Annual Report 2016

আল-আরাফাহ্
ইসলামী ব্যাংক লিমিটেড
العرفة اسلامی بنك لميتيد
Al-Arafah Islami Bank Limited

AMARSTOCK


Allah permitteth trading and forbideth usury
Sura Bakara-275



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QUR'ANIC VERSES ON INTEREST

"Those who swallow Riba (usury) cannot rise up save as he ariseth whom the devil hath prostrated by (his) touch. That is because they say: Trade is just like usury: whereas, Allah permitteth trading and forbideth usury: He unto whom and admonition from his Lord cometh and (he) refraineth (in obedience thereto). He shall keep (the profits of) that which is past. And his affair hence-forth is with Allah. As for him who returneth (to Riba) such are rightful owners of fire. They will abide therein. (2:275) "0, Ye who believe, fear Allah, and give up what remaineth (due to you) from usury, if ye are (in truth) believers. If you do it not, take notice of war from Allah and His messenger." (2:278-279)

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HADITH ON INTEREST

- "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)

- 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)

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



BOARD OF DIRECTORS

Chairman

Alhajj Abdus Samad

Vice Chairman

Alhajj Abdus Salam

Member

Alhajj Badiur Rahman
Alhajj Md. Harun-ar-Rashid Khan
Alhajj Nazmul Ahsan Khaled
Alhajj Abdul Malek Mollah
Hafez Alhajj Md. Enayet Ullah
Alhajj Ahamedul Haque
Alhajj Abu Naser Mohammad Yeahea
Alhajj Engr. Kh. Mesbahuddin Ahmed
Alhajj Niaz Ahmed
Alhajj Md. Anowar Hossain
Alhajj Mohammed Emadur Rahman
Dr. Md. Shafiul Haider Chowdhury (Alternative Director of Alhajj Badsha Meah)
Alhajj Anwar Hossain (Alternative Director of Alhajj Mohammed Haroon)
Alhajj Md. Liakat Ali Chowdhury
Alhajj Salim Rahman
Khalid Rahim FCA
Faruq Ahmad Siddiqi
Md. Amir Uddin PPM

Ex Officio Director

Managing Director

Md. Habibur Rahman

Company Secretary

Abdul Hannan Khan



BOARD OF DIRECTORS

Executive Committee (EC)

Chairman
Hafez Alhajj Md. Enayet Ullah

Vice Chairman
Alhajj Salim Rahman

Member
Alhajj Badiur Rahman
Alhajj Abdul Malek Mollah
Alhajj Nazmul Ahsan Khaled
Alhajj Abu Naser Mohammad Yeahea
Alhajj Engr. Kh. Mesbahuddin Ahmed

Board Audit Committee (BAC)

Chairman
Faruq Ahmad Siddiqi

Member
Alhajj Md. Harun-ar-Rashid Khan
Alhajj Abdus Salam
Alhajj Niaz Ahmed
Khalid Rahim FCA

Risk Management Committee (RMC)

Chairman
Alhajj Mohammed Emadur Rahman

Member
Alhajj Abdus Samad
Alhajj Engr. Kh. Mesbahuddin Ahmed
Alhajj Md. Liakat Ali Chowdhury
Md. Amir Uddin PPM

Shariah Supervisory Committee

Chairman
Mufti Sayeed Ahmad Muzaddedi

Member
Mufti Muinul Islam
Mufti Shahed Rahmani
Mawlana Mohammad Abdul Hai Nadvi
Al-Hajj A.Z.M. Shamsul Alam
Alhajj Abdus Samad (Labu)

Secretary
Md. Abdur Rahim Khan



MANAGEMENT TEAM

Managing Director
Md. Habibur Rahman

Deputy Managing Director
Md. Rezaur Rahman
Kazi Towhidul Alam
Md. Abdul Jalil
Md. Fazlul Karim
Muhammad Mahmoodul Haque
S. M. Jaffar

Principal
Md. Nurul Islam Khalifa

Executive Vice President
Muhammed Nadim
Syed Masodul Bari
Shaikh Mohammad
Md. Atiqur Rahman
Md. Mujibul Quader
Abed Ahmed Khan
M. Tariqul Islam
Md. Abdullah Al-Mamun
Md. Abdur Rahim Duary
Manir Ahmad
Md. Manjur Hasan
Abdul Hannan Khan

Senior Vice President
A. N. M. Mofidul Islam
Engineer Md. Habib Ullah
Md. Abul Hossain
A. K. M. Amzad Hossain
Md. Monjurul Alam
M. Abul Quassem
Md. Aminul Islam Bhuiyan
Md. Mujibur Rahman
A. T. M. Mostafizur rahman
Md. Sharif Uddin Pramanik
S. M. Kowsar
Iqbal Hossain Ahmed
Mohammed Hossain
S. M. Abu Jafar
Md. Mahboob Ghani Huq
Md. Asaduzzaman Bhuiyan
Md. Golam Sarwar
Md. Idris Ali
Aktar Kamal
Md. Mazharul Islam
Md. Obaydul Islam
Md. Mujahid Khalid
Majibur Rahman
Md. Zakir Hossain Bhuiya
Md. Harunoor Rashid
Md. Soheb Ahmed
M. A. S. Jalal Azad
Md. Masudur Rahman
Mohammad Azam
Md. Sanaullah
Md. Aminur Rahman

Vice President
Mohd. Yahya
Md. Abul Basher
Md. Rajibul Islam Bhuiyan
Md. Azharul Islam
A. K. M. Sazzad Hossain
Md. Zahidul Islam
Md. Mostafizur Rahman
Md. Nazmul Huda
Md. Abdur Rahim Sarder
Md. Mizanur Rahman
Md. Sultan Mahmud
Monir Ahammad
Md. Showkat Islam
Md. Nizamul Haque Chy.
Md. Abul kalam
C. G. M. Asaduzzaman
Md. Hedayeatul Islam
Md. Shah Jalal Sheikh
Md. Zakir Hossain
Md. Aminul Islam
Masudur Rahman Khalifa
Md. Monir Hossain
M. M. Saiful Islam
Kamal Hossain
Md. Mogreb Ali
Ishtiaq Ahmed
Md. Habibullah Bahar
Md. Mainul Islam
Md. Sharif Chowdhury
Mahbub Hasan
Md. Asif Chowdhury
Md. Fazlur Rahman Ashrafi
Md. Hashim Uddin
Md. Lokmanur Rahman
Ashraf Hossain
Jashim Ahmed Chy.
Mohammad Ullah
Mohammad Azmal Hoque



MANAGEMENT TEAM

Md. Abdul Mannan Akhand
S. M. Zabidul Haque
Md. Ferdous Hassan
Jalal Ahmed
Md. Majiber Rahman
Md. Nazrul Islam
Md. Jahangir Alam
Md. Nahid Hossain
Md. Shamsul Huda Babar
Md. Salamat Ullah
Md. Kabir Ahamed
Touhid Siddique
Md. Abdul Mobin

