice-Chairman

Alhaji Mohammad Abdus Salam

Member

Alhaji Md. Enayet Ullah

Alhaji Ahamedul Hoque

Alhaji Liakat Ali Chowdhury

Alhaji Md. Anwar Hossain

Alhaji Nasir Uddin

((Nominee Director of China Builders & Machineries Ltd.)

Board Audit Committee (BAC)

Chairman

Alhaji Md. Abdul Hamid Miah

Member

Alhaji Mohammed Emadur Rahman

Alhaji Anwar Hossain

Janab A.A.M. Zakaria

(Nominee Director of Legacy Trade Impex Limited)

Alhaji Mahbulul Alam

Risk Management Committee (RMC)

Chairman

Alhaji Mahbul Ahmed

(Nominee Director of KDS Garments Industries Ltd.)

Member

Alhaji Niaz Ahmed

Alhaji Md. Rafiqul Islam

Jb. Quazi Osman Ali

(Nominee Director of Aspire Enterprises Limited)

Alhaji M. Kamal Uddin Chowdhury

Shariah Supervisory Committee

Chairman

Mufti Sayeed Ahmed Muzaddedi

Member

Mufti Muinul Islam

Mufti Shahed Rahmani

Mohammad Abul Hossain Al-Azhari

Mawlana Mohammad Abdul Hai Nadvi

Al-Hajj A.Z.M. Shamsul Alam

Alhaji Abdus Samad

Secretary

Md. Adbur Rahim Khan

Managing Director & CEO

Farman R. Chowdhury

Deputy Managing Director

Shabbir Ahmed

Md. Shafiqur Rahman

Syed Masodul Bari

Md. Mahmudur Rahman

Md. Abdullah Al- Mamun

Abed Ahmed Khan

Muhammod Nadim, FCA

Mohammed Fazlur Rahman Chowdhury

Director General

Md. Abdul Awwal Sarker

Senior Executive Vice President

Kazi Mahmood Karim

Aktar Kamal

Md. Monjurul Alam

Mohammad Azam

Engineer Md. Habib Ullah

Md. Asaduzzaman Bhuiyan

Engr. Md. Idris Ali

Md. Obaydul Islam

Mohammed Hossain

S. M. Abu Jafar

Md. Aminul Islam Bhy.

Md. Abdur Rahim Duary

Md. Mazharul Islam

Md. Soyeb Islam Chowdhury

Executive Vice President

M. Tariqul Islam

Manir Ahmad

Md. Manjur Hasan

A. N. M. Mofidul Islam

Md. Soheb Ahmed

A. K. M. Amzad Hossain

Md. Rajibul Islam Bhuiyan

Md. Mostafizur Rahman

Md. Nazim Uddin

Mir Md. Hassanul Zahed

Mohammad Kabir Hossain

Mohammad Rafiqul Islam

Md. Showkat Islam

Md. Golam Sarwar

Md. Yahya

Md. Sharif Chowdhury

Iqbal Hossain Ahmed

Kamal Hossain

Md. Abdul Mobin

Senior Vice President

Md. Sharif Uddin Pramanik

Md. Zakir Hossain Bhuiya

Md. Sanauallah

Md. Nizamul Hoque Chy.

Md. Zakir Hossain

Md. Abdur Rob

Mohammad Ullah

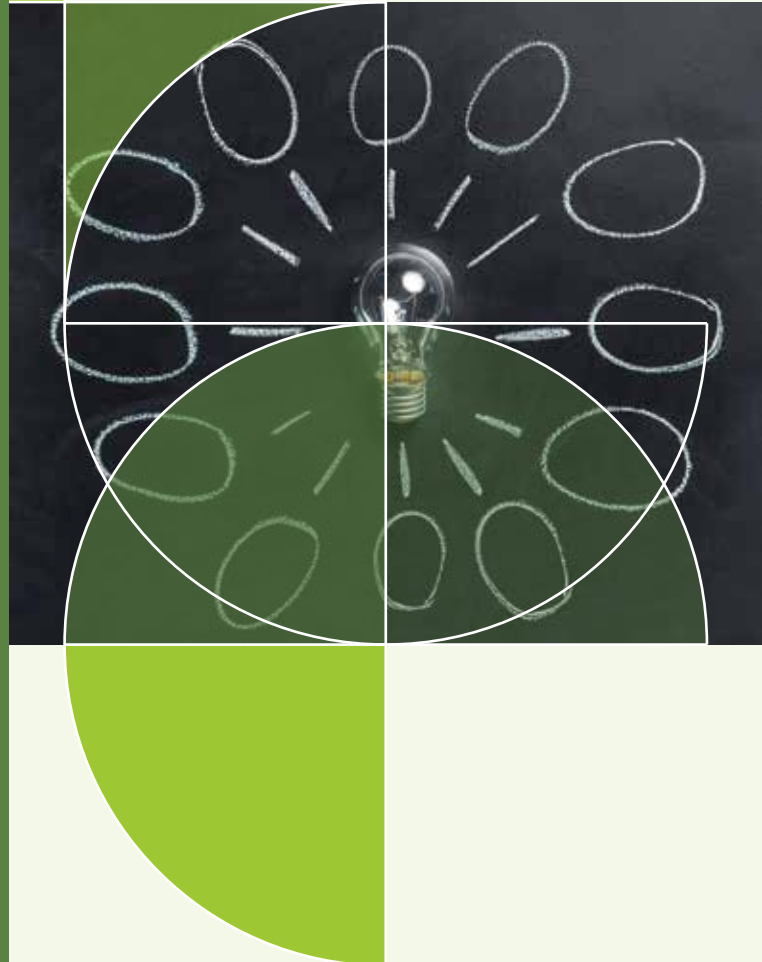
Jalal Ahmed

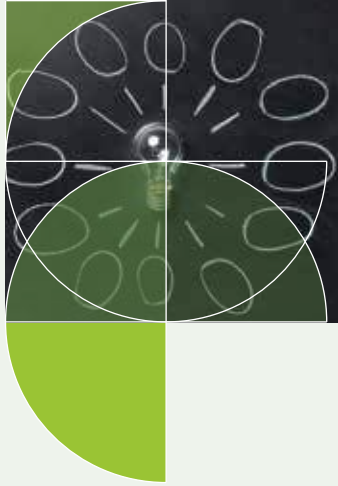
Md. Majiber Rahaman

Monir Ahammad

Md. Salamat Ullah

Management Team





Management Team

Md. Nazmul Huda
 Md. Lokmanur Rahman
 Md. Abdur Rahim Khan
 Md. Ferdous Hassan
 Md. Zahurul Hoque
 Mirza Mohidul Islam
 Mahbub Hasan
 Md. Shamsul Huda Babar
 Md. Rafiqul Islam
 Ashik Ahmed Siddiquey
 Imroz Chowdhury
 Muhammed Alamgir
 Jalal Ahmad
 Mohammad Nahid Hossain
 Md. Abu Musha
 Md. Kabir Ahamed
 Mohammad Moniruzaman
 Md. Masudur Rahman
 Mohammad Amir Hossain
 Jahangir Alam
 Ishtiaq Ahmed
 Md. Azmal Hoque
 Md. Mainul Islam
 Touhid Siddique
 Mohammad Towhidul Islam
 A. F. M. Faisal Kabir
 Ruhul Quddus
 Abu Sayed Md. Abdul Mannaf
 Md. Abdul Hai
Vice President
 Md. Abdur Rahim Sarder
 Md. Mizanur Rahman
 Md. Sultan Mahmud
 C. G. M. Asaduzzaman
 Md. Shah Jalal Sheikh
 Masudur Rahman Khalifa
 Md. Asif Chowdhury
 Ashraf Hossain
 Jashim Ahmed Chy
 Md. Abdul Mannan Akhand
 S. M. Zabidul Haque
 Md. Aminur Rahman
 Md. Shafi Mahmood
 Md. Ibrar

Md. Ashraful Haque
 M. Shamsuddin Ahmed
 Md. Shahid Hossain
 Mir Waies-Ur-Rahman
 Saifuddin Ahmed
 Md. Zahid Hasan
 A. K. M. Fokhrul Islam Majumder
 Mohammed Nizam Uddin Bhuiyan
 Md. Amjad Hossain
 Motahar Uddin Ahmed
 Md. Ashaduzzaman
 Nur Mahbub Khan
 Md. Saiful Islam
 Asifur Rahman
 Md. Moklesur Rahman Khan
 Kazi Mohammad Sadik
 Md. Anowarul Alim Khan
 Md. Shakhawat Ullah
 Md. Pearu
 Mohammad Azizul Hoque
 Md. Leaquat Hossin Lalen
 Mohammad Masrur Majid
 Mahmmud Riyadh
Senior Assistant Vice President
 Md. Nurul Karim
 Khandaker Nazmul Islam
 Sharif Golam Kawsar
 Md. Shah Alam
 Mohd. Salahuddin Mamun
 Md. Kamrul Islam
 Md. Jamal Uddin Mahmud
 Abdul Malek
 Md. Abu Hanif
 Md. Rezaul Hoque
 Shahadat Ali
 Md. Mustafizur Rahman
 Md. Enayet Fakir
 A. M. M. Arif Billah Mithu
 Md. Yusuf Sharif
 Md. Golam Quddus Talukder
 Md. Abul Hossain Saju
 Md. Mujibur Rahman
 Md. Momtazul Hoque
 Md. Golam Arfin
 Md. Zamshed Hossain Sarker
 Md. Mushfiqur Rahman Talukder
 Syed Ariful Bari
 Md. Zahid Hossain
 Md. Monir Hossain
 Mirza Asma Ferdous
 Md. Mijanur Rahman
 Nashir Ahmed
 Md. Taslim Hossain
 Md. Humayun Kabir
 Md. Zakir Miah
 Md. Alauddin
 Md. Wares Uddin Mahmud
 K. M. Shahadat Husain
 Syed Ariful Islam
 Md. Asadur Rahman Khan

Md. Abu Bakar Siddique
 Md. Kutub Uddin
 Gazi Abdur Rahman Aminy
 Mahbubul Amin
 Md. Ashiqur Rahman
 Syed Saleh Ahmed
 Md. Zahurul Islam Patwary
 Md. Ali Farhad
 Md. Mahbubur Rahman
 Md. Ziaul Haque Malik
 Md. Syful Islam
 Md. Imran Miah
 Md. Zahirul Haque
 A. K. M. Ariful Islam
 Md. Shahidul Islam
 Humayun Kabir
 Md. Maniruzzaman
 Md. Akber Hussain
 Md. Iqbal Hossain
 Md. Abdur Rahman Bhy.
 Mohammed Abul Kashem (Susp.)
 Md. Mohiuddin Khan Azad
 Md. Basirul Islam
 Khondoker Monirul Hoque
 Mozammel Hoque Bhuniya
 Md. Sohrab Hossain
 Md. Ershad Ali
 Saifimam Bokhari
 Md. Afif Bin Haque Shaikat
 Md. Moinul Haque
 Md. Abdul Mannan
 Md. Raihan Uddin
 Md. Eleaus
 Md. Mahbubul Hoque
 Md. Abu Jafar
 Md. Shamsul Arefin
 Md. Shariful Alam
 Md. Kamruzzaman
 Md. Delowar Hossain
 Md. Sanaul Haque
 Md. Golam Hossain
 Md. Selim Reza
 Saiful Islam
 A. K. M. Anwarul Haque
 Munshi Sanaur Rahman
 Md. Bashir Uddin
 Md. Anisul Islam Mahmud
 Md. Belal Uddin
 A. K. M. Tusher
 Saif Mohd. Zulkar Naeen
 Md. Anishur Rahman
 Md. Nurul Karim
 Kh. Kamranur Rahman Shovon
 Mollah Masum Billah Azadi
 Himal Pasha
 Md. Imteaz Hossain
 Md. Mijanur Rahman
 Md. Moin Uddin
 Md. Javed Omar
 Md. Arifur Rahman

Md. Amir Hossain
Md. Khairul Alam
A. K. Md. Rezwan Mohiuddin
Md. Mizanur Rahman Bhuiyan
Ashaduzzaman Babu
Washim Reza Khan
Kazi Shahed Jamil
Assistant Vice President
Md. Rafiqul Islam
Md. Mizanur Rahman
A. S. M. Gouch Uddin Siddiquee
Md. Kamrul Islam
Md. Abul Hossain
Md. Abdur Rahim Sarder
Mollah Khalilur Rahman
Md. Ismail Hossain
Md. Anwarul Quader Chy.
Md. Rafiqul Islam
Mohammed Ishaque
Md. Monirul Islam Bhuiyan
Mostaque Ahmed Khandaker
Syed Zulfiquer Ali Mahbub
Md. Masud Parves
Syed Monirul Haque
Md. Mustahidul Bashar
A. K. M. Yunus Ali
Kazi Md. Elias
Md. Faruk Ahamed Khan
Md. Rafique Ullah
Md. Zillur Rahim
Md. Enamul Hoque
Mohammad Elyas
Mohd. Mahafujur Rohman
Kazi Shafiqul Islam
Md. Neyamat Ullah
Md. Koysor Khan
Md. Maniruzzaman Khan
Md. Serajummuner
Md. Rabiul Alam
A. K. M. Mijanur Rahman
Md. Murtaza
Md. Rofiqul Islam
Niaz Ahamad Rashed
Asaduzzaman Bhuiyan
Yasmin Aziz
Nilufer Yesmin
Mohammad Oli Ullah
Md. Golam Mohiuddin Chy.
Md. Zahangir Alam
Md. Giasuddin Mridha
Md. Abul Kalam Azad
Md. Rabiul Basher
Md. Ekramul Hoque
Md. Abdul Basith
Md. Faroque Miah
Md. Abdus Shukur
Mahmudur Rahman Chow.
Mohammad Zakir Hossain
Feroz Ahammed
Md. Shah Alam

Md. Abul Hasan
A. K. M. Tawhid
Imtiaz Ahmed
Md. Anwer Hossain
Md. Anas Abdullah
Md. Mizanur Rahman
A. K. M. Mahbul Alam
Jalal Uddin
Md. Abul Kalam Azad
A. K. M. Arifur Rahman
Ismail Hossain
Md. Mahfujul Hoque
Md. Nurul Huda
Md. Ashrafal Alam
Md. Minhajul Islam
Md. Istiaque Hasan
Sk. Asadul Hoque
Md. Sakhawat Hossain
Imtiazul Alam
Md. Jahidur Rahman Khan Nayon
Mohammed Ishaque
Abu Zafar Md. Shaleh
Md. Shafiqul Islam
Md. Abu Taher
Muhamad Neyamet Ullah
Md. Hasan Ali
Md. Abdul Motin Patwary
Mohammad Habibullah
Md. Abdur Rashed
Syed Moazzem Hossain
Md. Badir Uddin
Md. Hannan Sheikh
Md. Abdus Samad
Md. Fackrul Alam Bhuiyan
K. M. Morshedur Rahman
Md. Shariful Islam
Sikder Ferdous Qurashi
Salahuddin Ahmed
Syed Tanveer Ahmed
Md. Ashaduzzaman
Md. Shakhawath Hussain Thakur
Md. Kamrul Ahsan
Jalal Uddin Ahmed
Md. Mamunur Rahman
Shariful Islam
Md. Mazharul Alam
Md. Amdadul Haque
Gazi Md. Iqbal
Mahbubur Rahman
Golam Kibria
D. M. Jahangir Rabbani
Sarder Md. Saklain
Ruhul Amin
Md. Suleman
Rubayet Ullah
Md. Shazedul Islam
Md. Rabiul Islam
Muntasir Mahmud Chowdhury
M. M. Rafikul Islam
Abdullah-Al-Fahim

Mohammad Rezaul Karim
Jehadul Islam Chowdhury
Md. Asfaqur Rahman Khan
Hafizur Rahman
Gazi Mosthafizur Rahman
Md. Asaduzzaman Khan
Kazi Rokibul Anwar
Md. Abdul Mojid
Md. Bahadur Ali
Md. Absar Hossain
Md. Eshaque Miah
Md. Mohiuddin Khan
Md. Solaiman
Md. Rezaul Hoque
Fazlul Bari
Md. Abdul Aziz
Md. Rafiqul Islam
Md. Jaynal Abedin
Md. Asif Imran
Md. Ibrahim Khalil
Liakat Ali
Md. Syedhur Rahaman
Md. Bellal Hossain
Mozaharul Islam Chow.
Nurul Ambia Chowdhury
Md. Joynal Abedin
Md. Hanif
Md. Mahbubur Rahman Chy
Md. Abul Qalam Azad
Al-Mamun Md. Abu Syeed
Muhammad Waris
Md. Kaiser Chowdhury
D. M. A Jalil
Md. Mujahid Husain
Shohel Rana
Md. Rabiul Islam
Md. Nashir Uddin
Md. Mizanur Rahman
Md. Golam Jakariya
Md. Mostakim
Mir Md. Khairul Enam
Md. Imran Hayat Khan
Mohammad Abu Yousuf Sobhan
Md. Rafiul Rajib Chow.
Zahid Munir
Md. Salim Jahangir
Md. Habibur Rahman
Md. Asaduzzaman
Abdullah Al Rasheduzzaman
A. S. M. Shamsuddoha
Md. Fourkhan
Md. Iqbal Mahmood
Md. Mizanur Rahman
Md. Noor Alam
Md. Atiqur Rahman
Shahriar Ahmed
Ashraf Hossain Khan
Mohammad Jashim Uddin

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.

Commitments

- 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 Islami 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.



Chairman, Directors & Managing Director & CEO of AIB PLC. are seen as they participated in the 28th Annual General Meeting (AGM) arranged virtually at Al-Arafah Tower

Corporate Information

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	10,968.49 Million
Local Partnership of Capital	100%
Equity	26,497.62 Million
Number of Branches	215
Deposit	419,395.25 Million
Investment	447,121.45 Million
Number of Employees	5,768
Number of Shareholders	16,293

Corporate Information

Auditors

Hoda Vasi Chowdhury & Co.
Chartered Accountants
BTMC Bhaban (6th & 7th Floor)
7-9, Karwan Bazar, Dhaka- 1215

Khan Wahab Shafique Rahman & Co.

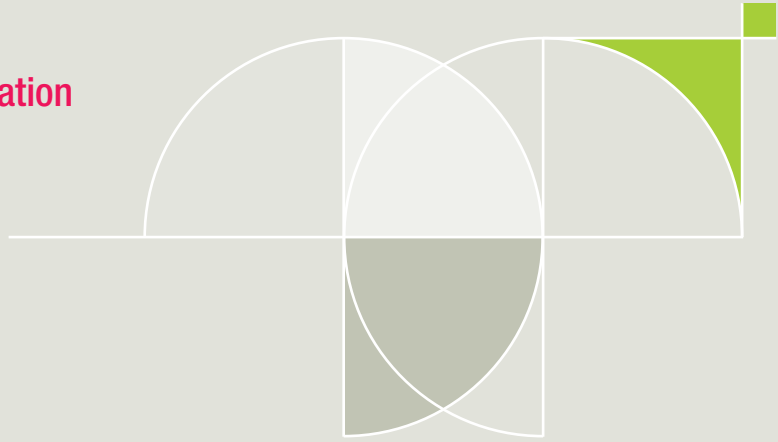
Chartered Accountants
Rupali Bima Bhaban (5th & 6th Floor)
7, Rajuk Avenue, Motijheel, Dhaka- 1000

Company Secretary

Mohammed Nizam Uddin Bhuiyan

Registered Office

Al-Arafah Tower,
63, Purana Paltan, Dhaka-1000.
Tel: +88-02-44850005,PABX:44850005-20, SWIFT : ALARBDDH
E-mail: info@aib.com.bd, Website: www.aibl.com.bd



As part of Corporate Social Responsibility (CSR), AIB PLC. donated 1 Lac Blankets to Hon'ble Prime Ministers Relief & Welfare Fund. The Bank also distributed 1 Lac 50 Thousand blankets throughout its Branches all over the country



NOTICE OF THE 29th ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 29th Annual General Meeting (AGM) of the Shareholders of Al-Arafah Islami Bank PLC will be held on Sunday the 18th August, 2024 at 11.30 AM virtually by using digital platform through the link <https://aibplc.bdvirtualagm.com> (in pursuance with Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04-231/932, dated 24 March 2020 and SEC/SRMIC/94-231/91, dated 31 March 2021 and BSEC/ICAD/SRIC/2024/318/87, dated 27 March, 2024) to transact the following businesses and to adopt necessary resolutions:

AGENDA

Ordinary Business:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023 along with the Reports of the Directors and the Auditors thereon.
- 2) To approve Dividend for the year ended December 31, 2023 as recommended by the Board of Directors.
- 3) To appoint External Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
- 4) To appoint Certification Auditor of the Company as per Corporate Governance Code-2018 for the year 2024 and to fix their remuneration.
- 5) To elect/re-elect Directors.
- 6) To approve the appointment of Mr. Mahbul Alam as Independent Director for the 2nd term w.e.f. 24.07.2023 to 23.07.2026.
- 7) Any other matter with the permission of the chairman (if any).

All Hon'ble Shareholders of the company are requested to participate in the AGM virtually by using above link well in time.

By order of the Board

Date: Dhaka
June 27, 2024

(Mohammed Nizam Uddin Bhuiyan)
Company Secretary
Phone: +8802-44850027







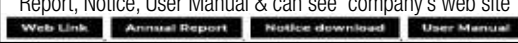


NOTES:

1. The Board of Directors has recommended for 10% Cash Dividend and 5% Stock Dividend (Bonus Share) from profit of the Bank as at the close of Business on 31 December, 2023.
2. Shareholders whose names appear in the Register of members as at the close of business on the "Record Date" i.e. 9th June, 2024 will be eligible to join the Annual General Meeting (AGM) and entitled to the dividend, as approved.
3. A member will be eligible to join and vote at this virtual AGM may appoint a proxy to attend and vote on his/her behalf. Proxy Form duly stamped must be submitted at the Registered Office of the Company not later than 48 hours before the time of holding the meeting;
4. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification, the soft copies of the Annual Report 2023, will be sent to the email 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 2023, will also be available at the bank's website www.aibl.com.bd.
5. Concerned Depository participants (DP)/Stock Brokers are requested to provide us with a list of their margin loan holders who hold AIBL shares, as on record date with the details of Shareholders' name, BO ID, shareholding position, cash dividend receivable, tax rate etc. within August 03, 2024 along with the name of the contact person to the Share Department of the Company or at share@aibl.com.bd otherwise dividends will be paid to bank accounts of the members whose name would appear on the 'Record Date'. The DP/Stock Brokers are requested to provide us with their Bank Account name & number, routing number etc. to mentioned email address for receiving the dividends of their margin loan holders.
6. The shareholders will join the virtual AGM through the link <https://aibplc.bdvirtualagm.com>. The shareholders will be able to submit their questions/comments electronically before 24 (twenty-four) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16-digit Beneficiary Owners (BO) account number or 6-digit Folio number, name of shareholders, their number of shares and mobile no or email number.
7. The shareholders are requested to update their respective BO accounts with mailing address, email address, contact number, bank details and 12 digits Taxpayer Identification Number (e-TIN) through Depository Participant (DP).
8. The Shareholders are requested to login to the system prior to starting of the meeting at 11.30 am on August 18, 2024 Sunday. On-line (real time) or e-voting option shall be opened at least 30 (thirty) 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. Any IT related guidance and help with the login process the respected members may contact at +88024485005-20, (Ext-212-215) visit www.aibl.com.bd website.
9. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 and listing regulations of Stock Exchanges, No Gift/Gift Coupon/Food Box shall be distributed at the ensuing 29th AGM.

Al-Arafah Islami Bank PLC.'s AGM Operational Manual

Online AGM & e-voting system with this simple step for Shareholder: **Supported Browser:** Latest version of

Google Chrome , Microsoft Edge , Opera , Safari , Mozilla Firefox  **Supported Device:** Laptop, Desktop, Tab, Mobile (android/ iPhone)

<p>Step - 1</p>	<p>Log in to the link- https://aibplc.bdvirtualagm.com</p>	
<p>Step - 2</p>	<p>Before Activation</p> 	<p>After Activation</p>  <p>Pre-Registration: Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address/mobile number mentioning their BO/Folio ID 30 hours before the AGM. (AGM will be held on 18th August 2024 (Sunday) at 11:30 AM BST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.</p>
<p>Step - 3</p>	<p>Login screen: a) Type 16 digit BO number or Folio number* b) Click Next button then c) Number of Share(s) as on record date d) Click Login button</p> 	
<p>Step - 4</p>	<p>Shareholders can see: a) Live Streaming, b) Total attendance (Number of Shareholders with Total Shares), c) Agenda & Agenda wise voting result d) Question & Comments.</p> 	
<p>Step - 5</p>	<p>Shareholders can do: Shareholders can vote (Yes / No) for any Agenda Click on Green Button For Favor or Click on Red Button For Against</p> 	<p>Shareholders can do: Shareholder can submit Question or Comments. Type your Question or Comments (English or Bangla) then click Submit Button.</p> 
<p>Step - 6</p>	<p>Shareholders can download: On login screen- Annual Report, Notice, User Manual & can see company's web site</p>  <p>On live streaming screen - Annual Report & can see company's web site</p> 	
<p>Step - 7</p>	<p>Shareholders can Sign out: Shareholder can Sign out the AGM & e-voting system</p> 	

5 Year Financial Highlights

Figure in Million

Particulars	2019	2020	2021	2022	2023	Growth %
Income Statement						
Investment Income	28,811.65	26,331.28	23,446.01	25,221.42	31,299.69	24.10
Profit paid on Deposit	18,604.42	16,556.64	13,072.79	16,109.65	21,201.23	31.61
Net Investment Income	10,207.23	9,774.64	10,373.22	9,111.77	10,098.46	10.83
Non Investment Income	4,037.57	3,655.46	4,250.17	7,516.92	7,798.92	3.75
Non Investment Expenses	6,384.18	6,742.33	7,129.25	8,135.17	9,662.99	18.78
Net Non Investment Income	(2,346.61)	(3,086.87)	(2,879.08)	(618.25)	(1,864.07)	201.51
Profit Before Tax & Provision	7,860.62	6,687.77	7,494.14	8,493.52	8,234.39	(3.05)
Provision For Investment	2,867.66	1,887.90	2,655.58	3,229.51	2,752.74	(14.76)
Profit Before Tax	4,992.96	4,799.87	4,838.56	5,264.01	5,481.65	4.13
Provision For Tax (including Deferred Tax)	2,565.33	2,228.06	2,712.12	3,157.38	3,125.17	(1.02)
Profit After Tax	2,427.63	2,571.81	2,126.44	2,106.63	2,356.48	11.86
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	10,649.02	10,649.02	10,968.49	3.00
Reserve Funds & Other Reserves	10,318.64	11,418.96	11,733.35	11,733.99	12,052.66	2.72
Shareholders' Equity (Capital & Reserve)	24,148.24	25,455.85	25,900.33	25,917.49	26,497.62	2.24
Deposits	297,241.81	326,023.41	353,287.97	394,045.83	419,395.25	6.43
Investment	288,486.02	308,620.66	336,890.72	406,787.79	447,121.45	9.92
Investment in Shares & Securities	16,170.52	21,563.67	30,156.14	36,946.92	47,316.26	28.07
Fixed Assets	4,351.93	5,833.88	5,470.27	5,144.43	5,010.42	(2.60)
Total Assets (Excluding off-balance sheet items)	381,051.81	418,298.65	462,687.05	534,756.11	573,308.83	7.21
Foreign Exchange Business						
Import Business	171,611.70	169,378.90	261,566.10	300,430.90	269,322.70	(10.35)
Export Business	108,967.10	104,939.40	135,786.90	181,070.20	200,352.30	10.65
Guarantee Business	8,274.25	10,511.21	13,673.41	17,155.97	18,675.06	8.85
Inward Foreign Remittance	37,713.40	43,807.00	52,662.10	88,531.70	113,797.20	28.54
Capital Measures						
Core Capital (Tier-I)	22,817.41	23,930.89	29,301.30	29,640.35	30,245.15	2.04
Supplementary Capital (Tier-II)	9,735.77	15,327.20	14,359.58	14,916.76	15,244.75	2.24
Tier-I Capital Ratio	10.22	9.59	10.37	9.43	9.34	(0.93)
Tier-II Capital Ratio	4.36	6.14	5.08	4.75	4.71	(0.74)
Total Capital	32,553.18	39,258.09	43,660.88	44,557.11	45,489.90	2.11
Total Capital Ratio	14.58	15.74	15.46	14.17	14.05	(0.87)
Investment Quality						
Volume of Non-Performing investment	14,100.41	11,769.58	16,566.84	22,437.37	30,866.19	37.57
% of NPLs to Total Investment	4.82	3.80	4.81	5.41	6.76	24.95
Provision for Unclassified Investment	2,157.28	2,787.10	3,084.10	3,372.47	3,483.95	3.31
Provision for Classified Investment	6,022.02	6,436.96	8,173.23	10,973.86	14,133.02	28.79
Provision for Off Balance sheet Exposures	778.50	935.50	1,093.40	1,221.13	1,203.62	(1.43)
Share Information						
Number of Shares Outstanding	1,064,902,185	1,064,902,185	1,064,902,185	1,064,902,185	1,096,849,251	3.00
Earning per Share (Taka)	2.28	2.41	1.96	1.95	2.14	13.22
Book Value per Share (Taka)	21.13	22.35	22.73	22.75	22.63	(0.52)
Market Price per Share (Taka)	17.20	22.20	26.60	23.60	23.70	0.42
Price Earning Ratio (Times)	7.56	9.22	13.57	12.10	11.06	(11.30)
Price Equity Ratio (Times)	0.81	0.99	1.17	1.04	1.05	0.95
Dividend per Share						
Cash Dividend (%)	13.00	15.00	15.00	12.00	10.00	(16.67)
Bonus Share	-	-	-	3.00	5.00	66.67
Operating Performance Ratio						
Net Profit Margin%	3.73	3.45	3.26	2.11	1.95	(7.90)
Investment /Deposit Ratio	88.93	86.92	87.57	90.25	91.34	1.21
Return on Equity (ROE)%	10.05	10.10	8.21	8.13	8.89	9.41
Return on Assets (ROA)%	0.64	0.61	0.46	0.39	0.41	4.34
Cost of fund %	9.02	7.50	6.00	6.46	7.28	12.69
Cost /Income ratio in operating business (%)	44.82	50.20	48.75	48.92	53.99	10.36
Other Information						
Number of Branches	182	184	201	208	215	3.37
Number of Employees	3,795	3,866	4,247	5,184	5,768	11.27
Number of Shareholders	24,276	22,142	19,146	17,186	16,293	(5.20)

Economic Impact Report

The effect that an event, policy change or market trend will have on economic factors, for example profit rate, consumer satisfaction and confidence, stock market activity or unemployment. Events such as regulatory changes supply shortage or national disasters can have a significant economic impact due to the way that they affect business activity. By analyzing the economic impact, we can understand how a bank adds value to the society. Economic impacts can be broadly categorized as:

- i) Direct Impact
- ii) Indirect Impact

Direct Impact

Direct impacts are the immediate economic effects resulting from the banks financial transactions. Bank's direct contribution to the economy resulted in the creation of employment opportunities, payment of tax to the government and maximization of shareholders wealth.

Indirect Impact

Indirect impacts are the spill over economic effects that occur through Bank's normal course of operations. Banks generate indirect impact by addressing the deficiency of capital in the economy by mobilizing deposit and channelizing the same to prospective investors.

Through catering financial services, the Bank helped distributing the wealth among all the stakeholders for example shareholders received dividend, depositors and investors got profit, employees received compensation and other benefits, the under privileged reaped benefits out of CSR while the government earned tax revenue.

In 2023, total value added by AIBL was BDT 12,610.87 million as against BDT 11,182.20 million in 2022. Bank's direct contribution to the economy was BDT 3,125.17 million in the form of corporate income tax. The Bank distributed BDT 6,698.19 million for its total 5,768 officials in 2023 as against that of BDT 5,486.10 million for 5,184 in 2022.

At the end of 2023, the Bank mobilized total deposits of BDT 419,395.25 million and aided the economy in meeting its growth target by deploying BDT 530,000.00 million as investment to different sectors of the economy. Apart from these, the Bank performed significant import and export business and other auxiliary businesses as well.

For the first time Bangladesh Association of Banks (BAB) organized 'Sheikh Hasina Inter Bank Football Tournament 2023' named after Hon'ble Prime Minister of Bangladesh. Al-Arafah Islami Bank Football Team proudly played and achieved the 'Runners-Up Trophy' and a respectable Prize Money of Tk 40 Lac. Hon'ble Prime Minister Herself handed over the Trophy and Prize Money at Bangladesh Army Stadium



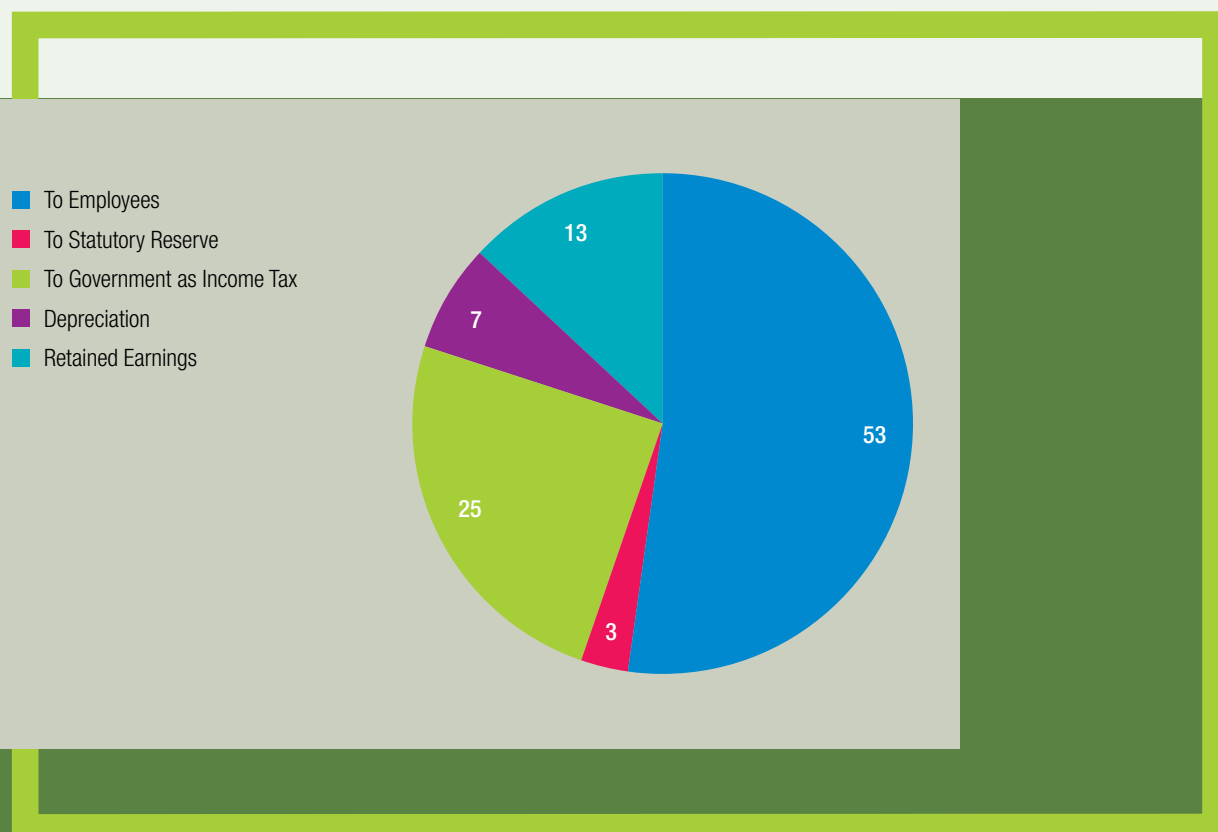
Value Added Statement

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	2023	2022
Income from Banking Service	39,098.61	32,738.34
Cost of Services & Supplies	(23,735.00)	(18,326.63)
Value added by Banking Services	15,363.61	14,411.71
Provision for Investment & Off balance Sheet Items	(2,752.74)	(3,229.51)
Total Value Addition	12,610.87	11,182.20
Value Distributed		
To Employees	6,698.19	5,486.10
To Statutory Reserve	319.47	0.00
To Government as Income Tax	3,125.17	3,157.38
Depreciation	870.96	875.89
Retained Earnings	1,597.08	1,662.83
Total Value Distributed	12,610.87	11,182.20

Distribution of Value of Addition



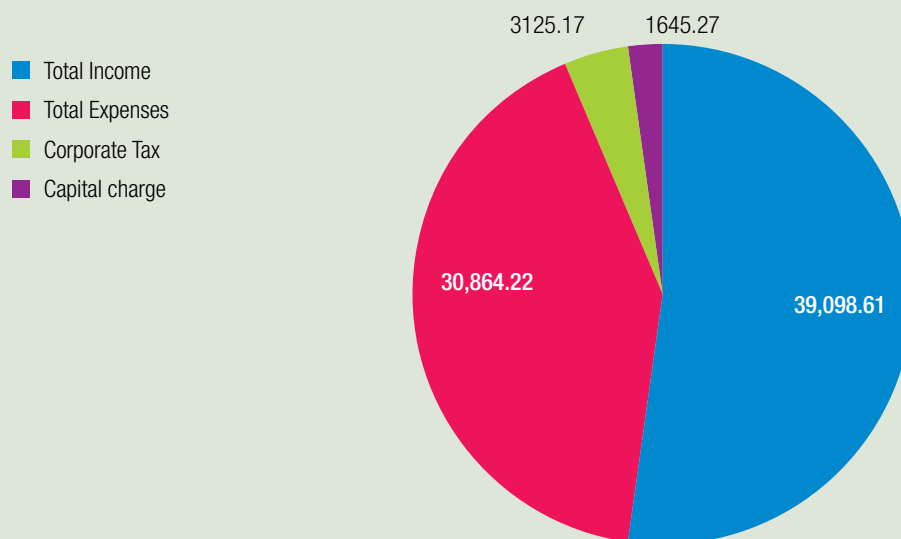
Economic Value-Added Statement

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 3,413.88 million as on 31 December 2023 as against that of BDT 3,738.79 million in 2022.

(BDT in million)

Particulars	2023	2022
Shareholders' Equity	26,497.62	25,917.49
Total Income	39,098.61	32,738.34
Total Expenses	(30,864.22)	24,244.82
Corporate Tax	(3,125.17)	3,157.38
Capital charge	(1,645.27)	1,597.35
Economic Value Addition	3,463.95	3,738.79

*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 company and the book value of equity invested in that company. Market Value Added Statement indicates how much wealth has been created for the capital providers in a particular period of time. A high market value addition indicates that the company has created substantial wealth for the equity holders.

(BDT in million)

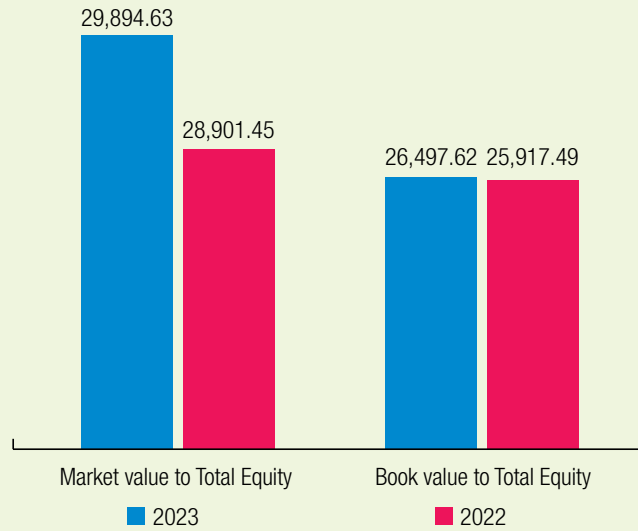
Particulars	2023	2022
Market Value of Total Equity	29,894.63	28,901.45
Book Value of Total Equity	26,497.62	25,917.49
Market Value Addition	3,397.01	2,983.96



Hon'ble Chairman along with respected Directors of Al-Arafah Islami Bank presented their tribute to the Mausoleum of Father of the Nation Bangabandhu Sheikh Mujibur Rahman at Tungipara, Gopalganj

Market Value Addition

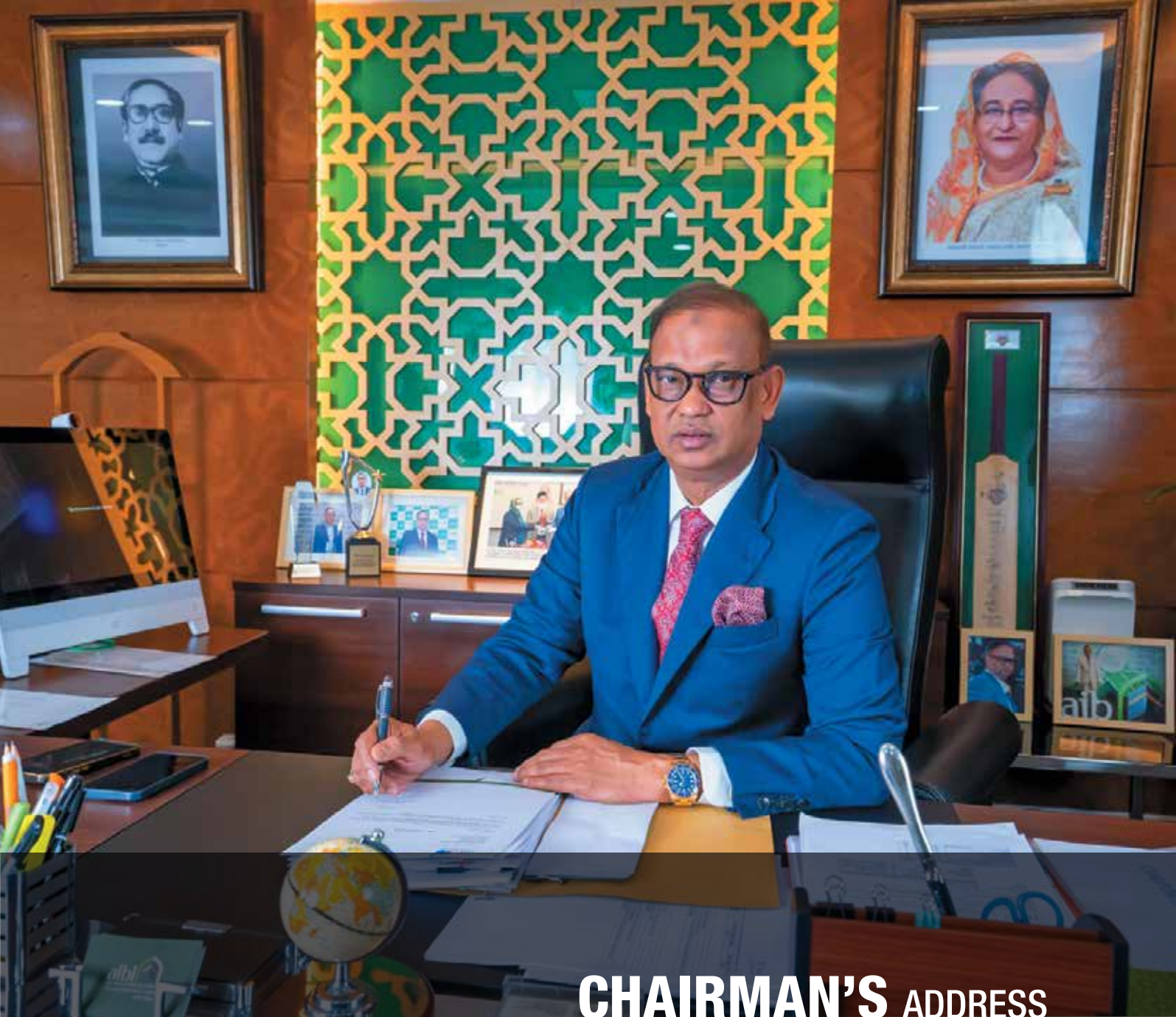
(BDT in million)



Total number of share outstanding: 1,096,849,251 (1,064,902,185)*
 Market value per share: BDT 23.70 (23.60)*
 * Previous Year's figures in brackets.

The 217th Branch Opening Ceremony of the Bank at Gopalgonj





CHAIRMAN'S ADDRESS

Bismillahir Rahmanir Rahim

All praises be to the Almighty Allah (SWT), Lord of the Universe and Peace and Blessings of Allah (SWT) be upon the Prophet Mohammad (SM) and his descendants and companions.

Dear Respected Shareholders,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

AIBPLC closed the year 2023 relatively strongly, with a clear focus on our customers, shareholders and the future. Through important and ongoing investments in technology and with the introduction of new facilities, we further strengthened the Bank's ability to serve customers' changing needs. We continued to support the process of economic recovery and promote a more sustainable and inclusive future. We have been able to successfully deliver a consistent

dividend to shareholders and further strengthen our financial and capital positions.

The previous year saw a downturn in our nation's economic growth as a result of a substantial fall in industrial output growth brought about by various obstacles like inflation, exchange rate fluctuation, import slowdown and many more. As a result, the people's income opportunity and purchasing capacity kept declining and inflation rate grew higher. The factors behind the overall decline in economic growth are macroeconomic mismanagement, import restrictions and a distressed financial sector. Like the other sectors, Banking industry

is also faced tough challenges due to the continuous slow economic activities. The constant foreign exchange and liquidity crisis had further deteriorated the circumstances. High inflation, diminishing capital inflows, strain on the budget, depletion of foreign exchange reserves and pressure on the exchange rate were all indicators of struggling economic condition. Banks will have to play a major role in getting the economy out of the doldrums.

Deposits are the lifeblood for banks. It is an essential component of banking operations and has a big impact on the expansion of the economy. Our main emphasis has to be mobilizing as much deposit as possible to overcome the liquidity crisis. With the abolishment of 6/9 ratio by the Bangladesh Bank, the pathway of mobilizing deposits has become wider. We have to utilize the opportunity and become a market leader in deposit mobilization. The country's economy depends heavily on the remittances sent home by Bangladeshis living abroad. These remittances improve the country's balance of payments, cover import bills, accumulate foreign exchange reserves and boost economic growth. In addition, they support the growth of human capital, savings, investments, living standards, and poverty alleviation. So, we have to work hard tirelessly for the sustainable growth in remittance inflow through our banking channel. There is no alternative of strong foreign currency reserve to compete in the market.

Excessive import control in balance of payments management can hinder GDP growth, cause supply disruptions, and discourage investments. Sustainable management involves increasing exports and reducing import demand, influenced by exchange rates and trade protection, and a market-determined exchange rate. Our devotion has to be achieving sustainability in balance of payment to accelerate GDP growth as well as making BDT a stronger currency.

Like last year, currently we are keeping an observant eye on the international arena, particularly on our major allies like India, China and the USA. China being the factory of the world is the biggest supplier and the major development and strategic partner of Bangladesh. USA on the other hand is our largest export market while India is the biggest trading partner in the region. Amiable relationship with all these countries will not only ensure a smooth trading route for us but also will establish a balance of power in the region.

The banking sector as a whole is still heavily burdened with the legacy defaulted investments. To keep the situation under control various liberal policy measures were introduced. Now our focus should be on recovery of NPLs. Each official has to be alert so that any investment cannot become classified. The rise of non-performing investments has a significant impact on the bank's profitability. Officials should thoroughly evaluate a borrower's business viability and creditworthiness, considering marketing strategy, working capital, debt financing needs, industry risk, prospect analysis, repayment behavior, owner experience, succession plan and management attitude before sanctioning investment. We are motivating the employees to strengthen recovery activities by declaring special performance bonus based on recovery achievement.

Given all the odds the whole banking industry is going through I would say AIBPLC has performed reasonably well during the year

2023 by the grace of Almighty Allah. Hence, I would like to thank all the employees for their hard work, dedication and commitment toward the bank.

Overall Performance

By the grace of Almighty Allah (SWT) Al-Arafah Islami Bank has overcome the challenges of 2023 and made satisfactory profit and growth in most of the areas of business. The Bank took a strategy of quality growth of its assets by adhering to compliance in all spheres of operation particularly in respect of Shariah and regulatory laws and guidelines. As a continued policy, the Bank remained focused in all the key areas covering capital adequacy, good asset quality, sound management, good earnings and strong liquidity.

The Bank's operating profit stood at Tk. 8,234.39 million during the year. The return on equity recorded at 8.89% while earnings per share (EPS) stood at Tk. 2.14.

Total assets of the Bank rose to Tk. 573,308.83 million during the year showing a growth of 7.21% over the previous year.

Deposit of the Bank stood at Tk. 419,395.25 million registering an increase by Tk. 25,349.42 million during 2023 with a growth rate of 6.43%.

Our Bank has always maintained investment-Deposit Ratio (IDR) at required level throughout the year. As a result, the bank has not only been able to maintain its risk-free liquidity and but also been able to maximize its earnings from the deployed fund.

All along we have tried our best to make quality investments. In the process due attention was also given to portfolio diversification which helped us in mitigating various inherent and potential risks associated with the investments. Despite many other industries bottlenecks our investment portfolio has registered a healthy growth of 9.92% during the year.

Overdue investments stood at Tk. 12106.14 million as on 31st December 2023 as against Tk. 16786.42 million as of December, 31 last year. Total overdue decreased by Tk. 4680.28 million during the year 2023 bringing the same to 2.65% of our total investment as against 4.04% 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. 1471.70 million from Tk. 22688.30 million to Tk. 37405.30 million (Term investments by Tk. 11777.50 million plus Continuous and Demand investments by Tk. 25627.80 million) which was 8.19% of total Investment. Recovery against rescheduled investment during the year 2023 was Tk. 1127.80 million.

Classified investments increased by Tk. 8428.82 million in 2023 from Tk. 22437.37 million to Tk. 30866.19 million representing 6.76% of total investment as against 5.41% in the previous year. During the year 2023, recovery & regularization against classified investment stood at Tk. 2060.86 million while recovery against written off

investments stood at Tk. 365.64 million recording a total recovery of Tk. 3554.30 million which includes a recovery Tk. 1127.80 million from the rescheduled investments.

SME & Retail Banking

Our Bank is now focusing on investment to SME and Retail sector in line with the policies and guidelines of Bangladesh Bank. During the year we have achieved above 96.51% of our set target in this area by providing investment to major three categories of enterprises viz. Industry, Trade and Services.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank PLC (AIBL) 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 AIBL 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) against Usance/Deferred L/Cs opened by an AD branch with the condition that payment will be made at sight by OBU of AIBL against acceptance of LC opening AD branches and Musharaka Documentary Bills in Foreign Currency (MOB F.C) against Accepted Local Export Bills to the eligible Deemed Exporters of our AD and Non-AD branches. Besides, OBU may also accept FC deposits from eligible 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.

Risk Mitigation

Risk-taking is an inherent element of the banking business and indeed profit is the reward for successful risk taking i.e. mitigating the risk to a tolerable limit. Considering the above, Bangladesh Bank has issued necessary guidelines to all the scheduled banks and in line with that guideline we have taken necessary steps and measures including establishment of a separate division with skilled manpower.

Subsidiary Companies

As part of diversification of our business, we have established the following subsidiary companies, in addition to our normal banking business:

AIBL Capital Market Services Limited

AIBL Capital Market Services Limited was incorporated as subsidiary company of Al-Arafah Islami Bank Limited with an authorized capital of Tk. 10 billion and paid-up capital of Tk. 4 billion of which AIBL's 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. During the year 2023 the company earned Operating Profit of Tk. 104.87 million (before provision for investment and taxation) with Earnings per Share (EPS) of Tk. 0.19.

AIBL Capital Management Limited

AIBL 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, and Bond Issue etc.), Portfolio Management, Underwriting, Corporate Advisory Services, Pre-IPO Placement, Investment Analysis and Research etc. During the year 2023 the company earned Operating Profit of Tk. (5.16) million (before provision for investment and taxation) with Earnings per Share (EPS) of Tk.(0.1032).

AIBL Asset Management Co. Ltd

AIBL Asset Management Co. Ltd. is another subsidiary company of AIBL with an Authorized Capital of Tk. 500 million and Paid up Capital of Tk. 100 million. Its main objective is to carry out the business of Asset Management, Portfolio Management, Capital Market Operation and other financial services. AIBL is holding 90% share in the company. The company is expected to start its operation soon.

Conclusion

As we favorably close another year of change and progress, the Board of Directors thank our Managing Director and CEO for his steady hand at the helm, and the Senior Executive Team for their steady leadership throughout 2023. Most importantly, we want to recognize the determination and hard work of our AIBPLC colleagues, who keep working hard tirelessly with dedication and care delivering the results. We extend our appreciation to our shareholders for their ongoing and open-ended support and thank our customers for the opportunity to serve them. We also acknowledge the supportive roles of our regulators – Bangladesh Bank, the Board of Directors and the Shariah Supervisory Committee. We will continue to work every day with utmost care to maintain your support and trust. May Allah SWT bestow all HIS boundless blessings upon all of us.

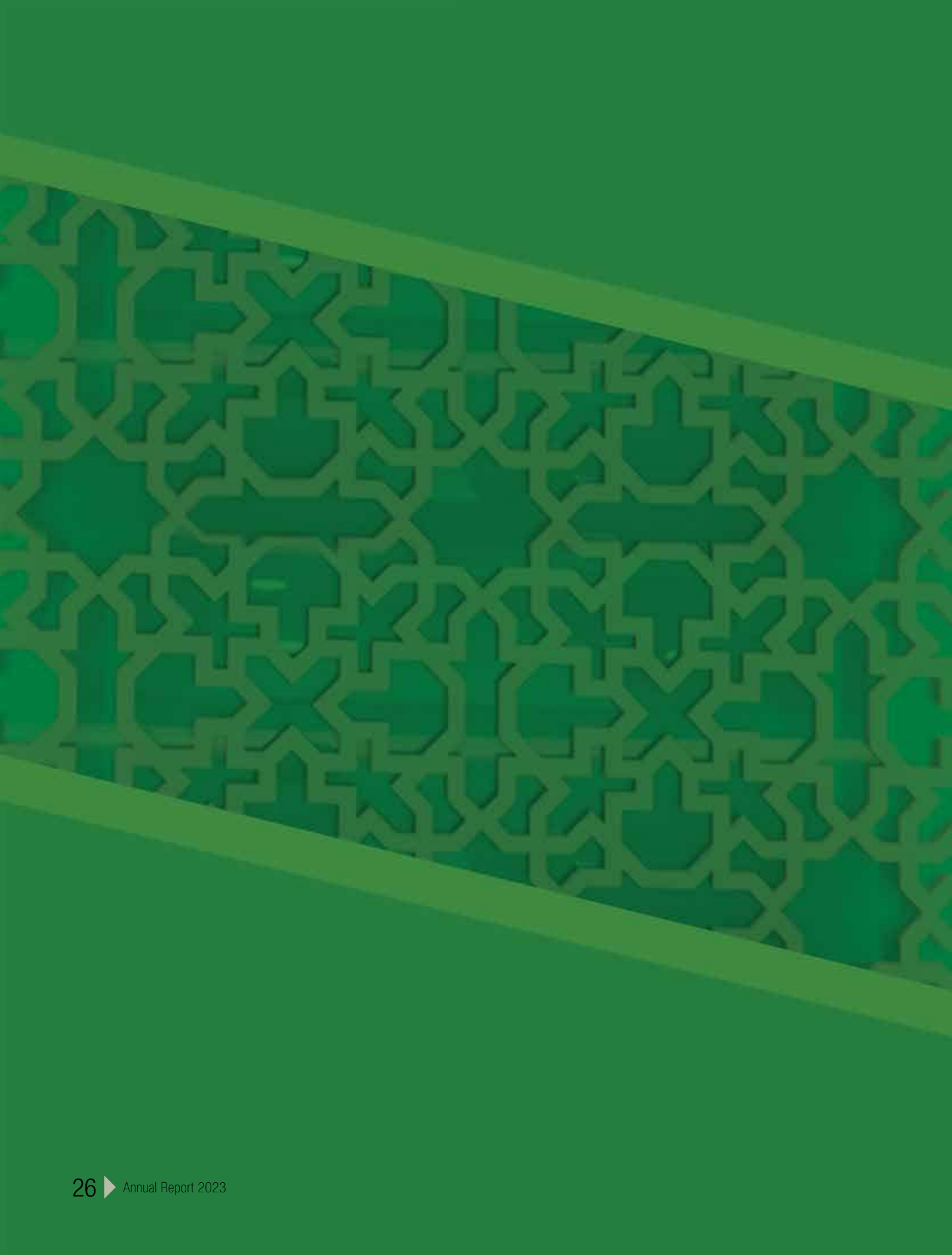
Ma-assalam
Sincerely,



Alhaji Abdus Samad Labu

Chairman

Date: 18 August 2024





MANAGING DIRECTOR'S ADDRESS

Bismillahir Rahmanir Rahim.

**Dear Respected Shareholders
Assalamu Alaikum Wa Rahmatullahi Wa Barakatuhu**

As anticipated earlier, the year 2023 has been characterized by a mixed fortune for the country as a whole. Some encountered steep challenges while some were benefitted from the new opportunities for growth and progress. Amidst this backdrop, our bank has not only strengthened its position very well but also maintained its stability complying with all regulatory requirements. We have been able to successfully demonstrate our commitment to navigate through the time of immense challenges and changes. And this has only been possible due to constant support of the stakeholders and their faith in us.

In 2023, the world economy continued to face multiple crises which hampered the progress as a whole. The global economic growth outperformed expectations in 2023 with several large economies showing remarkable resilience by neutralizing geopolitical tensions. But the growing intensity and frequency of extreme weather events have increased underlying risks and vulnerabilities, putting the world into a great danger. Not only that, tight financial conditions have also posed an increasing risk to global trade and industrial production. Developing economies struggled to recover from pandemic and war induced losses. Despite all the obstacles the world economy has been surprisingly resilient and grew reasonably.

Looking back at 2023, we performed against a backdrop of financial sector volatility. Global geo-political and macroeconomic pressure had a huge impact on the nation as a whole. Lingering disruption from inflationary pressure including unprecedented volatility in the money market and wide spread currency depreciation shaped our decision to prioritize short to medium term strategies to protect our business and continue to create a substantial value for our stakeholders. We had to adjust and readjust our strategies many a times with different steps of the Government and Bangladesh Bank taken particularly to curb the volatility in the financial sector.

Bangladesh economy during the year 2023 has achieved several milestones which are likely to take our economy forward in the days to come. Initiation of rupee trade system with India, increase of minimum wage for the garment workers, passing of new Bank Company Law, inauguration of Bangabandhu Tunnel, Third terminal of Hazrat Shahjalal International Airport, Elevated Express Way, Cox's Bazar Railway Station, Padma Rail Link, approval of IMF loan of \$4.7 billion, launching of Universal Pension Scheme, being the top knitwear supplier for the EU, Awarding of Digital Banking License, first time publication of full-fledged data on banks' stressed assets, Launching of Taka Pay Card are the few positives we can speak of. On the other hand, there were some hit backs too. There were some areas where the performance has not been up to the mark. All time high Inflation rate, record breaking defaulted loans, severe currency fluctuation, nose diving of Foreign Exchange Reserve, bearish stock market are the few areas to speak about.

Nevertheless, despite all odds our economy recorded a reasonably steady growth of 5.8% in FY23. Though it was sluggish compared to that of the previous year but considering the continued headwinds it faced the achievement was acceptable.

To overcome the challenges in the banking sector, we have put utmost importance on enhancing the boundary of 'Financial Inclusion'. As a result, we are focusing on Agent Banking, Retail Banking, SME Banking and ARDP. Bangladesh Bank is providing various instruments facilities to conventional banks and non-banking financial institutions to maintain liquidity stability in the financial sector such as- Repo Facilities, Assured Liquidity Support, Standing Lending Facility etc. Also, necessary measures are being taken to facilitate the activities of increasing the interest rate of loans given by EDF, repatriation of remittances, disbursement of cash incentives, agreements with international monetary exchangers, etc. as per compliance of the 2023-24 monetary policy. We have also focused on strengthening Anti Money Laundering Monitoring activities. Besides, with the demand of time, we are continuously adopting to newer and newer technologies as well to add value for our customers. For example, currently, we have already established e-KYC as per the policy of the Bangladesh Bank which are helping account opening process get faster and smoother. We have also introduced Bangla QR code to smoothen the payment system for our clients. Recently we have emphasized on branding our very own product Islamic Wallet which has been upgraded and various newest features have been included so that our clients can easily handle transactions including recharging balance, purchasing tickets, donating funds, paying bills online without coming to the bank. We are continuously keeping our focus on deposit mobilization for the bank to remain in a strong position for disbursing investment. We have arranged special CASA campaigns and taken initiatives to reward the highest achievers to motivate them. We have given special deposit targets to the zones, corporate branches and head office officials to meet the challenge of liquidity crisis. Besides collecting deposits, our target is to avert income leakage, recovering NPLs as well as disbursing small investments. Our branch managers along with the Zonal Heads are working tirelessly to recover the investments.

The overall progress we made in 2023 has built a stronger business

to make the bank better positioned to achieve future growth. I would like to take this opportunity to thank all the employees of the bank for their outstanding efforts, passion and resilience in delivering results in such volatile business environment. It is their commitment that enables our substantial progress.

Now let me give a picture in details how our bank has performed during the year 2023.

Overall Banking Scenario

Banks' Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 1,609,370 million representing 10.13% point to point growth from Tk. 17,491,910 million as on 31 December 2023 to Tk. 15,882,540 million as on 31 December 2022.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at TK. 4,434,030 million during the year 2023 as against Tk. 4,099,490 million in the previous year 2022 and it increased by Tk. 334,540 million registering a growth of 8.16% in 2023. The share of Islamic Banks' deposits as of 31 December 2023 stood at 25.35% as compared to at 25.81% on 31 December 2022.

Banks' Advances/Investment: Total Advances/Investments (excluding bills) of the scheduled banks increased by Tk. 1,508,880 million representing 10.87% point to point growth from Tk. 15,384,530 million as on 31 December 2023 to Tk. 13,875,650 million as on 31 December 2022.