Assistant Vice President

Mohd. Ziaul Karim Chow.
Md. Asaduzzaman Khan
Jalal Ahmad
Md. Zahid Hasan
Md. Mahbubul Hoque
Khondoker Monirul Haque
A. K. M. Fokhrul Islam
Md. Abdul Jabbar
Mirza Mohidul Islam
Md. Rafiqul Islam
Ashik Ahmed Siddikey
Imroz Chowdhury
Abdul Malek
Md. Shamsul Kabir
Md. Alamgir
Jahangir Alam
Md. Rafiqul Islam
Md. Shahjahan
Md. Muzakkerul Hoque
Md. Mizanur Rahman
A. M. M. Arif Billah Mithu
Md. Abdur Rahim Khan
Md. Zahurul Hoque
Md. Shah Alam
Md. Moklesur Rahman Khan
M. M. Shamsul Alam
Md. Aminur Rahman
Md. Shafi Mahmood
Md. Abu Hanif
H. M. Zakir Khan
Mohammad Nurul Karim
Md. Kamruzzaman
Khandakar Nazmul Islam
Md. Amjad Hossain
Sharif Golam Kawsar
Motahar Uddin Ahmed
Mohd. Salahuddin Mamun
Md. Asaduzzaman
Md. kamrul Islam
Nur Mahbub Khan
Kazi Md. Sadik
Md. Anowarul Alim Khan
Md. Jamal Uddin Mahmud
Md. Zahid Hossain
A. S. M. Gouch Uddin Siddiquee
Shahadat Ali
Md. Mustafizur Rahman
Md. Mustaque Ahamed Mollah
Md. Kamrul Islam
Md. Alauddin
Syed Ariful Islam
Md. Enayet Fakir
Syed Taslim Alam
Mohd. Delowar Hossain
Mahbubul Amin
Mohd. Ashiqur Rahman
Md. Abul Hossain
Md. Abdur Rahim Sarder
Md. Yusuf Sharif
Md. Golam Quddus Talukder
Md. Abul Hossain Saju
Md. Humayun Kabir Sardar
Md. Mujibur Rahman
Md. Momtajul Hoque
Md. Golam Arfin
Md. Zamshed Hossain Sarker
Md. Mushfiqur Rahman
Md. Maniruzzaman
Md. Akber Hussain
Md. Maynal Hossain
Syed Ariful Bari
Md. Shakhawat Ullah
Mollah Khalilur Rahman
Md. Mijanur Rahman
Mohammad Ismail Hossain
Gazi Abdur Rahman Aminy
Md. Towhidul Islam
Md. Abdur Rahman Bhuiyan
Ahamuduzzaman



VISION, MISSION & COMMITMENTS

Vision

• To be a pioneer in Islami Banking in Bangladesh and contribute significantly to the growth of the national economy.

Mission

- Achieving the satisfaction of Almighty Allah both here & hereafter.
- Proliferation of Shariah Based Banking Practices.
- Quality financial services adopting the latest technology.
- Fast and efficient customer service.
- Maintaining high standard of business ethics.
- Balanced growth.
- Steady & 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 making sound and steady growth in both mobilizing deposit and making quality Investment to keep our position 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.

• Our business initiatives are designed to match the changing trade industrial needs of the clients.

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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	9,943.06 Million
Local Partnership of Capital	100%
Equity	21,337.48 Million
Number of Branches	140
Deposit	199,703.92 Million
Investment	196,519.38 Million
Number of Employees	3,070
Number of Shareholders	36,695



Honorable Chairman, Directors & Managing Director of AIBL are seen on the dais at the 21st Annual General Meeting

CORPORATE INFORMATION

Auditors
KHAN WHABH SHAFIQUE RAHMAN& CO.
Chartered Accountants
Rupali Bima Bhaban (5th Floor)
7, Rajuk Avenue, Motjheel,Dhaka- 1000

HODA VASI CHOWDHURY & CO.
Chartered Accountants
BTMC Bhaban (8th Level)
7-9 Kawran Bazar C/A, Dhaka- 1000

Company Secretary
Abdul Hannan Khan

Registered Office
Peoples Insurance Building
36, Dilkusha Commercial Area
(6th - 9th Floor), Dhaka-1000

Tel: PABX : 9567885, 9567819, 9569353, 9568007, 9560198, 47119130-2
Fax : 880-2-9569351
SWIFT : ALARBDDH
E-mail : info@al-arafahbank.com, Web : www.al-arafahbank.com



A section of the honorable Shareholders attending the 21st Annual General Meeting of the Bank

আল-আরাফাহ্
ইসলামী ব্যাংক লিমিটেড
العرفة اسلامى بنك لميتيد
Al-Arafah Islami Bank Limited

NOTICE OF THE 22nd ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of Al-Arafah Islami Bank Limited will be held on Saturday the 6th May, 2017 at 10.00 a.m. at "**Officers Club, 26, Baily Road, Dhaka**" to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Directors' Report, Audited Statements of Accounts with Auditors' Report thereon for the year ended on 31st December, 2016
2. To declare Dividend for the year 2016
3. To appoint auditors of the company for the term until the next Annual General Meeting and to fix their remuneration.
4. To elect/re-elect/confirm Directors
5. To transact any other business with the permission of the chair

All the Hon'ble Shareholders of the company are requested to make it convenient to attend the meeting in time.

By order of the Board

(Abdul Hannan Khan)
Company Secretary
Date: Dhaka
28th March, 2017
Phone: 47118437

NOTES:

1. Shareholders whose names appear in the Register of members as at the close of business on the ''Record Date'' i.e. 18 April, 2017 will be eligible to attend the Annual General Meeting (AGM) and vote there at.
2. A member will be eligible to attend and vote at the Annual General Meeting (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;
3. The Shareholders, who are interested to put questions, are requested to send the same to the Share Department, Rahman Mansion (1st floor), 161, Motijheel C/A, Dhaka-1000 before 7 days of AGM.
4. Attendance of the Members/Shareholders/Attorney/Proxy's will be recorded up to 10.00 A.M. at the Registration Counter on the day of the meeting;
5. Election rules and schedule thereto will be available at the Share Department of the Bank at 161,Rahman Mansion, Motijheel C/A (1st floor), Dhaka-1000

বি.দ্রঃ বিএসইসি নটিফিকেশন নং SEC/SRMI/2000-953/1950 dated 24th October, 2000 এবং Circular No. এসইসি/ সিএমআরসিডি/ ২০০৯-১৯৩/১৫৪, তারিখ ২৪ অক্টোবর, ২০১৩ এর পরিপালনার্থে বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কুপন প্রদানের ব্যবস্থা থাকবে না।

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5 Year Financial Highlights

Taka in million

Particulars	2012	2013	2014	2015	2016	Growth %
Income Statement						
Investment Income	14,998.60	17,966.32	19,725.91	18,568.00	18,830.15	1.41
Profit paid on Deposit	9,710.48	12,107.71	12,616.77	11,073.01	9,957.73	(10.07)
Net Investment Income	5,288.12	5,858.61	7,109.14	7,494.99	8,872.42	18.38
Non Investment Income	1,693.98	1,757.09	2,485.88	2,511.94	2,791.54	11.13
Non Investment Expenses	2,226.56	2,667.14	3,261.57	3,646.78	4,152.93	13.88
Net Non Investment Income	(532.58)	(910.05)	(775.69)	(1,134.84)	(1,361.39)	19.96
Profit Before Tax & Provision	4,755.54	4,948.56	6,333.45	6,360.15	7,511.03	18.10
Provision For Investment	811.44	588.15	1,846.86	1,796.68	1,547.87	(13.85)
Profit Before Tax	3,944.10	4,360.41	4,486.59	4,563.47	5,963.16	30.67
Provision For Tax (including Deferred Tax)	1,998.69	2,083.73	2,161.64	2,097.59	2,613.76	24.61
Profit After Tax	1,945.41	2,276.68	2,324.95	2,465.88	3,349.40	35.83
Balance Sheet						
Authorized Capital	10,000.00	15,000.00	15,000.00	15,000.00	15,000.00	-
Paid up Capital	7,130.98	8,343.25	9,469.58	9,469.58	9,943.06	5.00
Reserve Funds & Other Reserve	4,079.63	4,827.20	5,620.87	6,432.32	7,468.16	16.10
Shareholders' Equity (Capital & Reserve)	14,050.69	16,091.17	18,159.52	19,236.07	21,337.48	10.92
Deposits	118,683.39	140,980.55	166,851.17	169,887.08	199,703.91	17.55
Investment	106,650.42	125,715.39	146,740.37	162,503.14	196,519.38	20.93
Investment in Shares & Securities	5,511.24	7,138.93	9,120.90	8,851.13	9,058.68	2.34
Fixed Assets	2,394.62	2,517.22	2,661.11	3,057.38	3,240.18	5.98
Total Assets (Excluding off-balance sheet items)	149,320.36	173,161.63	210,439.01	229,106.66	272,900.04	19.11
Foreign Exchange Business						
Import Business	71,931.70	85,915.00	101,244.70	107,049.80	118,786.60	10.96
Export Business	58,476.60	68,980.30	75,843.90	79,362.90	88,152.20	11.07
Guarantee Business	1,955.72	2,006.61	3,365.27	4,471.41	4,981.34	11.40
Inward Foreign Remittance	23,120.40	7,042.50	8,541.10	9,498.00	11,735.40	23.56
Capital Measures						
Core Capital (Tier-I)	13,073.14	15,113.62	17,181.97	18,244.48	20,359.39	11.59
Supplementary Capital (Tier-II)	1,731.59	1,511.75	1,732.06	4,828.03	5,095.97	5.55
Tier-I Capital Ratio	10.38	13.33	12.74	13.17	11.92	(9.43)
Tier-II Capital Ratio	1.37	1.33	1.28	3.48	2.98	(14.33)
Total Capital	14,804.73	16,625.37	18,914.03	23,072.51	25,455.36	10.33
Total Capital Ratio	11.75	14.66	14.03	16.65	14.91	(10.45)
Investment Quality						
Volume of Non-Performing investment	1,783.60	3,598.83	6,982.60	7,713.67	8,994.98	16.61
% of NPIs to Total investment	1.63	2.77	4.50	4.66	4.54	(2.58)
Provision for Unclassified investment	1,021.15	749.60	938.27	1,090.27	1,352.83	24.08
Provision for Classified investment	711.63	1,128.03	1,518.78	2,100.27	2,586.67	23.16
Provision for Off Balance sheet Exposures	221.66	273.37	305.01	346.75	449.88	29.74
Share Information						
Number of Shares Outstanding	713,098,010	834,324,671	946,958,503	946,958,503	994,306,428	5.00
Earning per Share (Taka)	2.03	2.46	2.20	2.25	3.07	36.48
Book Value per Share (Taka)	19.70	19.29	19.18	20.31	21.46	5.64
Market Price per Share (Taka)	24.29	19.10	14.90	14.70	15.90	8.16
Price Earning Ratio (Times)	11.97	7.76	6.77	6.53	5.18	(20.75)
Price Equity Ratio (Times)	1.23	0.99	0.78	0.72	0.74	2.19
Dividend per Share						
Cash Dividend (%)			14.00	10.00	20.00	100.00
Bonus Share	17	13.50	-	5.00	-	(100.00)
Operating Performance Ratio						
Net Profit Margin%	5.88	5.70	5.88	4.91	4.60	(6.37)
Investment /Deposit Ratio	90.56	88.74	84.58	88.59	88.50	(0.10)
Return on Equity (ROE)%	13.85	14.15	12.80	12.82	15.67	22.21
Return on Assets (ROA)%	1.30	1.31	1.10	1.08	1.23	14.21
Cost of fund %	12.34	11.02	10.85	9.18	7.92	(13.73)
Cost /Income ratio in operating business (%)	31.89	35.02	33.99	36.44	35.60	(2.30)
Other Information						
Number of Branches	100	110	119	129	140	8.53
Number of Employees	2,110	2,387	2,649	2,810	3,070	9.25
Number of Shareholders	52,739	58,466	52,007	44,427	36,695	(17.40)



ECONOMIC IMPACT REPORT

Economic impact can be defined as any increase or decrease in productive potential of an economy. 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 distribute 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 2016, total value added by AIBL was BDT 8,631.57 million as against BDT 6,899.06 million in 2015. Bank's direct contribution to the economy was BDT 2,613.76 million in the form of corporate income tax. The Bank distributed BDT 2,705.24 million for its total 3,070 officials in 2016 as against that of BDT 2,339.67 million for 2,810 in 2015.

At the end of 2016, the Bank mobilized total deposits of BDT 199,703.91 million and aided the economy in meeting its growth target by deploying BDT 196,519.38 million as investment to different sectors of the economy. Apart from these, the Bank performed significant import and export business.



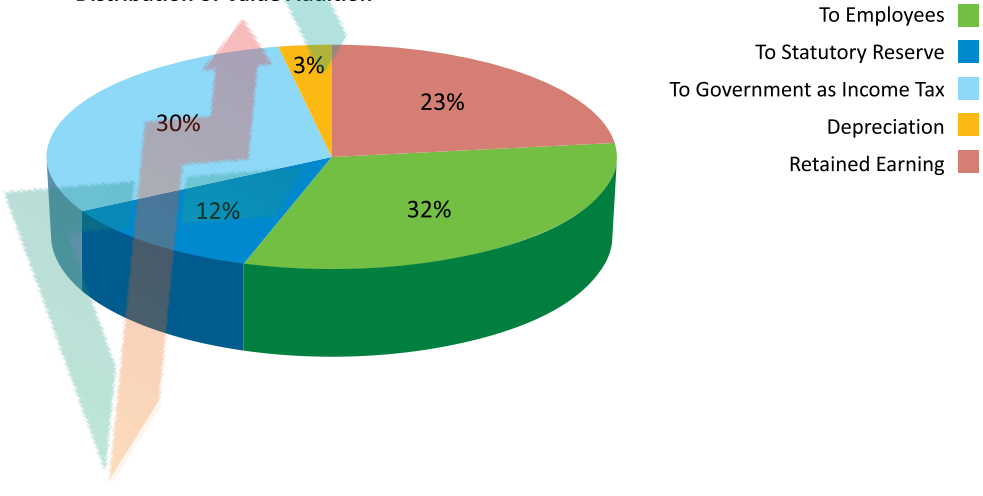
VALUE ADDED STATEMENT

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	2016	2015
Income from Banking Service	21,621.69	21,079.94
Cost of Services & Supplies	(11,442.25)	(12,384.20)
Value added by Banking Services	10,179.44	8,695.74
Provision for Investment & Off balance Sheet Items	(1,547.87)	(1,796.68)
Total Value Addition	**8,631.57**	**6,899.06**
Value Distributed		
To Employees	**2,705.24**	**2,339.67**
To Statutory Reserve	1,049.36	797.41
To Government as Income Tax	2,613.76	2,097.59
Depreciation	259.18	226.63
Retained Earnings	2,004.03	1,437.76
Total Value Distributed	**8,631.57**	**6,899.06**

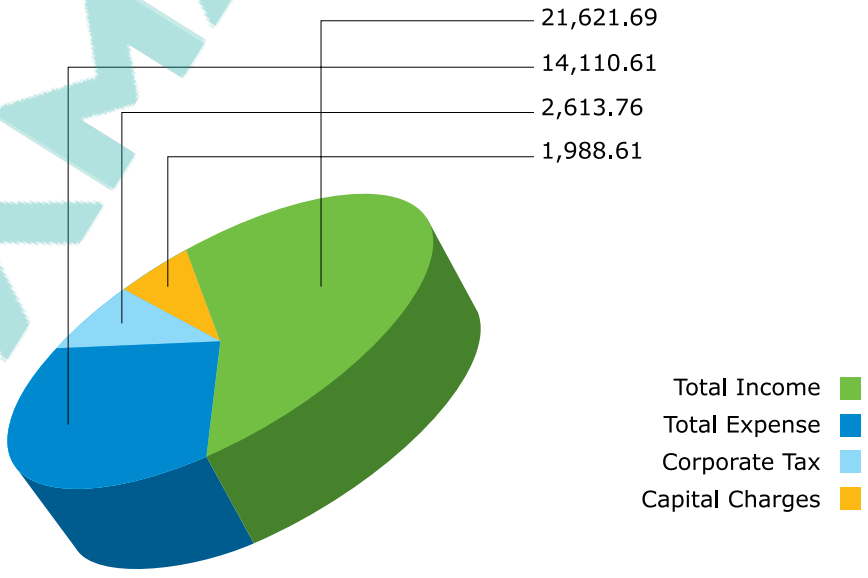
Distribution of Value Addition



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 2,908.66 million as on 31 December 2016 as against that of BDT 2,936.82 million in 2015

Particulars	2016	2015
Shareholders' Equity	21,379.12	19,236.07
Total Income	21,621.69	21,079.94
Total Expenses	(14,110.61)	(14,719.79)
Corporate Tax	(2,613.76)	(2,097.59)
Capital charge	(1,988.61)	(1,325.74)
Economic value Addition	**2,908.66**	**2,936.82**