Islamic Banks' Investments: All Islamic Banks' Investments stood at TK 4,449,740 million during the year 2023 as against Tk. 4,052,020 million in the previous year 2022 and the Investment increased by TK 397,720 million registering a growth of 9.82% in 2023. The share of Islamic Banks' Investments as of 31 December 2023 stood at 28.92% as compared to 29.20% on 31 December 2022.

Operating Profit: Despite a tough start of the year 2023 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 and other accounts of the bank reached Tk. 475,691.55 million recording 98.08% achievement of the Target of Tk. 485,000.00 million as on 31st December 2023 as against Tk. 443,368.18 million at 31st December 2022. The Deposits and Borrowings increased by Tk. 32,373.57 million registering a growth of 7.29% in 2023 as against national growth of 10.13%. Our deposit target for the year 2024 has been fixed at Tk. 530,000.00 million expecting growth of 11.42%.

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 2023 & 2022 are appended below:

Particulars	2023	2022
Yield on Investment	7.11%	6.29%
Cost of Deposit & Borrowings	5.04%	4.36%
Spread	2.07%	1.93%
Cost of Administration	2.24%	2.10%
Cost of Fund	7.28%	6.46%
Non- Funded Income	2.02%	2.24%
Net Spread	1.85%	2.07%

Deposit Mix

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

Deposit Mix	Achievement 2023	Achievement 2022
Cost Free Deposit	15.48%	14.92%
Low cost	26.88%	28.00%
High Cost	57.63%	57.08%
Total	100.00%	100.00%

Plan and Strategies for Deposit Mobilization:

Our plan and strategies for mobilizing deposits are given below, which shall be followed meticulously by all concerned.

Deposit shall be mobilized giving due importance to deposit mix. For the year 2023 the mix of no cost, low cost and high cost deposit has been set at 14%, 31% and 55% respectively.

- To increase the cost free and low-cost deposit, AIBL capitalizes on:
 - Better customer service.
 - Good business relationship with all the local industrialist, businessmen, professionals etc.
 - Focusing on small private/personal deposits for a solid deposit base.
 - Focusing on School Banking.
 - Opening of big Corporate Client Accounts having high volume transactions along with salary accounts.
 - Induction of Clients having large Foreign Exchange Portfolio so that cost free deposit i.e. margin account, FC held etc. may be maintained.
 - Opening of more FC Accounts to keep more current account balance.
 - Expediting the booking of more Current, Savings and 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. 456,782.80 million recording 100.39 % achievement of the Target of Tk. 455,000.00 million as on 31st December 2023 as against Tk. 415,073.12 million on the same day of 2022. The investments increased by Tk. 41,709.68 million recording a 10.05% growth in 2023 as against national growth of 10.87%. The target for investment for the year 2024 has been fixed at Tk. 500,000.00 million with anticipated growth of 9.46%.

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 up and supervision for maintaining the quality and ensuring 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 portfolio by size, sector, economic purpose and geographical 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.8,220.12 million during the year 2023. The operating profit of the Bank during the year 2022 was Tk. 8,380.02 million and thus the Bank attained growth of -1.95% in respect of operating profit. During this challenging year, it was unexpected to earn such a volume of profit. However, with the blessings of Almighty Allah (SWT), it was possible due to the prudent and timely decisions of the Policy Makers and quick implementation of such decisions by the Management along with efficient and effective fund management. Considering all the factors, Operating Profit target for the year 2024 has been fixed at Tk 9,500.00 million which equals a growth of approximately 15.57% from that of the previous year.

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 nonperforming 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)

We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 27 AD Branches through which we have handled total foreign exchange business of Tk. 583,472.20 million during the year 2023 as against the Target of Tk. 700,000.00 million. Our Foreign Exchange business has increased by Tk. 13,439.40 million recording a growth of 2.36%. Target of International Trade for the year 2024 has been fixed at Tk. 807,600.00 million with 38.41% growth.

Import Business

Total import business of the bank for the year 2023 stood at Tk. 269,322.70 million as against Tk 360,000.00 million in the previous year. We recorded a (10.35%) growth in import business in 2023 over 2022. Target for Import business for the year 2024 has been fixed at Tk. 360,000.00 million with an expected growth of 33.67%.

Export Business

Total Export business of the bank for the year 2023 stood at Tk. 200,352.30 million as against Tk. 250,000.00 million in year 2023 and thus recorded a growth of 10.65% over previous year. Our target for Export business for the year 2024 has been fixed at Tk 277,600.00 million with an expected growth of 38.56%.

Remittance

Total remittance of the bank stood at Tk. 113,797.20 million during the year 2023 as against Tk. 100,000.00 million, in the previous year. Our remittance business recorded 28.54% growth in 2023 over 2022. Target for Remittance business for the year 2024 has been fixed at Tk. 170,000.00 million and thus expecting a growth of 49.39%.

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 focus 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

Foreign Exchange Desk

Foreign Exchange Desk thoroughly monitored exchange rate movements, volatility & liquidity scenario of USD and other active currencies throughout the year. Treasury set exchange rates for merchant transactions, successfully managed Net Open Position (NOP), ensured optimum liquidity, quoted market-based exchange rates to the exchange houses and managed FC liquidity for our Offshore Banking Unit (OBU). The Foreign Exchange desk has maintained close liaison with a set of local and foreign counterparts for ensuring FC liquidity round the calendar. AIBPLC Treasury successfully managed FC dealing of cross currencies through its trading platforms of world-renowned banks. The Desk has also provided FC dealing solutions to the counterparty banks in our local market. During 2023 we have taken 2436 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 1,720.19 million from cross currency deals, exchange gains & FC funding. In 2023, Treasury Back Office (TBO) team has handled 89085 no. of FX transactions with turnover of USD 14.61 billion. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. TBO had relentlessly driven it's all-out effort for timely reconciliation of all of the nostro transactions aligned with Bangladesh Bank regulations.

Money Market Desk

Ensuring optimum liquidity of local currency to meet asset book requirement as well as earning optimum profitability from the mismatches between maturity buckets of deposits of the bank within regulatory requirements are prime responsibility of the Money Market Desk. AIBPLC Treasury Money Market Desk also maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of the bank efficiently. Our team has successfully managed liquidity as well as deployed surplus funds to the Islamic banks, Islamic windows & Islamic branches of conventional banks and NBFIs operated under shariah principles. The bank participated BGIIB and BGIS(Sukuk) issued by Bangladesh Bank for maintaining SLR of the Bank.

Asset Liability Management (ALM) Desk

Managing the risks that arises from maturity mismatches of Asset Liability of the bank is the prime responsibility of ALM Desk. Bank faces several risks like Liquidity Risk, Profit Rate Risk, Credit Risk and Operational Risk etc. ALM Desk mainly manages Liquidity Risk and Profit Rate Risk of the bank through day-to-day monitoring of market information & future outlooks. It prepares ALCO paper & conducts ALCO meetings each month where all issues related with ALM are discussed and instructions are given.

2023 was a challenging year from Asset Liability point of view as Bangladesh Bank issued directives for deposit rate protection against inflation. Due to volatile movements of profit/interest rates of Asset and Liabilities in the market, it was a real challenge to maintain a reasonable spread. The ALM Desk was proactive to revise the profit

rates of deposits aligning with market rates as well as ensuring liquidity. ALM Desk successfully recommended asset-liability slotting for maintaining a steady and reasonable spread. ALM Desk has properly maintained regulatory ratios like CRR, SLR, IDR, LCR, NSFR leverage ratio, commitment and wholesale borrowing position within set limit of Bangladesh Bank.

Corporate Service Desk

We are providing customized treasury solutions to our corporate client's matching with market practices from the Corporate Service Desk. Mainly our foreign trades clients seek market oriented timely solutions and appropriate advices for their FX portfolios. 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 us.

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.

Treasury Outlook of 2024

In 2023 BDT moved against USD from Tk. 103.29 to Tk.110.00 resulting depreciation of almost 6.50% which was parallel to peer currencies. Most of the south Asian countries devalued their currencies slightly which has posed challenge to our export destinations. Due to Ukraine-Russia war, US-China trade war and to retain export earnings, BDT may be under pressure for further devalue.

Moratorium in investment repayment, injecting money by B. Bank through repo, B Bank F.C BDT SWAPS may dampen money market round the year. As a result of flat deposit investment growth banks may face upward operating cost and narrow spread. To cope up with the changing scenario banks have to introduce tech-based banking, spread Agent and Sub-Branch outlets countrywide and rush to retail depositors/investment clients.

Off-Shore Banking Unit (OBU)

Al-Arafah Islami Bank Limited (AIBL) 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 AIBL 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 AIBL 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. 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;

PROPERTY AND ASSETS	Dec.22 (Million USD)	Dec.23 (Million USD)	Growth
Total Assets	248.46	106.10	-57.30%
UPAS	222.60	70.19	-68.47%
MDBFC	17.58	15.96	-9.22%
HPSM Machinery	6.57	6.31	-3.96%
Placement from Parent Bank	99.03	55.38	-44.08%
Borrowing from Overseas Banks	147.72	49.19	-66.70%
Net Operating Income	1.71	1.54	-9.94%

Foreign Remittance Division:

Foreign Remittance Division is one of the most important business segments of the bank which contributes overall growth of the Bank, increases the inflow of foreign currency, assists to build up low cost deposit and strengthens customer base of the Bank as well as upholds Bank's image in home & abroad and also makes significant impact towards the sustainable development of the Bank. Foreign Remittance Division is procuring remittance from all the remittance hubs across the globe consisting more than 100 countries through 27 (twenty seven) Remittance Arrangements with different exchange houses in abroad and local banks. AIBPLC received Remittance Award from "Centre for Non-Resident Bangladeshi (NRB)" as one of the Top-10 Banks for procuring the highest remittance in 2021, 2022 and 2023.

1. Remittance Achievement:

Total remittance of the bank stood at Tk. 11,379.73 crore during the year 2023 as against Tk. 8,853.17 crore and Tk. 5,266.21 crore in the previous years 2022 and 2021 respectively. Our remittance increased by Tk. 2,526.56 crore i.e. 28.54% in 2023 as compared to increases of Tk. 3,586.96 crore i.e. 68.11% in 2022 and Tk. 885.51 crore i.e. 20.21% in 2021 respectively. Target for Remittance business for the year 2024 has been fixed at Tk. 17,000.00 crore expecting growth 49.39%.

Performance of Foreign Inward Remittance -from 2019 to 2023:

Year	Remittance		No. of Tr.	Target (In Crore)	Achievement (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2019	3,771.34	446.45	698,640	5,000	75%	2.16
2020	4,380.70	516.19	693,537	4,250	103%	16.16
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%

The Branches & Agent Banking Outlets of AIBPLC have procured foreign remittance BDT 2,689.69 crore in 2023 which is 23.67% of the total remittance and disbursement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 8,690.04 crore in 2023 which is 76.36% of the total remittance.

2. Remittance Drawing Arrangement:

We have executed 03 (three) new remittance drawing arrangements with different exchange houses in UAE & UK in 2023 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 & 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 Foreign Remittance Division. Remittance achieved through Agent Banking Outlets during 2023 was BDT 1,011.54 crore which was 8.89% of total remittance.

4. Marketing & Promotional Activities:

In order to strengthen existing relationship with our overseas partners, to establish new remittance arrangement, to interact with Bangladeshi expatriates and inspire them to send remittance AIBPLC and build-up customer base as well and finally to uphold the bank's image in abroad, senior management of the Bank have visited UAE & Oman in March 2023. This visit has given scope to execute tie-up with three companies in UAE and one company in Oman.

With a view to increase transaction of MoneyGram, we executed promotional campaigns in Eid-ul-Azha 2023, where every customer of MoneyGram was given a Torchlight with the logo of MoneyGram & AIBPLC during this campaign.

With a view to enable Bangladeshi expatriates residing and working abroad to remit their hard-earned money through our Bank and to boost up our Bank's remittance business and deposit ratio, to elevate the standard of foreign remittance customer services as well as maintaining continuous touch with the existing & prospective remittance clients of our bank, clients of other banks, wage earners' beneficiaries and all strata of people at large in the society, we have celebrated "Remittance Service Month -2023" from 15th November to 28th December, 2023. In the "Remittance Service Month -2023" we have provided a Water Bottle as gift who opened an account with our bank during the service month. Over 26,888 new remittance beneficiary accounts have been opened during this service month. In order to increase remittance volume, the division has a plan to launch more promotional campaigns in 2024.

Overseas Banking Division:

Overseas Banking Division has been managing the relationship with foreign correspondent banks. During the year, 9 RMA (Relationship Management Application) with global banks representing from Asia, Middle East, and Europe were established to facilitate international trade. Currently, the Bank has relationships with over 348 banks/branches worldwide in more than 56 countries.

The Bank has maintained Nostro Accounts in all major currencies viz. USD, EUR, GBP, JPY, CHF, SAR, AED and CNY for smooth settlement of treasury, remittance and trade transactions with the satisfaction of international banks. At the end of 2023, the Bank maintained 35 Nostro Accounts with 22 Banks.

The Bank has managed to arrange credit line for import trade. Despite challenging global situation, our trusted Foreign Correspondents continued to support for import of essential items, industrial raw materials and capital machineries.

The Bank has been conducting International Trade through centralized mode of operation following Central Bank's guidelines and international best practice managed by a team of well-experienced and professionally certified officials. All necessary compliance frameworks are in place including SWIFT integrated with Core Banking Software and Sanction Screening Tools backed by SWIFT Corp Ltd. The Bank subscribes and collect Credit Reports from renowned sources like D&B, Credit Safe etc. and also subscribes vessel tracking from Lloyd's List Intelligence. The Bank has adopted transaction monitoring software from vendor-sourced tool: Data Soft Systems Bangladesh Limited which also includes trade transaction monitoring and has strengthened compliance culture.

Foreign Trade Processing Division:

Al-Arafah islami bank Ltd 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 2024. 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 plan to fully centralize the bank Trade operation shortly.

FTPD is strengthening its compliance effort by implementing strictest policy to outweigh the stringent regulatory fines ensuring the adherence to BFIU Circular No. 24 Dated December 10, 2019 Guidelines for Prevention of TBML. FTPD understand what is legally required for the institution, employees, and customers to a successful trade compliance program subsequently understand the robust regulatory effort and consequence of non-compliance thereby deliberately assessed the import item price Focusing on implementing appropriate systems and controls to mitigate risk arising out of TBML.

To guard the detrimental effect of USA PATRIOT ACT Section 319(a) forfeiture from US Correspondent account and to implement the New York State Department of Financial Services (NYDFS) Final Rule Part 504 which require Monitor transactions prior to their execution to prevent unlawful transactions with targets of economic sanctions administered by OFAC, FTPD is implementing trade activity sanctions screening in AST (Automated Screening Tool) through SWIFT sanctions screening software.

Moreover FTPD check the general ledger balancing regarding LC liability, bills liability and cash security and very keen to ensure there is no mismatch at any point of time along with this, FTPD is focusing that all relevant charges are realized strictly as per Head office sanction and BRPD circular no-11 Master circular on schedule of charges dt 10th June 2021. By this way FTPD is targeting to minimize the exposure to foreign exchange risk.

The division hit a tremendous stride on the volume of transaction in cash LC and back to back LC in 2023. The volume of workflow of the division is gradually increasing whereas the manpower remains almost alike. About 46% total workflow rose over 2022 to 2023 which has been accomplished by the same manpower probe the cost effectiveness implemented solely by the FTPD. By the year 2024 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.

Asset Quality

Overdue investments stood at Tk. 12106.14 million as on 31st December 2023 as against Tk. 16786.42million as of December, 31 last year. Total overdue decreased by Tk. 4680.28 million during the year 2023 bringing the same to 2.65% of our total investment as against 4.04% 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. 1471.70 million from Tk. 22688.30 million to Tk. 37405.30 million (Term investments by Tk. 11777.50 million plus Continuous and Demand investments by Tk. 25627.80 million) which was 8.19% of total Investment. Recovery against rescheduled investment during the year 2023 was Tk. 1127.80 million.

Classified investments increased by Tk. 8428.82 million in 2023 from Tk. 22437.37 million to Tk. 30866.19 million representing 6.76% of total investment as against 5.41% in the previous year. During the year 2023, recovery & regularization against classified investment stood at Tk. 2060.86 million while recovery against written off investments stood at Tk. 365.64 million recording a total recovery of Tk. 3554.30 million which includes a recovery Tk. 1127.80 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.

Ancillary Business

The ancillary business contributes a lot in the overall profitability of the Bank. We have earned Tk 4,612.48 million from Commission Income during the year 2023 as against Tk. 5,639.65 million during 2022. The target for our ancillary business during the year 2024 has been fixed at Tk. 4,800.00 million with an anticipated growth of 4.07%.

Capital Adequacy Ratio (CAR)

As per Bangladesh Bank requirement, Bank has to maintain a Capital of 12.50% of its Risk Weighted Assets or Tk. 4,000.00 million whichever is higher. Accordingly, we have maintained our capital with full compliance. As on 31.12.2023 our Eligible Capital (Solo Basis) stood at Tk. 42,288.41 million as against Tk. 41,234.00 million in December 2022, Tk. 41,358.68 million in December 2021, Tk. 37,486.33 million in December 2020, Tk. 30,802.44 million in December 2019, and Tk. 30,564.17 million in December 2018, recording a growth of 2.56 % in 2023, -0.30 % in 2022, 10.33 % in 2021, 21.70 % in 2020, 0.78 % in 2019, and 21.75% in 2018.

Risk Weighted Assets (RWA) of Tk. 323,793.25 million (Consolidated Basis) and Tk. 312,948.32 million (Solo Basis) recording a Capital Adequacy Ratio (CAR) of 14.05% (Consolidated Basis) and 13.51% (Solo Basis) in December 2023 as against 13.53% in 2022, 15.31 % in 2021, 15.07 % in 2020, 13.88% in 2019, 14.38% in 2018, 12.28% in 2017, 14.41% in 2016 and 15.30% in 2015.

In the year 2021 AIBL 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 issued Mudaraba Subordinated Bond for 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 for Tk. 3,100 out of Tk. 5000 that meet the qualifying criteria for Tier- 2 Capital as per annex 4 of Basel III Guidelines. Outstanding balance of AIBL Mudaraba Subordinated Bond was Tk.11,000 million as at 31-12-2023.

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 watchlists
- 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 with Shariah 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 2023, 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 2023, a total of 215 branches (which includes 7 new branches as well) were inspected under the Shariah Supervisory Secretariat by the Shariah Secretary & Muraquibs. As per their report, investment Income of Tk. 51.81 million of 215 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 Ltd. 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

Agent Banking services is one of the important dimensions of banking services in Bangladesh which is provided through engaged agents under valid agency agreement. Agent is the owner of one or more than one outlet(s) who conducts banking transactions on behalf of the bank. This type of banking is comparatively a tremendous idea that can help the formal banking sector reach out to the marginalized people of the society through agents. It is playing a pragmatic role in paving the way for financial inclusion, which is a tool for inclusive economic growth and financial development of a country.

We have launched 737 Agent Banking outlets through 515 Agents as on December 2023 with a view to bringing the un-banked population under banking services. As on December 2023, total accounts of Agent Banking are 8,88,931. We have already covered 297 Upazillas under 57 Districts. With some restrictions and limitations, most of the banking services are available in agent banking operation.

In Agent Banking, most of the beneficiaries are living in rural areas and were totally un-banked at the earlier. But now, their total deposit is Tk. 40,072.69 Million and the figure is increasing rapidly. Clients are opening accounts, depositing and withdrawing their expected money, getting foreign remittance from their relatives, paying their utility bills and getting other banking services spontaneously. This is one of the appropriate examples of financial inclusion in Bangladesh.

Agent Banking Performance At a Glance (As on 31-12-2023)

Taka in Million

Particular	December 2022	December 2023
Total Number of Outlet	700	737
Total Number of Agent	485	515
Number of Rural Outlet	615	648
Number of Urban Outlet	85	89
Number of Covered Upazilla	248	297
Number of Covered District	57	57
Number of Accounts	703510	888931
Number of Male Customer	371042	470971
Number of Female Customer	332468	417960
Deposit of Agent Banking	37278.37	40072.69
Cost Free Deposit	1401.81	1775.82
Low Cost Deposit	14497.24	14432.34
High Cost Deposit	21379.32	23864.53
Investment in Outlet Area Through Branch	3775.83	5051.94
Amount of Foreign Remittance	18323.83	10115.97
Number of Utility Bills Collection	7789644	9366592
Amount of Utility Bills Collection	5582.52	6959.73
Net Amount of Profit	376.40	766.59

Retail Banking

In 2023, Retail Banking Division continued its commitment to delivering exceptional value and superior customer experiences, with a strong focus on innovation and personalized services. Embracing the power of customer data insights, we strived to create tailored experiences that resonate with each individual client, driving improved satisfaction and loyalty.

The core strategy was the expansion of retail banking portfolio, facilitated by the establishment of a centralized Retail Banking Division aimed at providing comprehensive one-stop services to our customers. This consolidation allowed us to streamline operations and enhance efficiency, ultimately leading to better service delivery.

Throughout the year, our efforts were concentrated on strengthening customer relationships and fostering business growth. We invested in training and development programs to equip our employees with the skills necessary to deliver superior service and support. Additionally, we deployed branch-specific retail relationship managers and retail relationship officers to boost retail business and to provide personalized assistance, ensuring that every interaction with our customers is meaningful and impactful.

In line with our commitment to innovation, we focused on enhancing our digital banking capabilities to offer frictionless customer onboarding and a seamless digital banking experience. By prioritizing digital solutions, we aimed to meet the evolving needs of our customers in an increasingly digital world.

Our promotional and branding activities aimed to elevate our brand presence and position us as a leading provider of Islamic financial

services. Through targeted campaigns, we sought to communicate the unique value proposition we offer to our clients and the broader community.

Retail Banking Highlights:

- Retail investment disbursement in 2023 marked the highest ever disbursement in recent years, emphasizing our unwavering commitment to providing financial solutions to retail customers. Retail investment disbursement recorded a 79% increase in the year 2023.
- Retail Investment outstanding witnessed substantial growth, reflecting our continued focus on expanding our retail investment portfolio. Retail Investment outstanding grew by 38% in 2023 from 2022. This represents the highest growth for Retail Investment outstanding in recent years.
- Our focus on expanding our Payroll Propositions in 2023 resulted in significant growth, with a notable increase in the number of onboarded payroll accounts through partnerships with various organizations.
- Introduction of Rapid Investment, a secure and swift retail investment facility, swiftly gained momentum, offering customers a convenient and efficient avenue to access retail investment facility.
- Non-Performing Investments (NPI) notably decreased, showcasing our commitment to risk management and keep delinquency at minimum.

Looking ahead, Retail Banking Division remains committed to customer engagement as a key driver of growth. By prioritizing personalized experiences and leveraging digital innovation, we aim to strengthen relationships with existing clients while attracting new ones who value our dedication to their satisfaction. Through these efforts, we are confident in our ability to sustainably grow our retail banking business and maintain our position as a trusted provider of Islamic financial services.

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 Bank's 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 entrepreneur's .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. ARDP activities are being conducted at a total 260 work stations, including 18 sub branches and 100 agent outlets through 142 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.

Summary of ARDP-2023

SL No.	Subject/Particulars	December 2022	December 2023	Growth %
1.	Number of Member	75,337	76116	1.03
2.	Number of MSD Account	213,584	245,309	14.85
3.	Number of SSP Account	59,037	56,911	-3.60
4.	Total Number of Account	272,621	302,220	10.86
5.	Disbursement	355.61	443.01	24.58
6.	Outstanding	257.85	381.88	48.10
7.	Percentage of Recovery	95%	98.86%	-
8.	Deposit Amount MSD A/C	76.62	88.66	15.71
9.	Deposit Amount SSP A/C	120.17	200.46	66.81
10.	Deposit Amount Welfare fund	24.06	28.30	17.62
11.	Total Deposit	220.85	336.57	52.40
12.	Profit/Loss	6.17	4.55	-26.29

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. CMSMEs occupied a unique position in the economy of Bangladesh.

Al-Arafah Islami Bank PLC. playing a significant and positive role in in the banking sector in Bangladesh. The bank has already invested a total taka 451510.65 Million in investment sector out of which taka 146585.88 Million has been invested in the CMSME sector and participated in most of the refinance and pre-finance schemes announced by Bangladesh Bank.

Our aim is to minimize investment risk through small scale investments 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. For this we need to bring forward branch managers and zonal heads in small investment CMSME and agricultural sector. Their positive outlook can bring back discipline in investment. Another thing to note is that which investment product has a higher spread and is more attractive to the customer and should be presented to the investment client. Government and Bangladesh Bank have provided refinancing facility at only 5% profit rate to women entrepreneur sector and 2%

more cash 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.

Here, the CMSMEs account for about 45% of manufacturing value addition. They account for about 80% of industrial employment, about 90% of total industrial units and about 25% of total labour force.

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 & Services.

CMSME Investment at a glance

Figure in Million

Description	2023	2022
Total CMSME Portfolio	146585.88	131595
% of CMSME Portfolio to Total Portfolio	32.47%	31.70%
Target of CMSME Investment	95000	80000
Total CMSME Disbursement	74252.88	77205.07
% of Achievement	78.16%	96.51%

Investment on Women Entrepreneurs

About 50% of the populations of Bangladesh are women. Women participation in the mainstream of economic activities especially in the productive sectors is crucial for attaining sustainable economic growth, poverty reduction and women's empowerment. But women participation in economic sector is inadequate and the number of women entrepreneurs is very low compared to that of their male counterparts.

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.

Description	Figure in Million
Total SME Portfolio in Women Entrepreneurs	7063.79
Amount of Disbursement to Women Entrepreneurs	4674.28

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. CMSME Stimulus Scheme 2022-23 (3rd Phase):
Bangladesh Bank has set 9500 Million Taka disbursement target for AIBPLC. About 4750 Million Taka of this scheme will be obtained under refinance and the remaining 4750 Million Taka will be financed from AIBPLC. own funds where the Stimulus Profit rate for the customers is 4% and 5% profit incentives provided by Bangladesh Bank.
2. 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.

3. **Small Enterprise Refinance Scheme for Women Entrepreneurs**
Under this Refinance scheme for women entrepreneur AIBPLC. is providing investment opportunities upto 5 Million at 5% profit rate where Bangladesh Bank refinanced the fund at 0.50%. Profit Spread for AIBPLC. will be 4.50%.
4. **Agriculture Refinance Scheme (Food Security) 2023-24**
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%.
5. **Concessional Profit at 4% Scheme 2023-24**
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.
6. **'Ghore Phera' 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%.
7. **10/50/100 Tk Account Holders' Refinance Scheme**
Under this Refinance scheme Bangladesh Bank set the target of 200 Million. 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%.
8. **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%.
9. **Start-up Fund Refinance Scheme**
A fund was formed to invest in the Start-up enterprises and businesses. A fund of 66.0 Million was accumulated from where 9.70 Million have disbursed.
10. **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:

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

Performance of FID in the year of 2023:

Particulars	Target	Achievement	(In %)
10/50/100 Taka Refinancing Investment Scheme	30.00 Core	30.176 Core	100.59
School Banking A/C (number)	15000	22,943	152.95
Financial Literacy Programs (FLP)	64	33	52

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2023. In response to the overwhelming expansion in Bank's business, we extended our publicity to fulfill the market demand. We brought new dimension in our branding and publicity for establishing a positive image of the Bank. We acquired encouraging national attention towards AIBL throughout the year with our all-around activities. More than 64 news items of the Bank were broadcasted in 1536 news coverage through 24 different TV Channels during the year 2023. We continued news branding on 7 major satellites TV channels such as Channel-i, Bangla Vision, ATN Bangla, ATN News, Desh TV, DBC TV and ETV.

Promotion in the television media got a major hike during the Ramadan in this year. In 19 major TV channels which included NTV, Bangla Vision, Bangla TV, Independent TV Jamuna TV, Channel-9, Boishakhi TV, SA TV, News 24, Gazi TV, Ekattor TV and many more. The Bank sponsored 18 different programs to encourage true Islamic values. The initiative was praised by the stakeholders and positively put an effect on business.

Positive branding was one of the vital supports that led the Bank to hold a firm position in the market. The Bank proved its engagements with people by sponsoring several occasions. Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, Fair of Chittagong Metropolitan Chamber of Commerce & Industry and many more people-related gatherings were sponsored by the Bank. These activities tightened the relationship with clients and uplifted Bank's faithful image.

Our presence in the print media also was bold as we had 2360 Press Release items published in more than 61 different leading Newspapers and Media throughout the year. Besides, more than 785 advertisements took were published in 122 different publications during that year.

This year the Bank went into Electronic Media vastly. Besides, promotion in social media and put utmost focus on Digital Media via Online Portals, Facebook, YouTube etc.

Moreover, during the adverse circumstances, Bank made its 'promotion through client service more effective and efficient in 2023. We must remember that; a satisfied client is the best advertiser of the Bank. So, all our promotional steps will be focused to make our customers feel that they are banking with their own bank with all the modern facilities, when they are with Al-Arafah Islami Bank PLC.

Branding Summary of AIB in 2023

Sl	Branding Details	Frequency of programs during 2023
1	TV News Items	64 events with 1536 news coverage
2	TV Channel Coverage	24 Channels
3	TV Branding (Throughout the year)	7 Channels
4	TV Branding during Ramadan	18 Programs in 19 TV Channels
5	Press Release Published	2360 times
6	Print Media covered	61 media
7	Promotional Advertisement	785 advertisements
8	Publications used	122 publications

Information Technology

The technology is of great use in banking sector, it has changed the banking industry from paper and branch based banks to digitized and network services. Meaning it has played a very big role in reducing fraud in banks which protects its clients. Banks are investing heavily in digital banking technology, in which customers use mobile, web or digital platforms to use banking services. Artificial intelligence solutions, such as chatbots, often assist customers in simple tasks such as making payments. As such bank can enhance business processes, make managerial decision, and workgroup collaborations which strengthen their competitive positions in rapidly changing and emerging economies.

Every bank is providing their financial services, DATA analysis & classifications, making the ultimate decision with a truly automation system accomplished by the ICT division. AIBL started its Automation journey from 2006 and lived their Online Operation in the 2008 that has been going on successfully since inception.

Beside Core Banking System (CBS) we are also using the below tech based services to automate, secure and faster our internal activity as well as to offer the better services to our valued customers:

i.RTGS; ii.BEFTN; iii. BACH, iv. ISS Report, v. BPA, vi. CIB, vii.goAML-CTR, viii. RIT Reporting, ix. i-Banking, x. Sylvia (HRMS), xi. Agent Banking, xii. Utility Bill Collection, xiii. Sanction Screening, xiv. FATCA Compliance, xv. SWIFT, xvi. Asset Management, xvii. Centralized Anti Virus Management, xviii. Mail Server, xix.OBU, xx.Treasury, xxi. ATM Service, xxii. Mobile ATM Service, xxiii. Debit Card, xxiv. Credit Card, xxv. SMS Alert etc.

Recently AIBL has launched Islamic Wallet which a Shariah based Mobile Financial Services of Al-Arafah Islami Bank Limited which has gone through the most rigorous security, compliance standards and all regulatory requirements.

Islamic Wallet promises to provide the most innovative services that can be provided in Mobile Financial Services industry of Bangladesh. It is fast, secure and affordable way to send & receive money from anywhere at any time. In addition to 'send and receive money', it provides a total eco-system where people can derive the best use of money. This wallet will be considered as new and innovative payment system to cater all kinds of banking needs for ensuring the maximum convenience of customers specially those who do not have access to banking services.

Services offered by Islamic Wallet

- Cash In, Cash Out, Person to Person (P2P)
- Fund Transfer from Card and Bank Account.
- Person-to-Business payments (P2B) such as utility bill payment, airtime top-up, insurance premiums, loan installments, merchant payments etc.
- Business-to-Person payments (B2P) such as payroll, commission disbursement, etc.
- Government-to-Person (G2P) payments such as subsidies, freedom fighter allowances, social welfare payments, endowments, etc.
- Person-to-Government (P2G) payments such as government duties, taxes, fees, etc.
- Ticketing Service
- Tuition Fees Payment

There are some Technology based initiatives taken by the bank management to improve the customers' services with a view to becoming the best bank in Bangladesh:

1. To become one of the best three Technologically advanced banks in the country within next 3 years
2. To ensure 100% Regulatory Compliance by taking highest possible ICT security measures.
3. To partner with various government & non-government entities so that the unbanked community of the society are brought under formal banking channel through MFS.

4. Full-fledged Internet Banking along with E-Commerce and Payment Gate way will be starting very soon.
5. Introduce Sub Branch Services as per Bangladesh Bank guideline.

Card Division

With the increase in digital transactions, the use of cards is constantly increasing. Interest in cards and ATMs has now extended beyond urban areas to rural areas. This division is constantly enhancing its card services to meet this demand. In 2023, It has achieved good growth in card count and profit. Compared to 2022, credit card growth was 54%, debit card growth was 20%, net profit was Rs.2.08 crores. Card Division has issued more than 7000 credit cards in 2023 and this number is increasing every month. In addition to 129 EMI and 166 discount partners, Card Division is always striving to increase these partners to enhance customer convenience.

In the past 2023, Bank received the MasterCard Award 1 out of 3 banks in the Card Issuing Section for Debit Card Business. It is already issuing contactless cards. Along with MasterCard, bank has got Visa Card membership approval and will be able to issue Visa cards to our esteemed customers from 2024 onwards. International Debit Card will also be issued this year. For the convenience of La-Riba credit card customers, Card Division has obtained the necessary permission to provide a new facility called “Buy Now- Pay Letter” through which the esteemed customers can pay the product in monthly installments after purchasing any product.

La-Riba Credit Card is the only unique islamic credit card among all the banks in Bangladesh without bearing any interest or riba. Customers feel comfortable using our cards abroad as our cards are dynamic currencies. Bank offers airport lounge facilities to customers worldwide.

Sustainable Finance Unit

SFU of Al-Arafah Islami Bank PLC. plays a major role in sustainable finance. Here Sustainable Finance refers to the process of incorporating environmental, social, and governance (ESG) considerations into financial investment decisions, resulting in longer-term investments in sustainable economic activities and projects. More specifically, environmental considerations may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and circular economy. Social considerations may refer to issues of inequality, inclusiveness, labor relations, investment in human capital and communities, as well as human rights issues. AIBPLC deals with those things by its green banking, sustainable finance and corporate social responsibility activities. From this perspective, as a Bank, AIBPLC has performed the following activities through this Unit:

Green Banking

a. In-house Activities:

Under Green Office Guide, we implemented the following things:

Newly installed automatic sensor light bulbs in office building helps to reduce power consumption.

- (ii) Most of our communication with branches, higher authority, Board of Directors and even Annual General meeting were arranged through online platform which reduced use of paper,

printer and ink.

- (iii) Many of our workshop and training session under the program of awareness and capacity building were also successfully done through online platform.

Greening the Banking operation:

- (iv) We provide e-statement and transaction notification to all our account holders through email/sms.
- (v) At present we have banking services through mobile app and Islamic Wallet Mobile Financial Services facilitating account opening from home, easy money transfer, payment of bill, mobile top-up, merchant payment and inclusion of rural area under banking service.
- (vi) We have also introduced Internet Banking which allows transaction and availing other banking services to our valued clients staying at home.
- (vii) Under Business Process Automation (BPA), we now circulate all our letters, instructions, Investment proposal and Sanction through shared digital platform, email and IP message.

All of the above activities have played a great role in reducing carbon emission, environmental degradation and parallelly in saving and utilizing all of our valuable resources properly.

b. ESRM (Environment and Social Risk Management):

In this regard we have done Environmental and Social Risk Rating (ESRR) of all our investment proposals and also incorporated appropriate mitigation measures if required under ESRM as per instruction of Bangladesh Bank. Scheduled monitoring and inspections have also been done time to time.

c. ESMS (Environment and Social Risk Management System):

We are also working to introduce Environmental & Social Management System (ESMS), MIS for ESRM & Sustainable Finance and report Sustainability & Climate Finance from the 1st half of 2024.

d. Green and Sustainable Finance:

The following initiatives are taken to enhance Green and Sustainable Finance by AIBPLC:

We have a Sustainable Finance Policy introduced in 2021 which will be revised soon. As per revised Sustainable Finance Policy, we can finance in 94 green products including previous 68 and other sustainable linked products.

We formed Dedicated Sustainable Finance Help Desk in all our 215 branches and assigned an officer in each desk.

In 2023, we have trained more than 390 employees including Head Office and all dedicated Sustainable Finance Help Desk Officials of branches on ESRM, ESRR, Green & Sustainable Finance Products, Refinance Scheme for Green Products and Quarterly Sustainable Finance Reporting.

Our Green Finance target is 5% of total term investment (excluding staff) and Sustainable Finance target is 20% of total Investment disbursement.

Our achievement in Green Finance is about more than three times (300%) in terms of specified target and in case of Sustainable Finance it is approximately half (50%) of the specified target.

AIBL has financed in diversified Green areas like LED Bulb/Tube Assembly Plant, ETP Construction, Recycling Plastic and Paper Waste, Green Brick Manufacturing and Green Establishment (i.e. Green Industry, Building) etc. In the last quarter of 2023 total Green Finance disbursement was BDT 5894.20 million. This is contributing greatly to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general.

1. We are also working to introduce MIS for ESRM, Sustainable & Green Finance and report Sustainability & Climate Finance related activities from 1st half of 2024.
2. Information on Sustainable finance & CSR activities are published in the bank's website.

As these are very much associated with Sustainable Development Goal, Bangladesh Bank has also formed several funds to facilitate refinance in green products/projects/initiatives at lower rate of return. We have signed following agreement under these funds with Bangladesh Bank:

- i) Islamic Refinance scheme for Green Products:
Under this scheme any client can avail refinance for any of 52 green products/projects/initiatives at single digit profit rate.
- ii) Refinance Fund for Technology Development / Upgradation of Export Oriented Industries:
Export-oriented industries can avail refinance under this fund at the lowest profit rate for upgradation of capital machinery to enhance their production efficiency.

At this moment a refinance claim application of BDT 156 crore under this scheme is in the process of approval at Bangladesh Bank.

- iii) Green Transformation Fund (GTF):
It includes 200 million US Dollar and 200 million Euro from which manufacturer-exporters can get refinance in foreign exchange against import of capital machineries and accessories relevant to environment-friendly/green attributes specified by BB and industrial raw materials.

On the other hand, we have also achieved tremendous progress in sustainable finance. The most significant issue is that AIBL has been recognized as one of the most sustainable banks in Bangladesh by Bangladesh Bank in 2022. In the year 2023 our sustainable finance was BDT 41,546.44 million.

- iv) Green Transformation Fund (GTF) in Local Currency (Taka):
It is a fund of BDT 5000 crore formed by Bangladesh from its own source. Our export oriented and manufacturing industries can avail term financing easily under this fund to import/buy Green/environment friendly capital machineries at lower rate of return.

Corporate Social responsibility (CSR)

As part of CSR, AIBL always gives priority to any emergency of the country /society /institution /individual. In 2023 AIBL has done Some mentionable CSR activities such as:

Donation of BDT 20.00 crore to Bangabondhu Memorial Trust to establish Fazilatunnesa Mujib Medical Hospital.

AIBL has donated Tk. 1.50 crore to Prime Minister Education Assistant Trust.

Our main priority sectors of CSR are education, health, food security, shelter, prevention of environmental disaster and special attention

for the advancement of research/literature/culture. In 2023 our total expenditure in CSR is BDT 513.20 million which is shown sector wise in the table below:

(Amount in Million BDT)

SI No.	Particulars	2022	2023
1	Health	50.80	286.67
2	Education	58.80	59.14
3	Disaster Management	35.70	123.89
4	Cultural Activities	22.00	0.43
5	Environmental Protection	20.00	43.06
6	Others	100.00	0.00
Total		287.30	513.20

Education Scholarship Program:

Being aligned with government initiatives to achieve Sustainable Development Goal (SDG), AIBL has also taken step to promote quality education which is the 4th most prioritized goal of SDG. In 2018, we successfully begun the program titled "Al-Arafah Islami Bank Education Scholarship-2018" for underprivileged meritorious students who completed HSC. Under this program each year we invite application from the students. In 2023, this program covers 564 students under 3 batches with total scholarship disbursement of BDT 14.98 million.

For 2021 we already have initiated primary selection process from candidates applied for this scholarship. Again, we also going to publish our next circular for the year 2022 & 2023 inviting application under AIBL Education Scholarship Program.

AIBL Foundation

Al-Arafah Islami Bank PLC has also fulfilling its corporate social responsibility towards people and different institution through its foundation. AIBL foundation is operating the following institution:

- a. Al-Arafah Islami Bank Ltd. Foundation Kidney Dialysis Center, Chattogram;
- b. Al-Arafah Islamic International School and College, Hazaribagh, Dhaka.
- c. Al-Arafah Tahfizul Kuran Madrasha, Hazaribagh, Dhaka.
- d. Al-Arafah Islami Bank Foundation Hospital, Chattogram. (under construction).

In those above projects total BDT 87.59 million was expensed by AIBPLC Foundation under CSR activities in 2023.

Besides, it also has a future plan to establish another extension of Al-Arafah Islami Bank Foundation Hospital at Hazaribagh, Dhaka.

All of the above are established with the motive to provide quality service to poor /less income 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

youngsters. A total of 575 employees in different categories/ranks joined our fleet during the year 2023 raising our total employees to 5,769 which includes 393 Executives as on 31.12.2023.

We have nominated 77 employees in different outside training courses viz. BIBM, BBTA, BAB etc. in 2023 and they have completed the courses successfully.

We motivate and facilitate our deserving employees to complete international standard professional degrees like CDCS, CSDG and ACAMS. Presently, we have 65 CDCS, 3 CSDG and 10 CAMS officials.

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-Arafah Islami 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 finances and 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 and Islami 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/banking laws/ rules/ regulation/Islamic banking and core risk management guidelines of Bangladesh Bank and other regulators.

Training position in 2023:

AIBTRI conducted a total number of 145 Training Courses/Workshops/EDPs and Outreach Training Programs where 14,903 participants attended during the period from January to December, 2023. AIBTRI conducted a total of 20 (Twenty) courses and 63 (sixty-three) workshops which includes 60 (Sixty) outreach training programs (OTP) during the year 2023.

Credit Rating

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

Long Term	:	AA (pronounced Double A)
Short Term	:	ST-2
Based on	:	Audited Financial Statement 2022
Date of Rating	:	13 July 2023
Validity	:	12 July 2024
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2023	AA	ST-2	Stable
30 June 2022	AA	ST-2	Stable
30 June 2021	AA	ST-2	Stable
30 June 2020	AA	ST-2	Stable
30 June 2019	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-2 (High Grade): High certainty of timely payment. Liquidity factors are strong and supported good fundamental protection factors. Risk factors are very small.

Concluding Remarks

Looking ahead, we have absolute clarity, and are focused on accelerating growth, gaining market share, and increasing returns for shareholders over time. Our focus is to transform into a modern consumer financial services business. To successfully execute and outperform in the next level, we see our focus areas being supported by some key elements. The first step would be to digitally power our business since technology is transforming every aspect of commerce. Customer preferences have largely transformed and evolved towards more digital and self-service capabilities. Secondly, building an always-on trusted brand that is needed to drive towards a sustainable future. In today's market, where consumers favor brands with a conscience, it is essential for us to enhance our sustainable business practices, invest in meaningful and ethical branding, and be transparent about our credentials. Our goal is to significantly boost brand consideration and create shared value through our commitment to the society. I am encouraged by the significant strides made in 2023 through our relentless commitment to serve better. I am grateful to the Customers, Board, Shareholders, Management, Employees, and the Central Bank for their confidence and trust in me which guided me to steer our business effectively. I look forward to your collaborative support in the days to come as well.



(Farman R. Chowdhury)
Managing Director & CEO
Date: 18 August 2024



BOARD OF DIRECTORS' 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 Wa Rahmatullahi Wa Barakatuhu.

The Board of Directors of the Bank takes the privilege to welcome you all to the 29th 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 2023.

Economy Analyses

World Economy Outlook

The global economy continues to recover slowly from the blows of the pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis. In retrospect, the resilience has been remarkable. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the global economy has slowed, but not stalled. Yet growth remains slow and uneven, with growing global divergences. The global economy is limping along, not sprinting. Global activity bottomed out at the end of last year while inflation—both headline and underlying (core)—is gradually being brought under control. But a full recovery toward prepandemic trends appears increasingly out of reach, especially in emerging market and developing economies. According to our latest projections, global growth will slow from 3.5 percent in 2022 to 3 percent this year and 2.9 percent next year, a 0.1 percentage point downgrade for 2024 from our July projections. This remains well below the historical average. Headline inflation continues to decelerate, from 9.2 percent in 2022, on a year-over-year basis, to 5.9 percent this year and 4.8 percent in 2024. Core inflation, excluding food and energy prices, is also projected to decline, albeit more gradually than headline inflation, to 4.5 percent in 2024. As a result, projections are increasingly consistent with a “soft landing” scenario, bringing inflation down without a major downturn in activity, especially in the United States, where the forecast increase in unemployment is very modest, from 3.6 to 3.9 percent by 2025. But important divergences are appearing. The slowdown is more pronounced in advanced economies than in emerging market and developing ones. Within advanced economies, the US surprised on the upside, with resilient consumption and investment, while euro area activity was revised downward. Many emerging market economies proved quite resilient and surprised on the upside, with the notable exception of China, facing growing headwinds from its real estate crisis and weakening confidence.

Three global forces are at play. First, the recovery in services is almost complete. Over the past year, strong demand for services supported service-oriented economies—including important tourism destinations such as France and Spain—relative to manufacturing powerhouses such as China and Germany. High demand for labor-intensive services also translated into tighter labor markets, and

higher and more persistent services inflation. But services activity is now weakening alongside a persistent manufacturing slowdown, suggesting services inflation will decrease in 2024 and labor markets and activity will soften. Second, part of the slowdown is the result of the tighter monetary policy necessary to bring inflation down. This is starting to bite, but the transmission is uneven across countries. Tighter credit conditions are weighing on housing markets, investment, and activity, more so in countries with a higher share of adjustable-rate mortgages or where households are less willing, or able, to dip into their savings. Firm bankruptcies have increased in the US and the euro area, although from historically low levels. Countries are also at different points in their hiking cycles: advanced economies (except Japan) are near the peak, while some emerging market economies, such as Brazil and Chile, have already started easing. Third, inflation and activity are shaped by the incidence of last year's commodity price shock. Economies heavily dependent on Russian energy imports experienced a steeper increase in energy prices and a sharper slowdown. Some of our recent work shows that the pass-through from higher energy prices played a large role in driving core inflation upward in the euro area, unlike in the United States, where core inflation pressures reflect instead a tight labor market. Despite signs of softening, labor markets in advanced economies remain buoyant, with historically low unemployment rates helping to support activity. So far, there is scant evidence of a “wage-price spiral,” and real wages remain below prepandemic levels. Further, many countries experienced a sharp—and welcome—compression in the wage distribution. Some of this compression reflects the higher amenity value of flexible and remote work schedules for high earners, reducing wage pressures for that group. Risks While some of the extreme risks—such as severe banking instability—have moderated since April, the balance remains tilted to the downside. First, the real estate crisis could deepen further in China, an important risk for the global economy. The policy challenge is complex. Restoring confidence requires promptly restructuring struggling property developers, preserving financial stability, and addressing the strains in local public finance. If real estate prices decline too rapidly, the balance sheets of banks and households will worsen, with the potential for serious financial amplification. If real estate prices are artificially propped up, balance sheets will be protected for a while, but this may crowd out other investment opportunities, reduce new construction activity, and have an adverse impact on local government revenues through reduced land sales. Either way, China's economy needs to pivot away from a credit-driven real estate model of growth. Second, commodity prices could become more volatile under renewed geopolitical tensions and disruptions linked to climate change. Since June, oil prices have increased by about 25 percent, on the back of extended supply cuts from OPEC+ (the Organization of the Petroleum Exporting Countries plus selected nonmembers) countries. Food prices remain elevated and could be disrupted further by an escalation of the war in Ukraine, causing important hardship for many low-income countries. This, of course, represents a serious risk to the disinflation strategy. Geo-economics fragmentation has also led to a sharp increase in the dispersion in commodity prices across regions, including critical minerals. As Chapter 3 of this report analyzes, this could pose serious macroeconomic risks going forward, including to the climate transition. Third, while both underlying and headline inflation have decreased, they remain uncomfortably high. Near-term inflation expectations have risen markedly above target, although they now appear to be turning a corner. As Chapter 2 of this report details, bringing these near-term inflation expectations back down is critical to winning the battle against inflation. With tight labor markets, ample excess savings in some countries, and adverse energy price developments, inflation

could become more entrenched, requiring even more forceful action from central banks. Fourth, fiscal buffers have eroded in many countries, with elevated debt levels, rising funding costs, slowing growth, and an increasing mismatch between the growing demands on the state and available fiscal resources (see the October 2023 Fiscal Monitor). This leaves many countries more vulnerable to crises and demands a renewed focus on managing fiscal risks. Finally, despite the tightening of monetary policy, financial conditions have eased in many countries (see the October 2023 Global Financial Stability Report). The danger is of a sharp repricing of risk, especially for emerging markets, that would appreciate further the US dollar, trigger capital outflows, and increase borrowing costs and debt distress. Policies Under our baseline scenario, inflation continues to recede as central banks maintain a tight stance. With many countries near the peak of their tightening cycles, little additional tightening is warranted. However, easing prematurely would squander the gains achieved in the past 18 months. Once the disinflation process is firmly on its way and near-term inflation expectations are decreasing, adjusting the policy rate downward will allow the monetary policy stance, that is, the real interest rate, to remain unchanged until inflation targets are in sight. Fiscal policy needs to support the monetary strategy and help the disinflation process. In 2022, fiscal and monetary policies were pulling in the same direction, as many of the pandemic emergency fiscal measures were unwound. In 2023, the degree of alignment has decreased. Most worrying is the case of the United States, where the fiscal stance has deteriorated substantially. Fiscal policy in the US should not be procyclical, even less so at this stage of the inflation cycle. More broadly, fiscal policy everywhere should focus on rebuilding fiscal buffers that have been severely eroded by the pandemic and the energy crisis, for instance, by removing energy subsidies. We should also return our focus to the medium term. Here the picture is becoming darker. Medium term growth prospects are weak, especially for emerging market and developing economies. The implications are profound: a much slower WORLD ECONOMIC OUTLOOK: NAVIGATING GLOBAL DIVERGENCES xiv International Monetary Fund | October 2023 convergence toward the living standards of advanced economies, reduced fiscal space, increased debt vulnerabilities and exposure to shocks, and diminished opportunities to overcome the scarring from the pandemic and the war. With lower growth, higher interest rates, and reduced fiscal space, structural reforms become key. Higher long-term growth can be achieved through a careful sequence of structural reforms, especially those focused on governance, business regulations, and the external sector. These “first-generation” reforms help unlock growth and make subsequent reforms—whether to credit markets, or for the green transition—much more effective. Multilateral cooperation can help ensure that all countries achieve better growth outcomes. First, countries should avoid implementing policies that contravene World Trade Organization rules and distort international trade. Second, countries should safeguard the flow of critical minerals needed for the climate transition, as well as that of agricultural commodities. Such “green corridors” would help reduce volatility and accelerate the green transition. Finally, all countries should aim to limit geo-economics fragmentation that prevents joint progress toward common goals and instead work toward restoring trust in rules-based multilateral frameworks that enhance transparency and policy certainty and help foster a shared global prosperity. A robust global financial safety net with a well-resourced IMF at its center is essential.

Bangladesh Economic Outlook

Bangladesh’s economy has recovered from the economic damage

caused by the impact of COVID-19 and the ongoing Russia-Ukraine crisis, although the recent slowdown in the global economy has adversely affected the country’s economic growth. Bangladesh’s economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23.

As per provisional estimate of BBS, per capita GDP and per capita national income stood at US\$ 2,657 and US\$ 2,765 respectively in FY 2022-23 compared to US\$ 2,687 and US\$ 2,793 respectively in the previous fiscal year. The per capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of US dollar. However, the per capita national income in terms of Taka increased by about 30 thousand and stood at Tk. 2,70,414.

Provisionally, the consumption expenditure as a percentage of GDP in FY 2022-23 decreased to 73.98 percent from 74.78 percent of the previous fiscal year. At the same time, total investment reached to 31.25 percent of GDP, with public investment and private investment accounting for 7.61 percent and 23.64 percent of GDP, respectively. The Medium Term Macroeconomic Framework (MTMF) envisaged the GDP growth to pick up to 8.0 percent in FY 2025-26.

The revised revenue mobilisation target was set at Tk. 4,33,000 crore in FY 2022-23, which is 9.68 percent of GDP. Of them, revenue receipt from NBR sources was marked at Tk. 3,70,000 crore (8.27% of GDP), tax revenue from non-NBR sources at Tk. 18,000 crore (0.40% of GDP) and non-tax revenue at Tk. 45,000 crore (1.00% of GDP). As per provisional data from iBAS++, total revenue mobilisation up to February 2023 stood at Tk. 2,36,035 crore, up by 0.92 percent of the same period of previous fiscal year, achieving 55.49 percent of the target. During this period, NBR collected revenue of Tk. 1,96,039.95 crore, which is 52.98 percent of the target and 8.92 percent higher than the previous fiscal year.

According to the revised budget, the total expenditure target for FY 2022-23 has been set at Tk. 6,60,507 crore (14.76% of GDP), which is 11.38 percent higher compared to FY 2021-22. The volume of the revised ADP in FY 2022-23 stood at Tk. 2,27,564 crore (excluding autonomous bodies/corporations own funding), which is 8.79 percent higher than the previous fiscal year. The Government is highly concerned in maintaining the budget deficit within 5 percent of GDP by increasing efficiency in revenue management. However, due to the increase in government expenditure for COVID-19 pandemic, target was set at 5.1 percent of current fiscal year. The actual budget deficit for FY 2021-22 stood at 4.6 percent of GDP.

The FY 2022-23 monetary policy has been formulated in order to discourage unproductive financial flows to tame the demand-side pressures without circumventing the required flow of funds to the productive sectors easing supply-side conditions and supporting the country’s long-term growth aspirations. Thus, the formulation of a contractionary cautious monetary and credit programme for FY 2022-23 is expected to support the economic recovery process in the coming days as well as mitigate inflationary and exchange rate pressures. The last monetary and credit programmes were designed in line with the targeted real GDP growth and CPI inflation as outlined in the national budget for FY 2022-23. As per the policy stance, the broad money growth is pegged at 11.50 percent and domestic credit

growth at 18.5 percent at the end of FY 2022-23. The actual growth in broad money and domestic credit stood at 8.77 percent and 15.58 percent in February 2023, as against 9.45 percent and 13.23 percent in the same month of the previous fiscal year. At the end of February 2023, the credit growth in the public and private sectors stood at 33.87 percent and 12.41 percent respectively, while the actual credit growth at the end of February 2022 was 28.94 percent and 10.87 percent, respectively.

and domestic credit growth at 18.5 percent at the end of FY 2022-23. The actual growth in broad money and domestic credit stood at 8.77 percent and 15.58 percent in February 2023, as against 9.45 percent and 13.23 percent in the same month of the previous fiscal year. At the end of February 2023, the credit growth in the public and private sectors stood at 33.87 percent and 12.41 percent respectively, while the actual credit growth at the end of February 2022 was 28.94 percent and 10.87 percent, respectively.

The recent trends in weighted average lending and deposit rates show upward movement. The weighted average lending rate showed some constancy and reached to 7.09 percent at the end of June 2022 from 7.10 percent of end February 2022. After that it increased consistently and stood at 7.27 percent at the end of February 2023. At the same time, the weighted average deposit rate although declined a little and stood at 3.97 percent of end June 2022 from 4.02 percent of end February 2022, later it increased much and reached to 4.31 percent at end of February 2023. In enhancement of the market-based interest rate, increasing the policy rate several times by Bangladesh Bank and reduction of excess liquidity in the banking system have played significant role.

In FY 2022-23, both stock markets, Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange (CSE), noticed some volatility. However, the market capitalisation of all securities increased significantly in both the markets. Compared to June 30, 2022, the market capitalisation of DSE and CSE increased by 47.36 percent and 67.15 percent respectively compared to the end of trading on February 28, 2023. During the same period, the DSE Broad Index (DSEX) and CSE Overall Price Index decreased slightly by 2.51 percent and 2.14 percent respectively.

The IMF's World Economic Outlook January 2023 has projected that the world trade volume of goods and services to slow down from 5.4 percent in 2022 to 2.4 percent in 2023 before rising to 3.4 percent in 2024. However, Bangladesh's export growth is on a positive trend. It is noteworthy that exports increased by 8.07 percent to US\$ 41,721.62 million during July-March FY 2022-23 compared to the same period of previous fiscal years. On the other hand, import payments (c&f) stood at US\$ 52,713.10 million in July-February of FY 2022-23 which was significantly (10.31%) lower than the import payments of the same period of the preceding year. The growth of exports and imports during FY 2021-22 were 34.38 percent and 35.93 percent respectively compared to the previous fiscal year. Besides, total receipts of remittances increased by 2.37 percent to US\$ 17,718.55 million during July-April of FY 2022-23 against the decrease of 16.24 percent during July-April of FY 2021-22.

The negative growth of import might be the outcome of a number of initiatives taken by the government as well as the central bank. The deficit of trade balance narrowed and stood at US\$ 13,828 million in FY 2022-23 (July-February) which was US\$ 22,431 million in FY 2021-22 (July-February). In addition, remittances increased by 4.79

percent during July-February, 2023. During the time, current account balance deficit decreased to US\$ 4,387 million due to decrease in trade deficit and expansion of remittances. At the same time, the capital and financial account experienced a deficit balance. The net outcome of all these made the overall balance a deficit of US\$ 7,949 million in FY 2022-23 (July-February) compared to US\$ 2,222 million deficit in the same period of previous fiscal year. As a result, foreign exchange reserves declined to around US\$ 32 billion at the end of February 2022. Foreign exchange reserves stood at US\$ 31 billion as on 2 May 2023. As at the end of February 2023 compared to the end of June of FY 2021-22, the Taka has depreciated by 11.47 percent against the US dollar. The inflow of foreign grants and loans received during FY 2021-22 was US\$ 10,969.29 million, which is 37.97 percent higher than the previous fiscal year. The inflow of foreign grants and loans received during the first eight months of the current FY 2022-23 (up to February 2023) is US\$ 4,876.52 million, which is 17.33 percent lower than the same period of the previous fiscal year. The foreign deposit position at the end of February 2023 is US\$, 59,213.81 million, which is 13.4 percent of GDP.

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 61 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,
- ProbashiKollyan 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 Bank PLC
 Islami Bank Bangladesh PLC
 ICB Islami Bank PLC
 Shahjalal Islami Bank PLC
 Social Islami Bank PLC
 Union Bank PLC
 Standard Bank PLC
 Global Islami Bank PLC

Overall Banking Scenario

Banks' Deposits: Total Deposit (excluding interbank items) of the scheduled banks increased by Tk. 1,609,370 million representing 10.13% point to point growth from Tk. 17,491,910 million as on 31 December 2023 to Tk. 15,882,540 million as on 31 December 2022.

Islamic Banks' Deposits: All Islamic Banks' deposits stood at Tk. 4,434,030 million during the year 2023 as against Tk. 4,099,490 million in the previous year 2022 and it increased by Tk. 334,540 million registering a growth of 8.16% in 2023. The share of Islamic Banks' deposits as of 31 December 2023 stood at 25.35% as compared to 25.81% on 31 December 2022.

Banks' Advances /Investment: Total Advances/ Investments (excluding bills) of the scheduled banks increased by Tk. 1,508,880 million representing 10.87% point to point growth from Tk. 15,384,530 million as on 31 December 2023 to Tk. 13,875,650 million as on 31 December 2022.

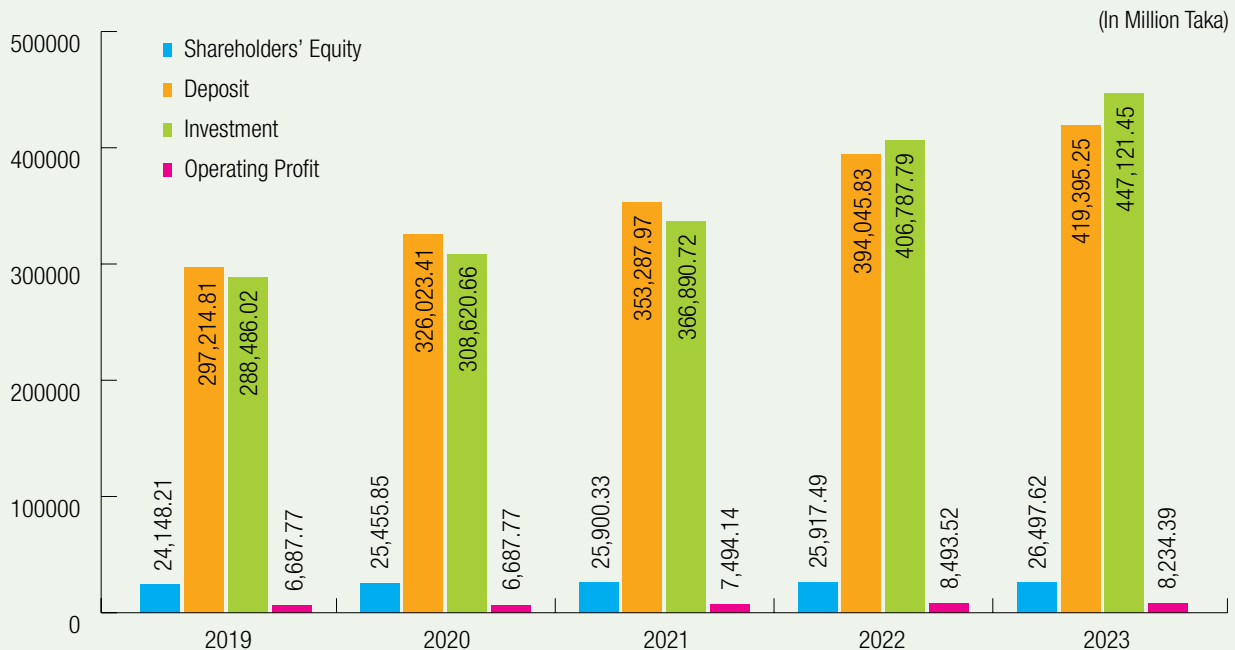
Islamic Banks' Investments: All Islamic Banks' Investments stood at TK 4,449,740 million during the year 2023 as against Tk. 4,052,020 million in the previous year 2022 and the Investment increased by TK 397,720 million registering a growth of 9.82% in 2023. The share of Islamic Banks' Investments as of 31 December 2023 stood at 28.92% as compared to 29.20% on 31 December 2022.