* Capital Charges = Paid up capital X percentage of Dividend

MARKET VALUE ADDED STATEMENT

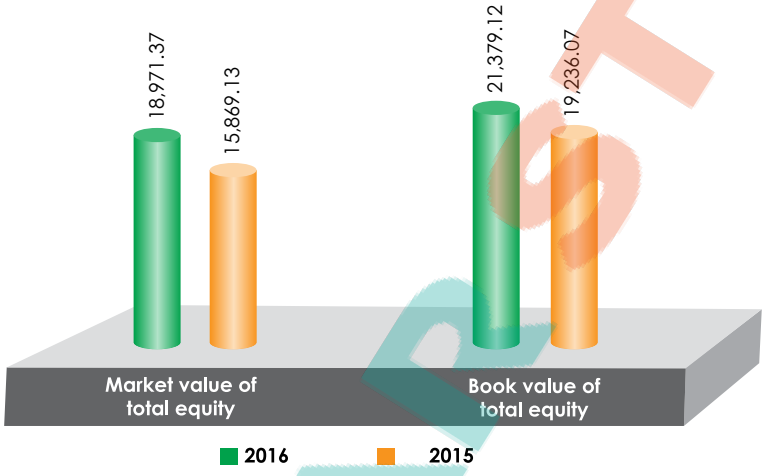
Market Value Added (MVA) is the difference between the equity market value of the company and the book value of equity invested in that company. Market Value Added Statement indicates how much wealth has been created for the capital providers in a particular period of time. A high market value addition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

Particulars	2016	2015
Market value of Total Equity	18,971.37	15,869.13
Book value of Total Equity	21,379.12	19,236.07
Market value Addition	(2,407.75)	(3,366.94)



Donation to the Honorable Prime Minister's Fund under Corporate Social Responsibility (CSR)

MARKET VALUE ADDITION



Total number of share outstanding: 994,306,428 (946,958,503)*

Market value per share: BDT 15.90 (14.70)*

* Previous Year's figures in brackets.



The Bank celebrated its 21st year of inauguration this year



CHAIRMAN'S ADDRESS

Bismillahir Rahmanir Rahim

All praise be to the Almighty Allah, Lord of the Universe and peace and blessings of Allah be upon the Prophet Mohammad (SM) and his descendants & companions.

Dear Shareholders

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

It is my great pleasure to welcome you all to the 22nd Annual General Meeting of the Shareholders of the Bank. On behalf of the Board of Directors and myself, I would like to express my heartfelt thanks and profound gratitude to all of you for your continuous support and guidance to run the Bank. Alhamdulillah, we have successfully closed the books & accounts of the company for the year 2016.

All of us know that due to some unavoidable circumstances, the business in the year 2016 was not good enough for any of the banks and financial institutions in the country. In spite of that we have achieved all business targets for year 2016.

As trusted by you with the great responsibility to take care of this institution, the Board of Directors is always keen and active to take actions in favour of the Bank. This year we are focusing on developing the quality of our human resources, increasing the amount of low cost deposit which will ultimately enhance the deposit mix and also on the SME sectors. We are concentrating to make our human resources more capable and technologically developed so that they can cope with the changing environment and serve our valued clients efficiently and effectively.

Sensing the upcoming threats and adverse business situation, I as the Chairman of the Board of Directors have strictly advised our Management to be cautious in all areas of business including quality of investments, recovery process as well as overhead expenses.

Trusting upon Almighty Allah, believing our Shareholders confidence on us and knowing our abilities to achieve the goal, I have declared the year, the year when we start our mission, to be "The Best Islami Bank" in the country. I believe with all our honesty, integrity, efficiency and most of all with our strictness to comply with Shari'ah and Regulatory directions in every point, Insha Allah we shall be able to reach our goal to be recognized as the best Islamic Bank in Bangladesh.

Overall Performance

By the grace of Almighty Allah (SWT) Al-Arafah Islami Bank has overcome the challenges of 2016 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 Shari'ah 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. 7,511.03 million during the year an increase by Tk. 1,150.88 million over the previous year. The return on equity recorded at 15.67% while earnings per share (EPS) stood at Tk. 3.07.

Total assets of the Bank rose to Tk. 272,467.55 million during the year showing a growth of 18.93% over the previous year.

Deposits of the Bank stood at Tk. 199,703.91 million increased by Tk. 29,816.83 million during 2016 and growth rate 17.55%.

Our Bank always maintained investment-Deposit Ratio (IDR) at required level throughout the year and thus the Bank maintained its risk free liquidity ensuring maximum earnings from the deployed fund.

We have tried our best to make investment maintaining its quality and ensuring well diversification to mitigate the potential risks. Investment portfolio of the Bank has grown by 20.93% during the year and thus the books of accounts have showed a positive growth in our operating profit.

Overdue investment stood at Tk. 3,334.50 million as on 31st December 2016 as against Tk.5,017.00 million as of December, 31 last year. Total overdue decreased by Tk. 1,682.50 million during the year 2016 bringing the same to 1.68% of our total investments as against 3.02% in the previous year. Corporate Branch and Zone-wise comparative overdue position as on 31.12.2016 is given hereunder for perusal and adopting strategies to arrest the situation by all concerned particularly the concerned head of zones and branches:

Rescheduled investment decreased by Tk. 2,721.32 million from Tk. 10,439.60 million to Tk. 7,718.28 million (Term Tk. 2,593.94 million + Continuous & Demand Tk.5,124.34 million) which was 3.89% of total Investment. Recovery

against rescheduled investment during the year 2016 was Tk. 2,190.18 million.

Classified investment increased by Tk. 1,281.30 million from Tk. 7,713.60 million to Tk. 8,994.90 million representing 4.54% of total investments as against 4.66% in the previous year. During the year 2016, recovery against classified investment stood at Tk.2,142.76 million while recovery against SMA was Tk. 1,698.63 million and against Written off 139.50 million building a total recovery of Tk.6,171.07 million including recovery Tk. 2,190.18 million from rescheduled investment.

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 100% 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)

Our best efforts had been being continued since 2012 to obtain permission from Bangladesh Bank for introducing Off-Shore Banking Unit (OBU) in our Bank. The necessary formalities, in this regard, were also done earlier. Finally, we got approval of Bangladesh Bank to operate one Off-Shore Banking Unit (OBU) at Motijheel Branch, Dhaka. Operations of the Unit have already been started.

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 4(Four) 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 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 2016 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 1, 160.11 million with Earning per Share (EPS) Tk. 1.81. The company paid 18% cash dividend to its shareholders.

AIBL Capital Management Limited

AIBL Capital Management Limited, a subsidiary company of Al-Arafah Islami Bank Limited, 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.

During the year 2016 the company earned Operating Profit (Before provision for investment & taxation) of Tk. 14.18 Million with Earning per Share (EPS) Tk. 0.07.

Millennium Information Solution Limited

Al-Arafah Islami Bank Ltd. owned 51% shares of Millennium Information Solution Limited a subsidiary company of Al-Arafah

Islami Bank Limited Millennium Information Solution Limited, a private limited Company was incorporated in Bangladesh under the companies' act 1994 on February 11, 2001. The main objective of company is to carry on activities relating to developing software products and providing maintenance and support services both the domestic and international clients. Over the years, MILS has established itself as the leading software developer, implementation and service provisioning company in Bangladesh which adheres to the rules of Islamic Shariah.

AIBL Asset Management Co. Ltd.

Another subsidiary company in the name of AIBL Asset Management Co. Ltd. has already been incorporated with Authorized Capital of Tk. 500 million and Paid up Capital of Tk. 100 million to carry out the business of Asset Management, Portfolio Management, Capital Market Operation and other financial services. The shareholding ratio of AIBL and its another subsidiary AIBL Capital Market Services Limited is 9:1. We hope that the company will start its functioning very soon.

Concluding Appreciation

We would now like to extend our sincere thanks and appreciation to all the regulatory authorities, our depositors, investment clients, Shareholders and all other Stakeholders for their unbound confidence.

Our deepest gratitude to our fellow Board Members, members of the Shari'ah Supervisory Committee, all the Bank officials for their continuous and consistent support, encouragement, wisdom, input, guidance for development and progress.

Finally, we would like to offer our whole hearted commitment that we are accountable to Almighty Allah (SWT) and answerable to our Stakeholders and to the people of our beloved country.

May Allah the Almighty bestow his bountiful blessings upon us all.

Allah Hafiz

Ma-assalam
Sincerely,



Alhajj Abdus Samad
Chairman
Date: 6th May 2017



MANAGING DIRECTOR'S ADDRESS

Bismillahir Rahmanir Rahim

At the very outset, we express our deep sense of gratitude to Almighty Allah (SWT), the Lord, and the Merciful for granting us a good result in overall business performance of the Bank during the challenging year 2016.

Respected Shareholders,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

It is my great pleasure and opportunity to present the performance and future aspirations of your esteemed Bank. At the beginning I would like to convey my heartfelt gratitude to Bangladesh Bank for their time-befitting policies, guidance and supports. Now, I would like to express my sincere thanks to the valued stakeholders for their endless support in the Bank's continued success. I take this chance to thank the members of the Board and Management of the Bank for extending me and my predecessor the opportunity to steer toward the Bank's mission and vision. I also place my appreciation of the dedicated and committed service put in by all the officials of the Bank.

Global Economic Outlook

The global economy has now entered its sixth year of stagnation, and the growth outlook for 2017 shows a continuation of this trend. A projected stabilization in energy and commodity prices may provide a small tailwind for resource rich economies in 2017, but the medium-term trend continues to be dominated by weaker growth in key inputs, notably investment and labor supply. Modest positive signals emerge from the base scenario showing some strengthening in qualitative growth factors, such as more advanced technology, improved labor force skills, and greater productivity. But those potentially favorable factors are under pressure from ongoing political, policy, and economic uncertainties around the world. This risks further inertia caused by a wait-and-see attitude among corporate and governments. Businesses have to prepare for more disruptions from geopolitical tensions, policy uncertainty, financial market volatility, and rapid changes in technology, but they also need to stay focused on leveraging the qualitative sources of growth with investment in technology and business productivity even—or especially—in times of stagnation.

Global growth in real GDP has dropped off to 2.5 percent in 2016 – its lowest rate since the end of the global recession in 2009, and is likely to increase only marginally to 2.8 percent in 2017. Among the larger economies, the United States is expected to see somewhat faster growth of 2 percent in 2017 compared to 1.6 percent in 2016. The European growth environment remains fragile as downside risks continue to linger after the 2008/09 and 2012/13 recessions. During the last five years, Euro Area average GDP growth was just 0.5 percent. The region is expected to see a 1.4 percent growth rate in 2017, somewhat below the 1.5 percent growth in 2016.

Bangladesh Economic Outlook

Robust investment and solid consumption have kept the Bangladeshi economy on a solid footing so far in FY 2017. Despite a decrease in remittances from Middle East countries due to the plunge in oil prices, low price pressures and rising wages have bolstered household purchasing power. Meanwhile, stronger government spending is behind the healthy performance of investment. Moreover, lately, the government approved a project worth around USD 13 billion for a nuclear plant in the western part of the country, partially funded by Russia.

While the government targeted economic growth at 7.2 percent for the FY17 while Bangladesh Bank forecasts – one based on an ARMA model and the other one on sector wise 10-year average growth – show a range from 7.1 to 7.3 percent. The World Bank projects growth for 2017 at 6.3 percent while the IMF at 6.9 percent, evidencing a remarkable difference in the projections of the two international agencies.

Bangladesh aspires to be a middle-income country by 2021. This will require increasing GDP growth to 7.5 to 8 percent per year based on accelerated export and remittance growth. Both public and private investment will need to increase as well. Growth will also need to be more inclusive through creation of productive employment opportunities in the domestic economy. To sustain accelerated and inclusive growth, Bangladesh will need to manage the urbanization process more effectively, as well as prepare for adaptation to climate change impacts.

Overall Banking Scenario

Banks' Deposits: Total Deposits (excluding interbank items) of the scheduled banks increased by Tk. 998,369.20

million representing 13.10% point to point growth from Tk. 7619,087.50 million as on 30 September 2015 to Tk. 8617,456.70 as on 30 September 2016.

Islamic Banks' Deposits: All Islamic Banks' Deposits increased by Tk. 202,009.90 million representing 13.62% point to point growth from Tk. 1482,992.10 million as on 30 September 2015 to Tk. 1685,002.00 million as on 30 September 2016.The share of Islamic Banks' Deposits as of 30 September 2016 stood at 19.55% as compared to 19.46% as of 30 September 2015.

Banks' Advances/ Investment: Total Advances/Investments (excluding bills) of the scheduled banks increased by Tk. 828,271.70 million representing 15.18% point to point growth from Tk. 5457,078.20 million as on 30 September 2015 to Tk. 6285,349.90 million as on 30 September 2016.

Islamic Banks' Investments: All Islamic Banks' Investments increased by Tk. 229,705.80 million representing 18.68% point to point growth from Tk. 1229,851.70 million as on 30 September 2015 to Tk. 1459,557.50 million as on 30 September 2016.The shares of Islamic Banks' Investments as of 30 September 2016 stood at 23.22% as compared to 22.54% as of 30 September 2015.

Operating Profit: Banks in Bangladesh managed to log in profits for 2016 despite a tough start to the year 2016. 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.

In this situation, Islami Bank Bangladesh Limited registered the highest profit of Tk. 20,030.00 million among the banks and listed in the top in 2016. The listed second highest National Bank Limited earned profit of Tk. 1,128 million and Al-Arafah Bank logged in profits of Tk. 7,511.08 million and placed 7th position in 2016 while its position was 10th in 2015. Among the Islamic Bank, Al-Arafah stood 2nd position.

Deposits and Borrowings

Total deposits and borrowings of the bank reached Tk. 225,138.84 million Recording 107.21% achievement of Target Tk. 210,000.00 million as on 31December 2016 as against deposits and borrowings of Tk.183,018.46.00 million on the same day of previous year 2015. The deposits and borrowings increased by Tk. 42,120.39 million registering growth of 23..01% and deposits increased by Tk 29,816.83 as 17.55% in 2016 as against national growth of 13.10%. Our Deposit target for the year 2017 has been fixed at Tk. 302,500.00 million expecting growth of 34.36%.

Cost of Deposit

As on 31 December 2016, Cost of Fund stood at 7.92% (Cost of Deposit 5.82% and Cost of Administration 2.10%). Cost of Fund of the Bank depends on Deposit Mix. Deposit Mix of the Bank is shown below:

Deposit Mix	Achievement 2016	Targeted 2017
Cost Free Deposit	10.06%	12.00%
Low cost Deposit	29.51%	30.00%
High Deposit	60.43%	58.00%
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. In the year 2017,Branches should maintain deposit mix of at least 12% cost free, 30% low cost and 58%high cost of their total deposit.
- To increase the cost free and low cost deposit, the following strategies may be adopted:

- Better customer service shall be ensured.
- Good business relationship with all the local industrialist, businessmen, professionals etc. shall be maintained.
- For bringing stability, private/personal deposits shall be encouraged.
- Activities of School Banking shall strengthen.
- Opening of big Corporate Client Accounts having high volume transactions.
- 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.
- Expedite Opening of more Current, Savings and SND Accounts.
- Encourage to open collection accounts of different service oriented institutions like DPDC,DESCO, PDB, NGO, School, College, University, Titas, Bakhrabad, Mosque, Madrasah etc.

Investments

Total investments of the bank stood at Tk. 196,519.38 million recording 102.35% achievement of Target Tk.192,000.00 million as on 31st December 2016 as against Tk.162,503.14 million on the same day of previous year 2015. The investments increased by Tk. 34,016.24 million recording 20.93% growth in 2016. The target for investment for the year 2017 has been fixed at Tk. 272,250.00 million with anticipated growth of 38.54%.

We expect that the branches will render their best efforts to make quality investment complying 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 satisfactory performance of other banks to route their business through us
- to boost up SME and Micro investment
- to encourage women entrepreneurs in allowing investment
- to encourage investment in the productive sectors
- to prefer investment in development oriented, employment generating and poverty alleviation sectors

- 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

Operating profit of the Bank increased by Tk. 1,150.88 million i.e. 18.10% to Tk. 7,511.03 million during the year 2016 as against Tk. 6,360.15 million in the previous year. Our achievement is 100.60% of targeted amount. During this challenging year, it was unexpected to earn such a lot 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 including constant view on fund management. However, considering all the situations, Operating Profit target for the year 2017 has been fixed at Tk. 9,250.00 million anticipating 23.15% growth.