Operating Profit: Despite a tough start of the year 2023 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 attractive day by day to peoples irrespective of nations, religious, colors and species. More than 300 Banks & financial institutions are serving Islami banking throughout the world. At present in our country 10 full-fledged Islamic Banks are working successfully. And other traditional banks have Islami Banking Wings conducting Shariah based banking activities. Recent Development of Bangladesh Government Islamic Investment Bond (BGIIIB) is the milestone for shariah based banking practices in Bangladesh.

Performance at a glance



Al-Arafah Islami Bank PLC

With the objective of achieving success in life here & here after following the way directed by the Holy Quran and the path shown by Rasul (SM) Al-Arafah Islami Bank Ltd was established(registered) as a public limited company on 18 June 1995. The inaugural ceremony took place on 27 September 1995. The authorized capital of the Bank is Tk. 15,000.00 million and the paid-up capital is Tk. 10,968.49 million as on 31.12.2023.

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

The equity of the bank has stood at Tk. 26,497.62 million as on 31 December 2023, the manpower was 5,768 and the number of shareholders was 16,293. 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 208 branches of which 26 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 and devoted to high quality service to customers. Our aims are for boosting modern management, advanced technology, good profitability and steady growth transparency. We are also firmly committed to disclosure and compliance to shariah and regulatory 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.

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-income group of people, create employment opportunities.
- According to the need and demand of the society and the country as a whole the bank invests money to different 'Halal' business. The bank participates in different activities aiming at creating jobs, implementing development projects of the government and creating infrastructure.
- The bank is committed to establish an economic system resulting in social justice and equitable distribution of wealth. It is committed to bring about changes in the underdeveloped 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 the partners of

the investment income of the bank. About 70% of the investment income is distributed among the Mudaraba depositors.

- To render improved services to the clients imbued with Islamic spirit of brotherhood, peace and fraternity and by developing an institutional cohesion.

The bank is contributing to economic and philanthropic activities. AIBL English Medium Madrasah, AIBL library and Al-Arafah Islami Bank Foundation Kidney Dialysis centre patronizes by the Bank are such examples.

Activities of Shariah Supervisory committee for the year 2023

Al-hamdulillah, Shariah Supervisory committee consists of 7 members specialized in Fiqhul Muamalat (Islamic Commercial Law) according to guidelines given by the Bangladesh Bank to ensure whether all banking operations are transacted in accordance with Islami Shariah i.e. Qur'an, Sunnah, Ijma and Iztihad.

Shariah Supervisory committee has by the grace of Al-mighty Allah managed to contribute a lot to run all the business activities of the Bank according to Shariah guidelines. During the year 2023 with some unavoidable circumstances our Honorable Members of the Shariah Supervisory Committee sat in 3 (Three) General Meetings and 1 (one) Emergency Meeting to discuss the matters of the Bank to give opinions & directives and given solutions 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 Tk 15.60 million as doubtful income of the branches of the Bank. Besides, after analyzing balance sheet, the Supervisory committee identified Tk. 1,114.15 million as compensation realized in different branches and Tk. 37.77 million 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 2023 keeping doubtful in-come 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 2023, 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 Secretariat of Al-Arafah Islami Bank having about 500 books on Qur'an, Hadith, Fiqh, Islamic Economics and Islami Banking. Honorable members of the Council give Shariah guidelines to run the Bank's operations taking necessary consultations and data from 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 Limited. The Company is incorporated under the company's Act, 1994 as a public limited company by 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 the company is subscribed by Al-Arafah Islami Bank Limited and other individuals at the ratio of 60.50:39.50. During the year 2023 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 104.87 million with Earning per Share (EPS) Tk. 0.19.

AIBL Capital Management Limited

AIBL Capital Management Limited (AIBLCML), a Subsidiary of Al-Arafah Islami Bank Limited, was incorporated under the companies Act, 1994 on October 25, 2011 with a view to run and manage the operations of Merchant Banking Services with an authorized Capital of BDT 2 billion (2,000 million) and paid up capital of BDT 500 million (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. During the year 2023 the company earned Operating Profit (Before provision for investment & taxation) of Tk. (5.16) Million with Earning per Share (EPS) Tk. (0.1032).

AIBL Assets Management Limited

AIBL Assets Management Limited (AIBLAML), a Subsidiary of Al-Arafah Islami Bank Limited, was incorporated under the companies Act, 1994 on January 01, 2014 with a view to run and manage the operations of Assets Management services with an authorized Capital of BDT 500 billion (500 million) and paid up capital of BDT 100 million (100 million). It aims to be one of the leading Assets Management Services of the country by rendering quality Management Services with a high level of professional expertise and integrity.

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 AIBL Motijheel Branch, 161, Motijheel Commercial Area, Dhaka 1000.

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. Total finance under UPAS in 2023 was USD 70.19 million under MDB FC was USD 15.96 million HPSM FC (Machinery) 6.69 million . Our Plan and Strategies for Foreign Exchange Business-

- to diversify our import and Export portfolio for minimizing potential risks
- to ensure routing of all import and export business of our clients through us
- to induct best import and export clients from the market
- to boost cash import business
- to give special attention for remittance service at branch level
- to maintain a progressive growth, we have to enhance our

capacity by acquiring professional and technical knowledge & skill.

Position in the Stock Market

Bank's share sustained a steady strong position since its induction at Dhaka Stock Exchange & Chittagong Stock Exchange in 1998. In Dhaka Stock Exchange the face value of taka 10 of our share was traded at taka 26.70 highest in 2023. The market trend of our bank's share in Dhaka Stock Exchange from January 2023 to December 2023 is stated in the list:

Position in the Stock Market in the list:

Month	Opening	High	Low	Closing
January	23.60	23.60	23.60	23.60
February	23.60	24.20	23.60	23.60
March	23.60	24.40	23.60	23.60
April	23.60	24.90	23.60	23.60
May	24.80	26.20	24.20	24.80
June	23.70	26.70	23.60	23.70
July	23.80	24.40	23.60	23.80
August	23.90	24.30	23.80	23.90
September	23.70	24.10	23.60	23.70
October	23.70	24.10	23.70	23.70
November	23.70	24.70	23.60	23.70
December	23.70	23.90	23.60	23.70

Progress Analysis

At the end of 2023, the number of depositors stood at 3,328,189 and the accumulated deposit was Tk. 419,395.25 million. The total number of investors stood at 201,143 and total investment extended to them was Tk 447,121.45 million. During the year 2023 the total income was Tk. 39,098.61 million and total expenditure was Tk. 30,864.22 million. At the end of the year the profit before tax and provision stood Tk. 8,234.39 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 compliance with the new provision, the bank has raised its Capital from Tk. 44,551.49 million to Tk. 45,489.90 million (Consolidated Basis) and Tk.41,234.00 million to Tk. 42,288.41 million (Solo Basis). Outstanding balance of AIBL Mudaraba Subordinated Bond Tk. 1,1000 million as at 31st December 2023.

In the year 2021 AIBL 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 which is fully redeemed , 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.10,968.49 million at 31st December 2023. The total reserve fund has stood at Tk.12,052.66 million in the current year against Tk. 11,733.99 million at 31st December 2022. 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 31.12.2023 are appended below:

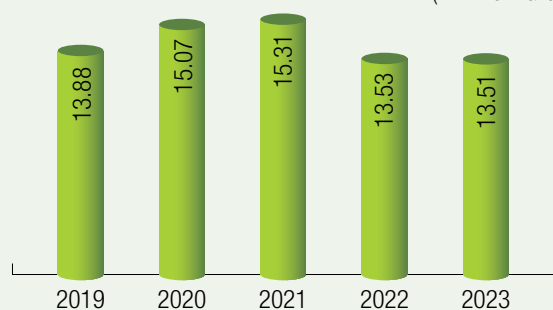
Consolidated Basis

Tk. in million

a) Core Capital (Tier-I)	2023	2022
Paid up Capital	10,968.49	10,649.02
Statutory Reserve	10,968.49	10,649.02
Retained Earnings	1802.54	1841.05
AIBL Perpetual Bond	5000.00	5000.00
Non Controlling Interest	1673.93	1693.43
Total	30,413.45	29832.52
Less Good will and other Intangible assets	168.30	192.17
Total Core Capital	30,245.15	29,640.35
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	4,899.89	5,008.96
Assets Revaluation Reserve	542.09	542.49
AIBL Sub Ordinate Bond	1,1000.00	1,1010.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.09)	(542.49)
Less: Excess Amount over Maximum Limit of T-2	655.14	1107.82
Total Supplementary Capital	15,244.75	14,911.14
Total Capital (a+b)	45,489.90	44,551.49
c) Capital Adequacy Ratio	14.05%	14.17%

Capital Adequacy Ratio As %

(In Million Taka)

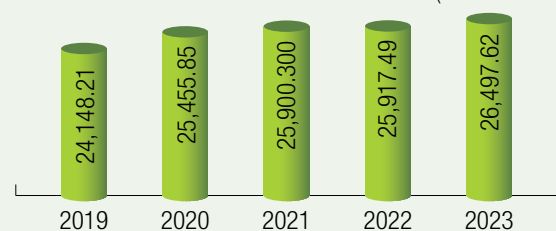


Solo Basis

a) Core Capital (Tier-I)	2023	2022
Paid up Capital	10,968.49	10,649.02
Statutory Reserve	10,968.49	10,649.02
Retained Earnings	1,653.98	1,657.72
AIBL Perpetual Bond	5000.00	5000.00
Total	28,590.96	27,955.76
Less Good will and other Intangible assets	168.30	192.17
Total Core Capital	28,422.66	27,763.59
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	4,899.89	5008.96
Assets Revaluation Reserve	542.09	542.49
AIBL Sub Ordinate Bond	11,000.00	11,010.00
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(542.09)	(542.49)
Less: Excess Amount over Maximum Limit of T-2	2034.14	2557.10
Total Supplementary Capital	13,865.75	13,461.86
Total Capital (a+b)	42,288.41	41,225.46
c) Capital Adequacy Ratio	13.51	13.53

Shareholders' Equity

(In Million Taka)

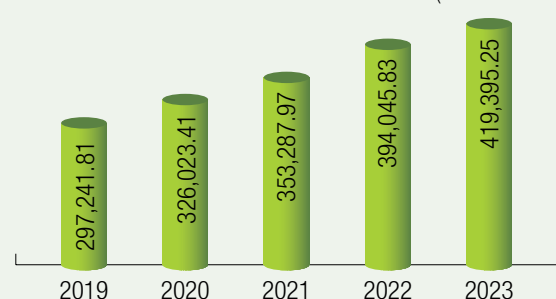


Deposits

The total deposit of the bank was Tk. 419,395.25 million at 31st December 2023 as against Tk. 394,045.83 million at 31st December 2022 a growth of 6.43 % of which Tk 5,928.40 million was bank deposit and Tk. 413,466.85 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.

Deposit Growth

(In Million Taka)



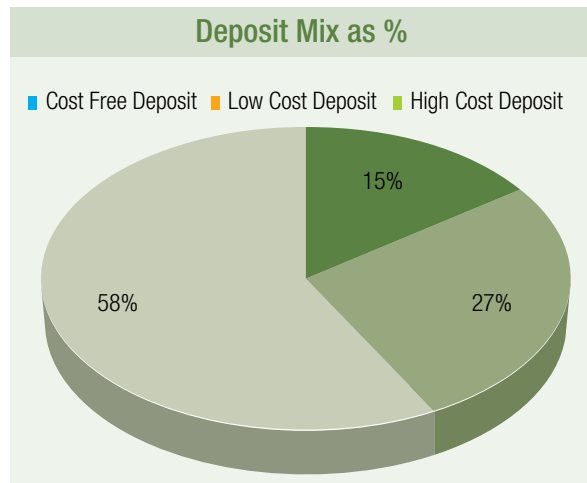
The mix deposit of the bank on December 31, 2023 was as follows:

Deposit Mix

Products	Taka in Million
a) Al Wadia Current Account	79,747.95
b) Mudaraba Savings Deposit	64,023.41
c) Other Mudaraba Deposit	61,872.44
d) Mudaraba Term Deposit	209,448.38
e) Bills Payable	4,303.07
Total	419,395.25

Deposit Mix (%)

Products	Taka in Million	% of Total
a) Cost Free deposit	64,922.38	15.48%
b) Low Cost Deposit	112,733.44	26.88%
c) High Cost Deposit	241,739.42	57.64%
Total	419,395.25	100.00%



Various deposit product of the Bank in 2023:

1. Mudaraba Term Deposit

Sl.No	Types of Deposit
1.	Mudaraba Term Deposit
	a. 36 Months
	b. 24 Months
	c. 12 Months
	d. 06 Months
	e. 03 Months
	f. 01 Month
2.	Mudaraba Savings Deposit
3.	Short Notice Deposit (SND)

4.	Monthly Hajj Deposit
5.	Monthly Installment Term Deposit (ITD)
6.	Monthly Profit Based Term Deposit (PTD)
7.	Monthly Savings Investment (SID)
8.	One Time Hajj Deposit
9.	(a) Al-Arafah Savings Bond (3 Years)
10.	(b) Al-Arafah Savings Bond (5 Years)
11.	(c) 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.	Lakhopati Deposit Scheme
17.	Kotipati Deposit Scheme
18.	Millionaire Deposit Scheme
19.	Double Benefit Scheme
20.	Triple Benefit Deposit Scheme
21.	ProbashiKallyan Deposit Pension Scheme
22.	Mudaraba Savings Deposit-Student,
23.	Farmers, Freedom fighters.

AIBL Mudaraba Bond:

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

AIBL Mudaraba Perpetual 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 meantime 100% of the Bond amount has redeemed 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.

AIBL 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 semiannual profit 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 60% of the Bond amount was redeemed at the end of 31st December 2023. 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 3rd Mudaraba 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 be Semi-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. In the meantime 20% of the Bond amount was redeemed at the end of 31st December 2023. 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:

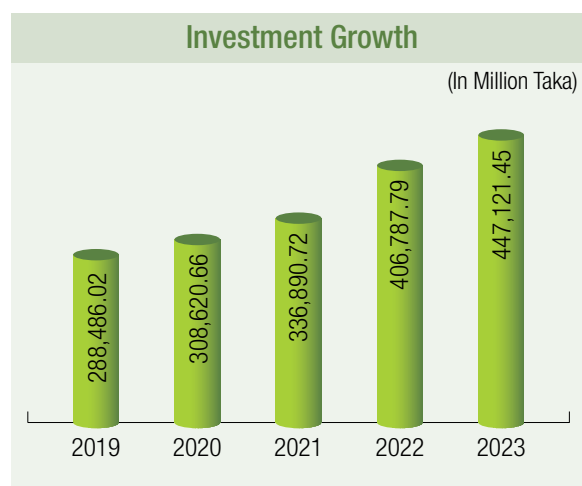
AIBL 4th Mudaraba Subordinated Bond' of Tk. 3,010.00 million issued in 2022 and 1990.00 million issued in 2023 out of 5,000.00 million. The total profit/ return on the bond will be calculated as the average Rates of 6 months of Full-fledged Shariah based banks collected from latest available "Announced 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 be Semi-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 and First 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
AIBL Mudaraba Subordinated Bond	Term Deposit with other Banks (from Bond money received).	100% of the Bond amount has redeemed at the end of 31 st December 2022
	Disbursement to the Investment Clients of AIBL against Bond money received	
AIBL 2 nd 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/-
AIBL 3 rd 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/-
AIBL 4 th 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

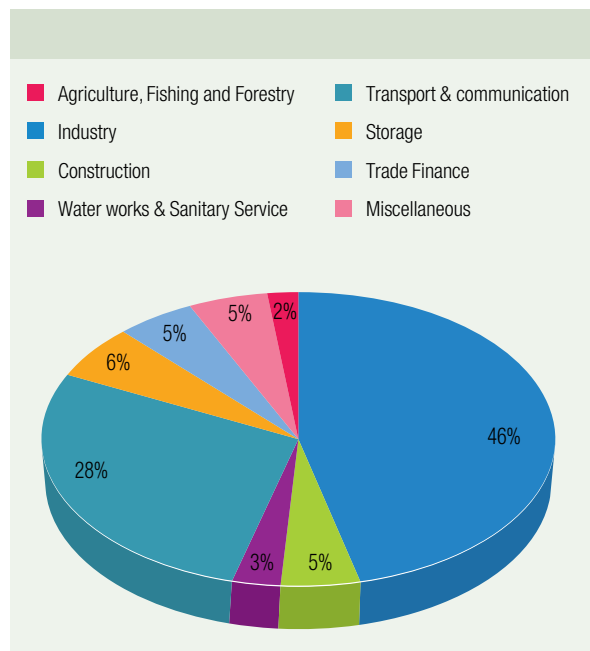
The investment of the bank has stood at Tk. 447,121.45 million as on 31st December 2023 as against Tk. 406,787.79 (Net off PR) million in the previous year showing an increased by 9.92% The investment portfolio of the bank is well diversified and covers a broad spectrum of businesses and industries including readymade 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 improve the recovery rate of disbursed investment and also taken adequate measures for converting the classified investment into performing assets. As a result, classified investment of the bank could be kept at a low level far below the national average. It is 6.76% in our bank as on 31 December 2023.



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

Sector wise Investment 2023

Sectors	Taka in million
Agriculture, Fishing and Forestry	7,915.00
Industry	218,174.40
Construction	30,483.50
Water works & Sanitary Service	3,337.10
Transport & communication	15,794.00
Storage	23,290.00
Trade Finance	154,567.93
Miscellaneous	4,149.80
Total (Including Profit Receivable)	457,711.73
Less Unearned Profit on Investment	10,590.28
Total	447,121.45



Income

Investment income: The investment income was Tk. 31,299.69 million during the year 2023 which was growth of 24.10% over the previous year. Investment income is 80.05% of the total income of Tk. 39,098.61 million.

Income from other than investment: The bank has earned Tk. 7798.92 commission income, exchange income, locker rent etc. in the current year which is 19.95% of the total income. It indicates 3.75% growth over the year 2022.

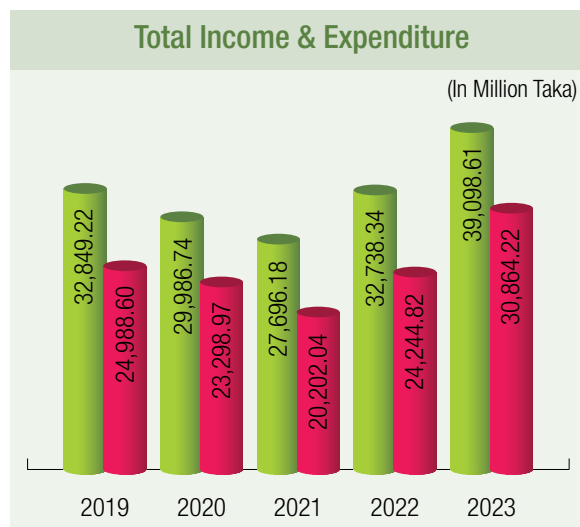
Expenditure

Profit paid to depositors:

The Bank has paid the depositors Tk. 21,201.23 million which is 67.74% of the investment income and 68.69% of the total expenditure for the year 2023. It was 31.61% growth over the year 2022.

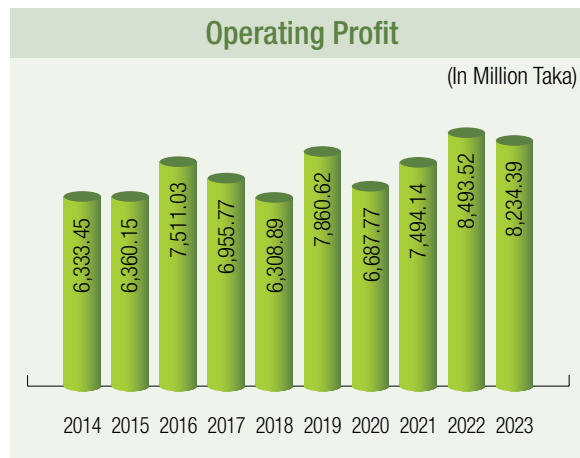
Administrative and Other Expenses:

The administrative and other expenses were Tk. 9,662.99 million during the year showing 18.78% growth over the year 2022. It is 31.31% of the total expenditure.



Operating Profit

The bank earned operating profit of Tk. 8,234.39 million during the year 2023. The operating profit of the Bank during the year 2022 was Tk. 8,493.52 million and thus the Bank attained growth of (3.05%) in respect of operating profit. The provision for income tax for the year amounted to Tk. 3,125.17 million and divisible profit available for appropriation amounted to Tk. 1,597.08 million.



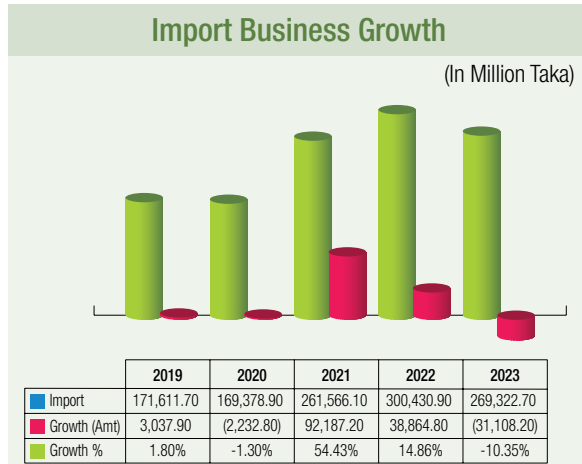
International Banking Wing (IBW)

International Trade

We are now more capable and confident of handling Foreign Exchange Business. Presently, we have 27 AD Branches through which we have handled total foreign exchange business of Tk. 583,472.20 million during the year 2023 as against the Target of Tk. 700,000.00 million. Our Foreign Exchange business has increased by Tk. 13,439.40 million recording a growth of 2.36%. Target of International Trade for the year 2024 has been fixed at Tk. 807,600.00 million with 38.41% growth.

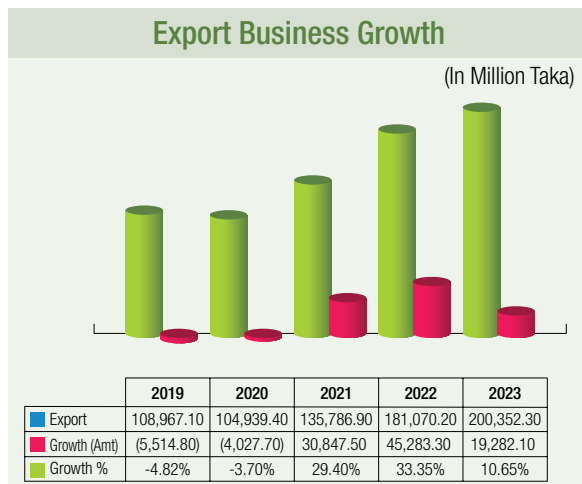
Import Business

Total import business of the bank for the year 2023 stood at Tk. 269,322.70 million as against Tk 360,000.00 million in the previous year. We recorded a (10.35%) growth in import business in 2023 over 2022. Target for Import business for the year 2024 has been fixed at Tk. 360,000.00 million with an expected growth of 33.67%.



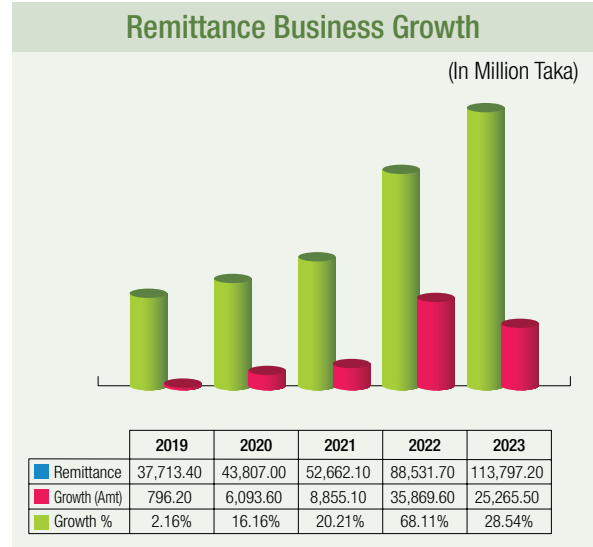
Export Business

Total Export business of the bank for the year 2023 stood at Tk. 200,352.30 million as against Tk. 250,000.00 million in year 2023 and thus recorded a growth of 10.65% over previous year. Our target for Export business for the year 2024 has been fixed at Tk 277,600.00 million with an expected growth of 38.56%.



Remittance

Total remittance of the bank stood at Tk. 113,797.20 million during the year 2023 as against Tk. 100,000.00 million, in the previous year. Our remittance business recorded 28.54% growth in 2023 over 2022. Target for Remittance business for the year 2024 has been fixed at Tk. 170,000.00 million and thus expecting a growth of 49.39%.



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 focus 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

Foreign Exchange Desk

Foreign Exchange Desk thoroughly monitored exchange rate movements, volatility & liquidity scenario of USD and other active currencies throughout the year. Treasury set exchange rates for merchant transactions, successfully managed Net Open Position (NOP), ensured optimum liquidity, quoted market-based exchange rates to the exchange houses and managed FC liquidity for our Offshore Banking Unit (OBU). The Foreign Exchange desk has maintained close liaison with a set of local and foreign counterparts for ensuring FC liquidity round the calendar. AIBPLC Treasury successfully managed FC dealing of cross currencies through its trading platforms of world-renowned banks. The Desk has also provided FC dealing solutions to the counterparty banks in our local market. During 2023 we have taken 2436 no. of USD/BDT & cross currency deals. FX Desk has contributed operating income of BDT 1,720.19 million from cross currency deals, exchange gains & FC funding. In 2023, Treasury Back Office (TBO) team has handled 89085 no. of FX transactions with turnover of USD 14.61 billion. FX transactions were being routed through 34 Nostro accounts in USD, EUR, GBP, CNY, CHF, JPY, AED & SAR currencies. TBO had relentlessly driven its all-out effort for timely reconciliation of all of the nostro transactions aligned with Bangladesh Bank regulations.

Money Market Desk

Ensuring optimum liquidity of local currency to meet asset book requirement as well as earning optimum profitability from the mismatches between maturity buckets of deposits of the bank within regulatory requirements are prime responsibility of the Money Market Desk. AIBPLC Treasury Money Market Desk also maintained Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of the bank efficiently. Our team has successfully managed liquidity as well as deployed surplus funds to the Islamic banks, Islamic windows & Islamic branches of conventional banks and NBFIs operated under shariah principles. The bank participated BGIB and BGIS(Sukuk) issued by Bangladesh Bank for maintaining SLR of the Bank.

Asset Liability Management (ALM) Desk

Managing the risks that arises from maturity mismatches of Asset Liability of the bank is the prime responsibility of ALM Desk. Bank faces several risks like Liquidity Risk, Profit Rate Risk, Credit Risk and Operational Risk etc. ALM Desk mainly manages Liquidity Risk and Profit Rate Risk of the bank through day-to-day monitoring of market information & future outlooks. It prepares ALCO paper & conducts ALCO meetings each month where all issues related with ALM are discussed and instructions are given.

2023 was a challenging year from Asset Liability point of view as Bangladesh Bank issued directives for deposit rate protection against inflation. Due to volatile movements of profit/interest rates of Asset and Liabilities in the market, it was a real challenge to maintain a reasonable spread. The ALM Desk was proactive to revise the profit rates of deposits aligning with market rates as well as ensuring liquidity. ALM Desk successfully recommended asset-liability slotting for maintaining a steady and reasonable spread. ALM Desk has properly maintained regulatory ratios like CRR, SLR, IDR, LCR, NSFR leverage ratio, commitment and wholesale borrowing position within set limit of Bangladesh Bank.

Corporate Service Desk

We are providing customized treasury solutions to our corporate client's matching with market practices from the Corporate Service Desk. Mainly our foreign trades clients seek market oriented timely solutions and appropriate advices for their FX portfolios. 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 us.

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.

Treasury Outlook of 2024

In 2023 BDT moved against USD from Tk. 103.29 to Tk.110.00 resulting depreciation of almost 6.50% which was parallel to peer currencies. Most of the south Asian countries devalued their currencies slightly which has posed challenge to our export destinations. Due to Ukraine-Russia war, US-China trade war and to retain export earnings, BDT may be under pressure for further devalue.

Moratorium in investment repayment, injecting money by B. Bank through repo, B Bank F.C BDT SWAPS may dampen money market round the year. As a result of flat deposit investment growth banks may face upward operating cost and narrow spread. To cope up with the changing scenario banks have to introduce tech-based banking, spread Agent and Sub-Branch outlets countrywide and rush to retail depositors/investment clients.

Off-Shore Banking Unit (OBU)

AI-Arafah Islami Bank PLC (AIBL) 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 AIBL 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 AIBL 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. 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;

PROPERTY AND ASSETS	Dec.22 (Million USD)	Dec.23 (Million USD)	Growth
Total Assets	248.46	106.10	-57.30%
UPAS	222.60	70.19	-68.47%
MDBFC	17.58	15.96	-9.22%
HPSM Machinery	6.57	6.31	-3.96%
Placement from Parent Bank	99.03	55.38	-44.08%
Borrowing from Overseas Banks	147.72	49.19	-66.70%
Net Operating Income	1.71	1.54	-9.94%

Foreign Remittance Division:

Foreign Remittance Division is one of the most important business segments of the bank which contributes overall growth of the Bank, increases the inflow of foreign currency, assists to build up low cost deposit and strengthens customer base of the Bank as well as upholds Bank's image in home & abroad and also makes significant impact towards the sustainable development of the Bank. Foreign Remittance Division is procuring remittance from all the remittance hubs across the globe consisting more than 100 countries through 27 (twenty seven) Remittance Arrangements with different exchange houses in abroad and local banks. AIBPLC received Remittance Award from "Centre for Non-Resident Bangladeshi (NRB)" as one of the Top-10 Banks for procuring the highest remittance in 2021, 2022 and 2023.

1. Remittance Achievement:

Total remittance of the bank stood at Tk. 11,379.73 crore during the year 2023 as against Tk. 8,853.17 crore and Tk. 5,266.21 crore in the previous years 2022 and 2021 respectively. Our remittance increased by Tk. 2,526.56 crore i.e. 28.54% in 2023 as compared to increases of Tk. 3,586.96 crore i.e. 68.11% in 2022 and Tk. 885.51 crore i.e. 20.21% in 2021 respectively. Target for Remittance business for the year 2024 has been fixed at Tk. 17,000.00 crore expecting growth 49.39%.

Performance of Foreign Inward Remittance -from 2019 to 2023:

Year	Remittance		No. of Tr.	arget (In Crore)	Achieve- ment (In %)	Growth (In %)
	BDT (In Crore)	USD (In Million)				
2019	3,771.34	446.45	698,640	5,000	75%	2.16
2020	4,380.70	516.19	693,537	4,250	103%	16.16
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%

The Branches & Agent Banking Outlets of AIBPLC have procured

foreign remittance BDT 2,689.69 crore in 2023 which is 23.67% of the total remittance and disbursement of foreign remittance through BEFTN (A/c Credit with other bank) was BDT 8,690.04 crore in 2023 which is 76.36% of the total remittance.

2. Remittance Drawing Arrangement:

We have executed 03 (three) new remittance drawing arrangements with different exchange houses in UAE & UK in 2023 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 & 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 Foreign Remittance Division. Remittance achieved through Agent Banking Outlets during 2023 was BDT 1,011.54 crore which was 8.89% of total remittance.

4. Marketing & Promotional Activities:

In order to strengthen existing relationship with our overseas partners, to establish new remittance arrangement, to interact with Bangladeshi expatriates and inspire them to send remittance AIBPLC and build-up customer base as well and finally to uphold the bank's image in abroad, senior management of the Bank have visited UAE & Oman in March 2023. This visit has given scope to execute tie-up with three companies in UAE and one company in Oman.

With a view to increase transaction of MoneyGram, we executed promotional campaigns in Eid-ul-Azha 2023, where every customer of MoneyGram was given a Torchlight with the logo of MoneyGram & AIBPLC during this campaign.

With a view to enable Bangladeshi expatriates residing and working abroad to remit their hard-earned money through our Bank and to boost up our Bank's remittance business and deposit ratio, to elevate the standard of foreign remittance customer services as well as maintaining continuous touch with the existing & prospective remittance clients of our bank, clients of other banks, wage earners' beneficiaries and all strata of people at large in the society, we have celebrated "Remittance Service Month -2023" from 15th November to 28th December, 2023. In the "Remittance Service Month -2023" we have provided a Water Bottle as gift who opened an account with our bank during the service month. Over 26,888 new remittance beneficiary accounts have been opened during this service month. In order to increase remittance volume, the division has a plan to launch more promotional campaigns in 2024.

Overseas Banking Division:

Overseas Banking Division has been managing the relationship with foreign correspondent banks. During the year, 9 RMA (Relationship Management Application) with global banks representing from Asia, Middle East, and Europe were established to facilitate international trade. Currently, the Bank has relationships with over 348 banks/

branches worldwide in more than 56 countries.

The Bank has maintained Nostro Accounts in all major currencies viz. USD, EUR, GBP, JPY, CHF, SAR, AED and CNY for smooth settlement of treasury, remittance and trade transactions with the satisfaction of international banks. At the end of 2023, the Bank maintained 35 Nostro Accounts with 22 Banks.

The Bank has managed to arrange credit line for import trade. Despite challenging global situation, our trusted Foreign Correspondents continued to support for import of essential items, industrial raw materials and capital machineries.

The Bank has been conducting International Trade through centralized mode of operation following Central Bank's guidelines and international best practice managed by a team of well-experienced and professionally certified officials. All necessary compliance frameworks are in place including SWIFT integrated with Core Banking Software and Sanction Screening Tools backed by SWIFT Corp Ltd. The Bank subscribes and collect Credit Reports from renowned sources like D&B, Credit Safe etc. and also subscribes vessel tracking from Lloyd's List Intelligence. The Bank has adopted transaction monitoring software from vendor-sourced tool: Data Soft Systems Bangladesh Limited which also includes trade transaction monitoring and has strengthened compliance culture.

Foreign Trade Processing Division:

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 2024. 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 plan to fully centralize the bank Trade operation shortly.

FTPD is strengthening its compliance effort by implementing strictest policy to outweigh the stringent regulatory fines ensuring the adherence to BFIU Circular No. 24 Dated December 10, 2019 Guidelines for Prevention of TBML. FTPD understand what is legally required for the institution, employees, and customers to a successful trade compliance program subsequently understand the robust regulatory effort and consequence of non-compliance thereby deliberately assessed the import item price Focusing on implementing appropriate systems and controls to mitigate risk arising out of TBML.

To guard the detrimental effect of USA PATRIOT ACT Section 319(a) forfeiture from US Correspondent account and to implement the New York State Department of Financial Services (NYDFS) Final Rule Part 504 which require Monitor transactions prior to their execution to prevent unlawful transactions with targets of economic sanctions

administered by OFAC, FTPD is implementing trade activity sanctions screening in AST (Automated Screening Tool) through SWIFT sanctions screening software.

Moreover FTPD check the general ledger balancing regarding LC liability, bills liability and cash security and very keen to ensure there is no mismatch at any point of time along with this, FTPD is focusing that all relevant charges are realized strictly as par Head office sanction and BRPD circular no-11 Master circular on schedule of charges dt 10th June 2021. By this way FTPD is targeting to minimize the exposure to foreign exchange risk.

The division hit a tremendous stride on the volume of transaction in cash LC and back to back LC in 2023. The volume of workflow of the division is gradually increasing whereas the manpower remains almost alike. About 46% total workflow rose over 2022 to 2023 which has been accomplished by the same manpower probe the cost effectiveness implemented solely by the FTPD. By the year 2024 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.

Internal Control & Compliance Wing

1. Internal Control:

Internal control refers to the systems, processes, and procedures implemented within an organization to ensure the achievement of objectives, safeguard assets, and mitigate risks. Al-Arafah Islami Bank PLC has established a strong internal control framework to enhance operational efficiency and minimize potential risks. This framework includes the following key components:

- a) **Control Environment:** The bank fosters a culture of integrity, ethical behavior, and accountability among its employees. Bank's board as well as management always promote a strong control environment through effective leadership, clear communication, and a well-defined organizational structure.
- b) **Risk Assessment:** Al-Arafah Islami Bank PLC conducts regular risk assessments to identify and evaluate potential risks. This enables the bank to develop appropriate strategies and controls to mitigate these risks effectively. This assessment is being conducted at every level of operations e.g. branch level as first line of defense, head office level at second line of defense and through internal audit as the third line of defense.
- c) **Control Activities:** The bank has implemented a range of control activities, such as segregation of duties, authorization procedures, and regular monitoring and review processes. These activities ensure that transactions are executed accurately, assets are safeguarded, and compliance with regulatory requirements is maintained.
- d) **Information and Communication:** Al-Arafah Islami Bank PLC emphasizes the importance of timely and accurate information

flow across all levels of the organization. Bank has a software-based online platform for dissemination of circulars/policies/guidelines across all level. Regular meetings (online and physical) are being conducted with the top management which ensures effective decision-making, risk management, and compliance.

- e) **Monitoring:** The bank has established a robust monitoring system to assess the effectiveness of internal controls. Apart from regular internal audits, external audits and management reviews, concurrent auditors are deployed at branch level who are regularly reporting risk areas and control weaknesses that helps taking corrective actions promptly.

2. Compliance:

Compliance refers to adhering to laws, regulations, and internal policies and procedures. Al-Arafah Islami Bank PLC places great emphasis on compliance to ensure ethical conduct, protect stakeholders' interests, and maintain the bank's reputation. The bank's compliance framework encompasses the following aspects:

- a) **Regulatory Compliance:** Al-Arafah Islami Bank PLC strictly adheres to the guidelines and regulations set forth by the Bangladesh Bank, the central bank of Bangladesh. It ensures compliance with anti-money laundering (AML) and counter-terrorism financing (CTF) regulations, customer due diligence (CDD) requirements, and other relevant laws. In 2023 AIBPLC has submitted all the Compliance report of Bangladesh Bank Inspection in time. The bank always prioritizes the accurate and timely submission of regulatory compliance.
- b) **Internal Policies and Procedures:** The bank has well-defined internal policies and procedures that guide its operations. These policies cover areas such as risk management, credit assessment, customer service, and information security. Compliance with these policies is regularly monitored and enforced. AIBPLC has formulated bunch of policies and procedural/operational guidelines for ensuring clarity of concept and removing ambiguity. All the policies and related circulars are instantly uploaded to software which ensures smooth flow of information to all the concerned.
- c) **Training and Awareness:** Al-Arafah Islami Bank PLC recognizes the importance of continuous training and awareness programs to ensure compliance among its employees. Regular training sessions are conducted to educate employees about regulatory changes, ethical conduct, and the consequences of non-compliance. A total number of 12499 officials have been participated in different courses and workshops in 2023.
- d) **External Audits:** The bank engages reputable external auditors to conduct independent audits and assess its compliance with regulatory requirements. These audits provide an objective evaluation of the bank's internal control and compliance measures. The external auditors have opined in their audit report that the financial statement of the bank gives a true and fair view.

Sustainable Finance Unit

SFU of Al-Arafah Islami Bank PLC. plays a major role in sustainable finance. Here Sustainable Finance refers to the process of incorporating environmental, social, and governance (ESG) considerations into financial investment decisions, resulting in longer-term investments in sustainable economic activities and projects. More specifically, environmental considerations may refer to climate change mitigation and adaptation, as well as the environment more broadly, such as the preservation of biodiversity, pollution prevention and circular economy. Social considerations may refer to issues of inequality, inclusiveness, labor relations, investment in human capital and communities, as well as human rights issues. AIBPLC deals with those things by its green banking, sustainable finance and corporate social responsibility activities. From this perspective, as a Bank, AIBPLC has performed the following activities through this Unit:

Green Banking

a. In-house Activities:

Under Green Office Guide, we implemented the following things:

Newly installed automatic sensor light bulbs in office building helps to reduce power consumption.

- (ii) Most of our communication with branches, higher authority, Board of Directors and even Annual General meeting were arranged through online platform which reduced use of paper, printer and ink.
- (iii) Many of our workshop and training session under the program of awareness and capacity building were also successfully done through online platform.

Greening the Banking operation:

- (iv) We provide e-statement and transaction notification to all our account holders through email/sms.
- (v) At present we have banking services through mobile app and Islamic Wallet Mobile Financial Services facilitating account opening from home, easy money transfer, payment of bill, mobile top-up, merchant payment and inclusion of rural area under banking service.
- (vi) We have also introduced Internet Banking which allows transaction and availing other banking services to our valued clients staying at home.
- (vii) Under Business Process Automation (BPA), we now circulate all our letters, instructions, Investment proposal and Sanction through shared digital platform, email and IP message.

All of the above activities have played a great role in reducing carbon emission, environmental degradation and parallely in saving and utilizing all of our valuable resources properly.

b. ESRM (Environment and Social Risk Management):

In this regard we have done Environmental and Social Risk Rating (ESRR) of all our investment proposals and also incorporated appropriate mitigation measures if required under ESRM as per instruction of Bangladesh Bank. Scheduled monitoring and

inspections have also been done time to time.

c. ESMS (Environment and Social Risk Management System):

We are also working to introduce Environmental & Social Management System (ESMS), MIS for ESRM & Sustainable Finance and report Sustainability & Climate Finance from the 1st half of 2024.

e. Green and Sustainable Finance:

The following initiatives are taken to enhance Green and Sustainable Finance by AIBPLC:

We have a Sustainable Finance Policy introduced in 2021 which will be revised soon. As per revised Sustainable Finance Policy, we can finance in 94 green products including previous 68 and other sustainable linked products.

We formed Dedicated Sustainable Finance Help Desk in all our 215 branches and assigned an officer in each desk.

In 2023, we have trained more than 390 employees including Head Office and all dedicated Sustainable Finance Help Desk Officials of branches on ESRM, ESRR, Green & Sustainable Finance Products, Refinance Scheme for Green Products and Quarterly Sustainable Finance Reporting.

Our Green Finance target is 5% of total term investment (excluding staff) and Sustainable Finance target is 20% of total Investment disbursement.

Our achievement in Green Finance is about more than three times (300%) in terms of specified target and in case of Sustainable Finance it is approximately half (50%) of the specified target.

AIBL has financed in diversified Green areas like LED Bulb/Tube Assembly Plant, ETP Construction, Recycling Plastic and Paper Waste, Green Brick Manufacturing and Green Establishment (i.e. Green Industry, Building) etc. In the last quarter of 2023 total Green Finance disbursement was BDT 5894.20 million. This is contributing greatly to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general.

1. We are also working to introduce MIS for ESRM, Sustainable & Green Finance and report Sustainability & Climate Finance related activities from 1st half of 2024.
2. Information on Sustainable finance & CSR activities are published in the bank's website.

As these are very much associated with Sustainable Development Goal, Bangladesh Bank has also formed several funds to facilitate refinance in green products/projects/initiatives at lower rate of return. We have signed following agreement under these funds with Bangladesh Bank:

- i) Islamic Refinance scheme for Green Products:
Under this scheme any client can avail refinance for any of 52 green products/projects/initiatives at single digit profit rate.
- ii) Refinance Fund for Technology Development / Upgradation of

Export Oriented Industries:

Export-oriented industries can avail refinance under this fund at the lowest profit rate for upgradation of capital machinery to enhance their production efficiency.

At this moment a refinance claim application of BDT 156 crore under this scheme is in the process of approval at Bangladesh Bank.

iii) Green Transformation Fund (GTF):

It includes 200 million US Dollar and 200 million Euro from which manufacturer-exporters can get refinance in foreign exchange against import of capital machineries and accessories relevant to environment-friendly/green attributes specified by BB and industrial raw materials.

On the other hand, we have also achieved tremendous progress in sustainable finance. The most significant issue is that AIBL has been recognized as one of the most sustainable banks in Bangladesh by Bangladesh Bank in 2022. In the year 2023 our sustainable finance was BDT 41,546.44 million.

iv) Green Transformation Fund (GTF) in Local Currency (Taka):

It is a fund of BDT 5000 crore formed by Bangladesh from its own source. Our export oriented and manufacturing industries can avail term financing easily under this fund to import/buy Green/environment friendly capital machineries at lower rate of return.

Corporate Social responsibility (CSR)

As part of CSR, PLC always gives priority to any emergency of the country /society /institution /individual. In 2023 AIBL has done Some mentionable CSR activities such as:

Donation of BDT 20.00 crore to Bangabondu Memorial Trust to establish Fazilatunnesa Mujib Medical Hospital.

AIBPLC has donated Tk. 1.50 crore to Prime Minister Education Assistant Trust.

Our main priority sectors of CSR are education, health, food security, shelter, prevention of environmental disaster and special attention for the advancement of research/literature/culture. In 2023 our total expenditure in CSR is BDT 513.20 million which is shown sector wise in the table below:

(Amount in Million BDT)

Sl No.	Particulars	2022	2023
1	Health	50.80	286.67
2	Education	58.80	59.14
3	Disaster Management	35.70	123.89
4	Cultural Activities	22.00	0.43
5	Environmental Protection	20.00	43.06
6	Others	100.00	0.00
Total		287.30	513.20

Education Scholarship Program:

Being aligned with government initiatives to achieve Sustainable Development Goal (SDG), AIBL has also taken step to promote quality education which is the 4th most prioritized goal of SDG. In 2018, we successfully begun the program titled "Al-Arafah Islami Bank Education Scholarship-2018" for underprivileged meritorious students who completed HSC. Under this program each year we invite application from the students. In 2023, this program covers 564 students under 3 batches with total scholarship disbursement of BDT 14.98 million.

For 2021 we already have initiated primary selection process from candidates applied for this scholarship. Again, we also going to publish our next circular for the year 2022 & 2023 inviting application under AIBL Education Scholarship Program.

AIBL Foundation

Al-Arafah Islami Bank Ltd. has also fulfilling its corporate social responsibility towards people and different institution through its foundation. AIBL foundation is operating the following institution:

- Al-Arafah Islami Bank Ltd. Foundation Kidney Dialysis Center, Chattogram.
- Al-Arafah Islamic International School and College, Hazaribagh, Dhaka.
- Al-Arafah Tahfizul Kuran Madrasha, Hazaribagh, Dhaka.
- Al-Arafah Islami Bank Foundation Hospital, Chattogram. (under construction).

In those above projects total BDT 87.59 million was expensed by AIBPLC Foundation under CSR activities in 2023.

Besides, it also has a future plan to establish another extension of Al-Arafah Islami Bank Foundation Hospital at Hazaribagh, Dhaka.

All of the above are established with the motive to provide quality service to poor /less income 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. CMSMEs occupied a unique position in the economy of Bangladesh.

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 451510.65 Million in investment sector out of which taka 146585.88 Million has been invested in the CMSME sector and participated in most of the refinance and pre-finance schemes announced by Bangladesh Bank.

Our aim is to minimize investment risk through small scale investments 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. For this we need to bring forward branch managers and zonal heads in small investment CMSME and agricultural sector. Their positive outlook can bring back discipline in investment. Another thing to note is that which investment product has a higher spread and is more attractive to the customer and should be presented to the investment client. Government and Bangladesh Bank have provided refinancing facility at only 5% profit rate to women entrepreneur sector and 2% more cash 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.

Here, the CMSMEs account for about 45% of manufacturing value addition. They account for about 80% of industrial employment, about 90% of total industrial units and about 25% of total labour force.

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 & Services.

CMSME Investment at a glance

Figure in Million

Description	2023	2022
Total CMSME Portfolio	146585.88	131595
% of CMSME Portfolio to Total Portfolio	32.47%	31.70%
Target of CMSME Investment	95000	80000
Total CMSME Disbursement	74252.88	77205.07
% of Achievement	78.16%	96.51%

Investment on Women Entrepreneurs

About 50% of the populations of Bangladesh are women. Women participation in the mainstream of economic activities especially in the productive sectors is crucial for attaining sustainable economic growth, poverty reduction and women's empowerment. But women participation in economic sector is inadequate and the number of women entrepreneurs is very low compared to that of their male counterparts.

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.

Description	Figure in Million
Total SME Portfolio in Women Entrepreneurs	7063.79
Amount of Disbursement to Women Entrepreneurs	4674.28

Refinance Schemes of Bangladesh Bank enrolled by AIBL

1. CMSME Stimulus Scheme 2022-23 (3rd Phase):

Bangladesh Bank has set 9500 Million Taka disbursement target for AIBPLC. About 4750 Million Taka of this scheme will be

obtained under refinance and the remaining 4750 Million Taka will be financed from AIBPLC. own funds where the Stimulus Profit rate for the customers is 4% and 5% profit incentives provided by Bangladesh Bank.

2. 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.

3. Small Enterprise Refinance Scheme for Women Entrepreneurs

Under this Refinance scheme for women entrepreneur AIBPLC. is providing investment opportunities upto 5 Million at 5% profit rate where Bangladesh Bank refinanced the fund at 0.50%. Profit Spread for AIBPLC. will be 4.50%.

4. Agriculture Refinance Scheme (Food Security) 2023-24

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%.

5. Concessional Profit at 4% Scheme 2023-24

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.

6. 'Ghore Phera' 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%.

7. 10/50/100 Tk Account Holders' Refinance Scheme

Under this Refinance scheme Bangladesh Bank set the target of 200 Million. 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%.

8. 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%.

9. Start-up Fund Refinance Scheme

A fund was formed to invest in the Start-up enterprises and businesses. A fund of 66.0 Million was accumulated from where

9.70 Million have disbursed.

10. 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:

- 1) Organizing Financial Literacy Programs (Training/Seminar/ Workshop)
- 2) School Banking Conference.
- 3) Reporting
- 4) Investment
- 5) Monitoring & Recovery
- 6) Creating & Actualizing Financial Service Provider (FSP) Interactive Map

7) Compliances

Performance of FID in the year of 2023:

Particulars	Target	Achievement	(In %)
10/50/100 Taka Refinancing Investment Scheme	30.00 Core	30.176 Core	100.59
School Banking A/C (number)	15000	22,943	152.95
Financial Literacy Programs (FLP)	64	33	52

Agent Banking

Agent Banking services is one of the important dimensions of banking services in Bangladesh which is provided through engaged agents under valid agency agreement. Agent is the owner of one or more than one outlet(s) who conducts banking transactions on behalf of the bank. This type of banking is comparatively a tremendous idea that can help the formal banking sector reach out to the marginalized people of the society through agents. It is playing a pragmatic role in paving the way for financial inclusion, which is a tool for inclusive economic growth and financial development of a country.

We have launched 737 Agent Banking outlets through 515 Agents as on December 2023 with a view to bringing the un-banked population under banking services. As on December 2023, total accounts of Agent Banking are 8,88,931. We have already covered 297 Upazillas under 57 Districts. With some restrictions and limitations, most of the banking services are available in agent banking operation.

In Agent Banking, most of the beneficiaries are living in rural areas and were totally un-banked at the earlier. But now, their total deposit is Tk. 40,072.69 Million and the figure is increasing rapidly. Clients are opening accounts, depositing and withdrawing their expected money, getting foreign remittance from their relatives, paying their utility bills and getting other banking services spontaneously. This is one of the appropriate examples of financial inclusion in Bangladesh.

Agent Banking Performance At a Glance (As on 31-12-2023)

Taka in Million

Particular	December 2022	December 2023
Total Number of Outlet	700	737
Total Number of Agent	485	515
Number of Rural Outlet	615	648
Number of Urban Outlet	85	89
Number of Covered Upazilla	248	297
Number of Covered District	57	57
Number of Accounts	703510	888931
Number of Male Customer	371042	470971
Number of Female Customer	332468	417960

Deposit of Agent Banking	37278.37	40072.69
Cost Free Deposit	1401.81	1775.82
Low Cost Deposit	14497.24	14432.34
High Cost Deposit	21379.32	23864.53
Investment in Outlet Area Through Branch	3775.83	5051.94
Amount of Foreign Remittance	18323.83	10115.97
Number of Utility Bills Collection	7789644	9366592
Amount of Utility Bills Collection	5582.52	6959.73
Net Amount of Profit	376.40	766.59

Retail Banking

In 2023, Retail Banking Division continued its commitment to delivering exceptional value and superior customer experiences, with a strong focus on innovation and personalized services. Embracing the power of customer data insights, we strived to create tailored experiences that resonate with each individual client, driving improved satisfaction and loyalty.

The core strategy was the expansion of retail banking portfolio, facilitated by the establishment of a centralized Retail Banking Division aimed at providing comprehensive one-stop services to our customers. This consolidation allowed us to streamline operations and enhance efficiency, ultimately leading to better service delivery.

Throughout the year, our efforts were concentrated on strengthening customer relationships and fostering business growth. We invested in training and development programs to equip our employees with the skills necessary to deliver superior service and support. Additionally, we deployed branch-specific retail relationship managers and retail relationship officers to boost retail business and to provide personalized assistance, ensuring that every interaction with our customers is meaningful and impactful.

In line with our commitment to innovation, we focused on enhancing our digital banking capabilities to offer frictionless customer onboarding and a seamless digital banking experience. By prioritizing digital solutions, we aimed to meet the evolving needs of our customers in an increasingly digital world.

Our promotional and branding activities aimed to elevate our brand presence and position us as a leading provider of Islamic financial services. Through targeted campaigns, we sought to communicate the unique value proposition we offer to our clients and the broader community.

Retail Banking Highlights:

- Retail investment disbursement in 2023 marked the highest ever disbursement in recent years, emphasizing our unwavering commitment to providing financial solutions to retail customers. Retail investment disbursement recorded a 79% increase in the year 2023.
- Retail Investment outstanding witnessed substantial growth,

reflecting our continued focus on expanding our retail investment portfolio. Retail Investment outstanding grew by 38% in 2023 from 2022. This represents the highest growth for Retail Investment outstanding in recent years.

- Our focus on expanding our Payroll Propositions in 2023 resulted in significant growth, with a notable increase in the number of onboarded payroll accounts through partnerships with various organizations.
- Introduction of Rapid Investment, a secure and swift retail investment facility, swiftly gained momentum, offering customers a convenient and efficient avenue to access retail investment facility.
- Non-Performing Investments (NPI) notably decreased, showcasing our commitment to risk management and keep delinquency at minimum.

Looking ahead, Retail Banking Division remains committed to customer engagement as a key driver of growth. By prioritizing personalized experiences and leveraging digital innovation, we aim to strengthen relationships with existing clients while attracting new ones who value our dedication to their satisfaction. Through these efforts, we are confident in our ability to sustainably grow our retail banking business and maintain our position as a trusted provider of Islamic financial services.

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 Bank's 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 entrepreneur's .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. ARDP activities are being conducted at a total 260 work stations, including 18 sub branches and 100 agent outlets through 142 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.

Summary of ARDP-2023

SL No.	Subject/Particulars	December 2022	December 2023	Growth %
1.	Number of Member	75,337	76116	1.03
2.	Number of MSD Account	213,584	245,309	14.85
3.	Number of SSP Account	59,037	56,911	-3.60
4.	Total Number of Account	272,621	302,220	10.86
5.	Disbursement	355.61	443.01	24.58
6.	Outstanding	257.85	381.88	48.10
7.	Percentage of Recovery	95%	98.86%	-
8.	Deposit Amount MSD A/C	76.62	88.66	15.71
9.	Deposit Amount SSP A/C	120.17	200.46	66.81
10.	Deposit Amount Welfare fund	24.06	28.30	17.62
11.	Total Deposit	220.85	336.57	52.40
12.	Profit/Loss	6.17	4.55	-26.29

Branding & Public Relations

Improvements in branding and media relations were priorities during the year 2023. In response to the overwhelming expansion in Bank's business, we extended our publicity to fulfill the market demand. We brought new dimension in our branding and publicity for establishing a positive image of the Bank. We acquired encouraging national attention towards AIBL throughout the year with our all-around activities. More than 64 news items of the Bank were broadcasted in 1536 news coverage through 24 different TV Channels during the year 2023. We continued news branding on 7 major satellites TV channels such as Channel-i, Bangla Vision, ATN Bangla, ATN News, Desh TV, DBC TV and ETV.

Promotion in the television media got a major hike during the Ramadan in this year. In 19 major TV channels which included NTV, Bangla Vision, Bangla TV, Independent TV Jamuna TV, Channel-9, Boishakhi TV, SA TV, News 24, Gazi TV, Ekattor TV and many more. The Bank sponsored 18 different programs to encourage true Islamic values. The initiative was praised by the stakeholders and positively put an effect on business.

Positive branding was one of the vital supports that led the Bank to hold a firm position in the market. The Bank proved its engagements with people by sponsoring several occasions. Banking Fair, SME Fair, School Banking Conference, Anti-Money Laundering Conference, Fair of Chittagong Metropolitan Chamber of Commerce & Industry and many more people-related gatherings were sponsored by the Bank. These activities tightened the relationship with clients and uplifted Bank's faithful image.

Our presence in the print media also was bold as we had 2360 Press Release items published in more than 61 different leading Newspapers and Media throughout the year. Besides, more than 785 advertisements took were published in 122 different publications during that year.

This year the Bank went into Electronic Media vastly. Besides, promotion in social media and put utmost focus on Digital Media via

Online Portals, Facebook, YouTube etc.

Moreover, during the adverse circumstances, Bank made its promotion through client service more effective and efficient in 2023. We must remember that; a satisfied client is the best advertiser of the Bank. So, all our promotional steps will be focused to make our customers feel that they are banking with their own bank with all the modern facilities, when they are with Al-Arafah Islami Bank PLC.

Branding Summary of AIB in 2023

Sl	Branding Details	Frequency of programs during 2023
1	TV News Items	64 events with 1536 news coverage
2	TV Channel Coverage	24 Channels
3	TV Branding (Throughout the year)	7 Channels
4	TV Branding during Ramadan	18 Programs in 19 TV Channels
5	Press Release Published	2360 times
6	Print Media covered	61 media
7	Promotional Advertisement	785 advertisements
8	Publications used	122 publications

Information Technology

The technology is of great use in banking sector, it has changed the banking industry from paper and branch based banks to digitized and network services. Means it has played a very big role in reducing fraud in banks which protects its clients. Banks are investing heavily in digital banking technology, in which customers use mobile, web or digital platforms to use banking services. Artificial intelligence solutions, such as chatbots, often assist customers in simple tasks such as making payments. As such bank can enhance business processes, make managerial decision, and workgroup collaborations which strengthen their competitive positions in rapidly changing and emerging economies.

Every bank is providing their financial services, DATA analysis & classifications, making the ultimate decision with a truly automation system accomplished by the ICT division. AIBL started its Automation journey from 2006 and lived their Online Operation in the 2008 that has been going on successfully since inception.

Beside Core Banking System (CBS) we are also using the below tech based services to automate, secure and faster our internal activity as well as to offer the better services to our valued customers:

i. RTGS; ii. BEFTN; iii. BACH, iv. ISS Report, v. BPA, vi. CIB, vii. goAML-CTR, viii. RIT Reporting, ix. i-Banking, x. Sylvia (HRMS), xi. Agent Banking, xii. Utility Bill Collection, xiii. Sanction Screening, xiv. FATCA Compliance, xv. SWIFT, xvi. Asset Management, xvii. Centralized Anti Virus Management, xviii. Mail Server, xix. OBU, xx. Treasury, xxi. ATM Service, xxii. Mobile ATM Service, xxiii. Debit Card, xxiv. Credit Card, xxv. SMS Alert etc.

Recently AIBL has launched Islamic Wallet which a Shariah based Mobile Financial Services of Al-Arafah Islami Bank Limited. Islamic Wallet comply with the most rigorous security, compliance standards and all regulatory requirements.

Islamic Wallet promises to provide the most innovative services that can be provided in Mobile Financial Services industry of Bangladesh. It is fast, secure and affordable way to send & receive money from anywhere at any time. In addition to 'send and receive money', it provides a total eco-system where people can derive the best use of money. This wallet will be considered as new and innovative payment system to cater all kinds of banking needs for ensuring the maximum convenience of customers specially those who do not have access to banking services.

Services offered by Islamic Wallet

- Cash In, Cash Out, Person to Person (P2P)
- Fund Transfer from Card and Bank Account.
- Person-to-Business payments (P2B) such as utility bill payment, airtime top-up, insurance premiums, loan instalments, merchant payments etc.
- Business-to-Person payments (B2P) such as payroll, commission disbursement, etc.
- Government-to-Person (G2P) payments such as subsidies, freedom fighter allowances, social welfare payments, endowments, etc.
- Person-to-Government (P2G) payments such as government duties, taxes, fees, etc.
- Ticketing Service
- Tuition Fees Payment

There are some Technology based initiatives taken by the bank management to improve the customers' services with a view to become the best bank in Bangladesh:

1. To become one of the best three Technologically advanced banks in the country within next 3 years
2. Ensure 100% Regulatory Compliance by taking highest possible ICT security measures within a year.
3. Considering a huge unbanked population across the country, AIBL has been working very closely with different government and non-government entity to ensure the availability of Mobile Financial Services (MFS) all over the country.
4. Full-phased Internet Banking along with E-Commerce and Payment Gate way will be started very soon.
5. Introduce Booth Banking Services as per Bangladesh Bank guideline.

Card Division

With the increase in digital transactions, the use of cards is constantly increasing. Interest in cards and ATMs has now extended beyond urban areas to rural areas. This division is constantly enhancing its card services to meet this demand. In 2023, It has achieved good growth in card count and profit. Compared to 2022, credit card growth was 54%, debit card growth was 20%, net profit was Rs.2.08 crores. Card Division has issued more than 7000 credit cards in 2023 and this number is increasing every month. In addition to 129 EMI and 166 discount partners, Card Division is always striving to increase these partners to enhance customer convenience.