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 non performing investment
- to increase cash recovery from written of and rescheduled investment.
- to comply 100% Shariah principles so that no income shall be considered doubtful.
- to control expenditure

International Trade

We are now more capable and confident to handle Foreign Exchange Business. Presently, we have 24 AD Branches through which we have handled total foreign exchange business of Tk. 218,674.20 million during the year 2016 as against Tk. 195,910.70 million in the previous year. Our Foreign Exchange business increased by Tk.22,763.50 million recording a growth of 11.61%.Target of International Trade for the year 2017 has been fixed at Tk. 300,000.00 million with 37.21% growth.

Import Business

Total import business of the bank stood at Tk.118,786.60 million during the year 2016 as against Tk. 107,049.80 million and Tk.101,244.70 million in the previous year 2015 and 2014 respectively. Our import business increased by Tk. 11,736.80 million i.e. 10.96% growth in 2016 as compared to increases of Tk. 5,805.10 million i.e. 5.42% in 2015. Our target for import business during the year 2017 has been fixed at Tk. 163,000.00 million expecting growth of 37.25%.

Export Business

Total Export business of the bank stood at Tk.88,152.20 million during the year 2016 as against Tk. 79,362.90 million and Tk.75,843.90 million in the previous year 2015 and 2014 respectively. Our export business increased by Tk. 8,789.30 million i.e. 11.07% growth in 2016 as compared to increases of Tk.3,519.00 million i.e. 4.64% in 2015.Our target for export business during the year 2017 has been fixed at 38.40% higher to Tk. 122,000.00 million.

Remittance

Total remittance of the bank stood at Tk.11,735.40 million during the year 2016 as against Tk.9,498.00 million in the previous year 2015. Our remittance increased by Tk.2,237.40 million i.e. 23.56% in 2015. The target for our remittance business during the year 2017 has been fixed at Tk. 15,000.00 million e with an anticipated growth of 27.82%.

Income from Treasury Operations:

Year 2016 was a challenging year of Treasury in terms of managing FX Risk, Profit Rate Risk and Liquidity Risk of the Bank in the midst of a sluggish economy, appreciation of BDT against USD from January to October-2016 and sudden depreciation of BDT against USD from mid-November 2016 to mid-December 2016 and the slow trend of export import and remittance growth.

Our local Treasury operates its functions to ensure efficient fund management maintaining CRR & SLR matching with total deposit flow & Investment requirements of the Bank along with the growth targets of the Bank. While Foreign Treasury remained active throughout the year 2016 for utilizing available F.C fund, exploring interbank and overseas markets to meet up the extended demand against off-balance sheet commitments and Off-shore Banking Unit. Moreover, Treasury Division of the Bank kept itself competitive throughout the year in terms of provisional deposit rates, rate of return of investment, exchange rate and diversified Treasury products.

We have earned Tk. 896.70 million during 2016 as against Tk. 779.80 million in 2015 recording 13.81% growth through Treasury Operations.

Comparative Position of Treasury Operations

(Figure in BDT- Million)

Particulars	2016	2015	Growth
Exchange Gain	653.30	606.10	7.79%
Rebate Income (Rebate sharing FI Correspondents)	76.60	67.90	12.81%
Income from placement to OBU & EDF	166.80	105.80	46.44%
Total Income	896.70	779.80	13.81%

Foreign Trade Processing

Foreign Trade Processing in AIBL started its journey since 2014 and smoothly going on through processing of all types of Cash and Back to Back LC related products. Export related processing work will be started within a shortest possible time.

EDF Operations

EDF operations are now being handled under Shariah Based Restricted Mudaraba mode between AIBL & Bangladesh Bank and allowing investment to the client under Mudaraba Foreign Currency Investment (MFCI). Meanwhile Bangladesh Bank also introduced online based EDF management software (test basis) for smooth handling of EDF application, disbursement and repayment related works. In 2016, we have sent EDF application to Bangladesh Bank for USD 118.24 million.

Off-shore Banking Operation

Our Off-shore Banking Unit (OBU) has been performing its operation at our Motijheel Branch since 2014. Total finance under UPAS in 2016 was USD 129.56 million and under MDB FC was USD 12.21 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.

Asset Quality

Overdue investment stood at Tk. 3,334.50 million as on 31st December 2016 as against Tk.5,017.00 million as of December, 31 last year. Total overdue decreased by Tk. 1,682.50 million during the year 2016 bringing the same to 1.68% of our total investments as against 3.02% in the previous year. Corporate Branch and Zone-wise comparative overdue position as on 31.12.2016 is given hereunder for perusal and adopting strategies to arrest the situation by all concerned particularly the concerned head of zones and branches:

Rescheduled investment decreased by Tk. 2,721.32 million from Tk. 10,439.60 million to Tk. 7,718.28 million (Term Tk. 2,593.94 million + Continuous & Demand Tk.5,124.34 million) which was 3.89% of total Investment. Recovery against rescheduled investment during the year 2016 was Tk. 2,190.18 million.

Classified investment increased by Tk. 1,281.30 million from Tk. 7,713.60 million to Tk. 8,994.90 million representing 4.54% of total investments as against 4.66% in the previous year. During the year 2016, recovery against classified investment stood at Tk.2,142.76 million while recovery against SMA was Tk. 1,698.63 million and against Written off 139.50 million building a total recovery of Tk.6,171.07 million including recovery Tk. 2,190.18 million from rescheduled investment.

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 the 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.

Ancillary Business

The ancillary business contributes a lot in the overall profitability of the Bank. We have earned Tk. 2,791.54 million from Commission Income during the year 2016 as against Tk.2,511.94 million during previous year. As our objective is to cover our entire Salaries and Allowances out of ancillary income, we have no other alternative but to maximize our ancillary business.

Capital Adequacy

As per Bangladesh Bank requirement, Bank has to maintain Capital of 10.625% of its Risk Weighted Assets or Tk.4000.00 million whichever is higher. Accordingly, we have maintained our capital with full compliance. As on 31.12.2016 our Eligible Capital (solo) stood at Tk. 23,704.16 million as against Tk. 21,342.97 million in December 2015 and Tk. 17,352.60 million in December 2014, Tk. 14,478.10 million in 2013 and Tk. 12,425.70 million in 2012, recording growth of 11.80% in 2016, 22.99% in 2015 and 19.85% in 2014.

Risk Weighted Assets (RWA) of Tk.164,461.89 million recording Capital Adequacy Ratio (CAR) of 14.41% in December 2016 as against 15.30% in 2015,13.15% in 2014,13.52% in 2013 and 10.93% in 2012.

Shariah Compliance

Our Bank based on Islamic Shariah and thereof restrict adherence to Shariah principles is the core strategy of our banking business. So, we have no other alternative but to comply Shariah 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 alot to run all the business activities of the Bank in accordance with Islamic Shariah. During the year2016, Shariah Secretariat of the Bank under the direct supervision of the Shariah Supervisory Committee undertook different programs for Shariah compliance in the Bank.

During the year 2016, 140 branches including 11new branches were inspected by the Shariah Muraquibs. As per their report, Investment Income of Tk. 44.71 million has been segregated as doubtful income.

For effective compliance of Shariah in all the areas, some important programs i.e. Shariah Training and Awareness Programs, Clients Get-together etc. shall be conducted, inter alia, during the year 2017 Insha-Allah.

Financial Inclusion

We have taken many initiatives to reach the unbanked people and poorest segments in remote areas especially through our Special Deposit Schemes and micro investment programs. We have introduced some deposit products for the Farmers, Workers of Garments Industries, Freedom Fighters, Students, etc. We have taken the following actions plan for the year 2017 to strengthen our School Banking Program:

1. Annual Target for opening Student Account has been fixed at 25,000 and allocated among all the Branches of the Bank.
2. Introduction of financial educational affairs among the student of government approved educational institutions within the region of respective Branches.
3. As a part of motivational activities, it was decided to provide a pen with Bank Logo at the time of opening account by the student.
4. Collection of fees and deposit of school student by arranging movable counter of the Bank in the respective educational institution.