In the past 2023, Bank received the MasterCard Award 1 out of 3 banks in the Card Issuing Section for Debit Card Business. It is already issuing contactless cards. Along with MasterCard, bank has got Visa Card membership approval and will be able to issue Visa cards to our esteemed customers from 2024 onwards. International Debit Card will also be issued this year. For the convenience of La-Riba credit card customers, Card Division has obtained the necessary permission to provide a new facility called “Buy Now- Pay Letter” through which the esteemed customers can pay the product in monthly installments after purchasing any product.

La-Riba Credit Card is the only unique islamic credit card among all the banks in Bangladesh without bearing any interest or riba. Customers feel comfortable using our cards abroad as our cards are dynamic currencies. Bank offers airport lounge facilities to customers worldwide.

Asset Quality

Overdue investments stood at Tk. 12106.14 million as on 31st December 2023 as against Tk. 16786.42million as of December, 31 last year. Total overdue decreased by Tk. 4680.28 million during the year 2023 bringing the same to 2.65% of our total investment as against 4.04% 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. 1471.70 million from Tk. 22688.30 million to Tk. 37405.30 million (Term investments by Tk. 11777.50 million plus Continuous and Demand investments by Tk. 25627.80 million) which was 8.19% of total Investment. Recovery against rescheduled investment during the year 2023 was Tk. 1127.80 million.

Classified investments increased by Tk. 8428.82 million in 2023 from Tk. 22437.37 million to Tk. 30866.19 million representing 6.76% of total investment as against 5.41% in the previous year. During the year 2023, recovery & regularization against classified investment stood at Tk. 2060.86 million while recovery against written off investments stood at Tk. 365.64 million recording a total recovery of Tk. 3554.30 million which includes a recovery Tk. 1127.80 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 portfolio of the Bank.

Key Performances of IAD :

Investment Administration is playing significant role as major Investment Risk Management Tool for sustainable growth of investment by ensuring compliance as per Investment Risk Management Guidelines of Bangladesh Bank and reducing NPI of AIBPLC through establishing a healthy as well as effective monitoring and supervision culture .

As a result of strong monitoring & close supervision, total Overdue investment decreased by Tk. 3004.00 million during the year 2023 bringing the same to 3.58% of our total investment as against 4.66% in the previous year. As of 31st December 2023 Overdue investment stood at Tk. 16379.80 million as against total investments of Tk.45678.28 million . Corporate Branch Managers, Zonal Heads, and other Branch Managers are advised to take effective measures so that NPI is not inflated and income leakage remains at minimum level.

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 decision making 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's internal 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. AIBL formed All Risk 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 oversees 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. CCC looks 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/Profit Rate risk. Such changes usually affect securities inversely and can be reduced by diversifying.

1. Operational risk:

Operational risk is the risk that is not inherent in financial, systematic or market wide risk. It is 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 continue surveillance, 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. AIBL involves 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 environmental risk. This risk is managed by Investment Risk 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 supports BIU/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/decisions taken 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), and Stress 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 watchlists

- 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.

Dividend

The bank has been paying dividend every year since 1998 just after conversion of a public limited company. The Board of Directors of the Bank is pleased to recommend dividend 10% Cash and 5% Bonus in the year 2023.

Table of Historical Dividend Payment Percentage are as follows:

Year	Dividend
2014	14% Cash
2015	10% Cash & 5% Bonus
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 & 5% Bonus



Credit Rating

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

Long Term	:	AA (pronounced Double A)
Short Term	:	ST-2
Based on	:	Audited Financial Statement 2022
Date of Rating	:	13 July 2023
Validity	:	12 July 2024
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2023	AA	ST-2	Stable
30 June 2022	AA	ST-2	Stable
30 June 2021	AA	ST-2	Stable
30 June 2020	AA	ST-2	Stable
30 June 2019	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-2 (High Grade): High certainty of timely payment. Liquidity factors are strong and supported good fundamental protection factors. Risk factors are very 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. Total 575 employees in different categories/ranks joined and exit 113 during the year 2023 raising our total employees to 5,789 as on 31.12.2023.

We have 5,769 staff in the Bank of whom 393 are executives 4,070 are officers and 1,306 other staff as on December 31st 2023.

SI No	Designation	Category Number
1	Executives	393
2	Officers	4,070
3	Others	1,306
	Total	5,769

We nominated 77 employees in outside training course viz. BIBM, BBTA, BAB etc. in 2023 and they have completed the course successfully.

We motivate and facilitate our deserving employees to complete international standard professional degrees like CDCS, CSDG and

ACAMS. Presently, we have 65 CDCS, 3 CSDG and 10 CAMS officials of which 1 officials completed CDCS and 3 officials CAMS during the year 2023.

Activities of AIBTRI

AIBTRI: Centre of Excellence for Human Capital Development

Alhamdulillah. After inception in 1996, Al-Arafah Islami Bank Training & Research Institute (AIBTRI) has successfully crossed a long way to its destination of being an organization of excellence in training and education. Skilled human resources are the cutting-edge assets of any organization. Needless to say, for effective growth of an institution and enhance both soft hard skills of its employees, there is no alternative to recourse on continuous training. AIBTRI's prime objectives, among others, are to impart training to all stages of Bank employees to aware them about the latest development of knowledge on the changing functional procedures, policies, rules, directives and regulations of the financial system. As the banking sector is experiencing various reform measures with a view to coping up with the modern financial complexities like bit coin fintech, regtech, crypto currencies, Central Bank Digital Currency (CBDC) etc, focusing on need-based training is imperative to turn the human resources of the Bank into human capital.

Training programs at AIBTRI are scheduled and singled out on need-based assessments by a set of human committed capital faculty development members of with the institute. cutting-edge AIBTRI skills, has knowledge given utmost importance to training for and wisdom. Despite limitations and shortcomings, AIBTRI is however, moving forward for attaining its desired level of competency through arranging various training courses including 3 month-long AIBL-CACP certification course for BAMLCOs, EDPs, seminars, workshops etc. on topical banking and financial issues.

The financial sector of Bangladesh underwent a number of reform measures under new normal scenario after COVID-19 shocks in the country. In line with the changed circumstances, the AIBTRI has been adopting new strategies and methods for improving the knowledge-base of the manpower. AIBTRI is also keeping pace by putting its best efforts to respond to the need for capacity building of AIBL officials with new thoughts and innovative ideas to achieve the objectives of different reform measures.

Overall Training Scenario in 2023:

During the year 2023, AIBTRI conducted a wide range of activities to attain objectives of imparting quality training to the officers of the Bank. AIBTRI conducted a total number of 145 (One Hundred Forty Five) Training Courses, Workshops, Executive Development Programs, Lead Bank Program, Outreach Program, Specialized Training Course called AIB-CACP and Foreign Training Programs where 14,859 participants were trained in the endeavor to establish a knowledge-based Islamic Bank.

Training Courses (TC):

To develop the professional skills and knowledge of the officials in the fields of Shari'ah, banking, finance, CMSME, retail banking and

microfinance, customer service development, e-payment through RTGS etc. AIBTRI conducted a total of 20 (Twenty) training courses in its modern classroom.

Training Workshops (TW):

A total of 63 (Sixty-Three) training workshops were conducted during the year at AIBTRI for fulfilling the requirements of understanding the current issues and challenges relating to banking operations such as new imperatives on International Trade and Finance, impact of fintech applications, National Integrity Strategy, Documentation Errors & Investment Property Valuation, FATCA, Customs Duty Payment through RTGS under e-Payment system, Money Laundering & Terrorist financing issues etc. Moreover, with a view to enhancing skill of the employees, AIBTRI has arranged a number of in-house discussions on topical issues of Islamic Shari'ah and banking.

Outreach Training Programs (OTP):

AIBTRI conducted 60 (Sixty) outreach training programs (OTP) during the year 2023 in five different locations based on zonal offices of the Bank. The programs had their remarkable impact to create awareness among young, brilliant and promising officers regarding Islamic Shari'ah and Banking, Foreign Exchange, Investment, AML & CFT issues, Retail banking management, Environmental Risk Rating, Agent Banking etc. The participants of OTPs were very much attentive and they raised very pertinent questions for elucidation of the themes of the topics discussed.

Islamic Financial Literacy Program (IFLP):

Bangladesh Bank has put greater emphasis on the financial access of the unbanked people of the country. Financial Inclusion Department of BB has issued guideline to widen the scope of financial access through different programs on financial literacy. AIBTRI has started to implement "Islamic Financial Literacy Programs" (IFLP) from 2022. In 2023, 4 (Four) IFLP sessions were arranged in Khulna, Chittagong, Sylhet and Bogura, where in total about 415 university and college professors, madrasah teachers, khatibs of jame mosques attended. IFLP programs have highly impacted the participants and their misconceptions about Islamic banking have somewhat erased, which were expressed by the thanks giving speeches by the participants. Insha'Allah, IFLP would reach more unbanked people of the country in 2024.

Lead Bank Program (LBP):

"Lead Bank Program" (LBP) is the routine program of Bangladesh Financial Intelligence Unit (BFIU). BFIU implements the LBP program with the help and cooperation of assigned banks as Lead Banks. BFIU nominated Al-Arafah Islami Bank as the 'Lead Bank' for the year of 2023 for Khulna Region. Accordingly, AIBTRI with the cooperation of MLTFP Division of the Bank arranged a Lead Bank Program on 'Prevention of Money Laundering and Terrorist Financing' at Khulna Zone of the Bank. Al-Arafah Islami Bank played the role of Lead Bank in the program. BFIU and AIBPLC Officials conducted various sessions of the day-long program. Total 64 participants from different Banks in Khulna Division attended the LBP.

Certified AML & CFT Professional (AIB-CACP):

During 2023, the AIBTRI with the cooperation of BFIU & BIBM conducted two 3-month long specialized Training Courses (STCs) titled "AIBPLC Certified AML & CFT Professional (AIB-CACP)" to create 117 certified expert officials on AML & CFT issues especially aiming at developing the BAMLCOs of the Bank with knowledge and enhanced capacity. BFIU and BIBM Officials had conducted various sessions of the program. The primary objective of these programs is to cultivate a group of well-informed and proficient BAMLCOs and to equip them with comprehensive theoretical knowledge and practical insights related to AML & CFT issues. The aim is to empower them as proactive officials capable of addressing AML & CFT concerns within the Branches efficiently to establish fully-complied Bank on AML & CFT issues. We also hope that this course will create a new branding of experts in AML & CFT for the banking industry in Bangladesh. It is an encouraging message that the Bank has achieved 'Satisfactory Ranking' in 2023 by the BFIU for its wholehearted attempts to address the AML & CFT issues of the Bank with knowledge, courage and capacity. AIBTRI feels proud to help the Bank by developing knowledgeable BAMLCOs to achieve this prestigious rating from BFIU.

New Financial Products:

In 2023, as a result of AIBTRI's research endeavors, AIBPLC successfully introduced two new products, and a third is currently in the final stages of development. These initiatives are:

1. Employees Common Cash Waqf Deposit Account: A novel product pioneered by AIBTRI, implemented to allow Bank employees to contribute to a perpetual cash waqf fund. This initiative is designed to support the welfare needs of underprivileged employees' children.
2. e-GP facility under Quard system: A strategic implementation based on AIBTRI's research, providing a Sharia-compliant solution for financing e-GP activities within the Bank.
3. AIBPLC Hajj and Umrah Investment Scheme: Currently in the final stage of development, this retail banking product is set to revolutionize financial assistance for Hajj and Umrah. Structured on Al-Ijarah Al-Mawsufah Fi Al-Dhimmah, it enables individuals to perform their pilgrimage by accessing funds repayable from their asset-generated cash flows.

These introductions underscore AIBPLC's commitment to innovative Islamic banking practices, driven by the valuable research contributions of the AIBTRI.

New programs of AIBTRI for 2024:

Given the directions of the esteemed Board of Directors (BOD) and honorable Managing Director & CEO of the Bank, following new programs have been undertaken by AIBTRI for the year 2024 along with other regular training programs to initiate research on the practical operational areas with a view to assisting the Board for its policy making as well as to develop the Bank as a knowledge-based Islamic Bank in the country:

- a) In 2024, AIBTRI would conduct 3 (three) more “Certified AML & CFT Professional (AIB-CACP)” certification courses on “Anti Money Laundering and Combating Financing of Terrorism” for professional development of the 180 employees of the Bank. These certified AML & CFT Professional experts especially BAMLCOs would help the Bank to mitigate the risk of money laundering and financing of terrorism.
- b) Executive Development Program (EDP) on Awareness of AML & CFT Issues for DMDs, MD and Members to the Board of Directors: An AML-CFT awareness discussion session will be arranged in the boardroom for the key leadership figures, including the honorable Chairman, management team, honorable Managing Director (MD), and Deputy Managing Directors (DMDs), which would provide essential insights into AML-CFT risks in the banking sector. These initiatives underscore the Bank’s commitment to promoting Shariah compliance and robust financial security practices.
- c) Executive Development Program (EDP) on Shari’ah Awareness for Executives (SVP and above): To address the limited understanding of Shariah principles among newly employed higher-level employees who came from conventional banking backgrounds, the Shariah Supervisory Committee (SSC) recommended a dedicated workshop. It aims to enhance Shariah awareness among higher order employees, ensuring a comprehensive understanding of Islamic finance principles.
- d) National Seminar on Four Decades of Islamic Banking in Bangladesh: Expectations & Realities: A national seminar titled “Four Decades of Islamic Banking in Bangladesh: Expectations and Realities” will be organized by AIBTRI. This seminar aims to shed detailed light on the progress of Islamic banking in Bangladesh over four decades (1983–2023) and provide insights into future directions. The AIBTRI anticipates the honorable presence of the Governor/Secretary of Bangladesh Bank as the chief guest at this national seminar. Invitation may be extended to expert speakers from international Islamic economic and banking research institutions, especially the Islamic Development Bank (IDB). Additionally, efforts will be made to invite expert speakers from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Manama, Bahrain, and the Islamic Financial Services Board (IFSB) in Kuala Lumpur, Malaysia. The seminar is expected to be attended by the honorable Chairman, the Board members, the management team of AIBPLC, the chairpersons, MDs and DMDs of nine other Islamic banks, the honorable MD and Executive Directors of Bangladesh Bank. Through this initiative, we hope that the name of Al-Arafah Islami Bank PLC will be illuminated in the banking sector of Bangladesh.
- e) Eminent Islamic Scholars’ Lecture Series for Executives: Our country is home to renowned professors and Islamic economists teaching Islamic banking and finance at various universities worldwide. As part of this year’s initiative, at least two “Eminent Islamic Scholars’ Lecture program” will be organized featuring these distinguished scholars. Through these programs, Bank employees will have the opportunity to learn about foreign

Islamic banking practices, specifically gaining insights into “Islamic Financial Products and Services Introduced in Other Countries.” The aim is to facilitate understanding and inspire innovation in the introduction of new products and services. Specialists, whether presenting online from abroad or physically in the country, will contribute their expertise to the discussions. This initiative is expected to broaden the knowledge base of Bank employees on global Islamic banking trends and practices.

As in the preceding years, AIBTRI would prepare policy papers and important notes analyzing the mechanism and modus operandi of Islamic financial products in vogue, in comparison with the present Islamic financial products and services of the Bank, and suggest modifications thereto or develop new modalities of Islamic financial products and services.

Branches Control Division: -

Branches Control Division (BCD) has been executing following tasks:

1. Compliance of different circulars on Customer Service & General Banking issued by Bangladesh Bank, NBR & other Regulatory Authorities time to time.
2. Agency Arrangement i.e Agreement for bill collection of DESCO, DPDC, WASA, BTCL, REB etc.
3. Compliance of NBR, DUDAK, Anti-corruption Commission etc. authorities Income Tax related bank account information.
4. Compliance against General banking related irregularities of the branch raised by Audit & Inspection Division.
5. Issuance of duplicate instruments (MTDR, MPTD, PO etc.) in lieu of original ones.

Branches Control Division (BCD) issued total 33 very important Instruction Circular during the year-2019 some of them are listed below:

1. Up Keeping of Branch Premises and Maintenance of Important Affairs of the Branch.
2. Implementation Progress Report as per Guideline of Core Banking Solution (CBS)-Features & Controls
3. Duties and Responsibilities Branch Manager and Manager Operation.
4. Cash Management & Teller Operation.
5. Type of Deposit Accounts and General Instructions for Maintenance.
6. Banking Booth Policy and operational guideline.
7. Sending SMS to Account holders.

Business Promotion & Marketing Division (BPMD)

Business Promotion and Marketing Division (BPMD) started its journey in the year 2010 under the name and style ‘Marketing & Business Development Division (MBDD)’. A full fledged Policy Guideline was introduced on 23.06.2016 with a vision to survive in the market of

stiff competition as well as to improve business relentlessly of our Bank using different marketing tools. BPMD has the motto to offer new customized Financial Products and Services to cater the growing needs of common people keeping in mind the strict compliance of Shariah regulatory norms.

BPMD consists of four (4) Departments as:

- i) Business Development & Marketing Department
- ii) Branch Expansion Department
- iii) Product Development & Evaluation Department
- iv) Financial Literacy & Financial Inclusion Department

Each department has its own targeted goal to achieve.

Function of BPMD:

Business Promotion & Marketing Division was established in 2010 with a vision to survive in the competition and to continuously improve business of our bank using different marketing tools. Main focus of this division is to identify business opportunities, overcome business threats and to develop business strategy. This division builds and maintains a long-term relationship with its investment clients, assists to the branches regarding prospective investment clients and also assist deposit mobilization. Besides, BPMD works to develop new and existing products. This division also identifies requirements of different promotional/gift items for customers and also to improve bank's brand and corporate image.

BPMD follow-up, monitor; supervise to achieve the target by the branches. BPMD co-ordinate regular Business Development Conference/Meeting. It also provides /advice/guide the branches regarding new investment client for business development.

In the year 2023 was very much important for BPMD as in this year this Division has done a number of important works that was gradually developed on time to time since the inception of this Division. Most remarkable works done by BPMD in 2023 are as follows: -

- With an aim to render efficient services to existing and new clients of the bank, retaining existing business growth, maintaining business portfolio efficiently and effectively, finally to take effective control, monitor, supervise overall activities of the branches.
- To build long term Client-Bank relationship as well as to promote business of the Bank, BPMD arranged Iftar Mahfil Centrally and through all branches of the Bank. Also distributed Ramadan Gift to the valued clients/VIPs/CIPs on behalf of Honorable Chairman & Managing Director and CEO of the Bank.
- Happy New Year gift (Bangla & English year) distributed by BPMD.
- Analysis of Business Projection & ABCD report in every month and submitted MC Meeting before the management for making decision.
- To Monitor Loss Branch & their activities.

- To prepare of Crest/Certificate/Banner/Leaflet etc. distributed throughout all branches.
- Different promotional/gift item like Crookeries, Wallet, Mug, Key Ring, Coat Pin, Folder, Paper weight etc. were procured to distribute among valued clients of all branches and for acquisition of new account holder and maintain good relation with present Customers.
- Bulletin published on March & September in every year.
- BPMD made different agreement up to Dec-2023 on the following organizations: - Dhaka Power Distribution, DESCO, Titas Gas Transmission & Distribution, Northern Electricity Supply Company (Nesco), Dhaka Wasa, Bangladesh Polly Biddut Board, Karnaphuli Gas, Bakrabad Gas Distribution, Standard University, Motor Vehicle BRTA, The IBN Sina Trust, Popular Diagnostic Cen. Ltd., Nagad Ltd., UCB Fintech Company Ltd. Upay, Padma Diagnostic Centre Limited, Chottogram Metropolitan Hospital Limited, Evercare Hospital Dhaka (Apollo).
- In 2023 BPMD survey for the place, location, business position, rental status & feasibility report of 05(five) new Branches like Bagerhat Br., Noapara Br., Terokhada Br. Poradaha Br. & Coat Bazar Br.
- Mangers Award, Export Trophy, letter of appreciation/congratulation, Crest are given on different criteria for excellent achievement.

Plan for 2024:

In every Bank Marketing Division plays an important role to achieve overall business target of the Bank. Booking new investment, fresh deposit mobilization, deposit mixed, new account opening is the main focus of Marketing Division for the new year along with building long term customer-bank relationship. To reach the business target, BPMD is going to take following initiatives: -

- ✓ To spread out business activities of the Bank, BPMD will take initiative to expand its Branch, Sub-Branches network throughout the country.
- ✓ Through intensive supervision, monitoring and follow-up BPMD will help the Negative growth branches to increase their business position.
- ✓ To maintain customer relationship with the existing business clients of the Bank, Marketing Division will do Zone-wise Business Development conference in the year of 2024.
- Under the Brand development program, we will go for Strategic Alliance contact with different renowned govt./Semi-govt. i.e. Titas Gas Bill Collection, Pilgrim Pre-Registration, DESA, BRTA, DESCO, Gas Registration fees, DPDC, DESCO, NESCO, PDB, REB, TITAS, KGTCCL, WASA, City Corporation etc.
- To increasing Low cost & No cost Deposit we have to improve better service through Campaign.
- Instruction to be issued all branches for opening Business Account, Salary Account, Collection & Disbursement Account of

Corporate Organization/ BRAC/ BURO/ ASHA/ UDDIPON Govt. & Semi-Govt/LGED/PWD/Election Commission/Passport Office, RJSC etc.

- To increase number of branches for collection BRTA bill, A-Challan, E-GP,Hajj & Umrah Registration fees etc. through On-line.
- Special attention to be made for opening new accounts of School, Madrasah, Hospital, Diagnostic Center, Club, Association, Samity, Market, owners Association.
- Financial literacy & Financial Inclusion: Head of BPMD is Focal Point of Financial Inclusion department of AIBL. So, we have to arrange school banking Conference every year.

Branch Network

At present we have 215 branches all over the country. In a bid to expand our network of Branches we got approval to open 7 (Seven) new branches in 2023.

Appointment of Statutory Auditor

In the 28th Annual General Meeting of the Bank M/S Hoda Vasi Chowdhury & Co. Chartered Accountants and M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants was appointed External Auditors of the Bank for a term till conclusion of the 29th Annual General Meeting.

The Board has approved M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants and M/S K M Alam & Co. Chartered Accountants for appointment as External Auditors by the shareholders till the 30th Annual General Meeting.

Board Meeting

During the year 2023, 15 regular Board Meeting had been held. Besides, 13 meetings of Executive Committee, 9 meetings of Audit Committee and 4 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 2023. 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 2024. 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,



Alhaji Abdus Samad Labu

Chairman

Date: 18 August 2024



The 399th Board Meeting of the Bank proposed 15% dividend for the year 2023



The 11th Annual General Meeting (AGM) of AIB Capital Management Limited



Hon'ble Chairman Alhaji Abdus Samad Labu handing over cheque of 50 Lac taka for Chattogram Heart Foundation



The Bank sponsored the renovated Canteen of Chattogram Govt. Women's College



Concluding Ceremony of the Specialized Course for Certified AML & CFT Professionals



Hon'ble Chairman, Chief Guest, inaugurated the Annual Business Development Conference 2024 while Hon'ble Directors were Present as Special Guests. Managing Director & CEO of the Bank presided the event



Hon'ble Chairman present as Chief Gust at Half Yearly Business Development Conference 2024



The Bank signed SREUP Agreement with the Central Bank' SME & Special Program Department



The Bank celebrated 'Financial Literacy Day 2024' at the premises of its Head Office



Bangladeshi Team sponsored by AIB PLC. achieved 6 Medals at 20th International Junior Science Olympiad

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. 42-45
- ii. The segment-wise or product-wise performance; Page No. 49-52 & 57-62.
- iii. Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; Page No. 129-130
- iv. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; Page No. 76
- 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. 187-191
- vii. A statement of utilization of proceeds raised through public issues, rights issues and /or any other instruments (AIBL Mudaraba Subordinate Bond) Page: 50-51;
- 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	2023 Amount in million	2022 Amount in million	Growth (%)
Investment income	31,124.05	24,969.22	24.65%
Profit paid to depositors	20,977.45	15,894.12	31.98%
Net Investment Income	10,146.60	9,075.10	11.81%
Commission, Exchange and other Income	7,577.69	7,269.13	4.24%
Total Operating Income	17,724.29	16,344.23	8.44%
Total Operating Expense	9,504.17	7,964.22	19.34%
Profit before tax and provision	8,220.12	8,380.01	-1.91%
Provision on Investment and others	2,752.74	3,229.51	-14.76%
Profit Before tax	5,467.38	5,150.50	6.15%
Provision for taxation	3,119.82	3,124.80	-0.16%
Net Profit after tax	2,347.56	2,025.70	15.89%
EPS	2.14	1.85	15.68%

- x. A statement of remuneration paid to the directors including independent directors; Page no. 155
- xi. 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;
- xii. Proper books of account of the Bank have been maintained;
- xiii. 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;
- xiv. 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;
- xv. The system of internal control is sound in design and has been effectively implemented and monitored;
- xvi. 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;
- xvii. There is no significant doubt upon the Bank's ability to continue as a going concern;
- xviii. 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 76;
- xix. A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; Page No. 17
- xx. The Bank has declared dividend (cash or stock) for the year 2023;
- xxi. Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; Page No. 68
- xxii. The total number of Board meetings held during the year and attendance by each director; Page No. 89
- xxiii. 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. 90
 - 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. 91
 - c. Executives; and); page no. 9-11
 - 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 top 5 (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:
- Brief resume of the director; Page No. 187-191
 - nature of his or her expertise in specific functional areas; and Page No.187-191
 - names of companies in which the person also holds the directorship and the membership of committees of the Board; Page No.187-191
- 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:
- Bank has an accounting policies and there in after have been consistently applied in estimation for preparation of financial statements;
 - 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
 - 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.
 - Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; Not applicable
 - Briefly explain the financial and economic scenario of the country and the globe; Page no. 43-45
 - Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and page no. 65-68
 - 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 2023

(Amount in million Taka)

SL No	Particulars	Achievement December 2022	Budget 2023	Achievement December 2023	Achievement Of Budget 2023	% Growth on 2022	Budget 2024	Budgeted Growth on 2023 (In Taka)	(%) Growth on 2023
1	2	3	4	5	6= (5/4)%	7= (5-3)/3	8	9= (8-5)	10= (8-5)/5
1	Deposit & Borrowings	443,368	485,000	475,691.55	98.08%	7.29%	530,000	54,308	11.42%
2	Investment	415,073	455,000	456,782.80	100.39%	10.05%	500,000	43,217	9.46%
3	No. of Accounts	2,943,179	3,225,000	3,328,189.00	103.20%	13.08%	3,800,000	471,811	14.18%
4	Classified Investment	22,437	22,500	30,866.19	137.18%	37.57%	25,000	(5,866)	-19.01%
5	Percentage (%) of Classified Investments	5.41%	4.77%	6.76%	-	-	5.00%	-	-
6	Foreign Exchange Business	570,033	700,000	613,472.20	87.64%	7.62%	800,000	186,528	30.41%
	a) Import	300,431	350,000	299,322.70	85.52%	-0.37%	360,000	60,677	20.27%
	b) Export	181,070	250,000	200,352.30	80.14%	10.65%	270,000	69,648	34.76%
	c) Remittance	88,532	100,000	113,797.20	113.80%	28.54%	170,000	56,203	49.39%
7	Operating Profit	8,380	8,300	8,220.00	99.04%	-1.91%	9,500	1,280	15.57%

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATION

**Report to the Shareholders
of
Al Arafa Islami Bank Limited
On Compliance on the Corporate Governance Codes
For the year ended on 31st December 2023**

We have examined the compliance status to the corporate governance Code by **Al Arafa Islami Bank PLC** for the year ended on 31st December 2023. This code relates to the Notification No. BSEC/CMRRCD/2006/ 158/207/Admin/80, Dhaka, Dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the condition of the Corporate Governance Code.

This is scrutiny and verification and an independent audit on compliance of the condition 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 those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information explanation, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion.

- (a) The Company has complied with the condition of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except the compliance with the conditions of Nomination and Remuneration Committee (NRC) as the Bangladesh Bank, the banking license granting authority to the company has not allowed them to form NRC and condition no. 2(b).
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute 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 Acts, 1994, the securities laws and other relevant laws; and
- (d) Except clause (a) the governance of the company is satisfactory

For Saifur Enayet & Associates

Place: Dhaka
Date: 25 April, 2024



Md. Saifur Rahman FCMA
Principal & CEO
Cost & Management Accountants
FRC Enrollment No. CMAF-001-006

COMPLIANCE STATUS OF BSEC GUIDELINES FOR CORPORATE GOVERNANCE

Annexure – C As per condition No. 1(5) (xxvii)

Status of Compliance with the Corporate Governance Code (CGC) of Al Arafah Islami Bank PLC For the year ended 31st December 2023 [As per condition No. 1(5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 and subsequent amendments issued under section 2CC of the Securities and Exchange Ordinance, 1969 (Report under Condition No. 9.00)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.00	Board of Directors (BoD)			
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).	√		Board Size 20 including 3 Independent Director.
1.(2)	Independent Director:			
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);	√		The company has 3 Independent Directors.
1.2 (b) (i)	Without contravention of any provision of any other laws, for the purpose of this clause, an "Independent Director" means a director-who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√	-	
1.2(b) (ii)	ID is not a sponsor of the company or is 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 of the total 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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	√	-	
1.2 (b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;	√	-	
1.2 (b)(iv)	ID does not have any relationship whether pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	√		
1.2 (b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;	√		
1.2 (b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1.2 (b)(vii)	ID 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)	ID is not independent director in more than 5 (five) listed companies;	√		
1.2 (b)(ix)	ID 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)	ID has not been convicted for a criminal offence involving moral turpitude;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): "Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;"	√		All ID have been appointed by the Board and will be approved by the shareholders in the next AGM
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 ID shall be for three (3) years, which may be extended for one(1) tenure only;	√		
1.3	Qualification of Independent Director(ID):			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	√		
1.3(b)	Independent director shall have the following qualifications:			
1.3(b)(i)	Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association;	√		
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and 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	√		
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"	√		No such category independent directors appointed.
1(3)(b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	N/A
1(3)(b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;	-	-	N/A
1 (3) (c)	The ID shall have at least Ten (10) years of experiences in any field mentioned in clause (b);	√		
1 (3) (d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	-	-	No such event occurred.
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or CEO:			
1(4)(a)	The Position of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer (CEO) of the Company shall be filled by different Individuals;	√		Chairperson of the Board and CEO of the company filled by different individuals.
1(4)(b)	MD and/or 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;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)(e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence shall be duly recorded in the minutes.	√	-	
1(5)	Directors' Report to Shareholders:			
1(5)(i)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994): Industry outlook and possible future developments in the industry;	√	-	
1(5)(ii)	Segment-wise or product-wise performance;	√	-	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√	-	
1(5)(iv)	A discussion on Cost of Goods Sold, 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 and statement on 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)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.;	-	-	N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements;	-	-	N/A
1(5)(x)	Disclosure for remuneration paid to Directors including Independent Directors	√	-	
1(5)(xi)	A statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;	√	-	
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√	-	
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√	-	
1(5)(xiv)	Followed IAS or IFRS as applicable in preparation of the financial statement and departure therefrom has been adequately disclosed.	√	-	
1(5)(xv)	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 shareholders acting either directly or indirectly and have effective means of redress;	√	-	
1(5)(xvii)	There are no significant doubts 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 thereof should be disclosed;	√	-	
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons thereof should be explained;	√	-	
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized;	√	-	Separately Disclosed
1(5)(xx)	Reason for non-declaration of dividend (cash or stock) for the year.	-	-	N/A
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;	-	-	N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director;	√	-	Total 12 nos. of Meeting held during the financial year.
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details);			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√	-	
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√	-	
1(5)(xxiii)(c)	Executives (top 5 (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	√	-	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√	-	
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose 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;	√	-	
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board;	√	-	
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail 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)	Presenting detailed Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes;	√	-	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance and position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	√	-	
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 globe;	√	-	
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√	-	
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;	√	-	
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 as per 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)	Meeting of the Board of Directors: Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	√	-	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC);			As per the Bangladesh Bank Circular BRPD(R-1) 717/2021-5064 dated 16 June 2021 no such committee is possible to form without the instructions from Bangladesh Bank. As per the circular formation of such committee clearly contradicts with the rules of Bank Company Act 1991 and instructions of Bangladesh Bank. So no NRC is formed by the Board.
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;			
2	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary Company;	√	-	
2(b)	At least 1 (One) Independent Director of holding company shall be a director on the Board of subsidiary company;		√	Though AIBL Capital Management Ltd. has complied this clause but no ID of holding company is available as director on the Board of subsidiary i) AIBL Assets Management Ltd. and ii) AIBL Capital Market Services Ltd
2(c)	Minutes of subsidiary to be placed in the meeting of 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);	√		
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;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and stock exchange(s).	√		
3 (2)	Requirement to attend Board of Directors' Meetings: MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board;	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and 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;	√		
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	√		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4.	Board of Directors' Committee:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	-		N/A
5.	Audit Committee:			
5(1)	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	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(1) (c)	Audit Committee shall be responsible to the Board. The duties of 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.	√		
5(2) (b)	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 one independent director (ID);	√		
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 years of such experience;	√		
5(2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to 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 later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;		-	No such event occurred.
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit 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:			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of Audit Committee recording the reasons of such absence in the minutes.	√	-	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher, where the presence of an ID is a must.	√		
5.5	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the auditors, review 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 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;	√		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission; Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results; Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√	-	
5.6	Reporting of the Audit Committee: audit committee report signed by Chairman of the 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.	√		
5(6)(a)(ii)	The audit committee shall immediately report to the board on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;		-	No such event occurred.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 compliance including securities-related laws, relies on and regulation;		-	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 the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 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):	As per the Bangladesh Bank Circular BRPD(R-1) 717/2021-5064 dated 16 June 2021 no such committee is possible to form without the instructions from Bangladesh Bank. As per the circular formation of such committee clearly contradicts with the rules of Bank Company Act 1991 and instructions of Bangladesh Bank. So no NRC is formed by the Board.		
6.1	Responsibility to the Board of Directors			N/A
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	-	-	
6(1)(b)	The NRC shall assist the Board in the 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;	-	-	
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);	-	-	
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director (ID);		-	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)	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

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 an advisor who shall be a 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 the 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
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 the 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 NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;		-	N/A
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding 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)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;		-	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 criteria for evaluation of performance of independent directors and the Board;		-	N/A

Condition No.	Title	Compliance Status		Remarks
		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 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 services;	√	-	
7(1)(vii)	Any other 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);	√	-	
7(1)(ix)	Any other service that may create 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 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.	√	-	
8(2)	The company shall keep the website functional from the date of listing.	√	-	
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/Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) other than its statutory auditor or audit firm on yearly basis regarding the compliance of conditions of the Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√	-	
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√	-	
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.	√	-	

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

1. Compliance of section 1.5 (xxii)

a) Board of Directors meeting held during the year 2023 and attendance by each Director:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1	Alhajj Abdus Samad	Chairman	12	12	12
2	Alhajj Abu Naser Md. Yeahea	Vice-Chairman	12	12	12
3	Alhajj Salim Rahman	Director	12	12	12
4	Alhajj Mohammad Abdus Salam	Director	12	12	12
5	Jb. Mahmbub Ahmed (Nominee Director of KDS Garments Industries Ltd)	Nominee Director	12	07	06
6	Jb. Md. Abdul Hamid Miah	Independent Director	12	12	12
7	Hafez Alhajj Md. Enayet Ullah	Director	12	12	10
8	Alhajj Ahamedul Hoque	Director	12	11	11
9	Alhajj Niaz Ahmed	Director	12	12	12
10	Alhajj Mohammed Eamadur Rahman	Director	12	12	09
11	Alhajj Liakat Ali Chowdhury	Director	12	12	12
12	Alhajj Md. Anowar Hossain	Director	12	12	12
13	Jb. Nasir Uddin	Director	12	12	12
14	Jb. Md. Rafiqul Islam	Director	12	12	12
15	Jb. Anwar Hossain	Director	12	12	12
16	Jb. Md. Kamrul Hashan Siddiqui (Nominee Director of KDS Textile Mills Ltd)	Nominee Director	12	05	05
17	Quazi Osman Ali (Nominee Director of Aspire Enterprises Ltd)	Nominee Director	12	03	02
18	A.A.M Zakaria (Nominee Director of Legacy Trade Impex Ltd.)	Nominee Director	12	03	03
19	Jb. M. Kamal Uddin Chowdhury	Independent Director	12	12	09
20	Jb. Mahbulul Alam	Independent Director	12	12	11
21	Alhajj Nazmul Ahsan Khaled	Ex-Director	12	7	6
22	Alhajj Abdul Malek Mollah	Ex-Director	12	7	7
23	Alhajj Kandaker Mesbah Uddin Ahmmed	Ex-Director	12	7	7
24	Jb. Badiur Rahman	Ex-Director	12	4	4

b) Board of Executive Committee meeting held during the year 2023 and attendance by each Director:

SI	Composition of Board		No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors	Position			
1.	Alhajj Salim Rahman	Chairman	13	06	06
2.	Alhajj Mohammad Abdus Salam	Co-Chairman	13	13	13
3.	Alhajj Md. Enayet Ullah	Member	13	13	12
4.	Alhajj Ahamedul Hoque	Member	13	12	11
5.	Alhajj Liakat Ali Chowdhury	Member	13	13	12
6.	Alhajj Md. Anowar Hossain	Member	13	13	13
7.	Alhajj Nasir Uddin	Ex-Chairman, EC	13	06	06
8.	Alhajj Abdus Samad	Ex-Member	13	07	07
9.	Alhajj Khandaker Mesbah Uddin Ahmed	Member	13	07	07

c) Board of Audit Committee meeting held during the year 2023 and attendance by each Director:

SI	Composition of Board	Position	No. of Meeting Held	Entitlement to attend	Attended
	Name of Directors				
1	Jb. Md. Abdul Hamid Miah	Chairman	9	4	4
2	Jb. Mohammed Eamadur Rahman	Member	9	9	5
3	Jb. Anwar Hossain	Member	9	4	4
4	Jb. AAM Zakaria	Member	9	3	3
5	Jb. Mahbubul Alam	Member	9	9	9
6	Jb. Nasir Uddin (Nominated by China Builders & Machineries Ltd.)	Ex-Member	9	5	5
7	Jb. M. Kamaluddin Chowdhury	Ex-Member	9	5	3
8	Jb. Nazmul Ahsan Khaled	Ex-Member	9	5	3

d) Board of Risk Management Committee meeting held during the year 2023 and attendance by each Directors:

SI	Composition of Board Name of Directors	Position	No. of Meeting Held	Entitlement to attend	Attended
	Jb. Mahbub Ahmed	Chairman	4	2	1
	Jb. Niaz Ahmed	Member	4	2	2
	Jb. Md. Rafiqul Islam	Member	4	4	4
	Jb. Quazi Osman Ali	Member	4	2	2
	Jb. M. Kamal Uddin Chowdhury	Member	4	2	2
	Jb. Liakat Ali Chowdhury	Ex-Chairman	4	1	1
	Jb. Anwar Hossain	Ec-Member	4	2	2
	Jb. Md. Abdul Hamid Miah	Ex-Member	4	2	2
	Jb. Abdul Malek Mollah	Ex-Member	4	2	2
	Jb. Badiur Rahman	Ex-Chairman	4	1	1

2. Compliance of section 1.5 (xxiii)

The Pattern of Shareholding

a) Parent/Subsidiary/Associated Companies and Other Related Parties:

SI No	Name of the Directors	Relation	Shares Held
1	AIBL CAPITAL MANAGEMENT LTD	Related Party	98%
2	AIBL CAPITAL MARKET SERVICES LTD	Related Party	60.50%

b) Directors, Chief Executive Officer/Managing Director, Company Secretary, CFO, Head of Internal Control and Compliance wings and their spouse and minor Children (as on 31st December, 2023)

Sl. No	Name of the Directors	Status	No. of Shares	Remarks
01	Jb. Abdus Samad	Chairman	24,684,068	
	Mrs. Shahana Ferdous	Spouse	792,626	
02	Jb. Abu Naser Mohammad Yeahea	Vice-Chairman	27,089,821	
03	Jb. Salim Rahman	Director	21,937,951	
	Tahsina Rahman	Spouse	12,014,837	
04	Jb. Abdus Salam	Director	27,463,937	
05	Jb. Md. Abdul Hamid Miah	Independent Director	-	
06	Mahbub Ahmed, Nominee KDS Garments Industries Ltd.	Nominee Director	33,806,292	
07	Hafez Md. Enayetullah	Sponsor Director	21,942,990	
08	Jb. Ahamedul Haque	Director	21,937,401	
09	Jb. Niaz Ahmed	Director	22,050,158	
	Mrs. Shabana Niaz	Spouse	7,990,628	
10	Jb. Mohammed Eamadur Rahman	Director	21,964,043	
11	Jb. Md. Liakat Ali Chowdhury	Director	21,943,995	
12	Jb. Md. Anowar Hossain	Sponsor Director	24,286,093	
	Shahida Anowar	Spouse	672,632	
13	Nasir Uddin, Nominee Director China Builders & Machineries Ltd.	Nominee Director	22,018,224	
14	Jb. Md. Rafiqul Islam	Director	21,990,880	
15	Jb. Anwar Hossain	Director	21,939,000	
16	Quazi Osman Ali, Nominee Aspire Enterprises Ltd.	Nominee Director	21,940,000	
17	Md. Kamrul Hashan Siddiqui, Nominee KDS Textile Mills Ltd.	Nominee Director	23,031,300	
18	A.A.M Zakaria, Nominee Legacy Trade Impex Ltd.	Nominee Director	21,940,000	
19	Jb. M. Kamaluddin Chowdhury	Independent Director	-	
20	Jb. Mahbulul Alam	Independent Director	-	
21	Jb. Farman R. Chowdhury	Chief Executive Officer	Nil	
22	Jb. Mohammed Nizam Uddin Bhuiyan	Company Secretary	Nil	
23	Jb. Mohammed Nadim FCA	Chief Financial Officer	Nil	
24	Jb. Kamal Hossain FCA	Head of Internal Control & Compliance Wing	Nil	

c) Statement of Shares held by top 5(Five) salaries employees other than the Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Control and Compliance Wings (as on 31st December, 2023)

Sl No	Name	Designation	No. of Shares	Remarks
1	Jb. Shabbir Ahmed	Deputy Managing Director	Nil	
2	Md. Shafiqur Rahman	Deputy Managing Director	Nil	
3	Syed Masodul Bari	Deputy Managing Director	Nil	
4	Md. Mahmudur Rahman	Deputy Managing Director	Nil	
5	Md. Abdullah Al-Mamun	Deputy Managing Director	Nil	

d) Shareholding ten percent (10%) or more voting interest in the Company: None

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

শরী'আহ সুপারভাইজরী কমিটি-এর বার্ষিক প্রতিবেদন

(৩১ ডিসেম্বর, ২০২৩ ঈসাবী তারিখে সমাপ্ত বছরের জন্য)

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ!

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

আল-হামদুলিল্লাহ! আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি কর্তৃপক্ষ ব্যাংকের শরী'আহ সুপারভাইজরী কমিটি প্রদত্ত দিক নির্দেশনা, সিদ্ধান্ত এবং সুনির্দিষ্ট ফতওয়াসমূহ 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 করেছে কি না-তা যাচাইকরণে পর্যালোচনাপূর্বক একটি স্বাধীন মতামত আপনাদের নিকট উপস্থাপন করা।

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি-এর শরী'আহ সুপারভাইজরী কমিটি ও শরী'আহ সুপারভাইজরী সচিবালয় কর্তৃক বিগত ২০২৩ ঈসাবী বছর, ১৪৪৪-১৪৪৫ হিজরীতে প্রধান কার্যালয়সহ ব্যাংকের সকল শাখায় অনুসৃত কার্যক্রম সাধ্যমত পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র এবং লেনদেন যাচাই-বাছাইপূর্বক ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত বার্ষিক ব্যালেন্সশীট পর্যালোচনা করে নিম্নোক্ত অভিমত ও পরামর্শ প্রদান করেছে :

অভিমত

- ক. বিগত অর্থবছরে আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি কর্তৃক ব্যাংকিং কার্যক্রমে অনুসৃত ও পরিচালিত যাবতীয় কার্যাবলী, লেনদেন এবং চুক্তিসমূহ, আমরা যা সাধ্যমতো পর্যালোচনা করেছি তা ইসলামী 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 সাথে ব্যাংকের চুক্তি মোতাবেক করা হয়েছে।
- গ. আল-আরাফাহ্ ইসলামী ব্যাংক ডিপোজিটর ও শেয়ারহোল্ডারদের একাউন্ট ও 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-মুয়াজ্জাল ও বাই-মুরাবাহা বিনিয়োগে পণ্য ক্রয়-বিক্রয়ের বিষয়টি নিশ্চিতকরণ এবং ডিপোজিট সংক্রান্ত ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক বিভিন্ন সাকুলার ইস্যুতে শাখা ব্যবস্থাপকগণ যাতে শরী'আহ পরিপালনে উদ্বুদ্ধ হতে পারেন সে ব্যাপারে অধিক সতর্কতা অবলম্বন করা ;
২. মুদারাবা ও মুশারাকা তথা ব্যাংক ও গ্রাহকদের মধ্যে অংশীদারিত্বমূলক বিনিয়োগ কার্যক্রম ব্যাংকে 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, ব্যাংকের ডিপোজিট ও বিনিয়োগ গ্রাহককে ইসলামী ব্যাংকিং বিষয়ে প্রশিক্ষিত করে গড়ে তোলার লক্ষ্যে ইসলামী ব্যাংকিং ও অর্থনীতি বিষয়ে প্রয়োজনীয় প্রশিক্ষণের ব্যবস্থা গ্রহণ করা;
৫. আল-আরাফাহ্ ইসলামী ব্যাংক ফাউন্ডেশনের মাধ্যমে দেশের দরিদ্র জনগোষ্ঠীর মাঝে সম্ভবপর জনকল্যাণমূলক কার্যক্রম বৃদ্ধির প্রচেষ্টা জোরদার করা;
৬. ব্যাংকের সর্বস্তরের সকলকে সর্বদা মনে রাখা একান্ত জরুরী যে, শরী'আহ নীতিমালা পরিপালনে ইসলামী ব্যাংকিং-এর ক্ষেত্রে সবাই নিজ নিজ পর্যায় থেকে দায়িত্বশীল, তাই আমাদের সবাইকে সর্বোচ্চ সতর্কতার সাথে দায়িত্ব পালন করতে হবে।

আল্লাহ তা'আলা আমাদের জানা-অজানা ভুল-ত্রুটিগুলো ক্ষমা করে যাবতীয় ভাল কাজ একমাত্র তাঁর সন্তুষ্টির জন্য কবুল করুন।

ভবিষ্যতে আল্লাহ তা'আলাকে স্মরণ করে ও তাকুওয়া অবলম্বনের মাধ্যমে আমাদেরকে দেশ ও জাতির জন্য আরো বেশী শরী'আহসম্মত অর্থনৈতিক কল্যাণমূলক কাজ করার তাওফীক দান করুন, আমীন।



(মো. আব্দুর রহীম খান)

এসভিপি এন্ড সচিব

শরী'আহ সুপারভাইজরী কমিটি।



(মুফতী ছাদ্দ আহমাদ মুজাদ্দেদী)

চেয়ারম্যান

শরী'আহ সুপারভাইজরী কমিটি।

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

ANNUAL REPORT OF THE SHARIAH SUPERVISORY COMMITTEE

(For the year ended on 31 December 2023)

Honourable Shareholders of Al-Arafah Islami Bank PLC(AIBL)

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

Al-hamdulillah! As a Shariah Supervisory Committee we examine all the Banking activities to see whether all Shariah Laws, Guidelines, Directions and Fatwas given by the Shariah Supervisory Committee from time to time have been complied with by the Bank or not.

On the other hand it is the responsibility of the Management of the Bank to ensure compliance thereof. After completing examinations, the Shariah Supervisory Committee places an Independent Report based on Islami Shariah for the Shareholders.

As a result we have meticulously scrutinized and examined all the activities including relevant Documents, Transactions and Deals performed by 208 Branches of AIBPLC during the year ended on 31.12.2023 (Esayee) (Hijri 1444-1445). Our Opinions and Suggestions are enumerated below:

Opinions

- Whatever we have audited, on completion we have found that more or less all the activities, transactions and deals have been in accordance with the Shariah Principles and Regulations.
- Distribution of profits among various Mudaraba Depositors has been done in line with the Mudaraba Principles as per Sahibul Mal, i.e. as per the contractual agreement between the Bank and the Depositors.
- Since the Bank does not pay any Zakath on the money of the Depositors and Shareholders, the responsibility of paying Zakath is thus vested in our respective Depositors and Shareholders.
- Although all the activities have been in terms with Shariah Principles nevertheless due to ignorance of the obligation of abiding by Central and International Regulatory bindings and lack of proper due diligence there has been few cases where the means of the income earned have not been approved by the Shariah. This has been termed as Doubtful Income and the Bank has been advised to separate the same from its Basic Income and spend it on the basis of Shariah prescribed ways. This money is not to be distributed among the Depositors or Shareholders as Profit or Dividend.

Suggestions

- Have to ensure buy and sell through Bai-muajjal and Bai-murbaha Investment modes and various Circular issued by the management authority regarding Deposit by which Branch Manager should be interested to perform Shariah, in that case have to maintain more cautious.
- Bank should introduce appropriate function to the Mudaraba and Musharaka Partnership Investment schemes.
- To assist in improving the socio-economic condition of the less privileged group of the population Bank should emphasize on the Small Investment Schemes based on Islamic Shariah.
- In order to make Human Resources of the Bank, Depositors and Investment Clients more skilled about Islamic Banking and Economics, Bank should emphasize various Training Program.
- To strengthen the welfare and CSR activities among the underprivileged people through Al-Arafah Islami Bank Foundation.
- Everyone from the Banking Sector should keep in mind that everyone is responsible from their own Level in the field of Islamic Banking to comply with Shariah Principles, hence, all of us have to perform our duties with utmost cautiousness.

May Allah (SWT) forgive all of our sins and accept all of our good deeds for His sake. In future, May Allah (SWT) give us Tawfiq to do more financially welfare activities by remembering and maintaining Taqwa for developing the Country and the Nation, Ameen.



(Md. Abdur Rahim Khan)
SVP & Secretary
Shariah Supervisory Committee.



(Mufti Sayeed Ahmad Muzaddedi)
Chairman
Shariah Supervisory Committee.

Integrity of AIBPLC & National Integrity Strategy of the Government

Integrity & National Integrity Strategy

Integrity generally means behavioral excellence influenced by decency/courtesy, honesty, ethics/morality vis-à-vis trustworthiness. It also implies adherence to time-tested norms, values, customs and principles of a society. At the individual level, it means being duty-bound and honest. Organizations are created by people for achievement of its common goal. For promotion of integrity, strict adherence to remaining morally and ethically correct at individual level is of critical importance. "Homes/families" can play a vital role in promoting integrity since moral education originates from homes. It is equally true about institutions, as they are the manifestation of the overall goal of the individuals. Laws, regulations, processes, policies, systems and the philosophy may be followed in such a manner that they promote righteousness in life. So, beyond the laws/policies, a movement has to be initiated so that the citizens become ethical in public and private lives and integrity prevails in all organizations, business and civil society. Therefore, keeping all these factors in mind, in order to establishing a good governance in all institutions and in the society at large The Government of the People's Republic of Bangladesh formulated a NATIONAL INTEGRITY STRATEGY to prevent corruption and promote a happy and prosperous Sonar Bangla (Golden Bengal) as dreamt by Bangabondhu, the Father of the Nation, Sheikh Mujibur Rahman.

Purpose of National Integrity Strategy

The Government of Bangladesh has introduced National Integrity Strategy in the year 2012 to establish rule of law, fundamental human rights, equality, justice and organizational good governance through ensuring political, economical and social rights as well as to develop prosperous Bangladesh. Bangladesh Bank itself and all the scheduled banks are implementing the Strategy through Action Plans since 2013. National Integrity Strategy Action Plan and Implementation Progress Monitoring Structures, 2022-2023 at field level, has also been in place.

Implementation status of Integrity of AIBL in line with the National Integrity Strategy:

For implementation of National Integrity Strategy, Al-Arafah Islami Bank PLC (AIBPLC) has been taken the following steps according to the guidelines of Bangladesh Bank to improve ethics at all levels and to establish good governance in the bank:-

01. 7 (seven) Member Central Integrity Committee (having Managing Director as its President) has been formed by AIBPLC. Progresses on Integrity Strategy implementations are being discussed in regular meetings of the Central Integrity Committee and suggest remedial measures to the concerned implementing authority/ officials from time to time.
02. Action Plan regarding integrity are being devised on yearly basis as per format provided by Bangladesh Bank and quarterly implementation/ progress reports are being sent to Bangladesh Bank.
03. Instruction Circulars have been issued to all the branches/zones/offices to strictly comply with instructions so that the identified existing and potential challenges and problems of the bank can be faced and mitigated.
04. Code of Conducts for the officials and stakeholders of AIBPLC has been updated as per Central/Bangladesh Bank guidelines and informed all the employees of the bank through instruction circular for meticulous compliance thereof.
05. According to the instructions of the Integrity Committee of AIBPLC Head Office, discussion meetings are being organized in every zones/ branches at least quarterly basis to improve the ethics/morality of the officials and minutes of the meetings are being sent to the Member-Secretary, Integrity Committee of Head Office of the bank on a quarterly basis for monitoring and follow-up.
06. As per directions of the bank's Central Integrity Committee, classroom sessions are being conducted in each training program arranging by the training institute for development of the morality of all the executive/officials of the bank. The Training Institute of the bank is also being organized Executive Development Program (EDP) from time to time with executives of different levels for development of their moral and ethical values at a regular intervals.
07. According to the instructions of Bangladesh Bank, a 5-Member Innovation Team has been formed to take new strategies/Innovative Ideas on the deposit/investment & services products from time to time.
08. According to the instructions of Bangladesh Bank, recently, the Obijog Nishpotti Kormokarta (ONIK), Complain Management & Resolving Officer (CMRO) and an Appellate Authority have been formed for the management of dispute/complaints of the customers and stakeholders under the Right to Information Act, 2009 of the Country.
09. The particulars (name & designation etc) of the officials who are dismissed / removed / terminated from time to time by the bank are being uploaded to the Web Portal of Bangladesh Bank and compliance reports is being sent to Bangladesh Bank on quarterly basis as per their instruction.
10. Advertisements are being published in each quarter in the national daily newspaper by AIBL on the Integrity Rhymes introduced by Bangladesh Bank on ethics/morality.
11. From the year 2016, AIBL awarding 'Integrity Award' to the selected employees for their high integrity standard chosen over several criteria.

In 2016, AIBPLC awarded crests and certificates to the 38 employees as incentive after fulfilling 13 different criteria. In 2017, the bank awarded 63 employees with crests and certificates on 25 selection criteria in order to encourage good practice / excellence in the bank. In the meantime, in line with the National Integrity Strategy 2012, Bangladesh Bank issued BRPD Circular No. 08 in 2018 with a direction to give one month's basic salary to each of 5 employees/officials of each bank every year as "Integrity Award". In order to compliance of Bangladesh Bank guidelines and to encourage the integrity practice / excellence in AIBL a Policy for 'Integrity Award' was approved by the Board of Directors in its 330th Meeting held on 24/11/2018 for awarding of one month's basic salary in cash to each of 5 employees/officials every year. Accordingly "Integrity Award" is being given to 5 employees out of total employees of the bank every year over 25 criteria as per instructions of Bangladesh Bank.

There is no denying the fact that introduction of financial award for integrity will not only motivate the officials to be behaviorally sincere, honest / truthful but also will increase devotion & efficiency etc. of the employees / officials of the Bank. This will inevitably decrease the irregularities of banking activities and will improve the quality of asset as well. Thus the aims and objectives/goals of the bank as well as overall integrity of the officials will be achieved.

12. Detailed of Integrity activities of AIBPLC and National Integrity Strategy of the Government & Bangladesh Bank have been shown in AIBPLC Web Portal. To be kept informed all the people and customers/shareholders/stakeholders of the bank in this regard an Icon named 'NIS' has been inserted at the upper left corner of the bank Web Portal "www.aibl.com.bd". Anybody can open/browse the Web Portal of AIBPLC from their smartphone/device/computer/laptop etc. to know the Integrity matter of AIBL(Integrity Action Plan, Integrity Rhymes(Chorra), Code of Conduct, Citizen Charter etc.) and National Integrity Strategy, Information Act introduced by the Government of the People's Republic of Bangladesh.

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. 11 dated 27 October 2013, 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 390th Meeting held on 20 August, 2023. The Board Audit Committee (BAC) consists of the following 05 (five) members:

SL. No	Name	Educational Qualification	Status with the Bank	Status with the Committee
1	Jb. Md. Abdul Hamid Miah	BA (Hons. in Economics), MA (Economics), MSc (Development Economics, Bradford University, UK)	Independent Director	Chairman
2	Jb. Mohammed Emadur Rahman	M.B.A. (Marketing, London)	Director	Member
3	Jb. Anwar Hossain	Graduate	Director	Member
4	Jb. A.A.M. Zakaria	MA (Economics)	Nominee Director	Member
5	Jb. Mahbubul Alam	B.Com	Independent Director	Member

Meetings of Board Audit Committee:

During the Year 2023, 09 (nine) meetings of the Committee were held.

Activities during the year:

The Board Audit Committee carried out the following activities during the year 2023:-

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, 2023.
3. Reviewed audited accounts and report of 2023 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, 2023.
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, 2023 and 30 June, 2022.
10. Recommended various measures for improvement of performance of the bank.
11. Reviewed cost of fund as on June 30, 2023 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.



Md. Abdul Hamid Miah
Chairman
Board Audit Committee (BAC)
Al-Arafah Islami Bank PLC.

ACTIVITIES OF THE BOARD RISK MANAGEMENT COMMITTEE IN THE YEAR 2023

The major activities of the Board Risk Management Committee (BRMC) of Al-ArafahIslami Bank PLC. in the year 2023 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-20 investments 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.



Mahbub Ahmed
Chairman
Board Risk Management Committee
Al-ArafahIslami Bank PLC.

CEO AND CFO'S DECLARATION TO THE BOARD

April 25, 2024

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, 2023

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 Limited for the year ended on December 31, 2023 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: -

- i. We have reviewed the financial statements for the year ended on December 31, 2023 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.
- ii. 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,



Farman R. Chowdhury
Managing Director and CEO



Muhammod Nadim FCA
Chief Financial Officer

DIVIDEND DISTRIBUTION 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 2023 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 entitled 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 <http://www.aibl.com.bd> & Annual Report.