We have the following micro investment programs for the poorest people of the country:

- Rural Agricultural Investment Scheme (RAIS)
- Al-Arafah Khamarbari Investment Scheme
- Grameen Small Investment Scheme (GSIS)
- Al-Arafah Solar Energy Investment Scheme
- Micro Enterprise Investment Scheme
- Social Investment Scheme

Agent Banking

The 'Agent Banking' concept is new and much talked- about issue in the banking sector. It is playing a pragmatic role in paving the way for financial inclusion. Bangladesh Bank has introduced a guideline for 'agent banking' to be followed by all commercial banks. Considering the importance of the matter, Al-Arafah Islami Bank Ltd. has already got the permission for 183 no. and launched 65 Agent Banking outlets in 2016 with a view to bringing the un-banked population under banking services. We shall open near about 110 no. Agent outlet during the year 2017. The important aspect of agent banking is financial inclusion. Actually, financial inclusion is a tool for inclusive economic growth and financial development. About 30,000 new accounts have been opened within the year from the starting of Agent Banking Operation. This year we have plan to open 70,000 new accounts having amount of Deposit Tk. 2,000.00 million by the agent outlet. We have already disbursed foreign remittance about Taka 537.30 Million by the Agent Banking outlet. It was increased to Taka 900.00 million at the end of this year 2017.

Agent Banking Activities At a glance (31/12/2016)

Types of Deposit	Deposit	Ratio	Comments
Current A/C	130.00 million	15.55%	No Cost
Savings A/C	314.90 million	37.68%	Low Cost
ITD A/C	44.40 million	5.31%	(53.23%)
MTDR A/C	346.40 million	41.46%	High Cost
Total Deposit	835.70 million	100.00%	(46.77%)

Agent Related Information

Number of Agent	46
Number of Outlets	65
District Included	20
Number of Agent Staff	132

Achievement in 2016 and Target of 2017

	Achievement in 2016	Target of 2017
Number of Outlets	65	110
Number of A/Cs	30613	70,000
Deposit	835.70 million	2000.00 million
Remittance	606.70 million	900.00 million

Branch Managers must coordinate to achieve this target in time.

Microfinance

Our most focusing sector is Microfinance investment. More than 80,000 rural people have already been added to our Microfinance investment scheme. It will be increased about 0.10 million member at the end of this year 2017.

CSR Activities

CSR is an integral part of our corporate culture and ethics. We respond positively in every sphere of social activities. We are delivering innovative solution to our valued customer and in the same manner we are also helping different areas of social activity through our CSR activities.

During the year 2016, the bank has prolonged its hands towards the poor people in various ways. Our CSR areas were focused on as below:

Comparative CSR Position

(Amount in Million Taka)

Particulars	**2016**	**2015**
Health Sector	64.60	159.10
Education Sector	9.70	9.70
Disaster Management	23.20	12.40
Cultural Activities	2.00	6.70
Environment	5.80	1.80
Others	0.00	15.30
Total	105.30	205.00

Branding & Public Relations

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. 136 news items of the Bank were broadcasted through 12 different TV Channels during the year 2016. We continued news branding on 4 major satellite TV channels such as, Ekushey TV, Channel-i, Bangla Vision and ATN Bangla.

Promotion in the television media got a major hike during the Ramadan this year. In 6 major TV channels which included NTV, ETV, Channel-9, Boishakhi TV and SATV, the Bank sponsored 7 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 vitals supports that led the Bank to hold a firm position in the market. More than 30 interviews of the Managing Director were published in the print media while our chief executive attended more than 15 Talk Shows and Interviews in the TV Media. 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 3198 Press Release items published in more than 60 different leading Newspapers and Media throughout the year. Besides, more than 600 advertisements took place in 100 different publications during that year. For 2017 our advertisement plan will focus to achieve the best outcome using available media and resources. We shall go into Electronic Media vastly this year, including Radio Branding.

The Promotional Plan also indicates that, we have to make our promotion through client service more effective and efficient in 2017. Leaflets and Brochures of our products will be made available in every branch. There will be a number of Banners, X-Stands and Danglers visible in our branches. 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 when they are with Al-Arafah Islami Bank Limited.

Branding Summery of AIBL in 2016

SL	Branding Details	Frequency During 2016
1.	TV News Items	136
2.	TV Channel Coverage	12
3.	TV Branding (throughout the year)	4
4.	TV Branding during Ramadan	7
5.	Talk Show/Interview	30
6.	PR Published	3198
7.	Print media covered	60
8.	Promotional Advertising	600
9.	Publications used	100

Information Technology

Now, we are running true centralized operations for all branches, 100+ ATM and the number is growing every year. Bank have a decent & state of art Data center, Disaster Recovery site and strong team that has recognition & respect in the industry and faith of bank management and of valued customers.

We ensure that our systems meet accounting, compliance and risk requirements, as well as effectively managing customer information. Bank Core Banking System (CBS) is "ABABIL "developed by Millennium Information Solution Ltd. In terms of modernization "ABABIL" reached 9th position in global ranking for Islamic Banking Software as per Gartner report. Bank has tried for fully automated and paperless banking in true sense during these years. CBS uses 3-tier application architecture with ORACLE Database (11g Enterprise Edition) along with other Oracle products like Active Data Guard (ADG) for ensuring data replication to the Disaster Recovery Site (DRS) maintaining consistency and accuracy with efficiency and quality of service. Bank data center design will enable to accommodation of current requirement and increasing demand in the future.

With the supportive role of Bangladesh Bank, we have implemented the following projects successfully.

1. MasterCard, debit and credit card & Merchant Banking
2. National Payment Gateway (NPG)
3. Agent Banking
4. Mobile Banking
5. Internet Banking
6. SMS Banking
7. Business Process Automation (BPA)
8. Enterprise Resource Management (EAMS)
9. Human Resource Management (HRMS)
10. Batch, EFT & Real Time Gross Settlement (RTGS)
11. Sanction Screening Software etc.

Following ICT projects have been taken for the year 2017

a. Data Centre at New Office Building in Motijheel
b. Data Centre at DR Site in Mirpur
c. Enterprise Data Warehouse (EDW)
d. Central Management Information System(MIS)
e. Business Intelligence (BI)
f. Database Advanced Security
g. Database Audit Vault and Database Firewall (AVDF)
h. Database Multitenant Options
i. Contract Center (CC, IP Phony, Video Conference)
j. VAPT by external entity

Card Division Activities

Al-Arafah Islami Bank Limited has been offering diversified range of products and services since the beginning to provide the varied needs of the customers. The Debit Card and ATM service of the Bank was launched in 2011. We got the principal membership form MasterCard in 2015 and we have launched "la-Riba: credit card as test basis. We are

providing technological advanced Card facilitated service to our valued customers. The synonym of Card is now "Plastic Money". In busy day to day urban life everybody prefers quick & advanced way of performing transaction with the Bank.

We already introduce Mobile ATM van to provide our Card & ATM service to rural areas. We are connected with National Payment Switch Bangladesh (NPSB), through which our valued customers can use our cards to withdrawal cash, balance enquire, etc. from any Banks ATM. For the first time in Bangladesh we provide cards to Agent Banking customers.

In the year of 2017, we will open-up the credit card for the customers. We will provide Hajj card to honorable Haji Saheba & Saheban. This year we will launch Instant card for Account Holders. They will get his/her card from Branch at the date of account opening. In this year we will increase our ATM network by establishing ATMs at prime locations including shopping malls, Airports, Train Stations, Bus Stoppages, etc. We will introduce Merchant POS, Branch POS and Agent POS for convenience of our customers.

Card Division working round the clock to provide efficient & satisfactory service to our valued customers. Adapting technological advancement, Card Division will provide modern day Banking service to our customer Insha Allah.

Risk Management

Risk is inherent in any walk of life in general and particularly in banking sector. During their operations, Banks are invariably faced with different types of risks that may have a potentially negative effect on their business. Risk Management in Bank operations includes risk identification, measurement and assessment, and its objective is to minimize negative effects on Bank's financial results by efficient management.

Like other Banks, to minimize potential risks, Al-Arafah Islami Bank has also taken different steps as per direction of Bangladesh Bank. As a part of those initiatives our Bank has established a division named 'Risk Management Division' whose main objective is to identify, measure and control of various risks prevailing over various operation of our Bank. Besides, different Risk Management Committee including All Risk Committee in Management level in addition to Board Risk Management Committee is working with utmost care to minimize the risk level. Regular meeting of all the committees are held on monthly/quarterly basis. On the other hand, a monthly/quarterly Risk Management Report and a Half-yearly Comprehensive Risk Management Report (CRMR) incorporating all risk areas are prepared as per directions of Bangladesh Bank. These Reports are discussed in depth in the All Risk Committee in the Management level as well as Board Risk Management Committee and necessary instructions and guidance are given and implemented there against.