SUMMARY OF UNCLAIMED

Stock/Right/Cash & Fraction Dividend as on 31-12-2023

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. No.	Dividend Year	% of Dividend & Right	Unpaid/Undistributed/Unclaimed/Unsettled Stock/Right/Cash & Fraction Dividend						Balance of Unpaid/Undistributed/Unclaimed/Unsettled Stock/Right/Cash & Fraction Dividend on 31-12-2023	
			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 & Fraction Dividend (Tk.)
1	1998 & 1999	15% & 12%	-	-	-	-	553,332.50	29-Aug-21	-	548,832.50
2	2000	12%	-	-	-	-	378,907.50	29-Aug-21	-	375,307.50
3	2001	7.50%	-	-	-	-	268,405.44	29-Aug-21	-	267,655.44
4	2002	20%	-	-	-	-	458,000.00	29-Aug-21	-	457,000.00
5	2003	16%	-	-	-	-	957,150.53	29-Aug-21	-	954,338.18
6	2004	15.50%	-	-	-	-	1,001,935.11	29-Aug-21	-	996,703.47
7	2005	26%	-	122,900	15-Jun-22	-	686,943.75	29-Aug-21	120,000	684,456.00
8	2006	35%	-	192,000	15-Jun-22	-	986,536.81	29-Aug-21	186,700	980,937.66
9	2007	20%	-	147,200	15-Jun-22	-	-	-	143,020	-
10	2008	30%	-	251,010	15-Jun-22	-	368,594.03	29-Aug-21	243,570	364,399.12
11	2009	30%	-	323,685	15-Jun-22	-	-	-	313,929	-
12	2010	100% R	-	87,459	15-Jun-22	-	-	-	84,235	-
13	2010	26%	-	403,852	15-Jun-22	-	57,632.55	29-Aug-21	388,723	57,341.31
14	2011	21%	-	419,513	15-Jun-22	-	64,195.18	29-Aug-21	403,657	63,790.93
15	2012	17%	-	401,779	15-Jun-22	-	56,254.28	29-Aug-21	389,750	55,824.18
16	2013	14%	-	372,081	15-Jun-22	-	72,115.50	29-Aug-21	360,906	71,719.61
17	2014	14%	-	-	15-Jun-22	-	11,393,632.73	29-Aug-21	-	11,245,937.73
18	2015	10% C & 5% S	-	167,888	15-Jun-22	-	10,036,241.44	29-Aug-21	161,817	9,897,387.14
19	2016	15%	-	-	15-Jun-22	-	12,489,642.70	29-Aug-21	-	12,136,000.70
20	2017	15% C & 5% S	-	239,633	15-Jun-22	-	8,619,759.73	26-Jan-22	232,627	8,451,934.21
21	2018	15% C & 2% S	-	95,139	09-May-23	-	13,823,844.18	15-Jun-23	93,400	13,749,958.01
22	2019	13%	-	-	-	-	13,537,245.18	19-Sep-23	-	13,471,833.78
23	2020	15%	-	-	-	14,927,170.04	-	-	-	14,569,187.08
24	2021	15%	-	-	-	12,795,757.27	-	-	-	12,004,301.42
25	2022	12% C & 3% S	99,163	-	-	7,153,055.84	-	-	47,811	6,313,173.76
Total			99,163	3,224,139	-	34,875,983.15	75,810,369.17	-	3,170,145	107,718,019.73



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AL-ARAFAH ISLAMI BANK PLC

Report on the Audit of the Consolidated and Separate
Financial Statements for the year 2023

INDEPENDENT AUDITOR'S 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 2023 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank 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 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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
Measurement of provision for investment	
<p>The process for estimating the provision for investment portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provision calculation considers the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>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.</p> <p>At year end the Bank reported total gross investments of BDT 456,783 million (2022: BDT 415,073 million) and provision for investments including off balance sheet items of BDT 18,971 million (2022: BDT 15,911 million).</p> <p>The bank has reported classified investments totalling BDT 30,866 million in 2023, compared to BDT 22,437 million in 2022, which represents 6.76% of the total investment.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • 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 Loans (CL). <p>Our substantive procedures in relation to the provision for investments portfolio comprised the following:</p> <ul style="list-style-type: none"> • 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;

<ul style="list-style-type: none"> Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no.-14, dated-23 September 2012, BRPD circular no.-03, dated-21 April 2019, BRPD circular no.-17, dated-28 September 2020, BRPD circular no.-56, dated-10 December 2020, BRPD Circulars no.-3, dated-31 January 2021, BRPD Circulars no.-5, dated-24 March 2021 BRPD circular no.-51, dated-29 December 2021 and BRPD Circular letter No.-53, dated-30 December 2021 and BRPD Circular no.-51 dated 18 December 2022 and BRPD Circular No.-14, dated-22 June 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. <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<ul style="list-style-type: none"> 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 <p>Due to long-term impact of COVID 19 and prolonged conflict/war outside the country, many borrowers were adversely impacted during the year</p> <p>For the year ended 31 December 2023, the Bank has maintained required provision as per Bangladesh Bank letter DBI-7/4(1)/2024-339 dated 15 April 2024 and also agreed to ensure recovery/regularization of certain investments to avoid future classification.</p>
<p>See note # 9 and 15.2 and 15.4 to the financial statements</p>	

Risk	Our response to the risk
<p>Investment income recognition</p>	
<p>Recognition and measurement of investment income involve 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.</p> <p>The bank has reported investment income of BDT 31,124 million which is 24.65% higher than the previous year (2022: BDT 24,969 million). As such, EPS has been increased 15.68% as compared to last year.</p> <p>Accordingly, this has been considered as key audit matter.</p>	<p>We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment.</p> <p>For selected customers and investment files on sample basis we have also performed substantive test of details including recalculation and cut-off testing to check accuracy of investment income.</p> <p>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.</p> <p>However, due to the current uncertainty of the overall economic situation, and in particular impacts from major global events such as continuation of COVID 19 related disruptions, Russia-Ukraine conflict, volatility in fuel and commodity price, strengthening of USD, etc., there is inherent risk that the actual recovery of accrued investment income especially from those clients receiving deferral facility could be materially different than the actual situation in future and a portion of investment accrued during the year ended 31 December 2023.</p>
<p>See note 23 to the financial statements</p>	

<p>Valuation of bonds, sukuk and other investments</p>	
<p>The Bank has made significant investments in fixed term financial instruments such as Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba perpetual Bond and Sukuk Al Istisna as well as Mudaraba Perpetual Bond, classification and measurement of these require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of these Bonds and Sukuk are determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models and require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bonds and Sukuks.</p> <p>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.</p> <p>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.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>See note 8 to the financial statements</p>	

Liquidity challenge and significant Increase in Borrowing from Bangladesh Bank

At several point of time in the reporting year, the bank encountered multiple instances of liquidity challenges. It resulted the bank to seek external financing as borrowing from Bangladesh Bank and others. The year ended reported balance has come to BDT 56,046 million (2022: 49,031 million) which includes BDT 18,000 million as Bangladesh Bank Demand promissory note, BDT 38,046 million as F.C borrowing from Bangladesh Bank. The profit rate of all of the borrowings is determined under Mudaraba Principle.

The consequence of the liquidity challenge and increase in the borrowing from the central bank and the associated risk with it have made us determine it as key audit matter.

Our audit procedures in connection of the borrowing are as follows:

- Assessed the effectiveness of the bank's management of liquidity risk in light of the current economic conditions and market volatility, as well as any changes in the bank's liquidity profile, such as changes in funding sources etc.
- Assessed whether the borrowing has been appropriately disclosed in the financial statements.
- Checked ledger and other documents provided by the regulator on sample basis as part of audit procedure.

See note 13 to the financial statements

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively

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 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 of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Legal and regulatory matters

We focused on this area because the Bank and its subsidiaries (the "Group") operates 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 which have been established and other contingent liabilities.

Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific percentage from the allocated amount.

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 on sample basis.

We were informed that the Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, restricting entertainment expenses and travelling, reducing and deferring the expenses on computer and accessories which are not urgently required etc.

Bangladesh Bank vide letter DBI-7/4(1)/2024-339 dated 15 April 2024 has also instructed the Bank to consider certain matters related to other asset in the subsequent reporting period.

Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its subsidiaries namely AIBL Capital Market Services Limited and AIBL Capital Management Limited. As at 31 December 2023 the carrying value of these investments in AIBL Capital Market Services Limited and AIBL Capital Management Limited is BDT 2,910 million (2022: BDT 2,910 million).

At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.

We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

We further observed that pursuant to the BSEC notification the subsidiaries of the Bank has made partial provision against diminution in the value of investment and client margin loan as per BSEC notification.

See note 8.b.ii to the financial statements

Reporting on 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 auditors' 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, on the other information obtained prior to the date of this audit report, 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 and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs 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 (amended as up to date), the Securities and Exchange Rules 2020, the Bangladesh Bank and other applicable laws and regulations require the Management to ensure effective internal audit, internal control and risk management functions of 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.

Auditor's 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 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 consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.
- 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 the 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 and separate 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, 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 auditors' 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 Securities and Exchange Rules 2020, the Bank Company Act, 1991 (amended as up to date) 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) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility 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 Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as 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);
 - (iii) financial statements for the year ended 31 December 2023 of subsidiaries namely AIBL Capital Market Services Limited and AIBL Capital Management Limited have been audited by M/s. Khan Wahab Shafique Rahman & Co Chartered Accountants and who has expressed unqualified audit opinion. The results of the subsidiaries has been properly reflected in the Group's consolidated financial statements;
 - (iv) 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;
 - (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
 - (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
 - (vii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
 - (viii) Provisions have been made for investment and others based on the financial statements for the year ended on 31 December 2023 which are in our opinion, doubtful of recovery as per Bangladesh Bank approval given vide letter no "DBI-7/4(1)/2024-339, Dated 15.04.2024. and letter no "DOS(CAMS)1157/41(DIVIDEND)2024-1701", dated-24 April 2024.
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 7,050 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained at the year end.

Sabbir Ahmed FCA
Partner
Enrolment number- 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC : 2404280770AS377300
Place: Dhaka
Date : 25 April 2024

Faruk Ahmed FCA
Partner
Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2404251591AS776007

Al-Arafah Islami Bank PLC
CONSOLIDATED BALANCE SHEET

As at December 31, 2023

PROPERTY AND ASSETS	Notes	2023 Taka	2022 Taka
Cash in hand			
Cash in hand (including foreign currencies)	5.A	5,024,421,374	4,941,934,206
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		21,693,213,398	26,693,129,611
		26,717,634,772	31,635,063,817
Balance with other Banks and Financial Institutions	6.A		
In Bangladesh		340,845,460	285,378,847
Outside Bangladesh		7,120,874,692	10,010,631,366
		7,461,720,152	10,296,010,213
Placement with Banks & Other Financial Institutions	7.A	8,250,000,000	7,978,915,400
Investment in Share & Securities	8A	47,316,259,141	36,946,924,402
Government		33,910,280,000	27,410,280,000
Others	8.A.i	13,405,979,141	9,536,644,402
Investments	9.A		
General Investments etc.		421,320,285,331	384,403,074,456
Bills purchased and discounted		25,801,162,624	22,384,720,413
		447,121,447,955	406,787,794,869
Fixed assets less Accumulated Depreciation	10.A	5,010,423,080	5,144,429,450
Other Assets	11.A	31,380,474,309	35,916,096,155
Non-Banking Assets	12	50,875,037	50,875,037
Total Assets		573,308,834,446	534,756,109,343
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions	13.A	61,352,670,161	54,123,242,713
Deposits and other Accounts	14.A		
Mudaraba Savings Deposits		64,023,414,249	69,141,332,232
Mudaraba Term Deposits	14.A.ii.	209,448,376,827	193,084,571,608
Other Mudaraba Deposits		61,872,438,235	68,952,559,817
Al-wadeeah Current Accounts and Other Accounts etc.		79,747,947,782	58,456,929,183
Bills Payable		4,303,072,543	4,410,444,671
		419,395,249,636	394,045,837,511
Other Liabilities	15.A	50,023,051,470	44,615,117,944
Deferred tax Liabilities/ (Assets)	16.A	40,237,761	44,416,868
AIBL Mudaraba Bond	17	16,000,000,000	16,010,000,000
Total Liabilities		546,811,209,029	508,838,615,037
Capital/Share holders Equity			
Paid -up Capital	18	10,968,492,510	10,649,021,850
Statutory Reserve	19	10,968,492,510	10,649,021,850
Revaluation Reserve	20	1,084,174,318	1,084,971,059
Retained Earnings	21.A	1,802,540,592	1,841,051,480
Total Equity attributable to equity holders of the bank		24,823,699,930	24,224,066,238
Non-Controlling Interest	18.A	1,673,925,487	1,693,428,067
Total Equity		26,497,625,417	25,917,494,305
Total Liability and Share holders equity		573,308,834,446	534,756,109,343
Net assets value per share (NAV)	42	22.63	22.09

Al-Arafah Islami Bank PLC
CONSOLIDATED BALANCE SHEET

As at December 31, 2023

OFF BALANCE SHEET ITEMS	Notes	2023 Taka	2022 Taka
Contingent Liabilities			
Acceptance and endorsement		49,478,084,782	53,436,902,467
Letters of Guarantee	22	18,675,058,521	17,155,967,572
Letters of Credit		52,208,895,309	51,420,430,999
Bills for Collection		34,011,963,639	13,398,111,982
Other Contingent Liabilities		-	-
Total		154,374,002,251	135,411,413,020
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		154,374,002,251	135,411,413,020


Chief Financial Officer

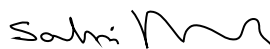

Managing Director


Director


Director


Chairman

Signed in terms of our report of even date.



Sabbir Ahmed FCA
Partner
Enrolment number- 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC : 2404280770AS377300
Place: Dhaka
Date : 25 April 2024



Faruk Ahmed FCA
Partner
Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2404251591AS776007

Al-Arafah Islami Bank PLC
CONSOLIDATED PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2023

	Notes	2023 Taka	2022 Taka
Investment Income	23.A	31,299,693,298	25,221,415,249
Profit paid on deposits & Borrowing	24.A	(21,201,231,194)	(16,109,647,402)
Net Investment Income		10,098,462,104	9,111,767,847
Income from Investment in Shares /Securities	25.A	2,009,875,626	1,076,657,895
Commission, Exchange and Brokerage	26.A	4,612,480,036	5,639,647,381
Other Operating Income	27.A	1,176,569,019	800,612,192
		7,798,924,681	7,516,917,468
Total operating income		17,897,386,785	16,628,685,315
Salaries and allowances & contribution to P.F	28.A	6,674,445,655	5,463,774,446
Directors fees & expenses	29.A	9,570,275	9,861,968
Shariah Supervisory Committee's fees & expenses	30	491,793	455,970
Rent, taxes, insurance and lighting etc.	31.A	560,892,815	524,100,565
Postage, telegram, telephone and stamp etc.	32.A	82,328,831	79,836,105
Legal charges		21,702,380	20,385,209
Auditors' fee		1,880,250	1,960,750
Salary & Allowances to the Managing Director		23,743,000	22,330,000
Depreciation and repairs to the bank's properties	33.A	996,348,142	1,004,209,200
Stationery, printing & advertisement etc.	34.A	235,078,237	183,839,568
Other expenses	35.A	1,056,513,088	824,418,087
Total operating expenses		9,662,994,466	8,135,171,868
Profit/(Loss) before Tax & provision		8,234,392,319	8,493,513,447
Provision against Investments & Contingent Liabilities	36.A	2,762,580,466	3,167,995,944
Provision for diminution in value of investment		(9,843,101)	31,389,324
Other Provision		-	30,129,000
Total provision		2,752,737,365	3,229,514,268
Profit/(Loss) before Tax		5,481,654,954	5,263,999,179
Current tax	15.1.A	3,129,347,988	3,206,309,304
Deferred tax		(4,179,107)	(48,933,279)
Provision for Taxation		3,125,168,881	3,157,376,025
Net Profit/(Loss) after tax		2,356,486,072	2,106,623,153
Net Profit attributable to:			
Equity holders of the bank		2,351,024,653	2,076,584,075
Non-controlling Interest		5,461,419	30,039,078
Profit for the year		2,356,486,072	2,106,623,153
Appropriation			
Statutory Reserve		319,470,660	-
General Reserve (1 % strat-Up fund)		23,475,597	20,256,991
Profit paid on aibl mudaraba perpetual bond		411,000,000	393,500,000
Non-Controlling Interest		5,461,419	30,039,078
		759,407,677	443,796,069
Transfer to Retained Earnings		1,597,078,396	1,662,827,084
Earning per Ordinary Share (EPS)	41.A	2.14	1.89

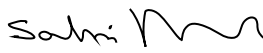

Chief Financial Officer



Managing Director


Director


Director


Chairman


Sabbir Ahmed FCA
Partner
Enrolment number- 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC : 2404280770AS377300
Place: Dhaka
Date : 25 April 2024


Faruk Ahmed FCA
Partner
Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2404251591AS776007

Al-Arafah Islami Bank PLC
CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2023

	Notes	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income receipt in Cash		33,827,983,836	26,317,882,274
Profit paid on deposits and borrowing		(20,647,559,851)	(15,061,306,205)
Dividend received		34,669,290	49,786,696
Fees & Commission received in cash		4,612,480,036	5,639,647,381
Recoveries from written off investments		360,670,397	117,391,063
Cash payments to employees		(6,698,188,655)	(5,486,104,446)
Cash payments to suppliers		(235,078,237)	(183,839,568)
Received from other operating activities (item-wise)		1,176,569,019	800,612,192
Paid for other operating activities (item-wise)	37.A	(1,855,954,852)	(1,583,962,196)
Advance income tax paid		(2,939,366,615)	(2,126,016,879)
Operating profit before changes in operating assets and liabilities		7,636,224,366	8,484,090,312
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(3,869,334,739)	(2,885,444,536)
Increase/(Decrease) of placement to other banks		(271,084,600)	16,006,084,600
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(36,144,895,581)	(67,866,513,999)
Increase/Decrease of other assets (item-wise)	38.A	6,581,233,864	(3,552,757,720)
Increase/ (Decrease of placement from other banks and financial institution		7,229,427,448	21,616,481,604
Increase/(Decrease) of Deposits from customers (other than Banks)		24,795,740,782	39,709,530,204
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39.A	(5,407,933,526)	(560,976,753)
Cash receipt from operating activities		(7,086,846,351)	2,466,403,401
A. Net Cash from operating activities		549,378,015	10,950,493,713
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(793,652,417)	(609,308,539)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(793,652,417)	(609,308,539)
Cash flows from financing activities			
Increase in Exchange Equalization Account		(796,741)	639,198
Issue of AIBL Subordinate Bond / Perpetual Bond		(10,000,000)	1,410,000,000
Increase in Share Capital		319,470,660	(1,645,148,281)
Dividend paid		(1,316,118,623)	-
C. Net cash flows from financing activities		(1,007,444,704)	(234,509,083)
D. Net increase in cash and cash equivalent (A+B+C)		(1,251,719,106)	10,106,676,091
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent D+E		(1,251,719,106)	10,106,676,091
G. Cash & Cash Equivalents at the beginning of the year		69,341,354,030	59,234,677,939
H. Cash & Cash Equivalents period ended	40.A	68,069,634,924	69,341,354,030
Net Operating Cash Flow per Share (NOCFPS)	43	0.50	9.98


Chief Financial Officer


Managing Director


Director


Director


Chairman

Al-Arafah Islami Bank PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended December 31, 2023

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2023	10,649,021,850	10,649,021,850	1,841,051,479	1,084,971,059	24,224,066,237	1,693,428,067	25,917,494,305
Changes in accounting policy	-	-	-	-	-	-	-
offload share	-	-	-	-	-	-	-
Restated Adjustment	-	-	-	-	-	-	-
Restated balance	10,649,021,850	10,649,021,850	1,841,051,479	1,084,971,059	24,224,066,237	1,693,428,067	25,917,494,305
Deferred tax Adjustment	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	(796,741)	(796,741)	-	(796,741)
Share premium	-	-	-	-	-	-	-
Net profit for the year	-	-	2,351,024,653	-	2,351,024,653	5,461,419	2,356,486,072
Cash Dividend	-	-	(1,316,118,623)	-	(1,316,118,623)	(24,963,999)	(1,341,082,622)
Bonus Share	319,470,660	-	(319,470,660)	-	-	-	-
Asset revaluation Reserve	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(411,000,000)	-	(411,000,000)	-	(411,000,000)
Transfer to 1 % strat-Up fund	-	-	(23,475,597)	-	(23,475,597)	-	(23,475,597)
Appropriations during the year	-	319,470,660	(319,470,660)	-	-	-	-
Balance as at December 31, 2023	10,968,492,510	10,968,492,510	1,802,540,592	1,084,174,318	24,823,699,930	1,673,925,487	26,497,625,418
Balance as at December 31, 2022	10,649,021,850	10,649,021,850	1,841,051,479	1,084,971,059	24,224,066,237	1,693,428,067	25,917,494,305



Chief Financial Officer



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, 2023

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	8,497,834,772	-	-	-	18,219,800,000	26,717,634,772
	Balance with other Bank and Financial Institution	157,880,000	-	-	-	7,303,840,152	7,461,720,152
	Placement with Banks & Other Financial Institutions	1,000,000,000	4,650,000,000	1,200,000,000	-	1,400,000,000	8,250,000,000
	Investments (in Shares & Securities)	-	-	1,001,800,000	-	46,314,459,141	47,316,259,141
	Investments	86,552,900,000	135,654,600,000	133,395,700,000	65,600,500,000	25,917,747,955	447,121,447,955
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,010,423,080	5,010,423,080
	Other Assets	186,800,000	12,300,000	1,470,700,000	-	29,710,674,309	31,380,474,309
	Non Banking Assets	-	-	-	-	50,875,037	50,875,037
	Total Assets	96,395,414,772	140,316,900,000	137,068,200,000	65,600,500,000	133,927,819,674	573,308,834,446
2	Liabilities :						
	Placement from Banks & Other Financial institutions	3,059,500,000	28,862,132,769	29,431,000,000	37,392	-	61,352,670,161
	Deposits	83,130,600,000	134,667,800,000	126,602,643,593	60,201,300,000	14,792,906,043	419,395,249,636
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	370,900,000	-	-	-	49,652,151,470	50,023,051,470
	Deferred tax Liabilities/ (Assets)	-	-	-	-	40,237,761	40,237,761
	AIBL Mudaraba Subordinated Bond	-	-	-	-	16,000,000,000	16,000,000,000
	Total Liabilities	86,561,000,000	163,529,932,769	156,033,643,593	60,201,337,392	80,485,295,275	546,811,209,029
	Net Liquidity Gap	9,834,414,772	(23,213,032,769)	(18,965,443,593)	5,399,162,608	53,442,524,399	26,497,625,418

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.



Chief Financial Officer



Managing Director



Director



Director



Chairman

Al-Arafah Islami Bank PLC
BALANCE SHEET
As at December 31, 2023

PROPERTY AND ASSETS	Notes	2023 Taka	2022 Taka
Cash in hand	5		
Cash in hand (including foreign currencies)		5,019,152,420	4,937,082,161
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		21,693,213,398	26,693,129,611
		26,712,365,818	31,630,211,772
Balance with other Banks and Financial Institutions	6		
In Bangladesh		340,845,460	285,378,847
Outside Bangladesh		7,120,874,692	10,010,631,366
		7,461,720,152	10,296,010,213
Placement with Banks & Other Financial Institutions	7	8,250,000,000	7,978,915,400
Investment in Share & Securities	8		
Government	8.a	33,910,280,000	27,410,280,000
Others	8.b	12,211,799,751	8,342,669,347
		46,122,079,751	35,752,949,347
Investments	9		
General Investments etc.		420,391,350,382	383,800,551,247
Bills purchased and discounted		25,801,162,624	22,384,720,413
		446,192,513,006	406,185,271,660
Fixed assets less Accumulated Depreciation	10	5,006,643,571	5,138,505,694
Other Assets	11	23,467,407,146	27,931,117,070
Non-Banking Assets	12	50,875,037	50,875,037
Total Assets		563,263,604,482	524,963,856,193
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial institutions	13	56,045,837,392	49,030,885,723
Deposits and other Accounts	14		
Mudaraba Savings Deposits		64,023,414,249	69,141,332,232
Mudaraba Term Deposits		209,698,833,234	193,376,026,240
Other Mudaraba Deposits	14.i	61,872,438,235	68,952,559,817
Al-wadeeah Current Accounts and Other Accounts etc.	14.ii	79,747,947,782	58,456,929,183
Bills Payable		4,303,072,543	4,410,444,671
		419,645,706,043	394,337,292,143
Other Liabilities	15	46,856,688,490	41,500,531,411
Deferred tax Liabilities/ (Assets)	16	40,237,761	44,416,868
AIBL Mudaraba Bond	17	16,000,000,000	16,010,000,000
Total Liabilities		538,588,469,687	500,923,126,146
Capital/Share Holders Equity			
Paid up Capital	18	10,968,492,510	10,649,021,850
Statutory Reserve	19	10,968,492,510	10,649,021,850
Revaluation Reserve	20	1,084,174,318	1,084,971,059
Retained Earnings	21	1,653,975,457	1,657,715,288
Total Share holders equity		24,675,134,795	24,040,730,047
Total Liability and Share holders equity		563,263,604,482	524,963,856,193
Net assets value per share (NAV)	42	22.50	21.92

Al-Arafah Islami Bank PLC
BALANCE SHEET
As at December 31, 2023

PROPERTY AND ASSETS	Notes	2023 Taka	2022 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		49,478,084,782	53,436,902,467
Letters of Guarantee	22	18,675,058,521	17,155,967,572
Letters of Credit		52,208,895,309	51,420,430,999
Bills for Collection		34,011,963,639	13,398,111,982
Other Contingent Liabilities		-	-
Total		154,374,002,251	135,411,413,020
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		154,374,002,251	135,411,413,020


Chief Financial Officer

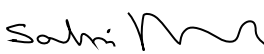

Managing Director



Director


Director


Chairman

Signed in terms of our report of even date.


Sabbir Ahmed FCA
Partner
Enrolment number- 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC : 2404280770AS377300
Place: Dhaka
Date : 25 April 2024


Faruk Ahmed FCA
Partner
Enrolment number- 1591
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Chartered Accountants
DVC : 2404251591AS776007

Al-Arafah Islami Bank PLC
PROFIT OR LOSS ACCOUNTS
For the year ended December 31, 2023

	Notes	2023 Taka	2022 Taka
Investment Income	23	31,124,054,322	24,969,223,322
Profit paid on deposits & Borrowing	24	(20,977,445,095)	(15,894,118,135)
Net Investment Income		10,146,609,227	9,075,105,187
Income from Investment in Shares /Securities	25	2,006,314,093	1,065,018,571
Commission, Exchange and Brokerage	26	4,489,384,046	5,449,539,929
Other Operating Income	27	1,081,989,759	754,570,162
		7,577,687,898	7,269,128,662
Total operating income		17,724,297,125	16,344,233,849
Salaries and allowances & contribution to P.F	28	6,590,135,336	5,377,786,825
Directors' fees & expenses	29	9,570,275	9,861,968
Shariah Supervisory Committee's fees & expenses	30	491,793	455,970
Rent, taxes, insurance and lighting etc.	31	541,347,752	503,414,249
Postage, telegram, telephone and stamp etc.	32	82,164,981	79,641,578
Legal charges		20,414,480	20,370,624
Auditors' fee		1,822,750	1,845,750
Salary & Allowances to the Managing Director		23,743,000	22,330,000
Depreciation and repairs to the bank's properties	33	992,182,707	998,804,281
Stationery, printing and advertisement etc.	34	233,530,169	182,611,948
Other expenses	35	1,008,771,543	767,093,897
Total operating expenses		9,504,174,786	7,964,217,090
Profit/(Loss) before Tax & provision		8,220,122,339	8,380,016,759
Provision against Investments & Contingent Liabilities	36	2,762,580,466	3,167,995,944
Provision for diminution in value of investment		(9,843,101)	31,389,324
Other Provision		-	30,129,000
Total provision		2,752,737,365	3,229,514,268
Profit/(Loss) before Tax		5,467,384,974	5,150,502,491
Current tax		3,124,004,373	3,173,981,638
Deferred tax	16	(4,179,107)	(49,178,277)
Provision for Taxation		3,119,825,266	3,124,803,361
Net Profit/(Loss) after tax		2,347,559,707	2,025,699,129
Appropriation			
Statutory Reserve		319,470,660	-
Profit paid on aibl mudaraba perpetual bond		411,000,000	393,500,000
General Reserve (1 % Start-Up Fund)		23,475,597	20,256,991
		753,946,258	413,756,991
Retained Earnings		1,593,613,450	1,611,942,138
Earning per Ordinary share (EPS)	41	2.14	1.85

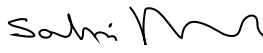

Chief Financial Officer



Managing Director


Director


Director


Chairman


Sabbir Ahmed FCA
Partner
Enrolment number- 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants
DVC : 2404280770AS377300
Place: Dhaka
Date : 25 April 2024


Faruk Ahmed FCA
Partner
Enrolment number- 1591
Khan wahab shafique Rahman & Co.
Chartered Accountants
DVC : 2404251591AS776007

Al-Arafah Islami Bank PLC
CASH FLOW STATEMENT
For the year ended December 31, 2023

	Notes	2023 Taka	2022 Taka
Cash flows from operating activities			
Investment income receipt in Cash		32,215,328,196	25,160,400,132
Profit paid on deposits and borrowings		(20,423,773,752)	(14,445,776,938)
Dividend received		25,660,023	29,682,989
Fees & Commission received in cash		4,489,384,046	5,449,539,929
Recoveries from write off investments		360,670,397	117,391,063
Cash payments to employees		(6,613,878,336)	(5,400,116,825)
Cash payments to suppliers		(233,530,169)	(182,611,948)
Received from other operating activities (item-wise)		1,081,989,759	754,570,162
Paid for other operating activities (item-wise)	37	(1,785,811,056)	(1,505,601,963)
Advance income tax paid		(2,922,042,394)	(2,806,820,322)
Operating profit before changes in operating assets and liabilities		6,193,996,712	7,170,656,279
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(3,869,130,404)	(2,870,600,956)
Increase/(Decrease) of placement to other banks		(271,084,600)	16,006,084,600
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(43,076,530,425)	(70,438,949,288)
Increase/(Decrease) of other assets (item-wise)	38	7,914,369,091	(1,207,401,116)
Increase/(Decrease) of placement from other banks and financial institution		7,014,951,669	21,687,674,851
Increase/(Decrease) of Deposits from customers (other than Banks)		24,754,742,557	39,746,905,921
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39	1,794,758,163	759,610,606
Cash receipt from operating activities		(5,737,830,922)	3,683,324,617
A. Net Cash from operating activities		456,165,790	10,853,980,896
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(739,093,102)	(551,322,340)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		(739,093,102)	(551,322,340)
Cash flows from financing activities			
Increase in Exchange Equalization Account		(796,741)	639,198
Issue of ABL Subordinate Bond / Perpetual Bond		(10,000,000)	1,410,000,000
Increase in Share Capital		319,470,660	-
Dividend paid		(1,277,882,622)	(1,597,353,278)
C. Net cash flows from financing activities		(969,208,703)	(186,714,080)
D. Net increase in cash and cash equivalent (A+B+C)		(1,252,136,015)	10,115,944,476
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent (D+E)		(1,252,136,015)	10,115,944,476
G. Cash & Cash Equivalents at the beginning of the year		69,336,501,985	59,220,557,509
H. Cash & Cash Equivalents at the end of the year	40	68,084,365,970	69,336,501,985
Net Operating Cash Flow per Share (NOCFPS)	43	0.42	9.90


Chief Financial Officer


Managing Director


Director


Director


Chairman

Al-Arafah Islami Bank PLC

STATEMENT OF CHANGES EQUITY

For the year ended December 31, 2023

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Total Taka
Balance at 1st January, 2023	10,649,021,850	10,649,021,850	1,657,715,288	1,084,971,059	24,040,730,046
Changes in accounting policy	-	-	-	-	-
Issue of the share capital	-	-	-	-	-
Restated balance	10,649,021,850	10,649,021,850	1,657,715,288	1,084,971,059	24,040,730,046
Deferred tax Adjustment	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	(796,741)	(796,741)
Net gain and losses not recognised in Income Statement	-	-	-	-	-
Net profit for the year	-	-	2,347,559,707	-	2,347,559,707
Cash Dividend	-	-	(1,277,882,622)	-	(1,277,882,622)
Bonus Share	319,470,660	-	(319,470,660)	-	-
Asset revaluation Reserve	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(411,000,000)	-	(411,000,000)
Transfer to 1 % strat-Up fund	-	-	(23,475,597)	-	(23,475,597)
Appropriations during the year	-	319,470,660	(319,470,660)	-	-
Total shareholders' equity as on December 31, 2023	10,968,492,510	10,968,492,510	1,653,975,457	1,084,174,318	24,675,134,795
Total shareholders' equity as on December 31, 2022	10,649,021,850	10,649,021,850	1,657,715,288	1,084,971,059	24,040,730,046



Chief Financial Officer



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, 2023

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	8,492,565,818	-	-	-	18,219,800,000	26,712,365,818
	Balance with other Bank and Financial Institution	157,880,000	-	-	-	7,303,840,152	7,461,720,152
	Placement with Banks & Other Financial Institutions	1,000,000,000	4,650,000,000	1,200,000,000	-	1,400,000,000	8,250,000,000
	Investments (in Shares & Securities)	-	-	1,001,800,000	-	45,120,279,751	46,122,079,751
	Investments	86,552,900,000	135,654,600,000	133,395,700,000	65,600,500,000	24,988,813,006	446,192,513,006
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,006,643,571	5,006,643,571
	Other Assets	186,800,000	12,300,000	1,470,700,000	-	217,976,071,46.25	23,467,407,146
	Non Banking Assets	-	-	-	-	50,875,037	50,875,037
	Total Assets	96,390,145,818	140,316,900,000	137,068,200,000	65,600,500,000	123,887,858,664	563,263,604,482
2	Liabilities :						
	Placement from Banks & Other Financial Institutions	3,059,500,000	23,555,300,000	29,431,000,000	37,392,000	-	56,045,837,392
	Deposits	83,130,600,000	134,667,800,000	126,853,100,000	60,201,300,000	14,792,906,043	419,645,706,043
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	370,900,000	-	-	-	464,857,884,90.3414	46,856,688,490
	Deferred tax Liabilities/ (Assets)	-	-	-	-	40,237,762	40,237,762
	AIBL Mudaraba Subordinated Bond	-	-	-	-	16,000,000,000	16,000,000,000
	Total Liabilities	86,561,000,000	158,223,100,000	156,284,100,000	60,201,337,392	77,318,932,295	538,588,469,687
	Net Liquidity Gap	9,829,145,818	(17,906,200,000)	(19,215,900,000)	5,399,162,608	46,568,926,368	24,675,134,795

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.



Chief Financial Officer



Managing Director



Director



Director



Chairman

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

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 2018) . 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 precepts of Islam. The Shariah Supervisory Committee consists of prominent Ulema, 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 215 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 AIBL Capital Market Services Limited

Al-Arafah Islami Bank PLC. owned 60.50% shares of AIBL Capital Market Services Ltd. a subsidiary company of Al-Arafah Islami Bank. AIBL Capital Market Services Ltd. 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 client.
- iii. Full service depository participant of Central Depository of Bangladesh Ltd.

Copy of the audited financial statement is attached Appendix A

1.2.2 AIBL Capital Management Limited

Al-Arafah Islami Bank PLC. 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 XVIII) 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 . 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 Generally Accepted Accounting Principles 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 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.

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

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

2.3 Cash flow statement

IFRS: 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.

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, money at call and short notice, 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 period from January 01, 2023 to December 31, 2023.

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 recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.8 Assets and basis of their valuation

2.8.1 Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

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.

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

2.8.2 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.

2.8.2.1 Investment in shares and securities

IFRS: As per requirements of IFRS 9 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” 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 revaluation reserve respectively.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June, 2003 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 investment; otherwise investments are recognised at cost.

2.8.2.2 Revaluation gains/losses on Government securities

IFRS: As per requirement of IFRS 9 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

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 recognised 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. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

2.8.2.3 Provision on loans and advances/investments

IFRS: As per IFRS 9 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD Circular No.14 (23 September, 2012), BRPD Circular No. 19 (27 December, 2012) and BRPD Circular No. 05 (29 May, 2013) BRPD Circular No. 14 (22 June, 2022), BRPD Circular No. 51 (18 December, 2022) a general provision at 0.25% to 5% 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 for loans and advances depending on the duration of overdue. Again as per BRPD Circular No. 10 dated 18 September, 2007 and BRPD Circular No. 14 dated 23 September, 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

2.8.2.4 Investment in subsidiaries

The bank has made investment in subsidiary company named AIBL Capital Market Service Ltd Tk. 242.00 crore holding 60.50% shares. The rest of 39.50% shares are hold by others and another subsidiary Company named AIBL 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 has approved “Fixed Assets accounting & depreciation and Intangible Assets accounting & amortization Policy” which has been effected from January 2012.

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

- 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 is recognised at cost at the time of acquisition and subsequently measured at revalued amounts which is 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 is 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 Tk. 1,518,000,000. Total asset revaluation gains amounting 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.

- iv) Depreciation/amortization rates used for each type of fixed assets are as follows (per annum):

Name of Assets	"Rate of Depreciation/amortization"	Estimated usefull 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

- v) Depreciation is charged on the addition of fixed assets and intangible assets are amortized from the date of use.
- vi) Maintenance and repair costs are charged to profit and loss account as and when incurred.
- vii) Presentation of intangible asset
- IFRS: An intangible asset must be identified and recognised, 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

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments and recognised 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 lease liability is initially measured at present value of the future lease payments discounted using the discount rate @ 6% implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments as well as the impact of lease modifications, amongst others.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised 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, furniture and fixtures and lease liabilities have been included in other liabilities."

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 Non-banking asset

IFRS: No indication of Non-banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD Circular No. 15, there must exist a face item named Non-banking asset.

2.8.7 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)

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

2.12 Non-controlling interest

Non-controlling interest is that portion of the profit or loss and net assets of the subsidiaries (AIBL Capital Market Services Limited and AIBL Capital Management Limited and) attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent (Al-Arafah Islami Bank Limited).

2.13 Basis for valuation of liabilities and provisions

2.13.1 Provisions on Investment

As per BRPD Circular no. 14 dated 23 September 2012, BRPD Circular no. 04 dated 29 January 2015, BRPD Circular no. 08 dated 02 August 2015, BRPD Circular No.12, dated 20 August, 2017, BRPD Circular No. 12 dated 20 August, 2017, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular No. 01 dated 20 February, 2018, BRPD Circular no. 03 dated 21 April 2019, BRPD Circular no. 16 dated 21 July 2020, BRPD Circular no.51& 53 dated 30 December 2021, BRPD Circular no. 14 dated 22 June 2022, BRPD Circular no. 51 dated 18 December 2022 and BRPD Circular no. 53 dated 22 December 2022 general provision at 0.25% 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	0.25%
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	0.25% to 5%
General provision on special mention account	0.25% 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%
Strat-up Fund on Net Profit	1%

2.13.2 Loans and advances/Investments net of provision

IFRS: Loans and advances/Investments are presented should be net of provision.

Bangladesh Bank: As per BRPD Circular No. 14 dated September 23, 2012, provision on loans and advances/investments are presented separately as liability and can not be netted off against loans and advances.

2.13.3 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

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended December 31, 2023

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.

v) 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.

vi) 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 & @10% for Capital Gain 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 bank recognizes deferred tax on 100% specific provision investment which will be write off as per Bangladesh Bank Circulars. The detail calculation of deferred tax for the period ended 31st December 2023, has given below:

Particulars	As Per Books of Account			As Per Tax			Deferred Tax
	Carring Amount	Assets not Depreciable	Net Carring Amount	Tax Base	Temporary Difference Taxable / (Deductible)	Tax Rate	
Iteams giving rise temporary Diference							Liability / (Assets)
Fixed Assets	5,006,643,571	1,519,150,691	3,487,492,880	3,380,192,188	107,300,693	37.50%	40,237,760
2. Specific Provision for bad and debt not allowed for Tax Credit	-		-	-	-	37.50%	-
Deferred tax liability on revaluation Reserve				-	-		-
Net deferred tax liability (asset)							40,237,761
Deferred tax Assets (Income)/Liability Expenses							
Balance as on 1 st January 2023	44,416,868						
Provision required as on December 31, 2023	(4,179,107)						
Balance as on December 31, 2023	40,237,761						

viii) 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 has 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 AIBL are normally entitled to get gratuity equivalent to one month's basic salary of the employees for their completed year of services in the Bank. So that actuarial valuation is not considered essential.

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ix) 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.

x) Other provision and accrued expenses

In compliance with IAS-37, provision and accrued expenses are recognised 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.

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.
- d) 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 recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss 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 recognised 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.

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 Other comprehensive income

IFRS: 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 has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank neither Other Comprehensive Income nor the elements of Other Comprehensive Income are 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.

2.14.4 Dividend Income

Dividend Income from investment is recognised 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 recognised on actual and accrual basis.

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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, 2023 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 period, 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.

2.20.1 Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, 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.

2.20.2 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 recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised 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 recognised for the guarantee except the cash margin.

2.20.6 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.

2.21 Approval of the financial statements

Financial Statements were approved by the Board of Directors on 399th meeting held on 25 April 2024 has approved the audited financial statements for the year ended 31 December 2023. The Board has also recommended 10% cash dividend And 5% stock dividend for the year ended 31 December 2023 subject to approval of the shareholders at the 29th Annual General Meeting (AGM).

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 & upto date) and in compliance with the rules of Islamic Law (Shariah) related to the banking business activities.

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- ii) The figures appearing in these accounts have been rounded off to the nearest taka.
- iii) 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 Limited 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 is 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 demarketed. 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 helps the bank management to safeguard the bank's resources, produce reliable financial and managerial report, and comply with laws and regulations.

AIBL 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 Senior Vice President. The ICC division has been segregated to three departments which are audit & inspection department, audit monitoring department and regulatory compliance department. AIBL internal control contains self-monitoring mechanisms and to ensure effective control DCFCL, Investment documentation checklist

Al-Arafah Islami Bank PLC
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and quarterly operation report have been developed and implemented. Internal audit and internal control teams carries 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 (STR) and records them properly. Manuals have been established for the prevention of money laundering and transaction profile has been introduced. Training has been continuously given to all category of officers and executives for developing awareness and skill for identifying suspicious activities. The bank submits the STR, CTR and other periodical reports to Bangladesh Bank on time.

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.

“b) “Fraud and Forgeries:

During the year 1st January to 31st December, 2023 Audit and Inspection department of ICCD, have detected some incidents/irregularities as fraud-forgeries relating to cash misappropriation and investment disbursement in 02 branches of the Bank, which are 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 is 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

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As at and for the year ended December 31, 2023

qualitative terms. The first disclosure as per guidelines shall be 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

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 380th Meeting held on 23 November, 2023 as per BRPD Circular No. 11 Dated 27.10.2013 as under:

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SL	Name	Status with Committee	Educational Qualification
1	Jb. Md. Abdul Hamid Miah	Chairman	"BA (Hons. in Economics), MA (Economics), MSc (Development Economics, Bradford University, UK)"
2	Jb. Mohammed Emadur Rahman	Member	M.B.A. (Marketing, London)
3	Jb. Anwar Hossain	Member	Graduate
4	Jb. A.A.M. Zakaria	Member	MA (Economics)
5	Jb. Mahbubul Alam	Member	B.Com

During the period 2023 the audit committee of the bank conducted 07 (seven) meetings in which among others, the following issues were discussed:-

- i) Reviewing the inspection report of different branches of AIBL 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 AIBL conducted by Bangladesh Bank and status of compliance thereof.
- iii) Reviewing the financial statements of the bank for the period 31 December, 2023.

5 COVID-19 on disclosure

The business operation and profitability of the Bank had been impacted severely by COVID-19 along with implication of single digit profit rate declared by Bangladesh Bank during the year 2020, but due to the relatively stable market condition and quicker economic recovery, the operating income of the Bank increased significantly during the year 2023 compared to 2022.

5.a Workers' Profit Participation Fund (WPPF)

As per Bangladesh Labour 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 Labour Act 2006 as amended contradicts with that of the Bank Company Act 1991(as amended 2018). As such consistent with widely accepted industry practice as well lawyer opinion the Bank did not make any provision during the year for WPPF.

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		2023 Taka	2022 Taka
6.	Balance with other Banks and Financial Institutions		
a)	In Bangladesh:		
	Al-Wadia Current Accounts		
	Islami Bank Bangladesh Limited.	35,337,298	9,737,063
	Dutch Bangla Bank Limited.	229,548	231,078
	National Bank Limited.	220,125	235,815
	Agrani Bank Limited.	24,994,377	13,611,592
		60,781,348	23,815,547
	Short Term Deposits		
	Dhaka Bank Limited.	2,982,139	499,487
	Prime Bank Limited.	323,819	273,413
	Social Islami Bank Limited.	70,442,203	43,953,638
	Shahjalal Islami Bank Limited.	3,207,104	13,108,929
	EXIM Bank Limited.	3,974,140	29,138,745
	ICB Islamic Bank Limited.	161,978,384	162,028,614
	Jamuna Bank Limited.	20,096,838	8,831,357
	The City Bank Limited.	3,120,811	3,136,339
	Southeast Bank Limited.	730,899	524,669
	AB Bank Limited.	11,857,186	55,470
	Bank Alfah Limited.	850,589	12,639
	RAJSHAHI KRISHI UNNAYAN BANK SND	500,000	-
		280,064,112	261,563,300
		340,845,460	285,378,847

* (AIBL is maintaining constant communication with ICB Islamic Bank and Bangladesh Bank for Recovering their money from ICB Islamic bank)

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,USA	USD	297,804	110.00	32,758,406	(348,851,872)
ICICI BANK LIMITED, HONGKONG	USD	54,216	110.00	5,963,741	(219,070,360)
MASHREQUE BANK PSC, NEW YORK	USD	569,440	110.00	62,638,432	(212,038,337)
CITIBANK N.A., NEW YORK, USA	USD	1,973,238	110.00	217,056,162	(245,583,066)
STANDARD CHARTERD BANK LTD, NEW YORK	USD	5,810,361	110.00	639,139,692	(466,403,131)
COMMERZBANK AG, FRANKFURT	USD	50,369	110.00	5,540,593	(220,935,468)
SONALI BANK LTD, LONDON, USD	USD	65,588	110.00	7,214,657	-
ZHEJIANG CHOUZHOU COMM. BANK, USD	USD	144,719	110.00	15,919,046	-
AB BANK LTD, MUMBAI	ACUD	81,014	110.00	8,911,562	15,568,667
AXIS BANK LTD, KOLKATA	ACUD	195,338	110.00	21,487,146	25,596,772
BANK OF BHUTAN, BHUTAN	ACUD	40,894	110.00	4,498,386	5,003,926

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ICICI BANK LIMITED, MUMBAI	ACUD	269,537	110.00	29,649,060	38,681,022
SHANGHAI PUDONG DEVELOPMENT BANK, CHINA	ACUD	99,202	110.00	10,912,226	260,054
SONALI BANK LTD, KOLKATA	ACUD	116,342	110.00	12,797,635	4,322,657
STANDARD CHARTERD BANK LTD, KARACHI	ACUD	54,679	110.00	6,014,734	17,453,516
STANDARD CHARTERD BANK LTD, MUMBAI	ACUD	53,479	110.00	5,882,710	25,269,298
HABIB METROPOLITAN BANK LTD, KARACHI	ACUD	209	110.00	23,015	1,230,330
KUMARI BANK LTD, NEPAL	ACUD	126,595	110.00	13,925,450	1,443,576
PUNJAB NATIONAL BANK, KOLKATA	ACUD	-	-	-	20,816,270
PUNJAB NATIONAL BANK	ACUD	116,546	110.00	12,820,103	-
AL RAJI BANKING & INV CORP, KSA	SAR	474,276	29.33	13,911,734	9,844,112
EMIRATES NBD, RIYADH, KSA	SAR	190,435	29.33	5,585,943	5,235,219
RIYAD BANK, KSA	SAR	425,812	29.33	12,490,173	10,052,268
STANDARD CHARTERD BANK LTD, JAPAN	JPY	1,097,079	0.78	857,258	(3,379,293)
STANDARD CHARTERD BANK LTD, LONDON	GBP	(515,288)	140.97	(72,637,591)	666,661,107
COMMERZBANK AG, FRANKFURT AM	GBP	79,381	140.97	11,189,979	8,080,755
COMMERZBANK AG, FRANKFURT AM	EURO	43,307	122.31	5,296,793	30,598,672
STANDARD CHARTERD BANK LTD, FRANKFURT	EURO	(1,291,581)	122.31	(157,971,977)	522,158,424
INTESA SANPAOLO SPA, ITALY	EURO	41,306	122.31	5,052,118	27,137,488
PUNJAB NATIONAL BANK, KOLKATA, ACUE	ACUE	7,812	122.31	955,508	858,064
SHANGHAI PUDONG DEVELOPMENT BANK, CHINA	CNY	2,225,725	15.49	34,485,380	23,293,904
HABIB BANK AG, ZURICH	CHF	(19,451)	131.09	(2,549,931)	23,792,672
ABU DHABI COMMERCIAL BANK PJSC, UAE	AED	1,697,263	29.95	50,832,847	14,520,010
ZHEJIANG CHOUZHOU COMM . BANK. CNY	CNY	522,607	15.49	8,097,279	-
				1,028,748,270	(218,382,747)
Placement to OBU-USD				6,092,126,423	10,229,014,113
				7,120,874,692	10,010,631,366
				7,461,720,152	10,296,010,213
6.A. Consolidated Balance with other Banks and financial institutions					
a) In Bangladesh:					
Al-Arafah Islami Bank Ltd. [Note-6.a]				340,845,460	285,378,847
AIBL Capital Market Services Ltd.				250,456,407	291,454,632
AIBL Capital Management Ltd.				-	-
				591,301,867	576,833,479
Less: Inter-Company Adjustment				(250,456,407)	(291,454,632)
				340,845,460	285,378,847
b. Outside Bangladesh				7,120,874,692	10,010,631,366
				7,461,720,152	10,296,010,213
6.A.i Maturity - wise Groupings (Inside & Outside Bangladesh)					
Payable on Demand					
Up to 1 (one) month				157,880,000	123,300,000
Over 1 (one) Month but not more than 3 (three) Months				-	2,000,000,000
Over 3 (three) Months but not more than 1 (one) year				-	1,000,000,000
Over 1 year but not more than 5 years				-	-
Over 5 years		0		7,303,840,152	7,172,710,213
				7,461,720,152	10,296,010,213

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	2023 Taka	2022 Taka
7. Placement with Banks & Other Financial institutions		
Islami bank bangladesh ltd	2,600,000,000	-
First security islami bank	1,000,000,000	-
GLOBAL ISLAMI Bank Limited.	450,000,000	-
Islamic Finance and Investment Limited.	900,000,000	1,000,000,000
Union Bank Limited.	2,500,000,000	2,000,000,000
Social Islami Bank Limited.	800,000,000	-
	8,250,000,000	3,000,000,000
F.c. placement local (usd)	-	4,978,915,400
	8,250,000,000	7,978,915,400
7.A Al-Arafah Islami Bank Ltd.	8,250,000,000	7,978,915,400
AIBL Capital Market Services Ltd.	-	-
	8,250,000,000	7,978,915,400
8. Investment in Shares & Securities		
Bangladesh Govt. Islami Bond Fund (8.a)	18,000,000,000	11,500,000,000
Bangladesh government investment sukuk (BGIS) (8.a)	15,410,280,000	15,410,280,000
Investment In Islamic Refinance Fund (8.a)	500,000,000	500,000,000
Investment in Share (8.b)	12,211,799,751	8,342,669,347
	46,122,079,751	35,752,949,347
8.a Investments in Share & Securities		
Government Securities	33,910,280,000	27,410,280,000
Bangladesh Govt. Islami Bond Fund	18,000,000,000	11,500,000,000
Bangladesh government investment sukuk (BGIS) (8.a)	15,410,280,000	15,410,280,000
Investment In Islamic Refinance Fund	500,000,000	500,000,000
8.b In shares (quoted and unquoted)		
Quoted		
Private (8.b.i)	961,723,123	902,592,719
Unquoted		
Private (8.b.ii)	11,250,076,628	7,440,076,628
	12,211,799,751	8,342,669,347
8.b.i Book value of share as on 31 December 2023 as follows		
Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
DAFODILCOM	241,065,596	329,597,028
PADMAOIL	395,722	395,722
PRIMETEX	-	-
JAMUNAOIL	8,855,453	8,855,453
PRIMELIFE	114,905,548	140,558,755
BBSCABLES	7,740,115	7,740,115
SINOBANGLA	16,715,030	550,539
PREMIERCEM	55,614,308	48,741,034
UNIONINS	1,485,527	46,380
BDTHAIFOOD	35,540	35,540
BEXIMCO	9,737,924	2,322,099
BSC	4,274,995	4,274,995
EHL	6,014,454	7,139,281

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As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
ITC	9,406,125	1,876,831
TITASGAS	20,464,885	4,989,041
TOSRIFA	-	5,464,058
UNIQUEHRL	46,874,069	10,867,788
BDCOM	-	2,202,683
SPCL	12,821,739	2,610,252
ACIFORMULA	2,828,826	2,828,826
ACMELAB	4,351,600	2,150,700
MALEKSPIN	4,170,750	4,170,750
NORTHERNINS	-	2,369,176
BSCCL	12,078,337	12,017,378
LHBL	5,487,803	5,487,803
NAHEEACP	1,451,039	1,451,039
RUNNERAUTO	2,296,135	2,296,135
IBNSINA	2,918,118	3,267,235
LINDBD	18,286,086	18,286,086
KDSALTD	22,499,689	-
DELTALIFE	12,465,436	-
ANWARGALV	11,985,211	-
CONFIDCEM	894,539	-
NAVANAPHA	11,214,395	-
RENATA	826,361	-
CONTININS	1,561,770	-
PLI AML 1st UNIT FUND	20,000,000	-
BEXGSUKUK	100,000,000	100,000,000
AIBL 1st Islamic Mutual Fund	170,000,000	170,000,000
	961,723,123	902,592,719
8.b.ii Unquoted shares in		
Swift Share	7,453,233	7,453,233
Central Depository Bangladesh Limited	3,138,890	3,138,890
Inv in union bank mudaraba	300,000,000	400,000,000
Inv in union bank mudaraba sub-ordinated bond	1,000,000,000	1,000,000,000
Investment in sibl perpetual bond	2,000,000,000	2,000,000,000
Investment in ibbl secondmudaraba perpetual bond	1,000,000,000	1,000,000,000
Investment in sibl 4th sub-ordinated bond	2,000,000,000	1,000,000,000
Investment in ibbl 4th sub-ordinated bond	2,000,000,000	2,000,000,000
Investment for Subsidiary Companies	2,910,000,000	2,910,000,000
Investment in Millennium Information Solution Limited	29,484,505	29,484,505
	11,250,076,628	10,350,076,628
	12,211,799,751	11,252,669,347
8.A Investment in Shares & Securities		
Al-Arafah Islami Bank Ltd.	46,122,079,751	35,752,949,347
AIBL Capital Market Services Ltd. 8.A.ii	662,120,683	662,120,683
AIBL Capital Management Ltd. 8.A.ii	532,058,707	531,854,372
Millennium information solution Ltd. 8.A.ii	-	-
	47,316,259,141	36,946,924,402

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
8.A.i Investment in Shares & Securities		
Al-Arafah Islami Bank Ltd.	12,211,799,751	8,342,669,347
AIBL Capital Market Services Ltd.	662,120,683	662,120,683
AIBL Capital Management Ltd.	532,058,707	531,854,372
Millennium information solution Ltd.	-	-
	13,405,979,141	9,536,644,402
8.A Maturity grouping of investments		
Payable on Demand		
Not more than 3 months	-	-
Over 3 (three) months but not more than 1 (one) year	1,001,800,000	942,700,000
Over 1 year but not more than 5 years	-	-
More than 5 years	46,314,459,141	36,004,224,402
	47,316,259,141	36,946,924,402
9. Investments		
a) General Investment		
i. in Bangladesh		
Murabaha Investment	107,863,550,581	106,752,007,341
Bai-Muazzal Investment	168,469,241,171	154,270,820,903
Hire Purchase Investment	146,111,513,544	125,258,177,749
Quard	2,821,680,925	1,427,689,425
Other Investment	5,715,647,688	4,979,702,571
	430,981,633,909	392,688,397,989
ii. Out side Bangladesh	-	-
	430,981,633,909	392,688,397,989
Less: Unearned profit on Investment	10,590,283,527	8,887,846,742
	420,391,350,382	383,800,551,247
b) Bill Purchased & Discounted		
Payable in Bangladesh	24,948,301,799	20,824,372,694
Payable out side Bangladesh	852,860,825	1,560,347,719
	25,801,162,624	22,384,720,413
	446,192,513,006	406,185,271,660
c) Maturity grouping of Investment		
Including bills purchased and discounted		
Payable on Demand		
Up to 1 (one) month	86,552,900,000	74,001,600,000
Over 1 (one) month but not more than 3 (three) months	135,654,600,000	108,063,400,000
Over 3 (three) months but not more than 1 (one) year	133,395,700,000	128,040,200,000
Over 1 year but not more than 5 years	65,600,500,000	65,062,200,000
Over 5 years	24,988,813,006	31,017,871,660
	446,192,513,006	406,185,271,660
d) An analysis to disclose following Significant concentration :		
i. Investment to Directors and others	-	-
ii. Investment to Managing Director and Cheif Executive	-	-
iii. Investment to customer (No. of clients with amount of	202,743,500,000	176,693,500,000

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
outstanding and classified loan to whom loans and Investment sanctioned more than 10% of total capital of the Bank)		
iv. Investments to customers for more than 10% of Bank's Total Capital		
Number of clients	46	39
Amount of outstanding Investment	202,743,500,000	176,693,500,000
Amount of Classified Investment	-	-

Name of Clients		Funded	Non-Funded	Figure in crore	Figure in crore
01	Meghna Group	-	88.30	88.30	461.02
02	City Group	600.50	339.70	940.20	1,030.97
03	Thermax Group	279.19	123.52	402.71	551.48
04	Majumder Traders	174.03	17.14	191.17	279.98
05	T K Group	186.06	72.08	258.14	198.97
06	Abul Khair Steel Industries Ltd.	336.00	395.86	731.86	599.15
07	AIBL Capital Market Services Ltd.	386.08	40.00	426.08	432.51
08	Noapara Traders	6.83	16.68	23.51	656.73
09	Techno Electricals Ltd	230.62	340.73	571.35	692.19
10	Badsha Group	196.44	325.06	521.50	438.91
11	Masihata Sweaters Ltd.	547.92	183.56	731.48	671.21
12	Tafrid Cotton Mills Ltd.	267.18	74.52	341.70	453.80
13	Sheikh Brother & its Sister Concern	471.37	143.47	614.84	601.38
14	Bangladesh Steel Re-rolling Mills	71.79	365.55	437.34	362.79
15	NICE Denim Mills Ltd.	353.21	350.22	703.43	643.28
16	Younus Paper Mills Ltd & its sister concern	-	-	-	201.04
17	Momtex	397.25	80.29	477.54	507.04
18	Kabir Steel Re-rolling Mills	327.18	139.85	467.03	551.97
19	IBN Sina	218.61	143.88	362.49	310.34
20	Ayman Textile & Hosiery Ltd.	-	-	-	414.04
21	Aman Group	401.15	164.06	565.21	416.81
22	Nitol Motors Ltd.	273.96	0.51	274.47	386.77
23	Creative paper Mills	361.83	121.16	482.99	-
24	Biswas Poultry & Fish Feeds Ltd.	566.46	190.33	756.79	494.68
25	PRAN-RFL Group	115.00	92.25	207.25	412.84
26	Delta Group	-	-	-	388.47
27	M S Dyeing, Printing & Finishing Ltd.	531.94	342.04	873.98	875.39
28	Mahmud Fabrics And Finishing Ltd.	789.78	110.60	900.38	707.99
29	S Suhi industrial Park Ltd	851.41	25.63	877.04	835.19
30	Smile Food Products Ltd	-	-	-	63.38
31	H.R. Re-Rolling Mills	246.92	83.68	330.60	274.84
32	Healthcare pharmaceuticals Ltd.	249.94	75.56	325.50	-
33	Max Infrastructure Ltd.	-	-	-	328.11
34	Nassa Taipei Denim & Textile Ltd	526.53	40.67	567.20	484.75
35	Bashundhara Group	704.98	34.49	739.47	691.52
36	Formula One	187.98	205.44	393.42	341.41

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

				2023 Taka	2022 Taka
37	Birds Garments Ltd, Unit-2, Birds R N R Fashion Ltd, & Birds A & Z Ltd, Khalifa Apparels Ltd.	60.29	106.66	166.95	174.56
38	Esquire Knit Composite & Esquire Dyeing Industries Limited	228.19	109.35	337.54	403.99
39	GMS Trims Ltd., GMS Composite Knitting Ltd	49.52	5.27	54.79	42.66
40	Unique Hotel & Resorts Ltd.	283.14	248.00	531.14	228.79
41	ECO INTIMATES LTD	-	-	-	58.40
42	N. Mohammad Group	200.12	117.64	317.76	-
43	Salam Steel & Hazi Taher Ali Steel	113.66	22.25	135.91	-
44	Ahmed Wood Crafts Pvt. Ltd.	169.02	6.98	176.00	-
45	Mondal Group	339.58	81.82	421.40	-
46	Fakir Knit Wear Ltd.	14.49	143.34	157.83	-
47	H.R Textile Mills Ltd.	135.18	73.86	209.04	-
48	Crown Cement, GPH Ispat & Molla Salt	30.84	56.36	87.20	-
49	Z & Z Intimates Ltd.	137.75	68.29	206.04	-
50	Ifad Group	325.75	32.16	357.91	-
51	Ibrahim Knit Garments Pvt. Ltd.	101.67	160.98	262.65	-
52	Woodland Plywood and Particle Board Mills Ltd., H & S Glassware Ltd.	124.97	11.19	136.16	-
53	R A Ship Breaking	19.39	-	19.39	-
54	Desh Energy Chandpur Power Company Ltd.	21.72	-	21.72	-
55	Incepta Pharmaceutical Ltd.	-	18.44	18.44	-
56	Premier Steel Re-Rolling Mills Pvt. Ltd.	408.12	55.06	463.18	-
57	Mosharaf Composite Textile Mills Ltd.	240.03	15.65	255.68	-
58	Bonafide Composite Textile Mills Ltd.	284.36	68.29	352.65	-
		14,145.93	6,128.42	20,274.35	17,669.35
v)	Industry/Sector wise Investments				
	Agriculture			9,715,000,000	4,729,622,382
	Industry			209,474,400,000	199,256,000,000
	Construction			24,483,500,000	29,625,600,000
	Power, Gas, Water & Sanitary Services			14,037,100,000	3,259,600,000
	Transport & communication			125,794,000,000	12,988,129,991
	Trade Service			23,639,000,000	139,452,802,566
	Storage			28,290,000,000	21,659,060,439
	Professional & Miscellaneous Service			21,349,796,533	4,102,303,024
				456,782,796,533	415,073,118,402
Less:	Unearned profit on Investment			10,590,283,527	8,887,846,742
				446,192,513,006	406,185,271,660
vi)	Geographical Location -wise Investment				
	Urban:			420,308,200,000	382,251,817,575
	Dhaka Region			337,534,400,000	307,115,841,883
	Chittagong Region			45,976,300,000	41,269,390,124
	Sylhet Region			3,429,500,000	2,463,008,298
	Rajshahi Region			8,336,400,000	7,607,136,698
	Mymensing			2,279,300,000	2,001,585,683
	Khulna Region			13,835,500,000	12,561,699,075

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	2023 Taka	2022 Taka
Rangpur Region	5,537,200,000	5,977,182,977
Barisal Region	3,379,600,000	3,255,972,837
Rural:	36,474,596,533	32,821,300,827
Dhaka Region	16,602,496,533	15,428,792,480
Chittagong Region	10,505,500,000	8,653,453,422
Sylhet Region	428,100,000	351,193,855
Mymensing	3,628,300,000	209,728,027
Rajshahi Region	227,500,000	3,460,703,761
Khulna Region	3,260,800,000	3,139,778,189
Rangpur Region	1,209,200,000	1,044,981,487
Barisal Region	612,700,000	532,669,606
	456,782,796,533	415,073,118,402
	10,590,283,527	8,887,846,742
Less: Unearned profit on Investment	446,192,513,006	406,185,271,660
e) Classification of Investment including bills purchased and discounted		
Unclassified	425,916,607,533	392,635,744,402
Standard including (Staff investment)	408,932,507,533	382,029,640,402
Special Mention Accounts (SMA)	16,984,100,000	10,606,104,000
Classified	30,866,189,000	22,437,374,000
Sub Standard	5,541,397,000	3,817,629,000
Doubtful	7,439,355,000	4,857,409,000
Bad / Loss	17,885,437,000	13,762,336,000
	456,782,796,533	415,073,118,402
Less: Unearned profit on Investment	10,590,283,527	8,887,846,742
	446,192,513,006	406,185,271,660
f) Required Provision on Investment & Off -balance sheet exposures		
Unclassified		
General provision on unclassified Investment	2,836,746,000	2,905,716,000
General provision on small enterprise Investment	306,280,000	274,664,000
General provision on Housing financing Investment	45,385,000	34,535,000
General provision on consumer financing Investment	51,135,000	25,864,000
General provision on Micro Investment	73,044,000	59,399,000
General provision on special mention Investment	123,490,000	44,107,000
General provision on BHS/MHS/SDS	47,872,000	28,187,000
	3,483,952,000	3,372,472,000
Classified		
Specific provision on substandard Investment	396,855,000	810,144,000
Specific provision on doubtful Investment	1,954,657,000	1,444,528,000
Specific provision on bad/loss Investment	11,781,506,000	8,719,187,000
Unclassified	14,133,018,000	10,973,859,000
General provision on Off-balance sheet	1,203,620,000	1,221,130,772
	18,820,590,000	15,567,461,772
g) Provision made on Investment & Off-balance sheet exposures		
Unclassified		
General provision on unclassified Investment	2,836,746,000	2,905,716,000

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
General provision on small enterprise Investment	306,280,000	274,664,000
General provision on Housing financing Investment	45,385,000	34,535,000
General provision on consumer financing Investment	51,135,000	25,864,000
General provision on Micro Investment	73,044,000	59,399,000
General provision on special mention Investment	123,490,000	44,107,000
General provision on BHS/MHS/SDS	47,872,000	28,187,000
	3,483,952,000	3,372,472,000
Classified		
Specific provision on substandard Investment	396,855,000	810,144,000
Specific provision on doubtful Investment	1,954,657,000	1,444,528,000
Specific provision on bad/loss Investment	11,781,506,000	8,719,187,000
Unclassified	14,133,018,000	10,973,859,000
General provision on Off-balance sheet	1,203,620,000	1,221,130,772
	18,820,590,000	15,567,461,772
Provision Excess/(Shortfall)	-	-
h) Particulars of Investments		
i) Investment considered good in respect of which of the bank company is fully secured;	288,607,303,475	297,910,303,667
ii) Investment considered good against which the banking company holds no security other than the debtors personal guarantee.	167,368,665,645	117,162,814,728
iii) Investment considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors;		
iv) Investment adversely classified; provision not maintained thereagainst;	-	-
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;	6,115,1847	37,590,066
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;	-	-
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	17,885,437,000	13,762,336,000
i) Decrease/Increase in provision (Specific)	3,159,159,001	2,407,075,901
ii) Amount of Investment written off;	7,903,343,000	8,174,626,000
iii) Amount realised against Investment previously written off;	360,670,397	117,391,063
b) Amount of provision kept against Investment classified as "bad/loss" on the date of preparing the balance sheet ;	-	-
c) Profit creditable to the profit suspense/Compensation A/c;	-	-
xi) i) Cumulative amount of the written of Investment;	9,761,148,000	9,666,793,000
ii) Amount written off during the current year;	94,355,000	664,808,334
iii) The amount of written off Investment for which lawsuit has been filed;	7,903,342,000	8,174,626,000

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

		2023 Taka	2022 Taka
9.A. Investments			
	Al-Arafah Islami Bank Ltd.	446,192,513,007	406,185,271,660
	AIBL Capital Market Services Ltd.	923,319,899	596,522,088
	AIBL Capital Management Ltd.	5,615,050	6,001,121
		447,121,447,955	406,787,794,869
	Less : Inter company Adjustment	-	-
		447,121,447,955	406,787,794,869
9.A.i Maturity grouping of Investment			
	Including bills purchased and discounted		
	Payable on Demand	-	-
	Up to 1 (one) month	86,552,900,000	74,001,600,000
	Over 1 (one) month but not more than 3 (three) months	135,654,600,000	108,063,400,000
	Over 3 (three) months but not more than 1 (one) year	133,395,700,000	128,642,723,209
	Over 1 year but not more than 5 years	65,600,500,000	65,062,200,000
	Over 5 years	25,917,747,955	31,017,871,660
		447,121,447,955	406,787,794,869
10. Fixed Assets			
	Tangible Assets		
	Land	1,519,150,690	1,519,150,690
	Building	1,221,316,331	1,221,316,331
	Furniture (Wood)	1,391,605,831	1,264,787,864
	Furniture (Steel)	220,662,707	211,162,576
	Computer	450,521,499	389,089,799
	Computer (Accessories)	177,127,865	151,561,819
	Motor Car	230,077,400	217,526,499
	Machine equipment & appliance	1,504,281,432	1,426,184,202
	Online Hardware	1,011,675,711	990,698,709
	Interior Decoration	181,580,243	180,262,680
	Right of use Assets as per IFRS-16*	2,053,100,000	1,708,500,000
	Books & Library	9,485,710	9,289,182
		9,970,585,419	9,289,530,351
	Intangible Assets		
	Online Software	662,913,122	609,797,608
	Total	10,633,498,541	9,899,327,959
	Less : Accumulated Depreciation & Amortization	5,626,854,969	4,760,822,264
		5,006,643,571	5,138,505,695
	Schedule of Fixed Assets are given in Annexure - A.		
10.A. Fixed Assets			
	Al-Arafah Islami Bank Ltd.	5,006,643,571	5,138,505,694
	AIBL Capital Market Services Ltd.	3,318,698	5,329,684
	AIBL Capital Management Ltd.	460,811	594,072
		5,010,423,080	5,144,429,450
11. Other Assets			
	Acquiring settlement	2,292,934,254	252,524,592
	cash incentive from b. Bank (f. Rem)	800,000,000	800,100,000

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

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	2023 Taka	2022 Taka
Suspense account	39,442,076	35,241,112
Stock of stationary	132,273,994	149,000,433
Stamp in hand	12,691,677	12,661,217
security deposit	5,179,947	5,215,587
Advance rent	376,239,217	413,525,068
Parking for rtgs outgoing usd	(368,105,493)	-
P.r (bb) against stimulus fund	66,564	66,564
Advance Income Tax & TDS [Note 11.2]	15,948,992,836	19,486,759,040
Protested bill	24,178,154	11,128,534
Prepaid expenses	2,749,581	5,794,354
Balance with cmsl for portfolio account	1,470,693,467	1,470,636,188
Parking for overdue claims (ibw)	2,392,930	311,848,228
Accrued income	2,249,721,873	1,721,012,073
Scb mc settlement a/c (local)	38,309,666	11,099,110
Remittance adjustment a/c	150,000,099	150,000,099
Clearing adjustment	269,725,800	174,394,440
Dividend receivable	12,271,554	10,109,220
Due from off-shore Banking unit	11,586,600,211	25,664,698,424
	35,054,007,357	50,685,815,494
Less: Balance with OBU for elimination investment with OBU	11,586,600,211	25,664,698,424
	23,467,407,146	25,021,117,070
*** Investment in Millennium Information Solution Ltd.		
Investment in subsidiary	29,484,505	29,484,505
Less: Sale of Investment	-	-
	29,484,505	29,484,505
11.1 Classification of other Assets under the following catagories		
i) Investment in shares of subsidiary companies; In Bangladesh	-	-
ii) Stationery, Stamps, Printing materials etc.	144,965,671	161,661,650
iii) Advance rent and advertisement;	376,239,217	413,525,068
iv) Profit accrued on Investment but not collected, commision & brokerage receivable on shares and debenture and other income receivable	2249721873	1721012073
v) Security deposit	5,179,947	5,215,587
vi) Preliminary, formation and organization expenses, renovaiton	2,749,581	5,794,354
vii) Acquiring settlement	2,292,934,254	252,524,592
viii) Suspenses account	39,442,076	35,241,112
ix) cash incentive from b. Bank (f. Rem	800,000,000	800,100,000
x) Protested Bills	24,178,154	11,128,534
xi) Dividend Receivable	12,271,554	10,109,220
xii) Parking for rtgs outgoing usd	(368,105,493)	-
xiii) Others	17,892,454,128	21,604,804,880

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
	23,472,030,962	25,021,117,070
xiii) Others		
Clearing adjustment	269,725,800	174,394,440
Remittance adjustment a/c	12,271,554	-
Advance Income Tax & TDS	15,948,992,836	19,486,759,040
Scb mc settlement a/c (local)	38,309,666	11,099,110
Balance with cmsl for portfolio account	1,470,693,467	1,470,636,188
Parking for overdue claims (ibw)	2,392,930	311,848,228
Remittance adjustment a/c	150,001,310	150,001,310
	17,892,454,128	21,604,804,880
11.2 Advance Income Tax & TDS		
i) Beginning of the year	19,486,759,040	16,679,938,718
Advance tax paid during the year	2,688,442,844	2,648,735,003
Tax deducted at Source during the year	233,506,525	158,085,319
Settlement for previous year	(6,459,715,572)	-
Advance income tax at the end of the year	15,948,992,836	19,486,759,040
11.A. Consolidated Other Assets		
Al-Arafah Islami Bank Ltd.	23,467,407,146	27,931,117,070
AIBL Capital Market Services Ltd.	10,794,975,886	10,862,347,233
AIBL Capital Management Ltd.	28,091,277	32,631,853
	34,290,474,309	38,826,096,155
Less: Inter-Company Adjustment	(2,910,000,000)	(2,910,000,000)
	31,380,474,309	35,916,096,155
	50,875,037	50,875,037
12. Non-Banking Assets		
13. Placement from Banks & Other financial Institutions		

The Bank has taken finance from Islami Investment Bond (Islami Bond) at banks' own mudaraba savings rate (i.e.as on 31ST December 2023 MTDR provisional rate) for 180 days tenure which introduced by the Government for islami banks and financial institutes in september 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
a.	In Bangladesh				
	Borrowing from Bangladesh Bank	31-Dec-2023	D.P Note	1,000,000,000	500,000,000
	Borrowing from Bangladesh Bank	6-Jan-2024	D.P Note	2,000,000,000	500,000,000
	Borrowing from Bangladesh Bank	8-Jan-2024	D.P Note	500,000,000	500,000,000
	Borrowing from Bangladesh Bank	10-Jan-2024	D.P Note	2,000,000,000	500,000,000
	Borrowing from Bangladesh Bank	14-Jan-2024	D.P Note	500,000,000	1,000,000,000
	Borrowing from Bangladesh Bank	31-Jan-2024	D.P Note	500,000,000	500,000,000
	Borrowing from Bangladesh Bank	6-Feb-2024	D.P Note	1,000,000,000	1,000,000,000
	Borrowing from Bangladesh Bank	12-Feb-2024	D.P Note	1,000,000,000	1,500,000,000
	Borrowing from Bangladesh Bank	13-Feb-2024	D.P Note	2,000,000,000	3,000,000,000
	Borrowing from Bangladesh Bank	19-Feb-2024	D.P Note	1,500,000,000	500,000,000
	Borrowing from Bangladesh Bank	24-Feb-2024	D.P Note	1,000,000,000	2,000,000,000
	Borrowing from Bangladesh Bank	6-Mar-2024	D.P Note	2,500,000,000	-

Al-Arafah Islami Bank PLC
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			2023 Taka	2022 Taka	
	Borrowing from Bangladesh Bank	13-Mar-2024	D.P Note	1,500,000,000	-
	Borrowing from Bangladesh Bank	23-Mar-2024	D.P Note	1,000,000,000	-
				18,000,000,000	11,500,000,000
b.	F.C. BORROWING FROM BANGLADESH BANK			38,045,837,392	37,530,885,723
	F.C. BORROWING FROM BANGLADESH BA			14,754,186,966	26,918,101,984
	BORROWING FROM B. BANK, STIMULUS			-	227,198,611
	BORROWING FROM B. BANK, STIMULUS			1,194,398,711	789,776,206
	BORROWING FROM B. BANK REFINANCE			434,990,903	3,403
	BORROWING FROM B. BANK REFINANCE			5,650,128	411,808,520
	BORROWING FROM B. BANK BAI-ISTISHN			63,610,000	30,000,000
	BORROWING FROM BB, CMSME (TERM) R			6,533,800,273	-
	BORROWING FROM BB, WOMEN ENTERP			145,267,870	93,287,000
	BORROWING FROM BB, 10/50/1000 TAKA R			245,132,540	47,250,000
	BORROWING FROM BB, GHORE FERA RE-			48,800,000	48,800,000
	BORROWING FROM B.BANK SUKUK FUND			14,620,000,000	8,950,000,000
	BORROWING FROM B.BANK AGRICULTU			-	14,660,000
c.	Out side Bangladesh			-	-
				56,045,837,392	49,030,885,723
13.A	Placement from Banks & Other financial Institutions				
	Al-Arafah Islami Bank Ltd.			56,045,837,392	49,030,885,723
	ABL Capital Market Services Ltd.			5,306,832,769	5,092,356,990
				61,352,670,161	54,123,242,713
14.	Deposit and Other Accounts				
	Mudaraba Savings Deposits			64,023,414,249	69,141,332,232
	Mudaraba Term Deposits			209,698,833,234	193,376,026,240
	Other Mudaraba Deposits [Note :14.i]			61,872,438,235	68,952,559,817
	Al-Wadia Current Accounts and Others Accounts etc. [Note: 14.ii]			79,747,947,782	58,456,929,183
	Bills Payable			4,303,072,543	4,410,444,671
				419,645,706,043	394,337,292,143
14.i.	Other Mudaraba Deposits				
	Mudaraba Short Term Deposit			23,979,163,126	29,351,953,149
	Installment Term Deposit (ltd)			24,246,828,349	23,722,544,353
	Savings Inv. Deposit (Sid)			7,568,044	5,097,893
	P/P Term Deposit (Ptd)			6,199,983,928	7,470,716,223
	Monthly Hajj Deposit (Mhd)			224,826,805	237,444,482
	Term Hajj Deposit (Thd)			3,244,083	3,524,493
	Marriage Savings & Invt. Scheme			5,156,553	779,265
	Special Pension Dep. Scheme			16,818,385	18,137,627
	Mudaraba Term Cash Waqf Deposi			78,627,495	62,272,137
	Lakhapati Deposit Scheme (Lds)			60,742,769	83,581,948
	Millionaire Dep. Scheme (Mmnds)			2,366,223,132	2,694,876,572
	Kotipoti Deposit Scheme (Mkds)			2,074,785,920	2,205,840,520
	Double Benefit Dep. Scheme (Dbds)			206,935,311	389,968,055
	Pension Dep. Scheme (Pds)			2,318,769,780	2,575,207,387
	Triple Benefit Dep. Scheme (Tbds)			82,764,555	130,615,713
				61,872,438,235	68,952,559,817
14.ii	Al-wadeeah Current Accounts and Other Accounts				
	Al-wadeeah Current Deposits			25,182,322,357	27,461,247,453

Al-Arafah Islami Bank PLC
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As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Sundry Deposit	25,094,454,808	19,045,224,919
Profit Payable For All Deposit Ac	4,536,267,671	3,982,596,329
F.C Held against EDF	231,817,254	604,524,392
F.C Deposit Account :	24,703,085,691	7,363,336,090
	79,747,947,781	58,456,929,183
14. A. Consolidated Deposit and other Accounts		
Mudaraba Savings Deposits	64,023,414,249	69,141,332,232
Mudaraba Term Deposits [Note :14.A.ii]	209,448,376,827	193,084,571,608
Other Mudaraba Deposits	61,872,438,235	68,952,559,817
Al-Wadia Current Accounts and Others Accounts etc.	79,747,947,782	58,456,929,183
Bills Payable	4,303,072,543	4,410,444,671
	419,395,249,636	394,045,837,511
14.A.i Maturity-wise Classification of Deposits		
i. Repayable on Demand With a residual maturity of	10,787,600,000	10,787,600,000
ii. Repayable within 1 (one) month	75,398,317,918	51,200,017,918
iii. Over 1 (one) month but within 6 (six) months	162,333,740,000	133,791,944,642
iv. Over 6 (six) months within 1 (one) year	116,721,237,500	112,562,382,808
v. Over 1 (one) year within 5 (five) years	60,201,300,000	52,316,800,000
vi. Over 5 (five) years within 10 (ten) years	14,792,083,383	33,386,285,013
vii. Unclaimed Deposits 10 (ten) years and above	822,660	807,130
	440,235,101,461	394,045,837,511
14.A.ii Mudaraba Term Deposits	209,698,833,234	193,376,026,240
Less: Inter-Company Adjustment	(250,456,407)	(291,454,632)
	209,448,376,827	193,084,571,608
15. Other Liabilities		
Provision for unclassified investment [15.2.a.ii]	3,483,952,000	3,372,472,000
1.5% & 2 % general provision - covid-19	150,113,000	343,313,000
Provision for classified investment [15.2.a.i]	14,133,018,000	10,973,859,000
Provision for off balance sheet item [15.a.iii]	1,203,620,000	1,221,130,772
Provision for Outstanding expense	7,646,178	19,597,361
Provision for taxation [15.1]	17,184,289,582	20,454,150,492
provision for Others	40,507,536	40,507,536
Provision for diminution in value of investment	62,206,173	72,049,274
Provident fund	1,500	1,500
Adjustment a/c credit balance	2,967,572	3,353,975
Clearing adjustment	2,012,028,378	51,176,917
Interest income	21,494	6,293,088
Cib collection charge	35,524,400	29,372,703
Risk fund for shbis	11,766,916	9,798,202
F.c. held against bb l/c	94,973	94,973
Credit card payment (local)	29,744,990	19,845,403
Supervision fees (sme)	507,300	589,976
b.b borrowing Settlements	187,265,127	70,334,620
Electronic govt procurement	996,984	1,425,259
Profit rent suspense	750,011,359	496,991,446
Compensation receivable	6,161,233,717	2,471,834,391
Mastercard Settlement Account	413,097,246	835,541,057
1 % strat-Up fund	89,474,061	65,998,464

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Lease Liabilities as per IFRS-16 Leases *	896,600,002	940,800,002
	46,856,688,490	41,500,531,411
15.1 Provision for income Tax		
Current tax		
Provision held at the beginning of the year	20,454,150,493	17,280,168,856
Provision made during the year	3,124,004,373	3,173,981,638
Settlement for previous year	-	-
Provision held at the end of the year	23,578,154,867	20,454,150,493
15.1.a Provision for Current Tax made during the year		
Income Tax on Business income	2,956,022,553	2,957,459,811
Capital gain	3,218,212	953,625
Cash Dividend	5,132,005	5,936,598
Excess Profit Tax (+)	-	-
Estimated Provision Required as at December 31,2023 (i)	2,964,372,769	2,964,350,034
Balance as at January 1,2023	20,454,150,493	17,280,168,856
Tax for previous year (-)	20,454,150,493	17,280,168,856
Actual provision for tax held (II)	23,578,154,867	20,454,150,493
Estimated provision needs to be made (I-II)	3,124,004,373	3,173,981,638
Provision actually made during the year	2,964,372,769	2,964,350,034
A. Computation of Taxable Profit		
Profit before tax	5,467,384,974	5,150,502,491
Add: Inadmissible expenditure	3,823,767,370	4,180,400,622
Less: Item of income for sparate Consideration	57,842,140	39,219,243
Less: Further allowable Expenditure	791,565,785	846,106,764
Estimated Business income other than 82(C)	8,441,744,419	8,445,577,106
Add: Capital Gain	3,218,212	953,625
Add: Cash dividend	5,132,005	5,936,598
Total Taxable Income	8,450,094,635	8,452,467,329
15.2 Provision on Investment & Others		
Provision against Classified Investments (Specific) [15.2.a.i]	14,133,018,000	10,973,859,000
Provision against Unclassified Investments (general) [15.2.a.ii]	3,483,952,000	3,372,472,000
Provision against Off-balance Sheet exposures [15.2.a.iii]	1,203,620,000	1,221,130,772
Provision for diminution in value of investments [15.3]	62,206,174	72,049,275
Total Provision Held (a)	18,882,796,174	15,639,511,047
a) The movement in Specific provision on classified Investment :		
i) Provision held at the beginning of the year	10,973,859,000	8,566,783,099
Fully provision debt written off	(63,322,634)	(664,808,334)
Recoveries of amount previously written off	360,670,397	117,391,063
Specific provision for the year	2,668,611,238	2,751,893,172
Provision transfered from covid-19	193,200,000	202,600,000
Provision held at the end of the year	14,133,018,000	10,973,859,000
ii) a. The movement in general provision on unclassified Investment :		
Provision held at the beginning of the year	3,372,472,000	3,084,100,000
Provision during the year	111,480,000	288,372,000
Provision transfered from classified investment	-	-
Provision held at the end of the year	3,483,952,000	3,372,472,000
iii) The movement in provision against Off-balance sheet exposures	3,483,952,000	3,372,472,000

Al-Arafah Islami Bank PLC
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	2023 Taka	2022 Taka
Provision held at the beginning of the year	1,221,130,772	1,093,400,000
Provision during the year	(17,510,772)	127,730,772
Provision held at the end of the year	1,203,620,000	1,221,130,772
Total general provision on Investment	18,820,590,000	15,567,461,772
b) Provision for Others		
Provision held at the beginning of the year	40,507,536	18,747,964
Provision during the year	-	30,129,000
	40,507,536	48,876,964
Less, Adjustment during the year	-	8,369,428
Provision held at the end of the year	40,507,536	40,507,536
15.3 Provision for diminution in value of investment in Share		
Provision held at the beginning of the year	72,049,275	40,659,950
Provision transferred to classified Investment	(9,843,102)	31,389,324
Provision held at the end of the year	62,206,173	72,049,275
15.4 General provision -COVID-19 :	343,313,000.00	541,424,000.00
Provision transferred to classified investment	(193,199,999.55)	(202,600,000.00)
Provision held at the end of the year	150,113,000.45	343,313,000.00
15.5 General Reserve (1 % Start-Up Fund)	65,998,463	45,741,472
Provision during the year	23,475,597	20,256,991
Provision held at the end of the year	89,474,060	65,998,463
15.A. Consolidated Other Liabilities		
Al-Arafah Islami Bank Ltd.	46,856,688,490	41,500,531,411
AIBL Capital Market Services Ltd.	3,115,957,005	3,064,903,243
AIBL Capital Management Ltd.	50,405,975	49,683,290
	50,023,051,470	44,615,117,944
Less: Inter-Company Adjustment	-	-
	50,023,051,470	44,615,117,944
15.1.A Consolidated Current tax		
Al-Arafah Islami Bank Ltd.	3,124,004,373	3,173,981,638
AIBL Capital Market Services Ltd.	5,343,615	28,840,202
AIBL Capital Management Ltd.	-	3,487,464
	3,129,347,988	3,206,309,304
15.3.A Provision for diminution in value of investment		
Al-Arafah Islami Bank Ltd.	62,206,173	72,049,274
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	62,206,173	72,049,274
16. Deferred tax Liabilities/ (Assets)		
Opening balance	44,416,868	93,595,144
Add: Addition for the year	(4,179,107)	(49,178,277)
Deferred tax Liabilities on revaluation Reserve	-	-
Provision held at the end of the year	40,237,761	44,416,868
Presented after appropriate offsetting as follows:		
Deferred tax Liabilities(+)	(4,179,107)	(49,178,277)
Deferred tax Liabilities on revaluation Reserve	-	-
Deferred tax Liabilities	40,237,761	44,416,868
Deferred Tax Liabilities(net)		

Al-Arafah Islami Bank PLC
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		2023 Taka	2022 Taka
16.A	Deferred tax Liabilities/ (Assets)		
	Al-Arafah Islami Bank Ltd.	40,237,761	44,416,868
	AIBL Capital Market Services Ltd.	-	-
	Provision held at the end of the year	40,237,761	44,416,868
17.	AIBL Mudaraba Bond		
	AIBL Mudaraba Bond	11,000,000,000	11,010,000,000
	Perpetual bond	5,000,000,000	5,000,000,000
		16,000,000,000	16,010,000,000
18.	a) Authorised 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	2,819,339,680	2,819,339,680
	Issued for other than Cash (Bonus Share)	8,149,152,830	7,829,682,170
		10,968,492,510	10,649,021,850
	c) Issued and paid up Capital of the Bank is 109,68,49,251 nos. of shares of Tk. 10 each as follows		
		2023	2022
		No. of Shares	No. of Shares
		2023	2022
		Total Taka	Total Taka
	Sponsors / Promoters	543,554,442	451,238,227
	Institution	257,868,687	328,427,194
	General Public	295,426,122	285,236,764
	Total	1,096,849,251	1,064,902,185
	d) Break-up of Shares Classification of shareholders by holding as on 31-12-2023		
		Number of Shareholders	No. of Shares
		No. of Shares	No. of Shares
	Less than 50,000	15,815	42,702,985
	50,001 to 100,000	151	10,410,343
	100,001 to 200,000	114	15,669,298
	200,001 to 300,000	24	5,811,511
	300,001 to 400,000	31	10,440,567
	400,001 to 500,000	18	8,121,512
	500,001 to 1,000,000	37	26,437,573
	1,000,001 to 10,000,000	69	205,404,524
	10,000,001 to 20,000,000	34	771,850,938
	Total	16,293	1,096,849,251
	e) Minimum Capital Requirement Capital Adequacy Ratio		
1.	Tier-I (Core Capital)		
	Paid-up Capital	10,968,492,510	10,649,021,850
	Statutory Reserve	10,968,492,510	10,649,021,850
	Retained Earnings	1,653,975,457	1,657,715,288
	Less : Regulatory Adjustment (Goodwill and al other Intangible Assets)	(168,300,146)	(192,165,313)
	Less : Regulatory Adjustment (Goodwill and al other Intangible Assets)	23,422,660,332	22,763,593,675

Al-Arafah Islami Bank PLC
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	2023 Taka	2022 Taka
2. Additional Tier-I Capital	5,000,000,000	-
Total Tier-1 Capital	28,422,660,332	27,763,593,675
3. Tier- II (Supplementary Capital)		
General Provision	4,899,891,174	5,008,965,047
Assets Revaluation Reserves	-	-
AIBL Mudaraba Bond	11,000,000,000	11,010,000,000
As per basel iii excess amount over maximum limit of T-2	(2,034,138,846)	(2,557,096,990)
	13,865,752,328	13,461,868,057
3. Tier- III		
A. Total Eligible Capital (1+2)	42,288,412,659	41,225,461,733
B. Total Risk weighted Assets (a+b+c)	312,948,316,636	304,760,399,596
a. Credit Risk	283,525,928,141	280,230,518,082
i. Balance sheet Exposure	270,174,748,141	273,458,888,082
ii. Off-balance sheet Exposure	13,351,180,000	6,771,630,000
b. Market Risk (From WS-3)	5,235,348,488	2,182,787,429
c. Operrational Risk (From WS-4)	24,187,040,007	22,347,094,084
C. Capital Adequqcy Ratio (CAR) (A / B)	13.51%	13.53%
D. Core Capital to RWA	9.08%	9.11%
E. Supplementary Capital to RWA	4.43%	4.42%
F. Minimum Capital Requirement (MCR) 10.00% of RWA	31,294,831,664	30,476,039,960
G. Capital surplus on risk weighted assets based (A-F)	10,993,580,996	15,863,615,752
H. Required Capital with Conservation Buffer @ 12.50% on RWA	39,118,539,579	38,095,049,949
I. Excess Over Capital with Conservation Buffer (A-H)	3,169,873,080	3,130,411,783
18.A. Non-Controlling Interest		
Opening balance	1,693,428,067	1,694,593,989
Add: Non-Controlling Interest in Profit for the year	(19,502,580)	(1,165,922)
	1,673,925,487	1,693,428,067
19. Statutory Reserve		
Opening balance beginning of the year	10,649,021,850	10,649,021,850
Add. Reserve during the year	319,470,660	-
Balance at the end of the year.	10,968,492,510	10,649,021,850
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. Though the cumulative balance of statutory reserve exceeded the amount of paid up capital, the Board of Directors has decided to transfer an amount of Tk. 319,470,660/- to statutory reserve account.		
20. Revaluation Reserve		
Asset revaluation Reserve	1,084,174,318	1,084,174,318
Total Asset revaluation Reserve	1,084,174,318	1,084,174,318
FC Revaluation Reserve	-	796,741
	1,084,174,318	1,084,971,059

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

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	2023 Taka	2022 Taka
21. Retained Earnings		
Opening balance beginning of the year	1,657,715,288	1,643,126,429
Less : Cash Dividend	(1,277,882,622)	(1,597,353,278)
Less : Bonus Share	(319,470,660)	-
Add: Net Profit / (loss) after tax during the year	2,347,559,707	2,025,699,129
	2,407,921,714	2,071,472,280
Less : Transfer to Statutory Reserve	319,470,660	-
Less : transfer to 1 % strat-Up fund	23,475,597	20,256,991
Less : Profit paid on aibl mudaraba perpetual bond	411,000,000	393,500,000
	1,653,975,457	1,657,715,288
21.A. Consolidated Retained Earnings		
Al-Arafah Islami Bank Ltd.	1,841,051,480	1,823,372,676
Add: Net profit after tax during the year	2,351,024,653	2,076,584,076
Less: Stock dividend to equity holders of the bank	(319,470,660)	-
Less: Cash dividend to equity holders of the bank	(1,316,118,623)	(1,645,148,281)
Less: Transfer to statutory reserve	(319,470,660)	-
Less : transfer to 1 % strat-Up fund	(23,475,597)	(20,256,991)
Less : Profit paid on aibl mudaraba perpetual bond	(411,000,000)	(393,500,000)
	1,802,540,592	1,841,051,480
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	18,675,058,521	17,155,967,572
	18,675,058,521	17,155,967,572
23. Investment Income		
i. Income from General Investments		
Murabaha	916,462,748	765,438,800
Bai-Muazzal	10,316,434,999	8,711,492,188
Hire-Purchase	9,661,660,357	7,548,714,378
Others mode income	9,250,865,471	7,323,268,113
	30,145,423,575	24,348,913,479
ii. Profit received from other Islamic Bank	978,630,747	620,309,843
Total (i + ii)	31,124,054,322	24,969,223,322
23.A. Cosolidated Investment Income		
Al-Arafah Islami Bank Ltd.	31,124,054,322	24,969,223,322
AIBL Capital Market Services Ltd.	139,117,946	203,677,468
AIBL Capital Management Ltd.	278,877	492,308
Millennium information solution Ltd.	-	-
	31,263,451,145	25,173,393,098

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Less : Inter company Adjustment	36,242,153	48,022,151
	31,299,693,298	25,221,415,249
24. Profit paid on Deposits & Borrowing		
Mudaraba Savings Deposit	2,084,559,601	1,810,610,965
Mudaraba Short Term Deposit	1,239,891,961	907,484,902
Mudaraba Term Deposit	12,760,013,466	9,286,027,990
Mudaraba Special Deposit	2,881,032,132	2,802,080,448
AIBL Mudaraba subordinate debt.	901,980,613	663,624,104
Mudaraba BD. Govt. Islamic Bond fund	1,028,767,323	346,989,726
Profit Expenses of Lease Liabilities (as Per IFRS 16 Leases)	81,200,000	77,300,000
	20,977,445,095	15,894,118,135
24.A. Profit paid on Deposits & Borrowing		
Al-Arafah Islami Bank Ltd.	20,977,445,095	15,894,118,135
AIBL Capital Market Services Ltd.	187,543,946	167,507,116
AIBL Capital Management Ltd.	-	-
Millennium Information	-	-
	21,164,989,041	16,061,625,251
Less : Inter company Adjustment	36,242,153	48,022,151
	21,201,231,194	16,109,647,402
25. Income from Investment in Share /Securities		
Dividend income (cash)	25,660,023	29,682,989
Gain on sale of Shares/Securities	32,182,116	9,536,255
Profit received from other Islamic Bond	1,948,471,954	1,025,799,327
	2,006,314,093	1,065,018,571
25.A. Income from Investment in Share /Securities		
Al-Arafah Islami Bank Ltd.	2,006,314,093	1,065,018,571
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	3,561,533	11,639,324
	2,009,875,626	1,076,657,895
Less : Inter company Adjustment	-	-
	2,009,875,626	1,076,657,895
26. Commission, Exchange & Brokerage Income		
Commission	2,147,064,372	2,120,945,337
Exchange	2,342,319,674	3,328,594,592
Brokerage commision	-	-
	4,489,384,046	5,449,539,929
26.A. Commission, Exchange & Brokerage Income		
Al-Arafah Islami Bank Ltd.	4,489,384,046	5,449,539,929
AIBL Capital Market Services Ltd.	113,379,109	174,797,931
AIBL Capital Management Ltd.	9,716,881	15,309,521
	4,612,480,036	5,639,647,381
Less : Inter company Adjustment	-	-
	4,612,480,036	5,639,647,381
27. Other Operating Income		
Procesing fee on investment	122,259,284	99,068,205
Supevision fee	288,658,718	63,625
Service charge	7,108	11,427
Capital gain or loss from fixed asset	673,000	3,477,700

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Passbook sales(gsis)	185,748	221,727
Account maintenance fee	185,148,972	179,257,250
Direct expenses on investment	-	-
Sms banking fees	158,178,412	138,622,272
legal expenses recovered	20,558,653	16,897,851
Printing & stationary	1,803,167	826,565
P & t charge recovered	1,662,562	22,136,682
Application form sales (seis)	88,377	3,810
Card income	252,337,786	153,499,092
Misc.earning	40,480,787	129,927,088
	1,081,989,759	754,570,162
27.A. Other Operating Income		
Al-Arafah Islami Bank Ltd.	1,081,989,759	754,570,162
AIBL Capital Market Services Ltd.	94,579,260	46,042,030
AIBL Capital Management Ltd.	-	-
Millennium information solution Ltd.	-	-
	1,176,569,019	800,612,192
Less : Inter company Adjustment	-	-
	1,176,569,019	800,612,192
28. Salaries, Allowances & Contribution to P.F		
Basic Pay	2,654,260,057	1,910,316,025
House Rent Expenses	1,454,577,536	897,767,045
House Maintenance	844,792	297,211,301
Medical Expenses	743,446,061	318,811,835
Bonus (28.i)	562,523,176	586,289,726
Bank's contribution to P.F	240,047,912	178,902,393
Utility	5,150,545	2,620,045
Conveyance Expenses	122,845,475	102,540,694
LFA Allowance (Salary)	88,148,536	288,222,473
Lunch and entertainment allowance	1,176,116	95,086,847
Leave encashment expenses	126,266,872	230,753,206
Car Expenses	240,848,258	219,069,965
Gratuity Expenses	350,000,000	250,195,270
	6,590,135,336	5,377,786,825
28.i Bonus		
Incentive bonus	83,543,903	201,000,000
Bangla new year	43,915,737	42,654,433
Eid-ul-fitr bonus	217,907,938	169,220,305
Eid-ul-adha bonus	220,333,598	176,394,988
	565,701,176	589,269,726
28.A. Salaries, Allowances & Contribution to P.F		
Al-Arafah Islami Bank Ltd.	6,590,135,336	5,377,786,825
AIBL Capital Market Services Ltd.	69,942,827	72,004,649
AIBL Capital Management Ltd.	14,367,492	13,982,972
	6,674,445,655	5,463,774,446

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

		2023 Taka	2022 Taka
29.	Director & Sharia Council Fees & Expenses		
i.	Directors fees for attending Board/executive Committee/other committee meeting	2,995,200	3,819,200
ii.	TA/DA/ Hotel fare & Foreign Directors	6,575,075	6,042,768
iii.	Others	-	-
		9,570,275	9,861,968
29.A.	Director & Sharia Council Fees & Expenses		
	Al-Arafah Islami Bank Ltd.	9,570,275	9,861,968
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	-
		9,570,275	9,861,968
30.	Sharia Supervisory Committee's Fees & Expenses		
i.	Sharia fees for attending meeting	491,793	455,970
ii.	TA/DA/ Hotel fare & Foreign Directors	-	-
iii.	Others	-	-
		491,793	455,970
31.	Rent, Taxes, Insurance & Electricity Bill		
	Rent Office	553,082,687	
	Transfer to depreciation and profit expenses under IFRS-16*	470,000,000	
	Electricity Bill	122,591,277	125,338,952
	Insurance	335,673,788	308,136,832
		541,347,752	503,414,249
31.A.	Rent, Taxes, Insurance & Electricity Bill		
	Al-Arafah Islami Bank Ltd.	541,347,752	503,414,249
	AIBL Capital Market Services Ltd.	19,545,063	20,686,316
	AIBL Capital Management Ltd.	-	-
	Millennium information solution Ltd.	-	-
		560,892,815	524,100,565
32.	Postage, Telegram, Telephone & Stamp		
	Stamp and Catridge paper	-	-
	Postage	14,592,961	16,060,487
	Telephone (Office)	3,542,357	3,624,292
	Telephone (Mobile)	14,274,510	11,547,631
	SWIFT Charge	4,939,206	3,867,802
	Internet Charges	706,436	582,127
	Online Charge	44,109,511	43,959,239
		82,164,981	79,641,578
32.A.	Postage, Telegram, Telephone & Stamp		
	Al-Arafah Islami Bank Ltd.	82,164,981	79,641,578
	AIBL Capital Market Services Ltd.	78,093	79,288
	AIBL Capital Management Ltd.	85,757	115,239
		82,328,831	79,836,105
33.	Depreciation Repairs to the Bank's property		
	Repairs to the Bank's property		
	R.R. Furniture & Fixture (Wooden)	3,447,943	2,714,438
	R.R. Furniture & Fixture (Steel)	3,303,027	2,530,749
	R.R. Computer	3,245,320	2,253,220

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Maint. of Motor Car and other Vehicle	1,017,583	1,639,340
R.R. Machine equipment & appliances	27,231,025	26,928,293
Maintenance of Land & Building	247,231	199,422
R.R. Computer Accessories	1,222,708	1,121,581
R.R. Others	8,268,998	5,862,027
Software Maintenance Fee	58,137,640	73,668,818
Hardware Maintenance Fee	15,106,007	6,000,039
	121,227,482	122,917,927
Depreciation to the Bank's property		
Depr. Furniture (Wood)	118,518,324	119,488,748
Depr. Furniture (Steel)	16,106,053	14,729,140
Depr. Computer	34,971,869	28,393,946
Depr. Motor Car	15,485,135	17,755,122
Depr. Machine equip & Appliance	115,427,459	149,402,004
Depr. Books & Library	58,488	62,610
Depr. Land & Building	30,667,308	30,667,308
Depr. Online Hardware	95,264,022	127,786,518
Depr. Online Software	76,980,681	75,243,337
Depr. Computer Accessories	15,772,291	14,429,748
Right of use (ROU) Asssets*	347,068,915	291,479,189
Depr. Interior Decoration	4,634,680	6,448,684
	870,955,225	875,886,354
	992,182,707	998,804,281
33.A Depreciation Repairs to the Bank's property		
Al-Arafah Islami Bank Ltd.	992,182,707	998,804,281
AIBL Capital Market Services Ltd.	3,815,214	5,098,090
AIBL Capital Management Ltd.	350,221	306,829
	996,348,142	1,004,209,200
34. Stationary,Printing & Advertisement		
Printing & Stationerty	29,089,616	46,426,228
Paper & Table Stationery	54,261,041	43,113,414
Advertisement & Publicity Expenses	150,179,512	93,072,305
	233,530,169	182,611,948
34.A. Stationary,Printing & Advertisement		
Al-Arafah Islami Bank Ltd.	233,530,169	182,611,948
AIBL Capital Market Services Ltd.	1,430,187	1,116,250
AIBL Capital Management Ltd.	117,881	111,370
	235,078,237	183,839,568
35. Other expenses		
Local conveyance expenses	15,977,461	14,139,969
Petroleum oil lubricant motors	36,750,766	36,093,322
Cng motor car	1,858,292	2,174,947
Entertainment expenses	27,717,165	31,278,753

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Travelling expenses	39,920,515	24,879,559
Bank charge	22,062,339	20,043,483
Wages (salary-casual staff)	55,786,911	71,886,459
Security guard service	179,845,698	163,635,916
Subscription	15,380,720	36,361,937
Leveries & uniforms	355,000	3,132,380
Donations	566,912	22,024,390
Wasa charge	8,612,414	8,610,478
Gas charge	2,004,709	1,855,991
Excise duty	2,410,150	22,621,920
News paper journal & periodical	5,047,005	3,861,530
Evening banking expenses	6,600	592,125
Upkeep branches premises	4,606,478	4,317,565
Washing charge	3,274,545	3,334,896
HILL TRACK ALLOWANCE	2,045,002	1,164,892
Computer Accessories	6,164,915	6,919,370
Photo Copy Machine Accessories	2,873,151	2,227,520
Business development	39,774,277	45,751,755
Closing expenses	13,470,250	12,113,830
Holding tax of own premises	6,657,845	3,008,911
Capital loss from sale of fixed ass	468,897	1,335,244
Exchange loss	173,977,791	3,420,150
Registration expenses	25,216,487	1,313,050
Remittance expense through agent	724,729	377,464
Agm/egm	1,112,030	897,603
Crocarige	1,476,343	3,674,952
Creditrating charge	892,250	892,250
Tax token expenditure	542,475	525,647
Misc. Expenses	3,282,264	3,011,256
Training expenses	17,705,595	15,828,837
Card expense	198,744,040	143,155,682
It allowance	7,409,542	6,209,800
Saturday working allowance (Overtime)	2,790,448	5,936,942
Risk expenses	5,921,171	5,741,290
STAFF WELFARE	39,911,659	15,610,805
Data info service charge	6,955,148	3,037,918
Electronics & fittings item	6,522,438	5,110,561
Honorarium	3,398,600	5,204,000
	1,008,771,543	767,093,897
35.A. Consolidated Other expenses		
Al-Arafah Islami Bank PLC.	1,008,771,543	767,093,897
AIBL Capital Market Services Ltd.	44,001,758	53,080,173
AIBL Capital Management Ltd.	3,739,787	4,244,017
	1,056,513,088	824,418,087

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
36. Provision against Investments & Off-Balance sheet exposures		
On Classified Investment as per Bangladesh Bank Circular	2,668,611,238	2,751,893,172
On Un-classified Investment as per Bangladesh Bank Circular	111,480,000	288,372,000
On Off-balance sheet as per Bangladesh Bank Circular	(17,510,772)	127,730,772
	2,762,580,466	3,167,995,944
36.A. Provision against Investments & Off-Balance sheet exposures		
Al-Arafah Islami Bank PLC.	2,762,580,466	3,167,995,944
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	-	-
	2,762,580,466	3,167,995,944
37. Paid for other operating activities		
Directors' fees & expenses	9,570,275	9,861,968
Shariah Supervisory Committee's fees & expenses	491,793	455,970
Rent, taxes, insurance and lighting etc.	541,347,752	503,414,249
Postage, telegram, telephone and stamp etc.	82,164,981	79,641,578
Legal charges	20,414,480	20,370,624
Auditors' fee	1,822,750	1,845,750
Repairs to the bank's properties	121,227,482	122,917,927
Other expenses	1,008,771,543	767,093,897
	(1,785,811,056)	(1,505,601,964)
37.A. Paid for other operating Activities		
Al-Arafah Islami Bank Ltd.	(1,785,811,056)	(1,505,601,964)
Inter company Adjustment	(70,143,796)	(78,360,233)
	(1,855,954,852)	(1,583,962,196)
38. Increase/Decrease of other assets (item-wise)		
Acquiring settlement	2,040,409,662	85,028,846
cash incentive from b. Bank (f. Rem	(100,000)	800,100,000
Suspense account	4,200,964	(11,949,652)
Adjustment a/c debit balance	7,647,738	-
Stock of stationary	(16,726,439)	43,798,361
Stamp in hand	30,460	3,192,181
security deposit	(35,640)	106,595
Advance rent	(37,285,851)	21,542,856
Parking for rtgs outgoing usd	(368,105,493)	(1,050,000)
P.r (bb) against stimulus fund	-	(97,307,947)
Advance Income Tax & TDS [Note 11.2]	(3,786,929,022)	-
Protested bill	13,049,620	(7,411,262)
Prepaid expenses	(3,044,773)	3,538,568
Balance with cmsl for portfolio account	57,280	37,542,189
Parking for overdue claims (ibw)	(309,455,298)	175,896,585
Scb mc settlement a/c (local)	27,210,556	2,678,863
Clearing adjustment	95,331,360	97,565,140
Dividend receivable	2,162,335	4,129,744
Due from off-shore Banking unit	(5,582,879,576)	-
	7,914,462,117	(1,207,401,116)
38.A Increase/Decrease of other assets (item-wise)		

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
Al-Arafah Islami Bank Ltd.	7,914,462,117	(1,207,401,116)
Inter company Adjustment	(1,333,228,253)	(2,345,356,604)
	6,581,233,864	(3,552,757,720)
39. Increase/Decrease of Trading liabilities (item-wise)		
Clearing adjustment	1,960,851,461	(205,345,492)
Interest income	(6,271,594)	6,293,088
Cib collection charge	6,151,697	5,231,120
Risk fund for shbis	1,968,714	9,798,128
Credit card payment (local)	9,899,587	4,409,794
Supervision fees (sme)	(82,676)	(4,865)
b.b borrowing Settlements	116,930,507	50,827,771
Electronic govt procurement	(428,275)	182,488
Compensation receivable	56,519,683	56,519,683
Mastercard Settlement Account	(422,443,811)	791,270,956
	1,794,758,163	759,610,606
39.A Increase/Decrease of Trading liabilities (item-wise)		
Al-Arafah Islami Bank PLC.	1,794,758,163	759,610,606
Inter company Adjustment	(7,202,691,689)	(1,320,587,359)
	(5,407,933,526)	(560,976,753)
40. Cash and Cash Equivalent at the end of the year		
Cash in hand	5,019,152,420	4,937,082,161
Balance with Bangladesh Bank & Sonali Bank Ltd.	21,693,213,398	26,693,129,611
Balance with Other Banks	7,461,720,152	10,296,010,213
Bangladesh Government Islamic Investment Bond	33,910,280,000	27,410,280,000
	68,084,365,970	69,336,501,985
40.A Cash and Cash Equivalent at the end of the year		
Al-Arafah Islami Bank PLC.	68,084,365,970	69,336,501,985
AIBL Capital Market Services Ltd.	-	-
AIBL Capital Management Ltd.	5,268,954	4,852,045
	68,089,634,924	69,341,354,030
41. Calculation of Earning Per Share (EPS)		
The earning per share of the bank has been calculated in accordance with IAS-33 under basic Earning per share method as follows:		
Earnings Per Share (EPS)		
Basic earning (net profit after tax) for the year	2,347,559,707	2,025,699,129
Number of ordiner shares outstanding as of the reportng date	1,096,849,251	1,096,849,251
Earning per Share (Previous year's figure restated)	2.14	1.85
41.A Consolidated Earnings Per Share (CEPS)		
Net profit after tax	2,351,024,653	2,076,584,075
Number of ordiner shares outstanding as of the reportng date	1,096,849,251	1,096,849,251
Consolidated earnings per share as per share (Previous year's figure restated)	2.14	1.89

Al-Arafah Islami Bank PLC
NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended December 31, 2023

	2023 Taka	2022 Taka
42. Net Asset Value		
Net Assets Value (Consolidated)	24,823,699,930	24,224,066,238
Net Assets Value (Bank's)	24,675,134,795	24,040,730,047
No. of Outstanding Share	1,096,849,251	1,096,849,251
Net Asset Value (NAV) per Share (Consolidated) (Previous year's figure restated)	22.63	22.09
Net Asset Value (NAV) per Share (Bank's) (Previous year's figure restated)	22.50	21.92
43. Net Operating Cash Flows per share (NOCFPS);		
Net cash flows from operating activities (Consolidated)	549,471,041	10,950,493,713
Net cash flows from operating activities (Banks)	456,165,790	10,853,980,896
No. of outstanding share	1,096,849,251	1,096,849,251
Net Operating Cash Flow per share (NOCFPS) (Consolidated) (previous year's figure restated)	0.50	9.98
Net Operating Cash Flow per share (NOCFPS) (Bank's) (Previous year's figure restated)	0.42	9.90
44. Reconciliation of Operating Cash flow:		
Profit before provision & tax (A)	8,220,122,339	8,380,016,759
Adjustment of Non-Cash Items (B):		
Depreciation	870,955,225	875,886,354
Net loss/(gain) on sale of fixed assets	(204,103)	(2,142,456)
Foreign Exchange gain/ loss	(2,171,192,235)	(37,876,189)
Total Non-Cash Items (B)	(1,300,441,113)	835,867,709
Adjustment of accrued income /expenses (C) :		
(increase)/decrease of profit income receivable on investment	(34,788,705)	(1,904,939,212)
Increase/(decrease) of profit payable on deposits	1,702,436,785	2,652,208,175
Increase/(decrease) of accrued expenses payable	528,709,800	14,323,170
Total adjustment of accrued income/expenses (C)	2,196,357,880	761,592,133
Income tax payment (D)	(2,922,042,394)	(2,806,820,322)
Cash flows before changes in operating assets and liabilities (A+B+C+D)	6,193,996,712	7,170,656,279
45. Events after the balance sheet date		

The Board of Directors in its 399th meeting held on 25 April, 2024 has approved the audited financial statements for the year ended 31 December 2023. The Board has also recommended 10% cash And 5% stock dividend for the year ended 31 December 2023 subject to approval of the shareholders at the 29th Annual General Meeting (AGM).

Al-Arafah Islami Bank PLC

CONSOLIDATED SCHEDULE OF FIXED ASSETS

As at a December 31, 2023

Annexure - A.I

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Written down value as on 31-12-2023	
		Balance at 1st January 2023	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31st December 2023	Charge for the year	Transfer/ Disposal during the year	Balance at 31st December 2023		
A. Fixed Assests											
1	Land	389,802,442	-	-	-	389,802,442	-	-	-	-	389,802,442
2	Building	1,221,316,331	-	-	-	1,221,316,331	217,323,698	30,667,308	247,991,006	247,991,006	973,325,325
3	Furniture & Fixture (Wood)	1,268,137,422	-	127,894,425	1,076,458	1,394,955,389	588,068,217	118,518,324	705,510,083	1,076,458	689,445,306
4	Furniture & Fixture (Steel)	211,883,865	-	9,500,131	-	221,383,996	112,178,301	16,175,908	128,354,209	-	93,029,787
5	Computer	397,684,411	-	61,635,700	-	459,320,111	310,456,566	35,193,402	345,649,968	-	113,670,143
6	Computer Accessories	151,334,942	-	26,018,626	-	177,353,568	117,909,718	16,111,291	134,021,009	-	43,332,559
7	Motor Car	235,589,438	-	12,550,901	-	248,140,339	196,871,127	15,485,135	212,356,262	-	35,784,077
8	Machine Equipment & Appliance	1,438,730,988	-	82,190,752	3,846,064	1,517,075,676	1,179,492,148	115,975,385	1,291,621,469	3,846,064	225,454,207
9	Books & Library	9,289,182	-	196,528	-	9,485,710	9,107,004	58,488	9,165,492	-	320,218
10	Online Hardware	993,645,593	-	20,977,002	-	1,014,622,595	794,231,275	95,264,022	889,495,297	889,495,297	125,127,298
11	Interior Decoration	199,439,286	-	1,317,563	-	200,756,849	176,829,507	6,552,341	183,381,848	183,381,848	17,375,001
12	Right of use Assests (ROU)	1,708,500,000	-	344,600,000	-	2,053,100,000	699,806,003	347,068,915	1,046,874,918	-	1,006,225,082
Sub-Total		8,225,353,900	-	686,881,628	4,922,522	8,907,313,006	4,402,273,564	797,070,519	5,194,421,561	4,922,522	3,712,881,445
B. Intangible Assets											
13	Online Software	612,504,576	-	53,237,314	-	665,741,890	420,503,710	77,054,791	497,558,501	-	168,183,389
Sub-Total		612,504,576	-	53,237,314	-	665,741,890	420,503,710	77,054,791	497,558,501	-	168,183,389
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. 2023											
Sub-Total		9,967,206,724	-	740,118,942	4,922,522	10,707,403,144	4,822,777,274	874,125,310	5,691,980,062	4,922,522	5,010,423,082
December 31. 2022											
Sub-Total		9,432,179,487	-	552,743,751	17,716,514	9,967,206,724	3,961,906,852	879,966,422	4,822,777,274	19,096,000	5,144,429,450

Al-Arafah Islami Bank PLC
SCHEDULE OF FIXED ASSETS

As at a December 31, 2023

Annexure - A

SL No	Particulars	Cost / Revaluation				Depreciation/Amortization				Balance at 31 st December 2023	Written down value as on 31-12-2023	
		Balance at 1st January 2023	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31 st December 2023	Charge for the year	Transfer/ Disposal during the year	Balance at 31 st December 2023			
A. Fixed Assests												
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	-	-	389,802,443
2	Building	1,221,316,331	-	-	-	1,221,316,331	30,667,308	-	-	247,991,006	-	973,325,325
3	Furniture & Fixture (Wood)	1,264,787,864	-	127,894,425	1,076,458	1,391,605,831	118,518,324	1,076,458	-	702,365,311	-	689,240,520
4	Furniture & Fixture (Steel)	211,162,576	-	9,500,131	-	220,662,707	16,106,053	-	-	128,162,020	-	92,500,687
5	Computer	389,089,799	-	61,431,700	-	450,521,499	34,971,869	-	-	337,950,365	-	112,571,134
6	Computer Accessories	151,561,819	-	25,566,046	-	177,127,865	15,772,291	-	-	133,248,249	-	43,879,616
7	Motor Car	217,526,499	-	12,550,901	-	230,077,400	15,485,135	-	-	194,284,666	-	35,792,734
8	Machine Equipment & Appliance	1,426,184,202	-	81,943,294	3,846,064	1,504,281,432	115,427,459	3,846,064	-	1,278,797,755	-	225,483,677
9	Books & Library	9,289,182	-	196,528	-	9,485,710	58,488	-	-	9,151,968	-	333,742
10	Online Hardware	990,698,709	-	20,977,002	-	1,011,675,711	95,264,022	-	-	886,303,635	-	125,372,076
11	Interior Decoration	180,262,680	-	1,317,563	-	181,580,243	4,634,680	-	-	167,112,097	-	14,468,146
12	Right of use Aseets (ROU)	1,708,500,000	-	344,600,000	-	2,053,100,000	347,068,915	-	-	1,046,874,920	-	1,006,225,080
	Sub-Total	8,160,182,104	-	685,977,590	4,922,522	8,841,237,172	793,974,544	4,922,522	-	5,132,241,992	-	3,708,995,180
B. Intangible Assets												
13	Online Software	609,797,608	-	53,115,514	-	662,913,122	76,980,681	-	-	494,612,976	-	168,300,146
	Sub-Total	609,797,608	-	53,115,514	-	662,913,122	76,980,681	-	-	494,612,976	-	168,300,146
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. 2023	9,899,327,960	-	739,093,104	4,922,522	10,633,498,542	870,955,225	4,922,522	-	5,626,854,968	-	5,006,643,571
	December 31. 2022	9,367,101,619	-	549,942,855	17,716,514	9,899,327,960	875,886,354	19,096,000	-	4,760,822,265	-	5,138,505,694

Al-Arafah Islami Bank PLC
INVESTMENT IN SHARES & SECURITIES

Stock at hand as on 31-12-2023

Annexure - B

SL No.	Name of Company	No. of Share	Amount (at cost)	Market rate	Market Amount
1	ACIFORMULA	15947	2,828,825.96	155.00	2,471,785.00
2	ACMELAB	45000	4,351,599.78	85.00	3,825,000.00
3	BSCCL	52007	12,078,336.85	218.90	11,384,332.30
4	CONFIDCEM	10001	894,539.45	89.00	890,089.00
5	CONTININS	30000	1,561,770.00	40.00	1,200,000.00
6	DELTALIFE	74050	12,465,436.34	136.50	10,107,825.00
7	EHL	54178	6,014,453.52	86.40	4,680,979.20
8	IBNSINA	9520	2,918,118.02	286.60	2,728,432.00
9	ITC	236000	9,406,125.34	37.00	8,732,000.00
10	JAMUNAOIL	47473	8,855,453.33	168.50	7,999,200.50
11	KDSALTD	290750	22,499,688.75	77.00	22,387,750.00
12	LHBL	67000	5,487,802.52	69.30	4,643,100.00
13	NAVANAPHA	127375	11,214,394.81	84.40	10,750,450.00
14	PADMAOIL	1759	395,721.98	209.20	367,982.80
15	PRIMELIFE	1414799	114,905,547.85	52.70	74,559,907.30
16	UNIONINS	20909	1,485,526.80	56.10	1,172,994.90
17	ANWARGALV	56256	11,985,210.71	213.30	11,999,404.80
18	BBSCABLES	115500	7,740,114.53	49.90	5,763,450.00
19	BEXGSUKUK	1000000	100,000,000.00	85.00	85,000,000.00
20	BEXIMCO	83819	9,737,923.78	115.60	9,689,476.40
21	DAFODILCOM	3118346	241,065,595.71	84.60	263,812,071.60
22	LINDEBD	9868	18,286,085.81	1,397.70	13,792,503.60
23	MALEKSPIN	100,000.00	4,170,750.00	27.10	2,710,000.00
24	NAHEEACP	20,000.00	1,451,039.10	65.30	1,306,000.00
25	PREMIERCE	777,700.00	55,614,307.73	53.60	41,684,720.00
26	RENATA	715.00	826,361.25	1,217.90	870,798.50
27	RUNNERAUT	42,972.00	2,296,134.56	48.40	2,079,844.80
28	SINOBANGLA	248,902.00	16,715,029.83	62.90	15,655,935.80
29	SPCL	199,724.00	12,821,739.45	65.50	13,081,922.00
30	TITASGAS	496,500.00	20,464,884.99	40.90	20,306,850.00
31	UNIQUEHRL	589,479.00	46,874,069.07	56.70	33,423,459.30
32	BSC	30,000.00	4,274,995.10	107.00	3,210,000.00
33	AIBL1STIMF	17,000,000.00	170,000,000.00	7.70	130,900,000.00
34	BDTHAIFOOD	3,554.00	35,540.00	34.80	123,679.20
35	MEGHNACEM	3,886.00	-	75.50	293,393.00
Total			941,723,123		823,605,337

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 288,607,303,475/- in year ending 2023. 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 167,368,665,645/- in year ending 2023. 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 167,368,665,645/- in year ending 2023.
- (d) Provision maintained all kind of classified investments as either sub-standard or bad as per Bangladesh Bank Circular is presented in note 9.f of Audited financial statement.

Classified	14,133,018,000	10,973,859,000
Sub Standard	396,855,000	810,144,000
Doubtful	1,954,657,000	1,444,528,000
Bad / Loss	11,781,506,000	8,719,187,000

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:

(Figure in crore)

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
1	Motijheel	Shaikh Brothers & Sister Concern M/S Islam Fertilizer, M/S Fertilizer House, Nipa Enterprise, Jessor Traders, Jannat Enterprise	Hafizur Rahman Babu	Shaikh Brothers	409.04	1,041.20	1,450.24	471.37	143.47	614.84
2	Jatrabari	City Sugar Industries Ltd & Sister Concern Shampa Flour Mills Ltd, Khan Brothers Ship Builders Ltd, City Edible Oil Ltd, City Auto Rice & Dal Mills Ltd, City Seed Crushing Industries Ltd	Fazlur Rahman	City Group	573.07	702.00	1,275.07	600.50	339.70	940.20
3	Motijheel	Noapara Traders & Sister Concern Noapara Trading, Noapara Trade International, Shufala Trading Corporation, Difa Enterprise & Saifullah Gulf & South Bengal Fertilizer Mills Ltd	Faizur Rahman	Noapara Group	-	1,000.00	1,000.00	6.83	16.68	23.51
		Concord Pharmaceuticals Ltd			27.00	16.50	43.50	18.62	2.41	21.03
		Dmfr Molecular Lab Bd Ltd.			39.42	3.00	42.42	21.56	-	21.56
		Vm Health Bangladesh Ltd			17.48	0.45	17.93	14.12	-	14.12
4	Head Office Corporate	M S Dyeing, Printing & Finishing Ltd.	Md. Mamunur Rashid, Managing Director		652.31	342.04	994.35	532.04	342.04	874.08
5	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	390.00	600.00	990.00	336.00	395.86	731.86

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
6	Motijheel	Techno Electricals Ltd & Sister Concern 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	240.72	661.95	902.67	230.62	340.73	571.35
7	Motijheel Corporate	Nice Denim Mills Ltd.	Md. Nurul Islam		447.81	400.00	847.81	352.58	350.22	702.80
8	Motijheel	East West Property Dev.pvt. Ltd.	Ahmed Akbar Sobhan	Bashundhara Group	300.00	-	300.00	366.57	-	366.57
9		Bashundhara Food & Bev Ind Ltd.	Shafiat Sobhan		150.00	100.00	250.00	212.84	17.74	230.58
10		Bashundhara Lp Gas Ltd.	Shafiat Sobhan		105.10	-	105.10	105.25	-	105.25
11		Bashundhara Infrastructure Ltd.	Ahmed Akbar Sobhan		25.00	-	25.00	20.31	-	20.31
10	Gulshan	Gms Composite Knitting Ind. Ltd., Gms Trims Ltd.	Jb. Golam Mostafa (Managing Director)		356.00	290.00	646.00	49.52	5.27	54.79
11	Saidpur	Ahmed Wood Crafts Pvt. Ltd & Sister Concern M/S. S.i Overseas And M/S. Jonaki Traders	Aftab Ahmed (Chairman), Iqbal Ahmed (Md), Iftekhar Ahmed (Director)		585.20	54.23	639.43	169.02	6.98	43.86
12	Vip Road	M/S Meghna Group's 18 Concern	Jb. Mostafa Kamal (Md), Mrs. Beauty Akhter (Director), Mrs. Tahmina Binthe Mostafa (Director), Mrs. Tanjima Binthe Mostafa (Director), Jb. Tanveer Ahmmmed Mostafa (Director)	Meghna Group	100.00	520.00	620.00	-	-	-
13		Janata Flour And Dal Mills Ltd.						-	-	-
14		Tanveer Food Ltd.						-	26.12	26.12
15		United Sugar Mills Ltd.						-	-	-
16		Unique Cement Ind. Ltd.						-	-	-
17		Unique Cement Fibre Industries Ltd						-	-	-
18		Tasnim Condensed Milk Ltd.						-	2.06	2.06
19		Meghna Seeds Crushing Mills Ltd.						-	-	-
20		Tanveer Oils Ltd.						-	-	-
21		Meghna Edible Oils Refinery Ltd.						-	-	-
22		Meghna Noodles & Biscuits Factory Ltd.						-	0.99	0.99
23		Sonargaon Printing And Packaging Industries Limited						-	1.85	1.85
24		Sonargaon Seeds Crushing Mills Ltd.						-	57.08	57.08
25		Meghna Fresh Lpg Ltd.						-	-	-

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
26		Meghna Beverage Limited						-	0.20	0.20
27		Sonargoan Flour & Dal Mills Ltd						-	-	-
28		Meghna Sugar Refinery Ltd.						-	-	-
29		Surma Mustard Oil Mills Ltd.						-	-	-
30		Sonargaon Steel Fabricate Ltd						-	-	-
31	Motijheel	Anw Homes Ltd.	Nazrul Islam Mazumder	Nassa Group	194.64	-	194.64	159.49	39.22	198.71
32	Motijheel	Nassa Taipei Denims Ltd.		Nassa Group	151.28	42.77	194.05	158.89	1.46	160.35
33	Motijheel	Nassa Taipei Textile Mills Ltd.		Nassa Group	150.80	40.00	190.80	200.95	-	200.95
34	Vip Road	M/S Thermax Group' 7 Concern	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	-	-	-
35		Thermax Textile Mills Ltd.						44.91	-	44.91
36		Thermax Knit Yarn Ltd.						20.95	9.51	30.46
37		Thermax Spinning Ltd						81.28	15.39	96.67
38		Thermax Melange Spinning Mills Ltd.						16.17	13.28	29.45
39		Thermax Woven Dyeing Ltd.						11.67	7.85	19.52
40		Thermax Yarn Dyed Fabrics Ltd.						199.63	71.32	270.95
41		Thermax Yarn Dyeing Ltd						30.52	6.18	36.70
42	Motijheel	Max Infrastructure Ltd.	Ghulam Mohammed		225.83	299.80	525.63	128.39	171.73	300.12
43	Gulshan	Esquire Knit Composite Ltd, Esquire Dyesing Ind. Ltd.	Jb. Ehsanul Habib (Managing Director)		231.21	282.28	513.49	228.19	109.35	337.54
44	Dilkusha	Pioneer Denim Ltd	Md. Badsha Mia, Asma Begum, Kamal Uddin Ahmed, Mohiuddin Ahmed	Badsha Group	320.00	185.00	505.00	88.92	99.41	188.33
45	Motijheel	Unique Hotel & Resorts Ltd.	Mohammed Noor Ali	Unique Group	500.00	-	500.00	283.14	-	283.14
46	Motijheel	Formula One Spinning	Md. Rezaul Karim		182.21	310.00	492.21	187.97	98.27	286.24
47	Motijheel	H. R. Re-Rolling Mills Ltd	Syfur Rahman Khokon (Md) , Md. Saydur Rahman Sumon (Director), Md. Arifur Rahman (Director), Md. Mizanur Rahman (Director)		317.58	171.48	489.06	246.92	83.68	330.6
48	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	386.08	40.00	426.08
49	Head Office Corporate	Tafrid Cotton Mills Ltd.	Shaikh Md. Shamiul Islam, Managing Director	Tafrid Group	409.52	74.52	484.04	274.78	74.52	349.3
50	Gulshan	Mahmud Fabrics And Finishing Ltd	A. K. M. Aminul Islam	Mahmud Group	357.65	100.00	457.65	554.07	71.67	625.74

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
51	Motijheel	Majumder Traders & Sister Concern Majumder Products Ltd	Chitta Majumder (Proprietor)	Majumder Group	255.03	200.00	455.03	174.03	17.14	191.17
52	Jatrabari (West)	Salam Steel Concast Re-Rolling Mills Madanpur Unit Limited	Md. Abdus Salam	Scrm	150.00	300.00	450.00	79.94	14.44	94.38
53	Dhanmondi	Momtexp Expo Ltd	Md. Reajul Islam, Managing Director	Pakiza Group	245.68	203.69	449.37	277.56	75.57	353.13
54	North South Road	Premier Steel Re-Rolling Mills (Pvt.) Ltd	Md. Sharif Ahmed (Chairman)		370.00	75.00	445.00	408.12	55.06	463.18
55	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), Rokeya Nargis	Birds Group	111.56	328.00	439.56	60.29	106.66	166.95
56	Dilkusha	Kamal Yarn Ltd.	Md. Badsha Mia, Asma Begum, Kamal Uddin Ahmed, Mohiuddin Ahmed	Badsha Group	220.00	215.00	435.00	107.52	225.66	333.18
57	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	133.35	296.91	430.26	216.94	116.23	333.17
58	Motijheel	Nitol Motors Ltd	Abdul Matlub Ahmad	Nitol Niloy Group	410.00	15.00	425.00	273.96	0.51	274.47
59	Narayanganj	Ibrahim Knit Garments (Pvt) Ltd	Kaniz Fatema Rima (Managing Director) Md. Yusuf (Chairman)		132.25	277.00	409.25	160.13	165.14	325.27
60	Motijheel Corporate	Msa Spinning	Shahabuddin Ahmed		305.40	100.00	405.40	360.09	9.69	369.78
61	Uttara	Aman Tex Limited	Rafiqul Islam (Md)	Aman Group	101.85	302.00	403.85	221.40	164.06	385.46
62	New Elephant Road	Younus Paper Mills Ltd & Sister Concern	Mohammed Younus ,Mahfuza Younus	Younus Group	268.98	127.00	395.98	198.84	10.64	209.48
63	Motijheel	Muazuddin Textile Ltd.	Jb. Morzina Begum (Chairman) ,Jb. Lutfar Rahman (Managing Director)	Muazuddin Group	108.71	285.08	393.79	33.87	161.68	195.55
64	Dilkusha	Partex Jute Mills Ltd.	Rubel Aziz	Partex Group	156.00	236.16	392.16	41.99	-	41.99
65	Banani	Masihata Sweater Ltd.	Khaled Hossain Mahboob(Md), Sayeda Mahfuza Akter(Chairman)	Masihata Group	168.54	220.58	389.12	330.81	145.58	476.39
66	Motijheel Corporate	Creative Paper Mills Ltd.	Feroz Ahmed		221.83	166.62	388.45	361.84	121.16	483
67	Islampur	Nannu Spinning Mills Ltd.	B.m. Shoeb, Managing Director		189.18	195.02	384.20	138.47	43.75	182.22
68	Vip Road	M/S Biswas Poultry & Fish Feed Ltd.	Jb. Md. Mahabubur Rahman (Md) ,Jb. Md. Shafiqur Rahman (Director), Mrs. Dil Afroz Rahman (Director)	Biswas Group	130.00	250.00	380.00	195.49	39.23	234.72

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
69	Kawran Bazar	The Delta Blended Yarn Mills Ltd.	Eng. A.k.m Faruque Ahmed, Chairman & Managing Director	Delta Group	327.64	52.00	379.64	347.82	0.72	348.54
70	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	347.90	-	347.9
71	Motijheel	Buildstone Construction Co Ltd	Omor Goni Chowdhury		-	370.71	370.71	-	-	-
72	Agrabad	Kabir Steel Re-Rolling Mills	Md Shajahan , Rokeya Begum, Nawab Sirazudowla, Jamal Uddin, Selim Uddin, Karim Uddin, Sarwar Jahan, Shariar Jahan	Ksrm	218.46	150.00	368.46	327.18	139.85	467.03
73	Kushtia	H & S Glassware Ltd	(Md)-Md Habibur Rahman	Woodland Group	245.50	120.00	365.50	60.32	25.81	86.13
74		Hanif Meritime & Its Sister Concern	Mohammed Hanif	Hanif	312.37	46.53	358.90	240.13	6.23	246.36
75	Dilkusha	Healthcare Pharmaceuticals Limited	Alauddin Ahammad, Suraya Bilkis ,Md. Halimuzzaman , Mokarram Hossain (Liton)		336.67	20.00	356.67	249.94	75.56	325.5
76	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)		105.00	250.00	355.00	165.32	18.54	183.86
77	Vip Road	M/S Shainik Traders			250.00	100.00	350.00	272.68	56.59	329.27
78	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	240.41	105.00	345.41	257.46	80.32	337.78
79	Ho Corporate	Bonafide Knitting Mills Ltd	Md. Wahiduzzaman, Managing Director	Bonafide Group	272.80	54.41	327.21	239.69	54.41	294.1
80	Mohakhali	Sarker Steel Ltd	Md. Zakir Hossain Sarker (Md)	Sarker Group	238.38	83.05	321.43	301.24	42.16	343.4
81	Dilkusha	Islam Brothers & Com.	Md. Rafiqul Islam		297.42	20.00	317.42	2.09	-	2.09
82	Dilkusha	R.s & T International	Md. Rafiqul Islam					1.01	-	1.01
83	New Elephant Road	Mir Akhter Hossain Ltd.	Mir Nasir Hossain, Shama E Jaheer, Mahbuba Nasir, Sohela Hossain	Mir Akhter Group	205.00	110.00	315.00	79.62	0.10	79.72

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
84	Agrabad	Bsrn	Ali Hossain Akbarali, Amir Ali Hossain, Zohaer Taher Ali, Tehseen Zohaer Taher Ali, Sabeen Amir	Bsrn	100.00	205.00	305.00	71.79	365.55	437.34
85	Khatungonj	Smile Food Products Limited.	Mohammad Mahafuzul Hoque (Md) Mr. Jahangir Hossain (Director)		-	300.00	300.00	-	109.81	109.81
86	Head Office Corporate	H.r. Textile Mills Limited	Janab Mohammad Abdul Moyeed, Managing Director		223.14	73.86	297.00	135.18	73.86	209.04
87	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	149.41	121.80	271.21
88	Mouchak	Ifad Autos Ltd	Iftakher Ahmed Tipu (Chairman), Jb. Taskeen Ahmed (Md), Janaba Nilufar Ahmed (Director), Jb. Tanveer Ahmed (Director), Jb. Tasfeen Ahmed (Directr)	Ifad Group	245.00	50.00	295.00	207.85	24.48	232.33
89	Uttara Model Town	Pretty Composite Textaile Ltd	Rezin Ahmmad Talukder, Md	Pretty Group	214.29	80.00	294.29	308.86	2.50	311.36
90	Dhanmondi	The Ibn Sina Trust	A.k.m. Sodrul Islam	Ibn Sina Group	276.40	10.00	286.40	179.88	18.44	198.32
91	Uttara Model Town	Mondol Spinning Mills Ltd.	Abdul Momin Mondol(Md)	Mondol Group	161	285.00	285.00	235.96	-	235.96
92	Uttara Model Town	Eco Intimates Ltd	Abdul Momin Mondol(Chairman)	Mondol Group	130.00	150.00	280.00	33.06	18.90	51.96
93	Motijheel Corporate	Kader Compact Spinning Ltd.	Shahabuddin Ahmed	Kader Compact	272.65	-	272.65	303.80	-	303.8
94	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	195.57	20.90	216.47
95	Bandartila	Taher And Co. Ltd & Sister Concern T. R. Ship Breakers Ltd, Golden Steel Alloy Works Ltd, Taher Ship Breaking And Recycling Industries, Nr Trade International, S.s Corporation	Jb. Alhaj Abu Taher(Chairman) Jb. Alhaj Mohammad Monjur Alam Jb. Didarul Alam Jb. Shahin Alam	Mostafa Hakim Group	10.00	257.00	267.00	75.26	69.75	145.01
96	Uttara Model Town	Oxford Colours Ltd	Rezin Ahmmad Talukder, Md	Pretty Group	120.57	145.00	265.57	266.92	3.90	270.82
97	Uttara Model Town	S Suhi Industrial Park Ltd.	Rezin Ahmmad Talukder, Md	Pretty Group	180.00	83.58	263.58	262.55	19.23	281.78

DISCLOSURE / INFORMATION AS PER BANGLADESH SECURITIES AND EXCHANGE COMMISSION REQUIREMENT

SEC/CFD/Miscellaneous/233/2004/Part-3/475, dated as on 25th April 2022.

Sl. No.	Branch Name	Borrower Name	Details Of Owner		Sanctioned Amount			Outstanding		
			Name	Group Name	Funded	Non-Funded	Total	Funded	Non-Funded	Total
98	Banani	Desh Energy Chandpur Power Company Ltd	Navidul Huq (Md) Rubana Huq (Sponsor Director)		60.00	200.00	260.00	21.72	-	21.72
99	Khulna	M/S Khorshed Metal Industries	Ahmed Talukder, Abdul Malike, Kabir Hossain, A.t.m Mostafa, Abdullah Al Mahmud, Mrs Hazera Begum	Hamko Group	232.14	25.00	257.14	239.47	11.89	251.36
100	Moulvibazar, Dhaka	Star Upvc Pipes & Fittings Ltd. its Sister Concern	Md. Baker Hossain, Managing Director	Fardin Group	126.37	130.00	256.37	133.27	28.81	162.08
101	New Elephant Road	Anwer Khan Modern Hospital Ltd.	Anwer Hossain Khan		251.00	-	251.00	264.50	-	264.5
102	Dhanmondi	Popular Diagnostic Centre Ltd.	Dr. Mostafizur Rahman (Managing Director)	Popular Group	205.00	45.00	250.00	159.16	41.95	201.11
103	Motijheel	Green Life Knit Composite Ltd	Ms. Hosne Ara Begum (Director), Jb. Abu Faisal Mosabber (Md)		82.45	166.93	249.38	41.72	126.17	167.89
104	Motijheel	Rizvi Fashions Ltd.	Md. Shakil Rizvi (Director)		25.46	223.00	248.46	5.12	170.69	175.81
105	Gulshan	Karoooni Knit Composite Ltd. And Karoooni Knit Composite Ltd. Unit-2	Jb. Kutub Uddin Ahammed (Managing Director)		85.00	162.48	247.48	92.19	111.94	204.13
106	Head Office Corporate	Spectra Engineers Limited	Khan Md. Aftab Uddin		200.14	42.86	243.00	-	42.86	42.86
107	Dilkusha	Bandar Steel Industries Ltd	Sirajul Islam, Harun Ur Rashid, Sharif Ahmed, Kauser Ahmed, Mohammad Akhter Hossain Khan, Sabina Yeasmen, Abul Kalam, Kamrul Islam		-	236.00	236.00	-	0.73	0.73
108	Head Office Corporate	Z & Z Intimates Ltd.	Sharif Zahir, Managing Director		163.21	68.28	231.49	137.99	68.29	206.28
109	Banani	Mega Yearn Dying Mills Ltd.	Khaled Hossain Mahboob(Md), Sayeda Mahfuza Akter(Chairman)	Masihata Group	124.85	103.38	228.23	182.19	6.38	188.57
110	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	33.10	-	33.1
111	Pagla	R.b Steel Mills (Pvt) Ltd & Sister Concern Rupali Iron Enterprise, Nb Iron Enterprise, New Rupali Iron Building Structure Manufacture Ltd	Md. Hasanmiah- (Managing Director), Fatemahasanruma Alias-(Director), Md. Hasan Miah-(Director)		124.50	95.00	219.50	132.35	64.04	196.39
112	Panthapath	Wahid Construction Ltd.	Md Wahid Miah (Managing Director)	Karim Group	129.78	85.00	214.78	7.56	13.90	21.46
113	Sonargaon Janapoth	Advanced Chemical Ind	Anis Ud Dowla, Arif Dowla, Najma Dowla, Golam Mainuddin, Waliur Rahman Bhuiyan	Aci Group	100.00	120.00	220.00	107.62	-	107.62

- (f) 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 :

SL	Name of the borrower/ company of which debentures of share subscribed/ beneficiary on whose behalf guarantee issued	director his immediate relations (together with the name of concerned director) or employed of the Bank	Nature of interest (shareholder director, employee, guarantor etc) & value of interest 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
1	Purbachal Gas Filling	Abu Naser Mohammad yeagea	Proprietor	23.01.2027 15.02.2027 18.03.2028 05.03.2024 22.01.2028 23.08.2028 20.04.2025	Guarantee	2.75	1) 700000 nos. shares of mutual Trust Bank Ltd of JB. ABU NASER MOHAMMAD YEAHEA, book value 7700.00 market value 17290.00 BDT 2) 325000 nos. shares of Progati Insurance Company Ltd of Mrs. NAHREER SIDDIQUE, W/O JB. ABU NASER MOHAMMAD YEAHEA, book value 3200.00, market value 10465.00 BDT Total Book value 10250.00, Market value 27755.00 BDT	STD
2	M/s Golden Trading & sister concern	Jb. Alhaj Niaz Ahmed	Shareholder director	UnLimit Date	Bank Guarantee	0.67	MTDR/Cash Security of TK. 50,64,786 and Lien of 187266 nos share of AIBL (as per latest sanction).	uc
Total						3.42		

- (g) 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.
- (h) 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 | = | 10,973,859,000 |
| Fully Provision debt Written off | = | (63,322,634) |
| Recoveries of amount previously written off | = | 360,670,397 |
| Provision required for the year | = | 3,055,011,238 |
| Ending balance of provision for bad and doubtful loans/debt | = | 14,133,018,000 |
- (i) 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 1717.63 crore.
- (j) 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	Remarks
1	2	3	4	5	6
1	Alhaji Abdus Samad S.Alam Bhaban, 57-A, Sugandha R/A, Chawkbazar, Panchlaish, Chattogram- 4203, Bangladesh.	Chairman	Proprietor: a. Samad Trading Agency	100.00%	
2	Alhaji Abu Naser Mohammad Yeahea House # NW(K)-14, Road # 50, Gulshan-2, District: Dhaka, Postal code: 1212, Country: Bangladesh.	Vice Chairman	Managing Director: a. Purbachal Exclusive Ltd. b. Purbachal Drillers Ltd. c. Purbachal Gas Filling Ltd. d. Beco Feed Ltd. Proprietor: e. Purbachal Gas Filling Director: f. Intech Limited. g. AIBL Capital Market Services Ltd. Chairman & Managing Director: h. Purbachal Steel Mills Ltd.	99.50% 50.00% -- 42.50% 100.00% -- 4.25% 99.82%	
3	Alhaji Salim Rahman 17, Badsha Meah Chowdhury Road, Mehadibagh Panchlaish, District: Chattogram, Postal code: 4000, Country: Bangladesh.	Director	Chairman a. KYCR Coil Ind. Ltd. b. KDS Textile Mills Ltd. c. SKYS Securities Ltd. Managing Director d. KDS Accessories Ltd. e. KDS Garments Ind. Ltd. f. KDS Apparels Ltd. g. KDS Fashions Ltd. h. KDS IDR Ltd. i. KDS Cotton Poly Thread Ind. Ltd. j. KDS Poly Ind. Ltd. k. Steel Accessories Ltd. l. KDS Logistics Ltd. Representative Director m. AIBL Capital Market Services Ltd. Nominee Director: n. AIBL Capital Management Ltd. Shareholders o. Eastern Bank Ltd. p. Pragati Insurance Ltd. q. Pragati Life Insurance Ltd. r. Millennium Information Solution Ltd.	13.47% 0.67% 1.21% 14.09% 49.85% 50.12% 1.71% 45.00% 10.00% 21.00% 50.00% 0.07% -- Nil 0.33% 1.12% 2.13% 5.00%	

SI	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	
4	Alhaji Mohammad Abdus Salam Mir Ahmed Building 234, Khatungong, Chittagong.	Director	Managing Director			
			a.	Mir CNG & Filling Station	40.00%	
			b.	Mir Pulp & Paper Industries Ltd.	25.00%	
			c.	Mir Filling Station Ltd.	100.00%	
			Director:			
			d.	Karnafully Filling Station Ltd.	15.00%	
			e.	AIBL Capital Market Services Ltd.	1.50%	
			f.	M/S. Hajee Mir Ahmed Sowdagar	30.00%	
			Proprietor:			
			g.	M/S M.A. Salam & Co.	100.00%	
			h.	Mir Bonaspati Products	100.00%	
			i.	Mir Food & Beverage Industries	100.00%	
			j.	Ibnat Oil Mills	100.00%	
k.	Mir Bricks Industries	100.00%				
5	Jb. Mahub Ahmed (Nominee Director of KDS Garments Industries Ltd.) House # 8, Road # 124, Gulshan-1, Dhaka.	Nominee Director	Nil		Appointment w.e.f 14.05.2023 (Entitled for 07 meetings)	
6	Alhaji Md. Abdul Hamid Miah House # 22, Flat # B/3, Road # 5, Dhanmondi R/A, Dhaka.	Independent Director	Nil			
7	Hafez Alhaji Md. Enayet Ullah 2, MukimKatra, Moulvi Bazar, Dhaka.	Director	Active Owner:			
				M/S Hadyet & Brothers	100%	
8	Alhaji Ahamedul Hoque M/s. A.H. Syndicate 16/1, Amir Market, Khatungonj, Chittagong.	Director	Chairman:			(Entitled for 11 meeting)
			a.	AIBL Capital Management Services Ltd.	--	
			Proprietor:			
			b.	M/S. A.H. Syndicate	51.00%	
			Shareholder:			
c.	AIBL Capital Market Services Ltd.	0.25%				

SI	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
9	Alhajj Niaz Ahmed House # 24, Road # 1, Block # i, Chairman Bari, Banani, Dhaka.	Director	Managing Director:		
			a.	Golden Oil Mills Ltd.	70.00%
			b.	Savoy Ice Cream Factory Ltd.	55.00%
			c.	Golden Mart Agro Indus. Ltd.	60.00%
			Director:		
			d.	AIBL Capital Market Services Ltd.	0.75%
			e.	Bangla Tel Limited	10.00%
			f.	BD Link Communication Limited	5.00%
			g.	Jibondhara Solution Limited	10.00%
			h.	Reedisha Golden Economic Zone Ltd.	33.00%
			i.	KLF Agro Extracts BD Ltd.	30.00%
			Proprietor:		
			j.	Broadway Marketing Co.	95.00%
			k.	Golden Trading Co.	100.00%
			l.	Khaja Corporation	100.00%
			m.	Trade Plus	100.00%
			Partner:		
n.	Golden Gulf Bitumen	50.00%			
o.	Golden Trading Co.	95.00%			
10	Alhajj Mohammed Emadur Rahman Kazi Castle, Islampur, Shaporan Sylhet.	Director	Director		
			a	Al Haramain Perfumes (Pvt) Co. Ltd.	40.00%
			c	Al Haramain Hospital	40.00%
			Managing Director:		
			d	Rich & Ruitz Perfumes Trading L.L.C.	49.00%
			e	Al Halal Perfumes Industry	24.00%
			f	Hamidia Tea Company Limited	34.00%
			CEO:		
			g	4 Corners Distribution UK Limited	50.00%
			Deputy Managing Director:		
			h	Al Haramain Perfumes Mgf. & Oudh Processing Ind. L.L.C.	--
			Partner:		
			i	Al Haramain Trading LLC	10.00%
Shareholder:					
j	AIBL Capital Market Services Ltd.	0.75%			
k	Millennium Information Solution Limited	5.00%			

SI	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
11	Alhaji Md. Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong.	Director	Managing Partner:		
			a	Asadi steel Enterprise	90.00%
			b	Jamuna Ship Breakers	83.34%
			Managing Director:		
			c	Bangladesh Ship Breaking Ltd.	90.00%
			d	L & M Builders (Pvt) Ltd.	25.00%
			Proprietor		
			e	Regal Oxygen	100.00%
Shareholder:					
f	AIBL Capital Market Services Ltd.	0.25%			
12	Alhaji Md. Anwar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	Managing Director		
			a	A.G. Textile Mills Ltd.	54.00%
			b	Dubai Bangla LP Gas Ltd	60.00%
			c	Ashik Shipping Lines Ltd.	60.00%
			d	Dubai Bangladesh Cement Mills Ltd.	91.80%
			e	Dubai Bangladesh Bag Factory Ltd.	80.00%
			Director		
			f	Islami Commercial Insurance Co. Ltd.	5.00%
			g	Southeast University	--
			h	Anwar Hossain Secondary School	--
i	Sultan Hossain Memorial Hospital	--			
13	Alhaji Nasir Uddin (Nominee Director of China Builders & Machineries Ltd.) House # 99/C, CBM Tower, Maghbazar, Ramna, Dhaka.	Nominee Director	Director:		
			a.	Chittagong Builders & Machineries Ltd.	25.00%
			b.	China Builders & Machineries Ltd.	25.00%
			Shareholder:		
c.	AIBL Capital Market Services Ltd.	0.25%			
14	Jb. Md. Rafiqul Islam 1025/C, Housing Society, Nasirabad, Chittagong.	Director	Shareholder:		
			a	AIBL Capital Market Services Ltd.	0.25%
15	Alhaji Anwar Hossain 1025/B, Housing Society, Nasirabad, Chittagong.	Director	Owner:		
			a	Rising Star Electricals Trading LLC (UAE)	50.00%
			b.	Rising Sun Electricals Trading LLC (UAE)	50.00%
			Shareholder:		
b	AIBL Capital Market Services Ltd.	0.25%			
16	Jb. Quazi Osman Ali (Nominee Director of Aspire Enterprises Ltd.) RAISA, House # 8, Road # 23/A, Block-B, Banani, Dhaka	Nominee Director	Nil		Appointment w.e.f 18.09.2023 (Entitled for 03 meetings)

SI	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
17	Jb. Md. Kamrul Hasan Siddiqui (Nominee Director of KDS Textile Mills Ltd.) House # 7, Road # 1, South Khulshi, Chattogram.	Nominee Director	Nil		Appointment w.e.f 20.08.2023 (Entitled for 05 meetings)
18	Jb. A.A.M. Zakaria (Nominee Director of Legacy Trade Impex Ltd.) House # 11, Road # 01, Block -K, Baridhara, Dhaka.	Nominee Director	Nil		Appointment w.e.f 26.10.2023 (Entitled for 03 Meetings)
19	Jb. M. Kamaluddin Chowdhury Flat no. 0015/C2, 14th Floor, Baily Heights, 2 Naw-ratan Colony, New Baily Road, Dhaka-1217.	Independent Director	Trustee		
			a.	South-East University, Dhaka	
20	Jb. Mahbulul Alam Niraloy Prova, Apartment # C2W, House # 75, Road # 8/A, Dhanmondi, Dhaka.	Independent Director	Nil		
21	Jb. Farman R. Chowdhury ACME Concord, Flat # 3B, House # 10, Road # 121, Gulshan-1, Dhaka-1214.	Ex-Officio Director	Nil	N/A	

Al-Arafah Islami Bank PLC
OFF-SHORE BANKING UNIT (OBU)

Off-Balance Sheet
As at December 31, 2023

PROPERTY AND ASSETS	Notes	12/31/2023		12/31/2022	
		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			-	1,712,683	176,914,986
Outside Bangladesh		-	-	-	-
		-	-	1,712,683	176,914,986
Placement with Banks & Other Financial institutions		12,100,000	1,331,000,000	-	-
Investment in Share & Securities					
Government		-	-	-	-
Others		-	-	-	-
Investments					
General Investments etc.		6,691,521	736,067,360	6,571,973	678,865,056
Bills purchased and discounted		86,153,798	9,476,917,817	240,170,754	24,808,918,382
		92,845,320	10,212,985,177	246,742,727	25,487,783,438
Fixed assets including Premises		-	-	-	-
Other Assets	4	387,409	42,615,034	-	-
Non-Banking Assets		-	-	-	-
Total Assets		105,332,730	11,586,600,211	248,455,409	25,664,698,424
LIABILITIES AND CAPITAL					
Liabilities					
Placement from Banks & Other Financial institutions	5	104,568,158	11,502,497,345	246,742,727	25,487,783,438
Deposits and other Accounts					
Mudaraba Savings Deposits		-	-	-	-
Mudaraba Term Deposits		-	-	-	-
Other Mudaraba Deposits		-	-	-	-
Al-Wadia Current Accounts and Others Accounts etc.		-	-	-	-
Bills Payable		-	-	-	-
Other Liabilities	6	764,572	84,102,866	-	-
Deferred tax Liabilities/ (Assets)		-	-	-	-
Total Liabilities		105,332,730	11,586,600,211	246,742,727	25,487,783,438
Capital/Share Holders Equity					
Paid up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Foreign Currency Transaction gain/(Loss)					
Other Reserve		-	-	-	-
Retained Earnings		-	-	1,712,683	176,914,986
Total Share holders equity		-	-	1,712,683	176,914,986
Total Liability and Share holders equity		105,332,730	11,586,600,211	248,455,409	25,664,698,424

Al-Arafah Islami Bank PLC
OFF-SHORE BANKING UNIT (OBU)

Off-Balance Sheet
As at December 31, 2023

PROPERTY AND ASSETS	Notes	12/31/2023		12/31/2022	
		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, 2023

	Notes	2023		2022	
		USD	Taka	USD	Taka
Investment Income		15,386,153	1,692,476,781	17,160,820.81	1,772,661,307
Profit paid on deposits & Borrowing	8	(13,846,999)	(1,523,169,866)	(15,444,138)	(1,595,333,134)
Net Investment Income		1,539,154	169,306,915	1,716,683	177,328,174
Income from Investment in Shares /Securities		-	-	-	-
Commission, Exchange and Brokerage		-	-	-	-
Other Operating Income		-	-	-	-
Total operating income		1,539,154	169,306,915	1,716,683	177,328,174
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.		4,000	440,000	4,000	413,188
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		4,000	440,000	4,000	413,188
Profit/(Loss) before Tax & provision		1,535,154	168,866,915	1,712,683	176,914,986
Provision against Investments & Contingent Liabilities		-	-	-	-
Provision for diminution in value of investment		-	-	-	-
Other Provision		-	-	-	-
Total provision		-	-	-	-
Profit/(Loss) before Tax		1,535,154	168,866,915	1,712,683	176,914,986
Current tax		-	-	-	-
Deferred tax		-	-	-	-
Provision for Taxation		-	-	-	-
Net Profit/(Loss) after tax		1,535,154	168,866,915	1,712,683	176,914,986
Appropriation		-	-	-	-
Statutory Reserve		-	-	-	-
General Reserve		-	-	-	-
Retained Earnings (Transfer to main operation)		1,535,154	168,866,915	1,712,683	176,914,986
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, 2023

	12/31/2023		12/31/2022	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Investment income receipt in Cash	15,386,153	1,692,476,781	17,160,821	1,772,661,307
Profit paid on deposits	(13,846,999)	(1,523,169,866)	(15,444,138)	(1,595,333,134)
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)	(4,000)	(440,000)	(4,000)	(413,188)
Advance income tax paid	-	-	-	-
Operating profit before changes in operating assets and liabilities	1,535,153.77	168,866,915	1,712,683	176,914,986
Changing in Operating assets & liabilities				
Increase/Decrease of trading securities	-	-	-	-
Increase/Decrease of investment and advances to other banks	(12,100,000)	(1,331,000,000)		
Increase/Decrease of Investment and advances to customers (other than Banks)	153,897,407	16,928,714,739	(246,742,727)	(25,487,783,438)
Increase/Decrease of other assets (item-wise)	(387,409)	(42,615,034)	-	-
Increase/Decrease of Deposits from banks and other financial institutions	(142,174,569)	(15,639,202,625)	246,742,727	25,487,783,438
Increase/Decrease of Deposits from customers (other than Banks)	-	-	-	-
Increase/Decrease of Other liabilities account	764,572	84,102,920	-	-
Increase/Decrease of Trading liabilities (item-wise)	-	-	-	-
Cash receipt from operating activities	(0.00)	0.00		
A. Net Cash from operating activities	-	-	1,712,683	176,914,986
Cash flows from investing activities:				
Proceeds from sale of securities	-	-	-	-
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)	-	-	1,712,683	176,914,986
E. Effects of exchange rate changes on cash and cash-equivalents	-	-	-	-
F. Net increase in cash and cash equivalent (D+E)	-	-	1,712,683	176,914,986
G. Cash & Cash Equivalents at the beginning of the year	0	0	0	0
H. Cash & Cash Equivalents at the end of the year	-	-	1,712,683	176,914,986

Al-Arafah Islami Bank PLC
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
for the Year ended 31 December 2023

	12/31/2023		12/31/2022	
	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:	-	-	1,712,683	176,914,986
Outside Bangladesh				
	-	-	1,712,683	176,914,986
Placement with Banks & Other Financial institutions	12,100,000.00	1,331,000,000.00	-	-
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	6,691,521	736,067,359.50	-	-
Quard	-	-	-	-
Other Investment	-	-	-	-
ii. Out side Bangladesh				
b) Bill Purchased & Discounted				
Payable in Bangladesh	15,962,801	1,755,908,059.40		
Payable out side Bangladesh	70,190,998	7,721,009,758	240,170,754	24,808,918,382
	86,153,798	9,476,917,817	240,170,754	24,808,918,382
Fixed Assets				
Tangible Assets				
Land	-	-	-	-

Al-Arafah Islami Bank PLC
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
for the Year ended 31 December 2023

	12/31/2023		12/31/2022	
	USD	Taka	USD	Taka
Building	-	-	-	-
Furniture (Wood)	-	-	-	-
Furniture (Steel)	-	-	-	-
Computer	-	-	-	-
Computer (Accessories)	-	-	-	-
Motor Car	-	-	-	-
Machine equipment & appliance	-	-	-	-
Online Hardware	-	-	-	-
Interior Decoration	-	-	-	-
Books & Library	-	-	-	-
Intangible Assets				
Online Software				
Total	-	-	-	-
Less Accumulated Depreciation				
Other Assets				
Placement from Banks & Other financial Institutions				
Parent Bank	55,382,968	6,092,126,434	99,025,278	10,229,014,123
Other Bank OBU	18,000,000	1,980,000,000	38,000,000	3,925,286,000
Out Side Bangladesh	31,185,190	3,430,370,911	109,717,449	11,333,483,315
	104,568,158	11,502,497,345	246,742,727	25,487,783,438
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)				
Balance at the end of the year.				
Other Reserve				
Asset revaluation Reserve				

AI-Arafah Islami Bank PLC
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
for the Year ended 31 December 2023

	12/31/2023		12/31/2022	
	USD	Taka	USD	Taka
Retained Earnings				
Opening balance beginning of the year	1,712,683	176,914,986	998,261	85,650,768
Less : transfer to Parent bank	(1,712,683)	(176,914,986)	(998,261)	(85,650,768)
Add: Profit during the year	1,535,154	168,866,915	1,712,683	176,914,986
Less : transfer to Parent bank				
	1,535,154	168,866,915	1,712,683	176,914,986
Investment Income	15,386,153	1,692,476,781	17,160,821	1,772,661,307
Profit paid on Deposits & Borrowing	(13,846,999)	(1,523,169,866)	(15,444,138)	(1,595,333,134)
Income from Investment in Share /Securities				
Commission, Exchange & Brokerage Income				
Commission				
Exchange				
Brokerage commission				
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				
Fax Charges				
Telephone (Office)				
Telephone (Residence)				
Telephone (Mobile)				
SWIFT Charge				
Internet Charges				
Online Charge				
Depreciation Repairs to the Bank's property				

Al-Arafah Islami Bank PLC
Off-shore Banking Unit (OBU)
Notes to the Financial Statements
for the Year ended 31 December 2023

	12/31/2023		12/31/2022	
	USD	Taka	USD	Taka
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 Vehicle				
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				
Depreciation to 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 & Stationery				
Paper & Table Stationery				
Advertisement & Publication Exp				
Other Expenses				
Cash and				

Off-shore Banking Unit (OBU)
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31 December 2023

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 110.00 closing rate as at 31 December 2023.

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\$ 387,409/- eqv taka 42,615,034/-

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.

31.12.2023	
USD	TK
5,53,82,967.58	6,092,126,434
1,80,00,000.00	1,980,000,000
3,11,85,190.10	3,430,370,911

Name of the Bank	
In Bangladesh	
Al-ArafahIslami Bank Ltd.	
Other OBU	
Outside Bangladesh	

31.12.2022	
USD	USD
9,91,90,367.16	9,91,90,367.16
3,80,00,000.00	3,80,00,000.00
10,97,17,448.86	10,97,17,448.86

6. Other Liabilities: Profit Payable to parent Bank amounting for US\$ 764,572/- eqv. taka 84,102,920/-

7. Profit income

In terms of the provisions of the IFRS-18 "Revenue", the profit income is recognized on accrual basis.

7.1 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.

7.2 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.

7.3 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

8. Profit paid on deposits & Borrowings

	31.12.2023		31.12.2022	
	USD	TK	USD	TK
AIBL Treasury Division	13077691.15	1438546026	14586097.06	1506700068.00
AIBL AD Branches	769307.63	84623839.01	858041.04	88633065.31
	13846998.78	1523169865	15444138.10	1595333133.31

9. 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.

10. 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.

11. 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.

12. Reporting period

The financial statements cover from 1st January 2023 to December 31, 2023.

Related Party Disclosure -31.12.2023

Annexure-C

Related party transactions

Related party transaction is a transfer of resources, services, or obligations among related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Nature and type of related party transactions of the Bank during the year 2023 are as follows:

SI	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	6
1	Alhaji Abdus Samad S.Alam Bhaban, 57-A, Sugandha R/A, Chawkbazar, Panchlaish, Chattogram- 4203, Bangladesh.	Chairman	Proprietor:		
			a.	Samad Trading Agency	100.00%
2	Alhaji Abu Naser Mohammad Yeahea House # NW(K)-14, Road # 50, Gulshan-2, District: Dhaka, Postal code: 1212, Country: Bangladesh.	Vice Chairman	Managing Director:		
			a.	Purbachal Exclusive Ltd.	99.50%
			b.	Purbachal Drillers Ltd.	50.00%
			c.	Purbachal Gas Filling Ltd.	--
			d.	Beco Feed Ltd.	42.50%
			Proprietor:		
			e.	Purbachal Gas Filling	100.00%
			Director:		
			f.	Intech Limited.	--
			g.	AIBL Capital Market Services Ltd.	4.25%
			Chairman & Managing Director:		
			h.	Purbachal Steel Mills Ltd.	99.82%
3	Alhaji Salim Rahman 17, Badsha Meah Chowdhury Road, Mehadibagh Panchlaish, District: Chattogram, Postal code: 4000, Country: Bangladesh.	Director	Chairman		
			a.	KYCR Coil Ind. Ltd.	13.47%
			b.	KDS Textile Mills Ltd.	0.67%
			c.	SKYS Securities Ltd.	1.21%
			Managing Director		
			d.	KDS Accessories Ltd.	14.09%
			e.	KDS Garments Ind. Ltd.	49.85%
			f.	KDS Apparels Ltd.	50.12%
			g.	KDS Fashions Ltd.	1.71%
			h.	KDS IDR Ltd.	45.00%
			i.	KDS Cotton Poly Thread Ind. Ltd.	10.00%
			j.	KDS Poly Ind. Ltd.	21.00%
			k.	Steel Accessories Ltd.	50.00%
			l.	KDS Logistics Ltd.	0.07%
			Representative Director		
			m.	AIBL Capital Market Services Ltd.	--
			Nominee Director:		
			n.	AIBL Capital Management Ltd.	Nil
			Shareholders		
			o.	Eastern Bank Ltd.	0.33%
p.	Pragati Insurance Ltd.	1.12%			
q.	Pragati Life Insurance Ltd.	2.13%			
r.	Millennium Information Solution Ltd.	5.00%			

Related Party Disclosure -31.12.2023

Annexure-C

Related party transactions

SI	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		
4	Alhaji Mohammad Abdus Salam Mir Ahmed Building 234, Khatungong, Chittagong.	Director	Managing Director				
			a.	Mir CNG & Filling Station	40.00%		
			b.	Mir Pulp & Paper Industries Ltd.	25.00%		
			c.	Mir Filling Station Ltd.	100.00%		
			Director:				
			d.	Karnafully Filling Station Ltd.	15.00%		
			e.	AIBL Capital Market Services Ltd.	1.50%		
			f.	M/S. Hajee Mir Ahmed Sowdagar	30.00%		
			Proprietor:				
			g.	M/S M.A. Salam & Co.	100.00%		
			h.	Mir Bonaspati Products	100.00%		
			i.	Mir Food & Beverage Industries	100.00%		
			j.	Ibnat Oil Mills	100.00%		
k.	Mir Bricks Industries	100.00%					
5	Jb. Mahbub Ahmed (Nominee Director of KDS Garments Industries Ltd.) House # 8, Road # 124, Gulshan-1, Dhaha.	Nominee Director	Nil		Appointment w.e.f 14.05.2023 (Entitled for 07 meetings)		
6	Alhaji Md. Abdul Hamid Miah House # 22, Flat # B/3, Road # 5, Dhanmondi R/A, Dhaka.	Independent Director	Nil				
7	Hafez Alhaji Md. Enayet Ullah 2, MukimKatra, Moulvi Bazar, Dhaka.	Director	Active Owner:		100%		
				M/S Hadyet & Brothers			
8	Alhaji Ahamedul Hoque M/s. A.H. Syndicate 16/1, Amir Market, Khatungonj, Chittagong.	Director	Chairman:		--	(Entitled for 11 meeting)	
			a.	AIBL Capital Management Services Ltd.			
			Proprietor:				51.00%
			b.	M/S. A.H. Syndicate			
Shareholder:		0.25%					
c.	AIBL Capital Market Services Ltd.						

Related Party Disclosure -31.12.2023

Annexure-C

Related party transactions

SI	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	
9	Alhajj Niaz Ahmed House # 24, Road # 1, Block # i, Chairman Bari, Banani, Dhaka.	Director	Managing Director:			
			a.	Golden Oil Mills Ltd.	70.00%	
			b.	Savoy Ice Cream Factory Ltd.	55.00%	
			c.	Golden Mart Agro Indus. Ltd.	60.00%	
			Director:			
			d.	AIBL Capital Market Services Ltd.	0.75%	
			e.	Bangla Tel Limited	10.00%	
			f.	BD Link Communication Limited	5.00%	
			g.	Jibondhara Solution Limited	10.00%	
			h.	Reedisha Golden Economic Zone Ltd.	33.00%	
			i.	KLF Agro Extracts BD Ltd.	30.00%	
			Proprietor:			
			j.	Broadway Marketing Co.	95.00%	
			k.	Golden Trading Co.	100.00%	
			l.	Khaja Corporation	100.00%	
			m.	Trade Plus	100.00%	
			Partner:			
			n.	Golden Gulf Bitumen	50.00%	
			o.	Golden Trading Co.	95.00%	
10	Alhajj Mohammed Emadur Rahman Kazi Castle, Islampur, Shaporan Sylhet.	Director	Director			
			a.	Al Haramain Perfumes (Pvt) Co. Ltd.	40.00%	
			c.	Al Haramain Hospital	40.00%	
			Managing Director:			
			d.	Rich & Ruitz Perfumes Trading L.L.C.	49.00%	
			e.	Al Halal Perfumes Industry	24.00%	
			f.	Hamidia Tea Company Limited	34.00%	
			CEO:			
			g.	4 Corners Distribution UK Limited	50.00%	
			Deputy Managing Director:			
			h.	Al Haramain Perfumes Mgf. & Oudh Processing Ind. L.L.C.	--	
			Partner:			
			i.	Al Haramain Trading LLC	10.00%	
			Shareholder:			
j.	AIBL Capital Market Services Ltd.	0.75%				
k.	Millennium Information Solution Limited	5.00%				

Related Party Disclosure -31.12.2023

Annexure-C

Related party transactions

SI	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
11	Alhajj Md. Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong.	Director	Managing Partner:		
			a	Asadi steel Enterprise	90.00%
			b	Jamuna Ship Breakers	83.34%
			Managing Director:		
			c	Bangladesh Ship Breaking Ltd.	90.00%
			d	L & M Builders (Pvt) Ltd.	25.00%
			Proprietor		
			e	Regal Oxygen	100.00%
12	Alhajj Md. Anowar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	Managing Director		
			a	A.G. Textile Mills Ltd.	54.00%
			b	Dubai Bangla LP Gas Ltd	60.00%
			c	Ashik Shipping Lines Ltd.	60.00%
			d	Dubai Bangladesh Cement Mills Ltd.	91.80%
			e	Dubai Bangladesh Bag Factory Ltd.	80.00%
			Director		
			f	Islami Commercial Insurance Co. Ltd.	5.00%
			g	Southeast University	--
			h	Anowar Hossain Secondary School	--
			i	Sultan Hossain Memorial Hospital	--
13	Alhajj Nasir Uddin (Nominee Director of China Builders & Machineries Ltd.) House # 99/C, CBM Tower, Maghbazar, Ramna, Dhaka.	Nominee Director	Director:		
			a.	Chittagong Builders & Machineries Ltd.	25.00%
			b.	China Builders & Machineries Ltd.	25.00%
			Shareholder:		
c.	AIBL Capital Market Services Ltd.	0.25%			
14	Jb. Md. Rafiqul Islam 1025/C, Housing Society, Nasirabad, Chittagong.	Director	Shareholder:		
		a	AIBL Capital Market Services Ltd.	0.25%	
15	Alhajj Anwar Hossain 1025/B, Housing Society, Nasirabad, Chittagong.	Director	Owner:		
		a	Rising Star Electricals Trading LLC (UAE)	50.00%	
		b.	Rising Sun Electricals Trading LLC (UAE)	50.00%	
		Shareholder:			
b	AIBL Capital Market Services Ltd.	0.25%			

Related Party Disclosure -31.12.2023

Annexure-C

Related party transactions

SI	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
16	Jb. Quazi Osman Ali (Nominee Director of Aspire Enterprises Ltd.) RAISA, House # 8, Road # 23/A, Block-B, Banani, Dhaka	Nominee Director	Nil		Appointment w.e.f 18.09.2023 (Entitled for 03 meetings)
17	Jb. Md. Kamrul Hasan Siddiqui (Nominee Director of KDS Textile Mills Ltd.) House # 7, Road # 1, South Khulshi, Chattogram.	Nominee Director	Nil		Appointment w.e.f 20.08.2023 (Entitled for 05 meetings)
18	Jb. A.A.M. Zakaria (Nominee Director of Legacy Trade Impex Ltd.) House # 11, Road # 01, Block -K, Baridhara, Dhaka.	Nominee Director	Nil		Appointment w.e.f 26.10.2023 (Entitled for 03 Meetings)
19	Jb. M. Kamaluddin Chowdhury Flat no. 0015/C2, 14th Floor, Baily Heights, 2 Nawratan Colony, New Baily Road, Dhaka-1217.	Independent Director	Trustee		
			a.	South-East University, Dhaka	
20	Jb. Mahbul Alam Niraloy Prova, Apartment # C2W, House # 75, Road # 8/A, Dhanmondi, Dhaka.	Independent Director	Nil		
21	Jb. Farman R. Chowdhury ACME Concord, Flat # 3B, House # 10, Road # 121, Gulshan-1, Dhaka-1214.	Ex-Officio Director	Nil	N/A	

NAME OF THE DIRECTORS AND THEIR SHAREHOLDINGS in the year- 2023

SI	Name of Directors	Status	Ending position on 31/12/2023	Opening position on 01/01/2022	Remarks
1	Jb. Abdus Samad	Chairman	24684068 shares of Tk. 10/- each Tk. 246840680/-	23965115 shares of Tk. 10/- each Tk. 239651150/-	
2	Jb. Abu Naser Mohammad Yeahea	Vice- Chairman	27089821 shares of Tk. 10/- each Tk. 270898210/-	26300798 shares of Tk. 10/- each Tk. 263007980/-	
3	Jb. Salim Rahman	Director	21937951 shares of Tk. 10/- each Tk. 219379510/-	21298982 shares of Tk. 10/- each Tk. 212989820/-	
4	Jb. Abdus Salam	Director	27463937 shares of Tk. 10/- each Tk. 274639370/-	21598392 shares of Tk. 10/- each Tk. 215983920/-	
5	Jb. Md. Abdul Hamid Miah	Independent Director	Nil	Nil	
6	Mahbub Ahmed, Nominee KDS Garments Industries Ltd.	Nominee Director	33806292 shares of Tk. 10/- each Tk. 338062920/-	Nil	
7	Hafez Md. Enayetullah	Sponsor Director	21942990 shares of Tk. 10/- each Tk. 219429900/-	21303874 shares of Tk. 10/- each Tk. 213038740/-	
8	Jb. Ahamedul Haque	Director	21937401 shares of Tk. 10/- each Tk. 219374010/-	21298448 shares of Tk. 10/- each Tk. 212984480/-	
9	Jb. Niaz Ahmed	Director	22050158 shares of Tk. 10/- each Tk. 220501580/-	21407921 shares of Tk. 10/- each Tk. 214079210/-	
10	Jb. Mohammed Eamador Rahman	Director	21964043 shares of Tk. 10/- each Tk. 219640430/-	21324314 shares of Tk. 10/- each Tk. 213243140/-	
11	Jb. Md. Liakat Ali Chowdhury	Director	21943995 shares of Tk. 10/- each Tk. 219439950/-	21304850 shares of Tk. 10/- each Tk. 213048500/-	
12	Jb. Md. Anwar Hossain	Sponsor Director	24286093 shares of Tk. 10/- each Tk. 242860930/-	23578732 shares of Tk. 10/- each Tk. 235787320/-	
13	Nasir Uddin, Nominee China Builders & Machineries Ltd.	Nominee Director	22018224 shares of Tk. 10/- each Tk. 220182240/-	21376917 shares of Tk. 10/- each Tk. 213769170/-	
14	Jb. Md. Rafiqul Islam	Director	21990880 shares of Tk. 10/- each Tk. 219908800/-	21350369 shares of Tk. 10/- each Tk. 213503690/-	
15	Jb. Anwar Hossain	Director	21939000 shares of Tk. 10/- each Tk. 219390000/-	21300000 shares of Tk. 10/- each Tk. 213000000/-	
16	Quazi Osman Ali, Nominee Aspire Enterprises Ltd.	Nominee Director	21940000 shares of Tk. 10/- each Tk. 219400000/-	Nil	
17	Md. Kamrul Hashan Siddiqui, Nominee KDS Textile Mills Ltd.	Nominee Director	23031300 shares of Tk. 10/- each Tk. 230313000/-	Nil	
18	A.A.M Zakaria, Nominee Legacy Trade Impex Ltd.	Nominee Director	21940000 shares of Tk. 10/- each Tk. 219400000/-	Nil	
19	Jb. M. Kamaluddin Chowdhury	Independent Director	Nil	Nil	
20	Jb. Mahbubul Alam	Independent Director	Nil	Nil	
21	Jb. Farman R. Chowdhury	Ex. Officio Director	Nil	Nil	

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 vide 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:

	2016	2017	2018	2019	2020	2021	2022	2023
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	0.625%	1.25%	1.875%	2.50%	2.50%	2.50%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Ratio	5.125%	5.75%	6.375%	7.00%	7.00%	7.00%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	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	10.625%	11.25%	11.875%	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, 2023 are 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)	<p>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.</p> <p>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</p> <p>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.</p> <p>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.</p> <p>Procedures</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Consolidation for regulatory purposes</p> <p>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.</p> <p>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.</p> <p>Off-Shore Banking Unit (OBU)</p> <p>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.</p> <p>Al-Arafah Islami Bank PLC has 2(Two) subsidiaries viz.</p> <ol style="list-style-type: none"> a. AIBPLC Capital Market Services Ltd. b. AIBPLC Capital Management Ltd. <p>Al-Arafah Islami Bank PLC holds 60.50% and 98% AIBPLC Capital Market Services Ltd. and AIBPLC Capital Management Ltd.</p> <p>A brief description of the Bank and its subsidiary are given below:</p> <p>a. AIBPLC Capital Market Services Limited</p> <p>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.</p> <p>b. AIBPLC Capital Management Limited</p> <p>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.</p>

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

2. Quantitative Disclosures:

The amount of Regulatory Capital 2023 as follows:

Figure In million)

1.Common Equity Tier-1(Going Concern Capital):	Solo Basis	Consolidated Basis
Fully Paid-up Capital	10,968.49	10,968.49
Statutory Reserve	10,968.49	10,968.49
Retained Earnings	1653.97	1802.54
Non Controlling Interest	-	1673.92
Less: Deferred Tax Assets (DTA)		-
	23590.96	25413.44
Good will and other Intangible assets	(168.30)	(168.30)
Total Common Equity Tier-1 Capital	23422.66	25245.15
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	5199.60	5821.58
Total Admissible Additional Tier-1 Capital	28422.66	30245.15
2. Tier-2 Capital :		-
General Provision	4899.89	4899.89
Subordinated debt	11000.00	11000.00
Revaluation Reserves for Securities up to 50%	1084.17	1084.17
Less: 100%of Revaluation Reserves for Fixed Assets, Securities & Equity	1084.17	1084.17
Total Tier-2 Capital	15899.89	15899.89
Maximum limit of tier-2 capital	13865.75	15244.76
Total Admissible Tier-2 Capital	13865.75	15244.76
Total eligible capital	42288.41	45489.91

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	<p>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.</p> <p style="text-align: center;">For Credit Risk – Standardized Approach For Market Risk – Standardized Approach Operational Risk – Basic Indicator Approach</p> <p>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%.</p>

(Figure In million)

Quantitative Disclosures :		
Capital requirement under following Risk:	Solo Basis	Consolidated Basis
a) Capital requirement for Credit Risk	283525.92	292935.42
b) Capital requirement for Market Risk	5235.34	6283.14
c) Capital requirement for Operational Risk	24187.04	24574.68
d) Total Capital Requirement (a+b+c)	312948.3	323793.24
e) Capital to Risk –weighted Asset Ratio:	13.51%	14.05%
1.Common Equity Tier 1 (CET 1) Ratio	7.48%	7.80%
Tier 1 Capital Adequacy Ratio	9..08%	9.34%
Tier-2 Capital Adequacy Ratio	4.43%	4.71%
Capital to Risk-weighted Asset Ratio (CRAR)	13.51%	14.05%
f) Capital Conservation Buffer	2.98%	3.30%
Available Capital under Pillar 2 Requirement	1941.60	1941.60
Minimum Capital Requirement (MCR)	31294.83	32379.32

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):

There 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) 0.25% 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 Interest Suspense.

For classification of loan, specific and general allowances the bank follows Master Circular-Loan Classification and Provisioning vide BRPD circular no. 06 dated June 14, 2012; 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 of 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		107863.55
Bai-Muazzal Investment		168469.24
Hire Purchase Investment		146111.51
Quard		2821.68
Other Investment		5715.64
Sub Total		430981.62
Outside Bangladesh		-
		430981.63
Less: Unearned profit on Investment		10590.28
		420391.35
Bill Purchased & Discounted		
Payable in Bangladesh		24948.30
Payable outside Bangladesh		852.86
Sub Total		25801.16
Total Funded:		446192.51
b) Total Non- Funded:		154374.00
c) Geographical distribution of exposures		
Region Based		
Dhaka Region		354136.49
Chittagong Region		56481.80
Sylhet Region		3857.60
Rajshahi Region		8563.40
Mymensingh		5907.60
Khulna Region		17096.30
Rangpur Region		6746.40
Barisal Region		3992.30
Total		456781.89
Less: Unearned profit on Investment		10590.28
Investment		420391.35
d) Country based funded		

Domestic	456782.80
Overseas	-
e) Country based Non-funded	73,047.95
Domestic	154374.00
Overseas	-
f) Major Industry wise distribution of exposures	
Agriculture, Fishing and Forestry	9715.00
Industry	209474.40
Construction	24483.50
Water works & Sanitary Service	14037.10
Transport & communication	125794.00
Storage	28290.00
Trade Finance	23639.00
Miscellaneous	21349.79
Total	456782.80
Less Unearned Profit on Investment	10590.28
Total	446192.51
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	53617.00
d) Claims on corporate	255636.17
e) Claims included in the retail portfolio & small enterprises	83285.62
f) Claims secured by residential property	8702.02
g) Claims secured by commercial real estate	4297.59
h) Consumer Investment	1584.26
i) Off-balance sheet items	57231.75
h) Credit risk mitigation	
Claims secured by financial collateral	5743.71
Net exposure after the application of haircuts	1.80
Claims secured by eligible guarantee	-
g) Residual contractual maturity breakdown of the whole portfolio	
Repayable on demand	-
Up to 1 month	86552.90
More than 1 month but less than 3 months	135654.60
More than 3 months but less than 1 year	133395.70
More than 1 year to less than 5 year	65600.50

More than 5 year	24988.81
Total	446192.51
Gross Non Performing Assets- (NPAs)	
Non-performing assets to outstanding Investment (loans and advances)	30866.18
Movement of Non Performing Assets (NPAs)	
Opening balance	2243.74
Additions	1058.39
Less Cash Recovery	(151.68)
Less RSDL from CL	(54.41)
Less Written Off	(9.42)
Closing balance	3086.62

(Figure In million)

Movement of specific provisions for NPAs	
Provision held at the beginning of the year	10973.86
Fully provision debt written off	(63.32)
Recoveries of amount previously written off	360.67 .88
Specific provision for the year	2668.61
Provision Transferred from Covid-19	193.20
Closing balance	14133.02

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	7.43
Central Depository Bangladesh Ltd	3.13
Investment in Millenium Information Solution Ltd	29.48
AIBL Capital Market services	662.12
AIBL Capital Management LTD	532.05
Total	1234.21

- 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, 2023

(Figure In million)

Particulars	Up to 1 month	1 to 3 month	3 to 12 month	1 to 5 years	Above 5 years	Total
Asset						
Cash in hand	8492.56				18219.80	26712.36
Balance with other banks & Financial Institute	157.88				7303.84	7461.72
Placement with other banks & Financial Institute	1000.00	4650.00	1200.00		1400.00	8250.00
Investment in Share & Securities (only HTM)			1001.80		45120.27	46122.07
Investment (Loans and Advances)	86552.90	135654.60	133395.70	65600.50	24988.81	446192.51
Fixed Assets					5006.64	5006.64
Non Banking Asset					50.87	50.87
Other Assets	186.00	12.30	1470.70		21797.60	23467.40
Total	96390.14	140316.90	137068.20	65600.50	123887.85	563263.60
Liabilities						
Placement from other banks & Financial Institute	3059.50	23555.30	29431.00	0.037		56045.83
Deposits and Other accounts	83130.60	134667.80	126853.10	60201.30	14792.90	419645.70
Provision and other liabilities	370.90				46485.78	46856.68
Deferred Tax Liabilities/Assets					40.23	40.23
AIBL Subordinate Bond					16000.00	16000.00
Total	86561.00	158223.10	156284.10	60201.33	77318.93	538588.46
GAP	9829.14	(17906.20)	(19215.90)	5399.16	46568.92	24675.13
Cumulative Gap	9829.14	(8077.86)	(27293.76)	(21894.60)	24674.32	

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	9828.34	9828.34	9828.34
Impact on NII (Net Interest Income)	8.19	16.38	24.57
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	3.07	6.14	9.21
Period	1 to 3 month		
GAP	(17906.20)	(17906.20)	(17906.20)
Impact on NII (Net Interest Income)	(29.84)	(59.69)	(89.53)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income (NIL)	(11.19)	(22.38)	(33.57)
Period	3 to 12 month		
GAP	(19215.90)	(19215.90)	(19215.90)
Impact on NII (Net Interest Income)	(144.12)	(288.24)	(432.36)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(54.04)	(108.09)	(162.13)

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	9828.34	9828.34	9828.34
Impact on NII (Net Interest Income)	(8.19)	(16.38)	(24.57)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on Net Interest Income	(3.07)	(6.14)	(9.21)
Period	1 to 3 month		
GAP	(17906.20)	(17906.20)	(17906.20)
Impact on NII (Net Interest Income)	29.84	59.69	89.53
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	11.19	22.38	33.57
Period	3 to 12 month		
GAP	(19215.90)	(19215.90)	(19215.90)
Impact on NII (Net Interest Income)	144.12	288.24	432.36
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	54.04	108.09	162.13

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	(27293.76)	(27293.76)	(27293.76)
Period (Year)	1 Year		
Impact on NII (Net Interest Income)	(272.94)	(545.88)	(818.81)
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	(102.35)	(204.70)	(307.05)

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	(27293.76)	(27293.76)	(27293.76)
Period (Year)	1 Year		
Impact on NII (Net Interest Income)	272.94	545.88	818.81
Applicable tax rate	37.50%	37.50%	37.50%
Tax adjusted impact on NII	102.35	204.70	307.05

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.
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Methods used to measure Market Risk.	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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, VaR etc, 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	78.80	183.58
Foreign exchange risk	444.73	444.73
Commodity risk	-	-
Total	523.53	628.31

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

iv) Policies and Processes for mitigating operational risk:	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 2023 ICC Division conducted following No. of audit:	
	Nature of Audit	No of Frequencies
	Compressive & Risk based Internal Audit Annually	207 branches i.e 100% as per Audit Plan
	Surprise Inspection	22 branches i.e 100% as per Audit Plan
	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:	
	Nature of Risk	No of Branches
	Extremely High Risk	8
Very High Risk	33	
High Risk	76	
Medium Risk	84	
Low Risk	6	
Total	207	
v) Approach for calculating capital charge for operational risk	<p>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:</p> $K = [(GI_1 + GI_2 + GI_3) \alpha] / n$	

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-2023	17724.29		
December-2022	16344.23		
December-2021	14305.54		
Total GI	48374.06	16124.69	2418.70

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.
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ii) Methods used to measure Liquidity risk	<p>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.</p> <p>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.</p> <p>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-Arafah Islami 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.</p>
iii) Liquidity Risk Management System	<p>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-Arafah Islami 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.</p>
iv) Policies and Processes for mitigating Liquidity risk	<p>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.</p>

b) Quantitative Disclosures:

(Figure In million)

Liquidity Coverage Ratio	102.2%
Net Stable Funding Ratio (NSFR)	108.2%
Stock of High quality liquid assets	44151.20
Total net cash outflows over the next 30 calendar days	43196.50
Available amount of stable funding	429432.00
Required amount of stable funding	396896.10

10. Leverage Ratio:

a) Qualitative Disclosures:

i) Views of BOD on system to reduce excessive leverage	<p>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.</p>
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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	<p>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.</p> <p>A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> $\text{Leverage Ratio} = \frac{\text{Tier-1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$

b) Quantitative Disclosures:

(Fig In Million)

	Solo	Consolidated
Leverage Ratio	4.69%	4.96%
On Balance Sheet Exposure	549130.58	559175.73
Off- Balance Sheet Exposure	57231.75	57231.75
Total Deduction	(168.30)	(168.30)
Total Exposure	606194.03	616239.18

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-Arafah Islami Bank PLC, for the financial year ended December 31, 2023.

a) Qualitative Disclosures:

	<p>a) Information relating to the bodies that oversee remuneration:</p> <p>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.</p> <p>A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p> <p>Risk Takers are senior employees who can take, or influence the taking of, material risk for Al-Arafah Islami Bank PLC or for a material business unit:</p> <table> <tr> <td>Managing Director</td> <td>: 01</td> </tr> <tr> <td>Deputy Managing Director</td> <td>: 08</td> </tr> <tr> <td>Senior Executive Vice President</td> <td>: 14</td> </tr> <tr> <td>Executive Vice President</td> <td>: 19</td> </tr> <tr> <td>Senior Vice President</td> <td>: 41</td> </tr> </table>	Managing Director	: 01	Deputy Managing Director	: 08	Senior Executive Vice President	: 14	Executive Vice President	: 19	Senior Vice President	: 41
Managing Director	: 01										
Deputy Managing Director	: 08										
Senior Executive Vice President	: 14										
Executive Vice President	: 19										
Senior Vice President	: 41										

	<p>b) Information relating to the design and structure of remuneration processes: Key features of remuneration policy:</p> <p>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.</p> <p>Al-Arafah Islami 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.</p> <p>Objectives of remuneration policy:</p> <p>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.</p> <p>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:</p> <p>The remuneration committee reviewed the firm's remuneration on 2018 and revised the remuneration by conducting a survey considering the following facts:</p> <ol style="list-style-type: none"> 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. <p>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 :</p> <p>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.</p>
	<p>c) Description of the ways in which current and future risks are taken into account in the remuneration processes.</p> <p>The Bank's remuneration practices are carefully managed takes into account the following key risks when implementing remuneration measures:</p> <ul style="list-style-type: none"> • Financial Risks • Compliance Risks <p>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 meet or only partially meets compliance requirements, no award or a reduced award may be made.</p>
	<p>d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:</p> <p>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.</p>
	<p>e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance:</p> <p>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:</p> <ul style="list-style-type: none"> • Disciplinary Action (at the discretion of Enquiry committee) • Resignation of the employee prior to the payment date. <p>At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action.</p>

	<p>f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms:</p> <p>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-Arafah Islami Bank PLC:</p> <p>Cash Form:</p> <p>Short-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 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. <p>Long-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 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 <p>Non-Cash Form:</p> <p>Short-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Accelerate promotion for top talents; 2. Study leave. <p>Long-Term Incentives / Rewards</p> <ol style="list-style-type: none"> 1. Foreign training award;
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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
	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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AIBL CAPITAL MARKET SERVICES LIMITED

Report on the Audit of the Financial Statements
for the year 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders

of

AIBL Capital Market Services Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AIBL Capital Market Services Limited (the Company), which comprise the Statement of Financial Position as at 31 December, 2023 and Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at 31 December, 2023

and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

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 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), Bangladesh Securities and Exchange Commission (BSEC), the Companies Act 1994 and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Initial application of IFRS-16 Leases came into effect from 1st January 2019 in its new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short term leases and leases of low value assets.

However, the management of the company opted not to adopt the new standard in the current financial year leading to the understatement of the Assets and Liabilities, understatement of expense and overstatement of profit. This relates to references in note 8.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Our assessed key audit matters and how we addressed them are outlined below:

Risk	Our response to the risk
<p>Investments:</p> <p>The investment of AIBL Capital Market Services Limited comprises of in investment in Margin investment, Investment in ICB Fund, investment in Dealer A/C, Investment in Share (BBSF), Investment in AIBL Capital Management Ltd & Investment in Intech Ltd.</p> <p>At the close of December 31, 2023, the investment in Margin amounting to BDT 9,788,917,955, reflecting a decrease of -1.03% compared to the previous year. This investment constitutes 77.48% of the total assets.</p> <p>As of the end of the year, the value of investments in the ICB Fund amounts to BDT 287,391,319, showing a notable increase of 27.96% compared to the previous year. This investment constitutes 2.27% of the total assets.</p> <p>As of December 31, 2023, the value of investments in Dealer A/C totals BDT 126,506,531, reflecting a 15.67% increase from the previous year. This investment accounts for 1.00% of the total assets.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting and valuing their investment portfolio.</p> <p>Additionally, we performed the following:</p> <ul style="list-style-type: none">• Our audit approach was a combination of test of internal control and substantive procedures.• We confirmed financial statement assertions regarding investment existence, completeness, right and obligation, valuation and allocation.• We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation the management of the company consistently applied policies.• Reviewed the carrying balance of the total outstanding margin Investment.

<p>At the close of December 31, 2023, the investment holdings in Share (BBSF) amounted to BDT 505,922,049, reflecting a substantial increase of 94.54% compared to the previous year. This investment constitutes 12.01% of the total assets.</p> <p>As of December 31, 2023, investments in Intech Ltd. amounted to BDT 3,500,000, showing a healthy 40.00% increase from the previous year. Despite this growth, these investments make up just a tiny fraction, accounting for only 1.66% of the total assets.</p> <p>This was an area of focus for our audit and significant audit effort was directed.</p> <p>Explore Note No. 6 in the financial statements for further details.</p> <p>Investment Income:</p> <p>Investment Income of BDT 139,117,946 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Company for the year ended 31st December 2023. Investment Income has been decreased by -31.70% compared to last year. This was an area of focus for our audit and significant audit effort was directed. There is also a risk that income may be overstated due to errors or fraud through manipulation or this management bias. We focused on area of significance of the Margin Profit Income, Profit from MSND in the financial statements.</p> <p>Refer to the note no. 16 to the financial statements.</p>	<ul style="list-style-type: none"> • We tested the calculations of provision for negative equity, unrealized loss and checked the presentation and disclosure of investment in compliance with BSEC circular #SEC/CMRRCD/2009-193/196, dated- 28 December 2016, and circular# SEC/CMRRCD/2009-193/203 dated, 28 December 2017 and subsequent extension up to 2023 through press release on 16 July, 2020. <p>Our audit procedures included obtaining our understanding of the process of Margin Profit Income, Profit from MSND and ascertaining the balance. Additionally, we performed the following:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers. • Carried out cut-off testing to ensure the recognized in correct income was period. • Reviewed the carrying balance of the total figure. • Recalculated Profit charged during the year. • We also tested journal entries recognized to income focusing on unusual or irregular transactions. • Performed audit trial to understand the adequacy and the design of the investment income cycle. • We obtained sufficient audit evidence to conclude that the inputs and methodologies used determination of income are within a for the reasonable range and that policies were consistently applied by the management of the company.
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Other Matter

There has been an outbreak of the global pandemic COVID-19 on 11 March 2020 which is a force majeure event, unique in nature and has divested the world and mankind. The surge of COVID-19 has negatively impacted almost all types of businesses across the world. During the year AIBL Capital Market Services Limited has taken margin investment provision facilities as per BSEC circular # SEC/CMRRCD/2009-193/196, dated 28 December 2016, and circular# SEC/CMRRCD/2009-193/203 dated, 28 December 2017 and subsequent extension up to 2023 through press release on 16 July, 2020. Although the COVID-19 global pandemic situation had an unfavorable impact on the capital market trading, AIBL Capital Market Services Limited have decreased their investment income by -31.70% in the year 2023 than that of previous year.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's reports thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. 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 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.

When we will review the director's report in the annual report for the year ended 31 December, 2023, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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, Companies Act 1994, the Securities and Exchange Rules 1987, Financial Institution Act 1993 and other applicable laws and regulations as explained in note #2 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.

Auditors' 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 judgments 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 controls 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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, 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 described these matters in our auditors' 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, we also report the following:

- i. We have obtained 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- iii. The Statement of Financial Position and the Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.

Dated: 09 April 2024, Dhaka



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Md. Anisur Rahman FCA

Managing Partner

Enrolment No.: 350

Firm's Registration No.: 11970 E.P.

DVC: 2404090350AS115734

AIBL Capital Market Services Limited
STATEMENT OF FINANCIAL POSITION
As at 31 December, 2023

Particulars	Notes	Amount (In Taka)	
		31.12.2023	31.12.2022
ASSETS			
Non - Current Assets		5,986,109	7,997,095
Property, Plant & Equipment	4	3,318,698	5,329,684
Deferred Tax Assets	9.02	2,667,411	2,667,411
Current Assets		12,628,205,464	12,409,777,225
Account Receivable	5	17,247,021	6,618,006
Investment	6	10,722,237,854	10,497,518,804
Investment in Share (DSE & CSE)	7	662,120,683	662,120,683
Advance, Deposits & Prepayment	8	12,764,491	11,201,747
Advance Income Tax	9	963,379,008	940,863,353
Cash and Cash Equivalent	10	250,456,407	291,454,632
Total Assets		12,634,191,573	12,417,774,320
EQUITY AND LIABILITIES			
Capital and Reserve		4,211,401,799	4,260,514,087
Paid -up Capital	11	4,000,000,000	4,000,000,000
Retained Earning		211,401,799	260,514,087
		8,422,789,774	8,157,260,233
Borrowing from Bank	12	5,306,832,769	5,092,356,990
Accounts Payable	13	1,791,194,039	1,745,483,892
Provision for Investments	14	503,822,672	503,822,672
Provision for taxation	15	820,940,294	815,596,679
Total Equity and Liabilities		12,634,191,573	12,417,774,320

The annexed notes 1 to 28 form an integral part of these financial statements.


Director


Director


Managing Director


Company Secretary

Dated: 09 April 2024, Dhaka



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Managing Partner
Enrolment No.: 350
Firm's Registration No.: 11970 E.P.
DVC: 2404090350AS115734

AIBL Capital Market Services Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2023

Particulars	Notes	Amount (In Taka)	
		Jan-Dec'2023	Jan-Dec'2022
Investment Income	16	139,117,946	203,677,468
Profit paid on Borrowing	17	(187,543,946)	(167,507,116)
Net Investment Income		(48,426,000)	36,170,352
Income from Commission, Exchange & Others			
Brokerage Commission	18	113,379,109	174,797,931
Documentation & Maintenance Fees	19	4,268,493	4,314,400
Other Operating Income	20	90,310,767	41,727,630
		207,958,369	220,839,961
Total operating Income (A)		159,532,369	257,010,313
Hawla, Laga & CDBL Charges	21	17,788,416	24,199,751
Salary allowances & Contribution to P.F	22	69,942,827	72,004,649
Rents, Taxes, Insurance, Lighting etc.	23	19,545,063	20,686,316
Honorarium & Meeting Expense	24	4,847,581	3,225,000
Law Charges		1,287,900	14,585
Postage, Telegram, Telephone & Stamps etc	25	78,093	79,288
Depreciation, Amortization & Repairs to Properties	26	3,815,214	5,098,090
Stationary, Printing, Advertisement etc.		1,430,187	1,116,250
Other Expenses	27	21,365,761	25,712,922
Total operating expenses (B)		140,101,042	152,136,851
Profit/(loss) before provision and Tax C = (A - B)		19,431,327	104,873,462
Provision for Investment		-	-
Provision for Taxation		5,343,615	28,840,202
Deferred Tax (Income)/Expense	9.2	-	244,998
Net Profit after Tax		14,087,712	75,788,262
Retained Earnings Brought forward		260,514,087	263,725,825
Dividend		63,200,000	79,000,000
Retained earning Carried forward		211,401,799	260,514,087
Earning per Share (EPS)		0.04	0.19

The annexed notes 1 to 28 form an integral part of these financial statements.


Director


Director


Managing Director


Company Secretary

Dated: 09 April 2024, Dhaka


Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Md. Anisur Rahman FCA
Managing Partner

Enrolment No.: 350

Firm's Registration No.: 11970 E.P.

DVC: 2404090350AS115734

AIBL Capital Market Services Limited
STATEMENT OF CHANGES IN EQUITY
As at December 31, 2023

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2023	4,000,000,000	260,514,087	4,260,514,087
Dividend		(63,200,000)	(63,200,000)
Net profit for the Period	-	14,087,712	14,087,712
Balance as at December 31, 2023	4,000,000,000	211,401,799	4,211,401,799

AIBL Capital Market Services Limited
STATEMENT OF CHANGES IN EQUITY
As at December 31, 2022

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2022	4,000,000,000	263,725,825	4,263,725,825
Dividend		(79,000,000)	(79,000,000)
Net profit for the Period	-	75,788,262	75,788,262
Balance as at December 31, 2022	4,000,000,000	260,514,087	4,260,514,087


Director


Director


Managing Director


Company Secretary

AIBL Capital Market Services Limited
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

Particulars	Amount (In Taka)	
	Jan-Dec2023	Jan-Dec'2022
Cash flows from operating activities		
Investment income receipt in Cash	139,117,946	203,677,468
Profit paid on deposits and borrowing	(187,543,946)	(167,507,116)
Commission received in cash	113,379,109	174,797,931
Cash payments to employees	(69,942,827)	(72,004,649)
Cash payments to suppliers	(1,430,187)	(1,116,250)
Received from other operating activities (item-wise)	94,579,260	46,042,030
Paid for other operating activities (item-wise)	(65,908,164)	(75,242,713)
Advance income tax paid	(22,515,655)	(41,629,981)
Operating profit before changes in operating assets and liabilities	(264,464)	67,016,720
Changing in Operating assets & liabilities		
Increase/Decrease Investment	(224,719,050)	(1,274,233,672)
Increase/Decrease of Accounts receivable	(10,629,015)	19,750,257
Increase/Decrease of Borrowing	214,475,779	(71,193,247)
Increase/Decrease of Accounts payable	45,710,147	1,376,185,937
Increase/Decrease of other assets (item-wise)	(1,562,744)	1,256,518
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	23,275,117	51,765,793
A. Net Cash from operating activities	23,010,653	118,782,513
Cash flows from investing activities:		
Purchase of property, plant and equipment	(808,878)	(2,412,398)
B. Net cash flows from investing activities	(808,878)	(2,412,398)
Cash flows from financing activities		
Increase in Share Capital	-	-
Dividend Paid	(63,200,000)	(79,000,000)
C. Net cash flows from financing activities	(63,200,000)	(79,000,000)
D. Net increase in cash and cash equivalent (A+B+C)	(40,998,225)	37,370,115
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent D+E	(40,998,225)	37,370,115
G. Cash & Cash Equivalents at the beginning of the year	291,454,632	254,084,517
H. Cash & Cash Equivalents at the end of the year	250,456,407	291,454,632


Director


Director


Managing Director


Company Secretary

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the year ended 31st December 2023

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 Securities 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 assumptions are 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.

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the year ended 31st December 2023

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 2023 to 31 December 2023.

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 2023 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.

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 Property, Plant & Equipment and depreciation

Property, Plant & Equipment are stated at cost less accumulated depreciation. Depreciation is charged on the cost of Property, Plant & Equipment 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. Depreciation is recognized in Statement 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:

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the year ended 31st December 2023

Interior Dec		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 securities

Investment in security are classified broadly in two categories and accounted under as follows:

i) Investment in listed securities:

Investment in listed securities 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 2023 for the Company.

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT
For the year ended 31st December 2023

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.

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.

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 basis. 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

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

		Amount (In Taka)	
		31.12.2023	31.12.2022
4.00	Property, Plant & Equipment		
	a) Tangible Asset		
	Interior Decoration	19,176,606	19,176,606
	Computer accessories	2,147,579	1,694,999
	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	11,689,845	11,455,347
	Computer	5,907,045	5,907,045
	Furniture & fixture - wood	3,349,558	3,349,558
	Less : Accumulated Depreciation	60,782,106	58,036,352
		3,196,897	5,255,573
	b) Intangible Assets		
	Online Software	2,360,993	2,239,193
	Less : Amortization	2,239,192	2,165,082
		121,801	74,111
	Total (a+b)	3,318,698	5,329,684
	Details have been shown in Annexure-"A"		
5.00	Accounts Receivable		
	Receivable from CSE	9,469,059	-
	Receivable from DSE	219,000	370,115
	Dividend Receivable	7,558,962	6,247,891
		17,247,021	6,618,006
6.00	Investments		
	Margin Investment	9,788,917,955	9,890,996,716
	Investment ICB Fund	287,391,319	224,596,970
	Investment in Dealer A/C	126,506,531	109,366,083
	Investment in Share (BBSF)	505,922,049	260,059,035
	Investment In AIBL Capital Management Ltd.	10,000,000	10,000,000
	Investment In Intech Ltd.	3,500,000	2,500,000
		10,722,237,854	10,497,518,804
7.00	Investment in Share (DSE & CSE)		
	Investment in Share (DSE)	487,120,683	487,120,683
	Investment in Share (CSE)	175,000,000	175,000,000
		662,120,683	662,120,683
	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 Limited, face vale of which was Tk. 2,000 (Two thousand) and Tk. 300,000 (Three lac) per share respectively. After Demutualization, DSE allotted 5,411,329 number of ordinary shares (of which 2,525,288 shares blocked with DSE Demutualization Blocked Account) and CSE also allotted 4,287,330 number of ordinary shares (of which 2,572,398 shares are blocked with CSE) at face value of Tk. 10/- each.		

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

	Amount (In Taka)	
	31.12.2023	31.12.2022
8.00 Advance, Deposit & Prepayments		
Advance against Office Space Head Office.	342,228	1,710,804
Advance against Office Space Gulshan(old).	344,080	344,080
Advance rent Gulshan Br.(New)	1,057,350	307,346
Advance Rent Khulna	4,053,685	179,449
Advance Rent Uttara Br.	1,968,930	1,968,930
Advance Rent Barisal Br.	840,849	870,849
Advance Rent Dhanmondi Br.	-	-
Advance Rent Sylhet Br.	126,800	423,250
Advance Rent B. Baria	450,068	651,332
Advance Rent Khatungonj	1,353,653	1,625,489
Advance Against Petty Cash	2,226,848	3,120,218
	12,764,491	11,201,747
9.00 Advance Income Tax		
Opening Balance	940,863,353	1,623,577,418
Tax deducted at source DSE	16,946,567	26,188,362
Tax deducted at source CSE	666,442	533,457
TDS against Dividend	2,940,920	1,503,293
Tax deducted at source Bank	1,961,726	1,295,904
Tax paid previous year	-	12,108,965
Less : Adjustment for previous year 2014,2016,2017,2018	-	724,344,046
	963,379,008	940,863,353
9.01		
Tax paid 2023 through Chalan & Source	-	
Tax paid 2022 through Chalan & Source	41,641,969	41,629,981
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	55,481,661
Tax paid 2016 through Chalan & Source	12,235,946	12,235,946
Tax paid 2015 Through Challan & Source	415,952,141	415,952,141
Tax paid 2014 through challan & Source	24,693,791	30,531,449
Tax paid 2013 through challan & Source	299,791,671	299,791,671
	940,863,354	940,863,353

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

		Amount (In Taka)	
		31.12.2023	31.12.2022
9.02	Deferred Tax Assets		
	Opening Balance	2,667,411	2,912,409
	Addition During the year	-	(244,998)
		2,667,411	2,667,411
	Adjustment during the year	-	-
		2,667,411	2,667,411
10.00	Cash and Cash equivalent	250,456,407	291,454,632
	Note-10.01	250,456,407	291,454,632
10.01	Cash at bank		
	AIBL Capital Market Services Limited Cons.customers Ac AIBL, Motijheel Br. (0021220002927)	237,470,612	221,030,551
	AIBL Capital Market Services Limited. Corporate Ac AIBL, Motijheel br. (0021220002936)	11,493,826	55,033,092
	AIBL Capital Market Services Ltd. Dividend A/C AIBL,Motijheel Br. (0021120583328)	10,362	9,929,617
	AIBL Capital Market Services Limited, Union Bank Gulshan br.	31,680	3,550
	AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003278)	205,340	2,718,696
	AIBL Capital Market Services Limited, Dlear AC AIBL, Motijheel Br (0021220003260)	284,195	352,255
	AIBL Capital Market Services Limited, ICB Pronodona Scheme 2 AIBL, Motijheel Br (0021220009614)	826,076	56,161
	BBSF Investment Account, AIBL, Motijheel Br.(10222)	124,330	2,320,451
	AIBL Capital Market Services Limited, B. Baria	3,500	500
	AIBL CMSL CCBA One Bank Ltd	2,000	-
	AIBL Capital Market Services Limited SIBL, Principal Br.(0021330451189)	4,486	9,759
		250,456,407	291,454,632
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

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

Amount (In Taka)	
31.12.2023	31.12.2022

11.03 Share Holding Position: As at 31 December, 2023

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	1.50%	6,000,000	60,000,000
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	0.75%	3,000,000	30,000,000
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 Machinerics 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
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

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

Name of the Share Holder	% of Share holdings	No. of Shares	Amount (In Taka)
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
TOTAL	100.00%	400,000,000	4,000,000,000

	Amount (In Taka)	
	31.12.2023	31.12.2022
12.00 Borrowing from Bank		
Borrowing from Al-Arafah Islami Bank Limited Motijheel	3,397,899,998	3,397,899,998
Borrowing from Union Bank Ltd.	800,000,000	800,000,000
Borrowing from SIBL	451,010,432	494,456,992
Borrowing from Al-Arafah Islami Bank Limited (BBSF)	400,000,000	400,000,000
ICB pronodona Scheme 2	257,922,339	-
	5,306,832,769	5,092,356,990
13.00 Accounts Payable		
Payable to AIBL	1,470,500,000	1,470,500,000
Profit Payable for SIBL	18,553,729	-
Profit Payable for AIBL Motijheel Br.	18,073,008	18,443,591
Profit Payable for UNION Bank	21,291,667	20,277,778
Profit Payable for BBSF Investment	25,433,653	29,179,360
Profit Payable for ICB Pronodona Scheme 2	2,905,997	1,801,192

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

	Amount (In Taka)	
	31.12.2023	31.12.2022
Profit Payable on Positive clients	509,302	
VAT, Salary Tax & AIT Payable	466,228	272,202
Payable to DSE	24,042,037	67,550
Payable to CSE	-	1,335,446
Bonus & Incentive Payable	91,310	91,310
Clients Payable	192,415,989	192,275,246
Payable to IPO Process	7,210,000	
Accrued exp	1,207,564	930,166
Dividend adjustment clients	413,188	234,684
Dividend Tax payable	7,980,000	9,975,000
Security Money	100,367	100,367
	1,791,194,039	1,745,483,892
14.00 Provision for Investment		
Openig Balance	503,822,672	503,822,672
Add : Provision for Investment	-	-
Closing Balance	503,822,672	503,822,672
15.00 Provision for Taxation		
Openig Balance	815,596,679	1,511,100,523
Add: Income tax provision during the year	5,343,615	28,840,202
Less : Previous year Adjustment 2014,2016,2017,2018	-	724,344,046
Closing Balance	820,940,294	815,596,679
16.00 Investment Income		
Margin Profit income	138,690,203	190,718,327
Profit on MSND	427,743	12,959,141
	139,117,946	203,677,468
17.00 Profit paid on Borrowing		
SIBL	45,107,168	54,358,123
Union Bank ltd	73,963,889	47,875,309
AIBL Motijheel Branch	35,784,903	34,929,417
BBSF Investment	28,783,182	28,664,895
ICB Pronodona Scheme 2	3,904,804	1,679,372
	187,543,946	167,507,116
18.00 Brokerage commission		
DSE	108,502,528	171,323,469
CSE	4,876,581	3,474,462
	113,379,109	174,797,931

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

		Amount (In Taka)	
		31.12.2023	31.12.2022
19.00	Documentation & Maintenance Fess		
	BO Documentation and Maintenance fees	4,250,493	4,289,400
	Margin documentation fees	18,000	25,000
		4,268,493	4,314,400
20.00	Other Operating Income		
	CDBL Income	1,603,764	733,425
	Cheque dishonour Charge	-	61,000
	Dividend income	16,154,077	15,304,388
	IPO Process Income	13,475	51,490
	Realized Capital gain	72,538,451	25,572,947
	Margin Investment	1,000	4,380
		90,310,767	41,727,630
21.00	Hawla, Laga & CDBL Charges		
	Hawla DSE	4,100	17,050
	Laga charge DSE	8,200,424	12,996,443
	Laga charge CSE	1,028,204	245,390
	CDBL Charges	8,555,688	10,940,868
		17,788,416	24,199,751
22.00	Salary allowances & Contribution to P.F		
	Salary allowances & Contribution to P.F	68,757,945	70,721,837
	Wages	633,330	707,462
	Security Services	551,552	575,350
		69,942,827	72,004,649
23.00	Rents, Taxes, Insurance, Electricity etc.		
	Rent	17,364,266	18,358,982
	Insurance	-	67,150
	Electricity bill	2,180,797	2,260,184
		19,545,063	20,686,316
24.00	Honorarium & Meeting Expense		
	Meeting & honorarium	4,847,581	3,225,000
		4,847,581	3,225,000
25.00	Postage, Telegram, Telephone & Stamps etc		
	Postage, Telegram, Telephone & Mobile	59,480	63,499
	Stamps	12,990	10,650
	Photocopy	5,623	5,139
		78,093	79,288

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

		Amount (In Taka)	
		31.12.2023	31.12.2022
26.00	Depreciation & Repairs to Properties		
	Depreciation	2,819,864	3,773,239
	Repair & Maintenance	995,350	1,324,851
		3,815,214	5,098,090
27.00	Other Expenses		
	Computer Charge	254,728	344,894
	Bank Charge	447,257	562,619
	Petroleum Oil, Lubricant & WASA/ Gas.	1,247,333	1,242,853
	Entertainment	2,808,170	2,313,308
	Bonus & Incentive	6,913,144	8,073,681
	Mandatory leave	41,105	425,498
	Registration	6,073	226,213
	Travelling, conveyance, Transportation & Saturday Allowance	124,745	286,323
	Internet & Online Charge	2,036,826	2,215,835
	Employees welfare exp.	-	7,929
	Audit Fees	57,500	57,500
	Utilities bill	511,865	641,490
	Vat	1,993,156	-
	Miscellaneous (Note-27.01)	4,923,859	9,314,779
		21,365,761	25,712,922
27.01	Miscellaneous		
	Subscription Renewal	823,075	1,422,105
	Newspaper	11,838	26,279
	Donation	-	10,000
	Business Development	330,000	-
	Training & AR license Fee	9,900	45,546
	Leave encashment	2,418,620	4,336,955
	Agent commission	1,208,875	3,210,449
	Crocarige	1,200	1,190
	Upkeep, wasing & cleaning	35,895	34,940
	Miscellaneous	10,320	88,598
	Investors Protection	15,936	62,320
	Closing Allowances	18,000	-
	EID Garcia	40,200	76,397
		4,923,859	9,314,779

AIBL CAPITAL MARKET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENT

For the year ended 31st December 2023

28.00 Related Party Transaction

borrowing

Name of the party	Relationship	Nature of Transaction	Opening Balance as at January 01, 2023	Increase/ Decrease	Closing Balance as at 31 December 2023
Al-Arafah Islami Bank Ltd. (AIBL)	Parent Company	Bi Muzazzal from AIBL	3,397,899,998	-	3,397,899,998
		Profit Payable	18,443,591	-	18,443,591

Investment

Name of the party	Relationship	Nature of Transaction	Opening Balance as at January 01, 2023	Increase/ Decrease	Closing Balance as at 31 December 2023
AIBL Capital Management Ltd.	Sister Concern	Capital Investment	10,000,000	-	10,000,000
Intech Limited			2,500,000	1,000,000	3,500,000

AIBL Capital Market Services Ltd.

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

As at December 31, 2023

Annexure-A

Particular	Cost			Rate %	Depreciation			Written Down Value as on December 31, 2023	
	Balance as on January 1, 2023	Addition during the Year	Disposal/ Adjustment		Balance as on December 31, 2023	Charge during the Year	Adjustment		Balance as on December 31, 2023
Tangible Asset									
Interior Decoration	19,176,606	-	-	10%	19,176,606	1,917,661	-	16,484,119	2,692,487
Computer Accessories	1,694,999	452,580	-	20%	2,147,579	339,000	-	1,885,229	262,350
Online Hardware	2,946,884	-	-	20%	2,946,884	-	-	2,946,883	1
Motor Car	18,062,939	-	-	20%	18,062,939	-	-	18,062,938	1
Furniture & Fixture - Steel	698,547	-	-	10%	698,547	69,855	-	456,492	242,055
Office Equipment	11,455,347	234,498	-	20%	11,689,845	322,498	-	11,689,844	1
Computer	5,907,045	-	-	20%	5,907,045	96,740	-	5,907,044	1
Furniture & Fixture - Wood	3,349,558	-	-	10%	3,349,558	-	-	3,349,557	1
	63,291,925	687,078	-		63,979,003	2,745,754	-	60,782,106	3,196,897
Intangible Assets									
Online Software	2,239,193	121,800	-	20%	2,360,993	74,110	-	2,239,192	121,801
As at 31 December 2023	65,531,118	808,878	-		66,339,996	2,819,864	-	63,021,298	3,318,698
As at 31 December 2022	63,118,720	2,412,398	-		65,531,118	3,773,239	-	60,201,434	5,329,684



**AUDITOR'S REPORT AND
FINANCIAL STATEMENTS OF AIBL
CAPITAL MANAGEMENT LIMITED**
for the year ended, 31 December 2023

Independent Auditor's Report

To the Shareholder 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 (the company), which comprise the statement of financial position as at 31 December, 2023 and 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 present fairly, in all material respects of the statement of financial position of AIBL Capital Management Limited as at 31 December, 2023, and its financial performance and its cash flows for the year then ended as per disclosure note-3.07 and in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 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 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 jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Advance income tax has been carrying forward for a long time but not yet assessed or adjusted.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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.

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 but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- 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 company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 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 company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Dated: 29 April 2024, Dhaka



Khan Wahab Shafique Rahman & Co.

Chartered Accountants

Signed by: Md. Anisur Rahman FCA

Managing Partner

ICAB Enrollment No: 350

Firm Reg. No.: 11970 E.P.

DVC: 2404290350AS383538

AIBL Capital Management Limited
STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

Particulars	Notes	Amount in Taka	
		31.12.2023	31.12.2022
ASSETS:			
Non - Current Assets			
Property, Plant & Equipment	4.00	460,811	594,072
Current Assets:			
Cash and Bank Balance	5.00	5,268,954	4,852,045
Account Receivable	6.00	7,105,434	13,702,519
Investment	7.00	537,673,757	537,855,493
Advance Income Tax	8.00	20,955,877	18,859,943
Balance with AIBL CMSL		29,966	69,390
Total Assets		571,494,799	575,933,462
EQUITY AND LIABILITIES:			
Capital and Reserve			
Paid-up Capital	9.02	500,000,000	500,000,000
Retained Earnings	10.00	21,088,824	26,250,171
Total Equity		521,088,824	526,250,171
Current Liabilities			
Borrowing from Bank (AIBL)			
Accounts Payable	11.00	4,007,800	3,285,116
Provision for Taxation	19.00	30,825,843	30,825,843
Provision for Investment	20.00	15,572,332	15,572,332
Total Liabilities		50,405,975	49,683,291
Total Equity and Liabilities		571,494,799	575,933,462
Nav		10.42	10.53

The annexed notes from an integral part of these financial statements


Director


Director


CEO

Sign subject to our separate report of even date annexed.

Dated: 29 April 2024, Dhaka



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Managing Partner
Enrolment No.: 350
Firm's Registration No.: 11970 E. P.
DVC: 2404290350AS383538

AIBL Capital Management Limited
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
For the year ended 31 December, 2023

Particulars	Notes	Amount in Taka	
		2023	2022
Investment Income	12.00	278,877	492,308
Profit paid on Borrowings	13.00	-	-
Net Investment Income		278,877	492,308
Operating Income	14.00	13,278,414	26,948,844
		13,278,414	26,948,844
Total operating income (A)		13,557,291	27,441,152
Salary allowances & Contribution to P.F	15.00	14,367,492	13,982,972
Board Meeting Expense		176,930	269,295
Postage, Telegram, Telephone & Stamps etc	16.00	85,757	115,239
Audit fees		57,500	57,500
Stationery, Printing, Advertisement etc.	17.00	117,881	111,370
Depreciation & Amortization	4.00	350,221	306,829
Other Expenses	18.00	3,562,857	3,974,722
Total operating expenses (B)		18,718,639	18,817,927
Profit/(loss) before provision and Tax C = (A - B)		(5,161,347)	8,623,225
Provision for Taxation	19.01	-	3,487,464
Provision for Investment	20.01	-	-
Net Profit after Tax & Provision		(5,161,347)	5,135,761
		-	-
Retained earning Carried forward		(5,161,347)	5,135,761
Earning per Share (EPS)		(0.1032)	0.1027

The annexed notes from an integral part of these financial statements


Director


Director


CEO

Sign subject to our separate report of even date annexed.

Dated: 29 April 2024, Dhaka



Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed by: Md. Anisur Rahman FCA
Managing Partner
Enrolment No.: 350
Firm's Registration No.: 11970 E. P.
DVC: 2404290350AS383538

AIBL Capital Management Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December, 2023

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01 January, 2023	500,000,000	26,250,171	526,250,171
Net Profit for the period	-	(5,161,347)	(5,161,347)
Balance as at 31 December ,2023	500,000,000	21,088,824	521,088,824

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December, 2022

Particulars	Share Capital	Retained Earnings	Total
Balance as at 01 January, 2022	500,000,000	21,114,410	521,114,410
Net Profit for the period	-	5,135,761	5,135,761
Balance as at 31 December, 2022	500,000,000	26,250,171	526,250,171


Director


Director


CEO

AIBL Capital Management Limited
STATEMENT OF CASH FLOWS
For the year ended 31 December, 2023

Particulars	Amount in Taka	
	2023	2022
Cash flows from operating activities		
Investment income receipt in Cash	278,877	492,308
Profit paid on deposits and borrowing	-	-
Dividend Received	-	-
Prior Period Adjustment received in cash	-	-
Cash payments to employees	(14,367,492)	(13,982,972)
Cash payments to suppliers	-	-
Received from other operating activities (item-wise)	13,278,414	26,948,844
Paid for other operating activities (item-wise)	(4,000,925)	(4,528,126)
Paid for Preliminary Expenses	-	-
Advance income tax paid	(2,095,934)	(2,572,224)
Operating profit before changes in operating assets and liabilities	(6,907,060)	6,357,830
Changing in Operating assets & liabilities		
Increase/Decrease Investment	181,736	(6,118,318)
Increase/Decrease of Accounts receivable	6,597,085	(10,178,930)
Increase/Decrease of Borrowing	-	-
Increase/Decrease of Borrowing (MTDR Quard)		
Increase/Decrease of Accounts payable	722,684	984,319
Increase/Decrease of other assets (item-wise)	39,424	80,816
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	7,540,929	(15,232,113)
A. Net Cash from operating activities	633,869	(8,874,283)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(216,960)	(388,500)
B. Net cash flows from investing activities	(216,960)	(388,500)
Cash flows from financing activities		
Increase in Share Capital	-	-
C. Net cash flows from financing activities	-	-
D. Net increase in cash and cash equivalent (A+B+C)	416,909	(9,262,783)
E. Effects of exchange rate changes on cash and cash-equivalents	-	-
F. Net increase in cash and cash equivalent (D+E)	416,909	(9,262,783)
G. Cash & Cash Equivalents at the beginning of the year	4,852,045	14,114,828
H. Cash & Cash Equivalents at the end of the year	5,268,954	4,852,045
Net Operating Cash Flow per Share	0.013	(0.177)


Director


Director


CEO

AIBL Capital Management Limited
NOTES TO THE FINANCIAL STATEMENTS
As at and for the year ended 31 December, 2023

1.00 Significant Accounting Policies and other materials information

1.01 Legal Form of the Enterprise:

The Company has been incorporated under the Companies Act (Act XVIII) of 1994 as a private limited company namely AIBL Capital Management Limited on 25th October 2011. The Company was issued Certificate of Commencement of Business on 25th October, 2011. 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 Level-15, 'Al-Arafah Tower' 63, Purana Paltan, Dhaka -1000.

1.03 Nature of Business Activities:

AIBL Capital Management Ltd. is a full-fledged merchant bank licensed by Bangladesh Securities & Exchange Commission (BSEC). The main objective of the company is to carry out the activities of a full-fledged merchant banker such as Issue Management, Portfolio Management, Underwriting and Corporate Advisory services etc. as per Securities Exchange Commission (Merchant Banker and Portfolio Manager) Regulation, 1996.

2.00 Basis for preparation of financial statements:

2.01 Statement of Compliance:

The financial statements of AIBL Capital Management Limited have been prepared in accordance with the DFIM Circular no 11 dated 23rd December 2009 and requirement of the Companies Act, 1994, the Security Exchange Rules 1987, Guidelines from Bangladesh Bank, International Accounting Standard (IAS), and International Financial Reporting Standards (IFRS) and other applicable laws and regulations of Bangladesh Securities & Exchange Commission.

1.02 Measurement bases used in preparing the Financial Statements:

The elements of financial statements have been measured on "Historical Cost" basis, 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 Standard Board (IASB).

2.03 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.

2.04 Reporting Period:

The financial statements cover the period from 01 January 2023 to 31 December 2023.

2.05 Financial and Presentation Currency:

- a) The financial statements are presented in Bangladesh Taka (BDT) currency, which is both functional currency and presentation currency of the company.
- b) Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.
- c) Figures relating to previous year have been rearranged wherever considered necessary to confirm with current year's presentation.

2.06 Property, Plant, equipment and depreciation:

Property, Plant & equipment are stated at cost less accumulated depreciation. Depreciation is charged on the cost of property, plant & equipment in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with IAS-16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciations is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

Office Equipment	20%
Computer	20%
Online Software	20%

2.07 Related Party Disclosure:

The company in the normal course of operation has entered into transactions with others entities that fall within the definition of related party transaction under IAS-24 "Related Party Disclosure". The company believes that the effect and term of these related party

transactions are not significantly different from those that could have been obtained from third parties.

2.08 Components of financial statements:

According to International Accounting Standard (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

3.00 Principal Accounting Policies:

3.01 Cash flow Statement:

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".

3.02 Revenue Recognition:

Income is recognized on accrual basis; such income is calculated considering daily margin loan balance of the respective parties. Income is recognized as per IFRS-15.

3.03 Event after balance sheet dated: 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.

3.04 Cash & Cash Equivalent:

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 change in the value of the above items.

3.05 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.

3.06 Provision for Taxation:

Provision for current income tax is made on the tax base profit of the company with consideration of taxable add-back of income and allowances and disallowances of expenditures in compliance of IAS-12 "Income Tax"

3.07 Investment in Shares & Securities:

Investment in quoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been valued at cost at reporting date. However, adequate provision has not been made while market value considered as down trend of the reported cost and unrealized gain is also not recognized in the profit and loss account.

NOTES OF THE FINANCIAL STATEMENT

For the year ended 31 December, 2023

		Amount in Taka	
		31.12.2023	31.12.2022
4.00	Property, Plant & Equipment		
	Opening balance	2,347,649	1,959,149
	Add: Additions	216,960	388,500
	Closing balance (A)	2,564,609	2,347,649
	Depreciation :		
	Opening balance	1,753,577	1,446,747
	Add: Charge for the year	350,221	306,829
	Closing balance (B)	2,103,798	1,753,576
	Written down value (A-B)	460,811	594,073
	Details have been shown in Schedule-A		
5.00	Cash at Bank		
	AIBL Capital Management Ltd. (Corporate A/C)	737,697	2,009,714
	AIBL Capital Management Ltd. Customers Portfolio A/C	4,531,257	2,842,331
		5,268,954	4,852,045
6.00	Accounts Receivable		
	Receivable from Panel Broker	17,932	4,679,842
	Divident Receivable	6,284,895	8,247,732
	Suspence Account	429,292	401,630
	Issue Manager Commission income AIBL Asset Management Ltd.	373,315	373,315
		7,105,434	13,702,519
7.00	Investment		
	Margin Investment	2,324,233	2,530,168
	Investment in Shares & Securities (Annexure-B)	532,058,707	531,854,372
	IPO FPM Bidding and Subscription	-	-
	Investment in Car	3,290,817	3,470,953
	Client Investment in Shares & Securities	-	-
		537,673,757	537,855,493
8.00	Advance Tax		
	Advance Tax 2012	2,410,027	2,410,027
	Advance Tax 2013	4,843,893	4,843,893
	Advance Tax 2015	492,076	492,076
	Advance Tax 2016	331,663	331,663
	Advance Tax 2017	4,071,807	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	-
	Closing Balance	20,955,877	18,859,943

NOTES OF THE FINANCIAL STATEMENT

For the year ended 31 December, 2023

		Amount in Taka	
		31.12.2023	31.12.2022
9.00	Share Capital		
9.01	Authorised Capital		
	The authorised Capital of the Company is 20,00,00,000 Ordinary Share of TK. 10 each.	2,000,000,000	2,000,000,000
9.02	Issued, Subscribed and fully Paid-up Capital		
	Issued, Subscribed and fully Paid-up Capital is 5,00,00,000 share of TK. 10 each.	500,000,000	500,000,000
		500,000,000	500,000,000
	Share Holding Position :		
	Name of the Share Holder	% of Shareholdings	
	Al-Arafah Islami Bank Limited	98.00%	
	AIBL Capital Market services Limited	2.00%	
			Amount in Tk. Amount in Tk.
		490,000,000	490,000,000
		10,000,000	10,000,000
10.00	Retained Earnings:		
	Opening balance	26,250,171	21,114,410
	Add: Net profit for the year	(5,161,347)	5,135,761
	Add. Prior Period Adjustment	-	-
	Closing balance	21,088,824	26,250,171
10.01	Prior Period Adjustment		
	Opening Diff AIT for Agent Comm. July 2021		-
	Opening Diff		-
	RoadShow money refund from Riyadh Sir		-
11.00	Accounts Payable		
	Audit fees	57,500	57,500
	Client Deposit	-	3,227,616
	Client Matured Balance	3,950,300	-
	VAT Payable	-	-
	TDS Payable	-	-
		4,007,800	3,285,116
12.00	Investment Income		
	Profit from Cash at Bank	29,507	133,593
	Less: Tax Deducted at source	-	-
	Margin Profit Income	249,370	352,715
	Service Charge Income	-	6,000
	Receive from AIBL CML Portfolio	-	-
	Profit on MTDR	-	-
		278,877	492,308
13.00	Profit paid on Bai-Muazzel with AIBL	-	-
14.00	Operating Income		
	Capital Gain	2,364,039	11,595,989
	Dividend Income	8,487,327.10	11,639,323
	Commission Income	997,359	1,326,423

NOTES OF THE FINANCIAL STATEMENT

For the year ended 31 December, 2023

	Amount in Taka	
	31.12.2023	31.12.2022
IPO Process income	135.00	860
Issue Manager Commission income	200,000	50,000
Underwriting Commission	-	2,310,000
BO Documentation	1,000	6,000
Other Income	1,127,929	1,000
BO Closing	4,874	789
CDBL for yearly rebates & Charge Income	90,552	18,260
BO Maintenance, Renewal Fee	5,200	200
	13,278,414	26,948,844
15.00 Salary Allowances & Contribution to P.F. & B.F.		
Salary and Allowance	11,810,124	11,946,426
Leave Encashment	136,240	133,655
Mandatory Leave Allowance	68,120	
Bangla Noboborsho Bonus	85,340	82,529
Incentive & Festival Bonus	1,249,570	1,209,877
Car Allowance	1,018,098	610,485
	14,367,492	13,982,972
16.00 Postage, Telegram, Telephone, Mobile & Stamps etc.		
Postage, Telegram, Telephone, Mobile & Stamps etc.	85,757	115,239
	85,757	115,239
17.00 Stationary, Printing, Advertisement etc.		
Advertisement Exp.	-	-
	117,881	111,370
	117,881	111,370
18.00 Other Expenses		
BSEC Annual Fees	575,000	230,000
BMBA Membership & Annual Fees	100,000	100,000
Subscription, Renewal Fees	21,500	-
RJSC return file & other exp	64,572	-
Entertainment	108,738	991,179
BSEC Road Show		923,500
Local Conveyance	33,330	81,126
Office Extention Work	13,150	-
Car Registration	171,000	852,228
EID Gracia	1,200	8,000
Client Meeting Expenses	20,000	20,671
Bank Charges & Fees	8,225	30,814
Saturday Allowances	6,200	1,400
Repair & Maintenance	326,501	106,510

NOTES OF THE FINANCIAL STATEMENT

For the year ended 31 December, 2023

	Amount in Taka	
	31.12.2023	31.12.2022
Agent Commission	119,654	-
TDS Exp.	-	-
Vat Exp.		-
Office Rent	1,214,400	
Utility Bill	226,216	-
Software Vendor Expenses	10,500	-
Internet and CDBL wan connectivity charges	182,400	162,296
CDBL Charge	107,271	195,998
IPO Bidding fee.	3,000	9,000
Company secretariat Honorarium	240,000	240,000
Closing Allowance	10,000	22,000
	3,562,857	3,974,722
19.00 Provision for Tax		
Opening Balance	30,825,843	27,338,379
Add: Income tax povision during the year	-	3,487,464
Closing Balance	30,825,843	30,825,843
19.01 Provision for Current Tax :		
Operating Profit	(5,161,347)	8,623,225
Less: Gain on Sale of Securities	2,364,039	11,595,989
Less: Divident Income	8,487,327	11,639,323
Less: Profit on MTDR	-	-
Total Business Income	(16,012,713)	(14,612,088)
Income Tax of @ 37.50% on estimated Business Income	-	-
Add: Gain on Sale of Securities (10%)	-	1,159,599
Add: Divident Income (20%)	-	2,327,865
Add: Profit on MTDR (10%)	-	-
	-	3,487,464
20.00 Provision for Investment:		
Opening balance	15,572,332	15,572,332
Addition of Provision for the year	-	-
Less: Adjust from Provision for Investment	-	-
Closing balance	15,572,332	15,572,332

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

as on 31 December, 2023

Schedule-A
Amount in Taka

Particular	Cost				Rate	Depreciation				Written Down Value as at 31 December 2023	Written Down Value as at 31 December, 2022
	Opening Balance 01-01-2023	Addition during the year	Disposal during the year	Balance as at 31 December 2023		Charge for the year	Adjustment during the year	Balance as at 31 December 2023	Written Down Value as at 31 December 2022		
Office Equipment	1,114,181	12,960	-	1,127,141	20%	225,428.20	-	1,008,218	118,923	331,391	
Computer	765,693	204,000	-	969,693	20%	124,793	-	627,806	341,887	262,680	
MB Operating Software	467,775	-	-	467,775	20%	-	-	467,774	1	1	
Total	2,347,649	216,960	-	2,564,609		350,221	-	2,103,798	460,811	594,072	

AIBL Capital Management Limited
INVESTMENT IN SHARES & SECURITIES
 Stock at hand as on 31 December , 2023

Annexure- B

SL	Name of Company	No. of Shares	Amount (at cost)	Market Rate	Market Amount
1	LHBL	80,000	5,559,470.09	69.3	5,544,000
2	AAMRANET	70,000	3,757,286.84	51.3	3,591,000
3	BEACONPHAR	8,925	3,072,962.00	245.00	2,186,625.00
4	BXPHARMA*	882,100	179,024,696.11	146.20	128,963,020.00
5	COPPERTECH	231,920	11,332,821.26	36.90	8,557,848.00
6	DAFODILCOM*	1,002,174	81,480,992.43	84.60	84,783,920.40
7	MALEKSPIN	203,000	8,497,190.00	27.10	5,501,300.00
8	SPCERAMICS	50,000	2,515,412.60	43.00	2,150,000.00
9	ICBAMCLC1U	1,303,050	12,992,084.50	10.00	13,030,500.00
10	BEXIMCO	374,100	58,245,064.60	115.60	43,245,960.00
11	SINOBANGLA	19,000	1,281,268.86	62.90	1,195,100.00
12	ORIONPHARM*	118,500	16,835,197.74	79.60	9,432,600.00
13	GENNEXT	966,221	13,024,659.61	6.10	5,893,948.10
14	SAIFPOWER	750,000	31,360,676.80	29.70	22,275,000.00
15	RSRMSTEEL*	55,000	3,661,128.58	21.00	1,155,000.00
16	EPGL	238,350	10,010,700.00	34.50	8,223,075.00
17	DESCO	1,194,033	75,176,318.02	36.60	43,701,607.80
18	SQURPHARMA*	61,000	14,230,776.81	210.30	12,828,300.00
Total			532,058,706.85		402,258,804.30

Branches of AIBPLC 2024

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, Narayanganj; 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 SME Branch

K K Tower, 559/1, Wilson Road,
Bandar Bazar, Narayanganj; 01826180327

Barmi Branch

Shahjahan Fakir Bhaban, Barmi Bazar,
Sreepur, Gazipur; 01847054694

Bashabo Branch

S P Farida Tower, H # 7, Bashabo Tempu Station Road,
Sabujbagh, Dhaka; 01712032254

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; 01793592994

Bhairab Branch

Munshi Bhaban, Kolapatty Mor, Bhairab,
Kishorgonj; 01817032726

Bhelanagar Branch

R. I. Shopping Complex (1st floor), Jaikhanar Mor,
Bhelanagar, Narshingdi; 01811487868

Daxminkhan Branch

90 L.K. Plaza, Dakshinkhan Bazar, Dakshinkhan,
Dhaka; 01817032728

Dhanmondi Branch (AD)

S A Tower, H#54/1, R#4/A, Satmasjid Road, Dhanmondi,
Dhaka; 01819557840

Dilkusha Branch (AD)

Amanullah Babhan, 63, Dilkusha C/A, Dhaka; 01766677411

Elenga Branch

Molla Complex, H # 1386-88, Elenga Bus Stand,
Kalihati, Tangail; 019767423226

Faridpur Branch

Shamsul Ulum Madrasa Biponi Bitan, 15/75, Mujib Sarak,
Faridpur; 01864554466

Fulbaria Branch

Haji Joynal Abedin Sarker Plaza, Fulbaria, Kaliakoir,
Gazipur; 01847054692

Gawsia Branch

Bhai Bhai Complex, Golakandail, Rupgonj,
Narayanganj; 01791418011

Gazipur Branch

Al-Razi Tower, H # K-280, BIDD 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; 01833330272

Gulshan Link Road Branch

H # 204/B-2, Tejgaon, Gulshan Link Road,
Dhaka; 01711351761

Hazaribagh Branch

149, Hazaribagh Bazar, Dhaka; 01819255297

Head Office Corporate Branch (AD)

Al-Arafah Tower (1st & 2nd Floor), 63, Purana Paltan
(Daynik Bangla Mor), Dhaka; 01811483199

Hemayetpur Branch

Asha Plaza (1st Floor), Hemayetpur Bus Stand,
Hemayetpur, Savar, Dhaka; 01722011838

Islampur Branch

29-31, Islampur Road, Dhaka-1100; 01841226653

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; 01732201003

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; 01716323639

Kamrangirchar Branch

Hazi Kamal Super Market, Kamrangirchar,
Dhaka; 01825928909

Kapasias Branch

Monihar Plaza, Main Road, Kapasia Bazar,
Kapasias, Gazipur; 01671973077

Kathgora Bazar Branch

Sarkar Plaza, Dewan Idris Road, Ashulia,
Savar, Dhaka; 01784181877

Kazirhat Branch

Mosjid Market, Kazirhat, Jajira Shariatpur; 01717527797

Kawranbazar Branch

Dhaka Trade Centre, 99, Kazi Nazrul Islam Avenue,
Kawran Bazar, Tejgaon, Dhaka; 01819272786

Keranigonj Branch

Haridia Shopping Complex, Kadamtoli, Keranigonj, Dhaka;
01715114809

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; 01711733734

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; 01811416703

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,
Narayanganj; 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; 01720545589

Motijheel Branch (AD)

Rahman Mansion, 161 Motijheel C/A, Dhaka; 01777653666

Motijheel Corporate Branch (AD)

125, Motijheel C/A, Dhaka; 01811458733

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

Narayanganj Branch (AD)

71, B.B. Road, Narayanganj; 01811487867

Natun Bazar Baridhara Branch

1209 Madani Avenue, Natun Bazar Dhaka; 01711642356

Nawabpur Road Branch (AD)

85/87, Nawabpur Road, Dhaka; 01787-697347

Nayapur Branch

Nayapur Shopping Center, Nayapur Bazar,
Narayanganj; 01811487863

New Elephant Road Branch (AD)

91, New Elephant Road, Dhaka; 01794705523

New Market Branch

Kazi Mansion 2/1 Elephant Road,
New Market, Dhaka; 01716256929

North South Road Branch (AD)

96, Shaheed Syed Nazrul Islam Sharoni,
Bongshal, Dhaka; 01811410075

Pagla Branch

Alhaji 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; 01811487864

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; 01712652099

Ruhitpur Branch

Sun Plaza Market, Ruhitpur Bazar, Keranigonj,
Dhaka; 01811418222

Shantinagar Branch

24/1 Shan Tower, Chamelibagh, Shantinagar,
Dhaka; 01894941342

Signboard Branch

Signboard, Fatulla, Narayangonj; 01894941343

Shokhipur Branch

Bhai Bhai Complex, Kachua Road, Shokhipur,
Tangail; 01758039606

Shyamoli Branch

13/1 Ring Road, Shyamoli, Dhaka; 01718711511

Sonargaon Janapath Road Branch

Plot#30 (Near Zam Zam Tower), Sector#11, Sonargaon Janapath
Road, Uttara, Dhaka; 01911711950

South Jatrabari Branch

Younus Mansion House, 314-A/4 South Jatrabari,
Dhaka; 01811418204

Tangail Branch

Habib Complex, 77-78, Victoria Road, Tangail; 01786355000

Tekerhat Branch

Hawladar Tower, H # 975, Tekerhat Bazar,
Rajoir, Madaripur; 01726408722

Tongi Branch

Shahjahan Mansion, H # 8, Charag Ali Market,
Tongi, Gazipur; 01811409342

Tejgaon Branch

Famroze Tower, 159/D, Tejgaon I/A, Dhaka; 01716313337

Uttara Model Town Branch (AD)

H#13, R # 14/A, S-4, Uttara, Dhaka; 01819261382

VIP Road Branch (AD)

Ridge Ahmed Square, 50/1, Inner Cercular (VIP) Road,
Dhaka; 01819411415

MYMENSINGH DIVISION**Jamalpur Branch**

1419-00 Medical Road, Jamalpur Sadar,
Jamalpur; 01814659130

Mymensingh Branch

70, Choto Bazar, Mymensingh; 01819261297

Masterbari Branch

Masterbari, Bhaluka, Mymensingh; 01713572333

Netrokona Branch

274, Choto Bazar, Netrokona; 01777754849

Sreebordi Branch

Poura Super Market, H # 7/126, Sreebordi Chowrasta,
Sreebordi, Sherpur; 01718580767

CHATTOGRAM DIVISION**Agrabad Branch (AD)**

96, Agrabad C/A, Chattogram; 01819310770

Akhaura SME Branch

S. R. Complex (1st floor) Sarak Bazar, Akhaura,
B.Barua; 01740-619012

Aman Bazar Branch

AIPL Amanat Shah Palza (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

Jamey Masjid Market, Azadi Bazar, Fatikchhari, Chattogram; 01629408998

Bandarban Branch

Bandarban Bazar Sarak, Bandarban Sadar, Bandarban; 01847367128

Bandartila Branch

Malek Plaza, South Haliashahar, 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; 01837011463

Bhatiary Branch

0866 Sitakunda, Chattogram 01877185532

Bizra Bazar Branch

Madrassa Complex Bhaban, Bizra Bazar, Laksham, Cumilla; 01710635790

Boalkhali Branch

Well Foyez Center (1st Floor), Gumdondi, Fultali, Boalkhali, Chattogram; 01817751748

Brahmanbaria Branch

Mosjid Road, Bhuiyan Mansion, Brahmanbaria Sadar, B-Baria; 01827563888

Chambol Branch

Chambol, Bashkhali, Chattogram; 01853079667

Chandina Branch

Ahmed Ali Complex, Thana Road, Chandina, Cumilla; 01716387752

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, Muradnagar, Cumilla; 01712235569

Court Bazar Branch

Fazal Market, Court Bazar, Ukhiya, Cox's Bazar; 01818461004

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; 01894941347

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

Firingi Bazar Branch

H # 211, Kobi Nazrul Islam Road, Firingi Bazar, Katwali, Chattogram; 01841123008

Gallai Branch

Abeda Noor Foundation Complex, Gallai, Chandina, Cumilla; 01886219672

Gohira Branch

Gohira Digri 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; 01972704937

Hajigonj Branch

Hajigonj Tower, 762 Hajigonj, Chandpur; 01614650812

Haliashahar Branch

1655, P. C. Road, Nayabazar Circle, Haliashahar, 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; 01712836797

Jubilee Road Branch (AD)

Kader Plaza, 221, Jubilee Road, Chattogram; 01819315480

Kadamtoli Branch

Hazi Sayedur Rahman Mansion, 376, D. T. Road,
Kadamtali, Chattogram; 01847114430

Karnafuly Branch

Anowar City, Puratan Bridge Ghat, Charpaharghata,
Karnafuly, Chattogram; 01886330315

Keranihat Branch

Jogendra Market, Keranihat, Satkaniya,
Chattogram; 01977249655

Khatungonj Branch (AD)

1625/1351 Ramjoy Mohajon Lane, P. O. Goli,
Khatungonj, Chattogram; 01919297699

Khulshi Branch

Yousuf Tower, 71/1 Zakir Hossian Road,
Khulshi, Chattogram; 01858709493

Kutibazar Branch

Siraj Plaza, Kutibazar, Kasba B.Barria; 01768722151

Lakshampur Branch

Akota Super Market, 1310-12 Bazar Main Road,
Tamij Market, Lakshampur; 01720561020

Laksham Branch

Al-Madani Tower, H # 639, Bank Road,
Laksham, Cumilla; 01844584333

Lichubagan Branch

Toiyabia Complex, Lichubagan,
Rangunia, Chattogram; 01886544336

Matiranga Branch

B. Nawab Shopping Complex, 96, Matiranga Bazar,
Khagrachhari, Chattogram; 01888154268

Maizdeecourt Branch

ID Bhaban, 1453 Maizdeecourt Noakhali; 0158150920

Muradpur Branch

Islam Tower, 59, CDA Avenue, Muradpur,
Panchlaish, Chattogram; 01965881111

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; 01615913786

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

Kalpotoru 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; 01711306700

Station Road Branch

Hotel Sobhan, 108, Station Road, Reazuddin Bazar,
Chattogram; 01814651011

Tantarbazar SME Branch

Haji Lal Mia Market, Tantar Bazar Akhaura,
Brahmanbaria; 01743244344

Teknaf Branch

Al-Jamia Market, Teknaf Bus Station Main Road,
Cox's Bazar; 01833112924

SYLHET DIVISION**Amborkhana Branch**

4877, 4874 Nabiba Complex, Amborkhana,
Sylhet; 01777767929

Beanibazar Branch

825, South Beani Bazar, Sylhet; 01713409987

Dakshin Surma Branch

Fayzur Rahman Bhaban, Dakshin Surma,
Sylhet; 01718128388

Gobindagonj Branch

Hossen Ali Complex, Gobindagonj Bazar,
East Rampur, Chhatok, Sunamgonj; 01847367125

Laldighirpar Branch (AD)

Reasot Tower, 1795 Laldighirpar, Sylhet; 01819550426

Madhabpur SME Branch

H-0006-000 Kalibari Road, W-07,
Madhabpur Hobigonj; 01926697968

Moulvibazar Branch

Farhad Plaza, H # 73, Dhaka-Sylhet Highway,
Moulvibazar; 01714000907

Sreemangal Branch

1450 Central Road, Ruposhpur, Sreemangal,
Moulvibazar; 01711431173

Shahjalal Upashahar Branch

H # 0706-00 R # 35 B # D, Shahjalal Upashahar,
Sylhet; 01712487493

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

Chuadanga Branch

Molla Tower-2, Hotel Royal Blue (1st Floor), Shahid Alaul Islam
Khokon Sarak (VJ School Road), Chuadanga; 01911664695

Chuknagar Branch

S F Tower, Khulna Satkhira Road,
Chuknagar Bazar, Dumoria, Khulna; 01720003757

Doulatpur Branch

419/2 Upper Jeshore Road, Doulatpur, Khulna; 01818639871

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; 01911929293

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; 01712236127

Kolaroa Branch

H # 5839, Kolaroa Bazar, Kolaroa, Satkhira; 01718383840

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; 01923333575

Narail Branch

Mustary Complex (1st Floor), Rupgonj Bazar,
Narail ; 0118982844

Nolta Branch

Nolta Sharif Super Market, Nolta Kaligonj,
Satkhira; 01732569143

Noapara Branch

H # 73, Nurbag Mor, Noapara Bazar, Avoyngar,
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; 01953359768

Shyamnagar Branch

J. C. Complex, Shyamnagar Main Road,
Shyamnagar, Satkhira; 01980746172

Terokhada Branch

Soudi Market Bhaban, Terokhada, Khulna; 01711155978

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

Jahangir Plaza, 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; 01715251330

Patuakhali Branch

95/1, Sadar Road, Patuakhali Sadar, Patuakhali; 01793205621

Pirojpur Branch

H # 420 Lawer's Plaza, Post Office Road, Pirojpur; 01710850300

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; 01719127048

Mohadepur Branch

Hore Shopping Complex, Near Bus Stand Jame Masjid Road,
Mohadepur, 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; 01718219226

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

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