Green Banking Activities

All banks and financial institutions have major responsibilities to practice and impose the environmental protection law on itself and all other its stakeholders as all business activities are performed circle around banks and financial institution. That's why the concept "Green banking" has come to light.

The modern term "Green" means "not to misuse/ conservation" that Allah (Subhanahu Wa Ta'ala) has narrated in Holy Qur'an several times, Thousands of years ago for the betterment of earth. Allah (Subhanahu Wa Ta'ala) says in Holy Qur'an:-

"And Allah Love not those who do mischief" (Surah Al Ma'eda, verse 64)

The goal of Green banking is also same as Islam. So, Islami banks are one step ahead for Shariah implementation that forbidden Riba and also not permit illegal financial or business activities. In another word, Green banking is the modern form of few Islamic moralities. As a Shariah complied bank, Al-Arafah Islami bank limited is very much conscious and eagerly practicing Green banking in all its activities. The aim of AIBL is "Maximum utilization of minimum resources" with the slogan - "Act Green, to remain in Green".

Achievement of Green Banking Department in the Year 2016

Environment Risk Management (ERM) Guidelines:

Environment Risk management Guidelines has been approved on 25th February, 2016.

Sector specific policies:

Sector specific policies have been included in the Environmental Risk Management (ERM) Guidelines on 25th February, 2016.

Revised Green Banking Policy 2016:

A detailed and revised Green Banking Policy was approved on 30th October, 2016.

Utilization of Islamic Refinancing Fund:

As per the participatory agreement with Bangladesh Bank, as a pioneer we (AIBL) have successfully bought 26.90 million against our general investment in 2016. The main benefit of this fund is 5% spread leading us to gain profit of approximate BDT 13.45 lac (per annum).

Tree plantation programme-2016:

Tree plantation programme-2016 held through branches of rural and urban area all over Bangladesh. Near about 40,000 (approximately) tree plants has been distributed among mass people. The expenditure for tree plantation programme was 2.00 million (approximately).

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 303 employees in different categories/ranks joined our fleet during the year 2016 raising our total employees to 3070 including 181 Executive as on 31.12.2016.

We nominated 321 employees in outside training course viz.

BIBM, BBTA,BAB etc. in 2016 and they have completed the course successfully.

We motivate and facilitate our deserving employees to complete international standard professional degrees like CDCS. Presently, we have 40 CDCS of which 09 completed during the year 2016.

Activities of AIBTRI

In order to develop the skill & efficiency to discharge the responsibilities of Human Resources of the Bank, AIBTRI conducted a total number of 111 (one hundred & eleven) courses out of which 20 (twenty) training courses, 65 (sixty-five) workshops, 4 (four) EDPs and 18 (eighteen) outreach program.

In addition to those, this year AIBTRI organized a seminar on "Money Laundering Prevention & Combating Financing of Terrorism" as the lead bank nominated by Bangladesh Bank in Jessore. AIBTRI, as per instruction of the BFIU successfully arranged, monitored and supervised the workshop with 64 (sixty four) officials most of whom are BAMLCOs and the remaining are Branch Managers.

Besides, AIBTRI had the privilege of organizing a seminar on "Money Laundering Prevention & Combating Financing of Terrorism" for the directors of the board of the bank.

Credit Rating

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

Long Term	:	AA 2 (pronounced Double A Two)
Short Term	:	ST-2
Based on	:	Audited Financial Statement 2015
Date of Rating	:	30 June 2016
Validity	:	30 June 2017
Outlook	:	Stable

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2016	AA 2	ST-2	Stable
30 June 2015	AA 2	ST-2	Stable
30 June 2014	AA 3	ST-2	Positive
30 June 2013	AA 3	ST-2	Stable

Interpretation:

AA1, AA2, AA3 (very Strong Capacity & Very High

Quality): Commercial Banks rated in this category have very strong capacity to meet their financial commitments. They differ from the highest-rated commercial banks only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk. Numerical modifiers 1, 2 and 3indicate rank. The modifier 1 indicates obligation ranks in the higher end of generic rating category, the modifier 2 indicates mid-range ranking and the modifier 3 indicates a ranking in the lower end.

ST-2 (High Grade): Commercial Banks rated in this category are considered to have strong capacity for timely repayment. Commercial Bank srated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds.

Concluding Remarks

Finally, I would recall the valuable suggestions and support of all concerned for which we able to take the Bank to this state of stratum and again offer my heartfelt thanks to all of them.

Let us pray to Almighty Allah (SWT) to give us courage and strength to achieve our set vision and mission and hope that our sailing through success shall continue in the years to come Insha Allah.

(Md. Habibur Rahman)
Managing Director
Date: 6th May 2017



BOARD OF DIRECTORS' REPORT

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 22nd 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 2016.

Economy Analyses

Global Economic Outlook

The global economy has now entered its sixth year of stagnation, and the growth outlook for 2017 shows a continuation of this trend. A projected stabilization in energy and commodity prices may provide a small tailwind for resource rich economies in 2017, but the medium-term trend continues to be dominated by weaker growth in key inputs, notably investment and labor supply. Modest positive signals emerge from the base scenario showing some strengthening in qualitative growth factors, such as more advanced technology, improved labor force skills, and greater productivity. But those potentially favorable factors are under pressure from ongoing political, policy, and economic uncertainties around the world. This risks further inertia caused by a wait-and-see attitude among corporate and governments. Businesses have to prepare for more disruptions from geopolitical tensions, policy uncertainty, financial market volatility, and rapid changes in technology, but they also need to stay focused on leveraging the qualitative sources of growth with investment in technology and business productivity even—or especially—in times of stagnation.

Global growth in real GDP has dropped off to 2.5 percent in 2016 – its lowest rate since the end of the global recession in 2009, and is likely to increase only marginally to 2.8 percent in 2017. Among the larger economies, the United States is expected to see somewhat faster growth of 2 percent in 2017 compared to 1.6 percent in 2016. The European growth environment remains fragile as downside risks continue to linger after the 2008/09 and 2012/13 recessions. During the last five years, Euro Area average GDP growth was just 0.5 percent. The region is expected to see a 1.4 percent growth rate in 2017, somewhat below the 1.5 percent growth in 2016.

Bangladesh Economic Outlook

Robust investment and solid consumption have kept the Bangladeshi economy on a solid footing so far in FY 2017. Despite a decrease in remittances from Middle East countries due to the plunge in oil prices, low price pressures and rising wages have bolstered household purchasing power. Meanwhile, stronger government spending is behind the healthy performance of investment. Moreover, lately, the government approved a project worth around USD 13 billion for a nuclear plant in the western part of the country, partially funded by Russia.

While the government targeted economic growth at 7.2 percent for the FY17 while Bangladesh Bank forecasts – one based on an ARMA model and the other one on sector wise 10-year average growth – show a range from 7.1 to 7.3 percent. The World Bank projects growth for 2017 at 6.3 percent while the IMF at 6.9 percent, evidencing a remarkable difference in the projections of the two international agencies.

Bangladesh aspires to be a middle-income country by 2021. This will require increasing GDP growth to 7.5 to 8 percent per year based on accelerated export and remittance growth. Both public and private investment will need to increase as well. Growth will also need to be more inclusive through creation of productive employment opportunities in the domestic economy. To sustain accelerated and inclusive growth, Bangladesh will need to manage the urbanization process more effectively, as well as prepare for adaptation to climate change impacts.

Banking sector analysis

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks,

2 State owned specialized banks and 3 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 56 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 4 non-scheduled banks in Bangladesh which are:

- Ansar VDP Unnayan Bank,
- Karmashangosthan Bank,
- Probashi Kollyan Bank,
- Jubilee Bank

A. Private Commercial Banks (PCBS):

There are 39 private commercial banks which are majorly owned by the private entities. PCBs can be categorized into two groups:

B. Conventional PCBS:

31 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:

Exim Bank Limited
First Security Bank Limited
Islami Bank Bangladesh Limited
ICB Islami Bank Limited
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Union Bank Limited

Overall Banking Scenario

Banks' Deposits: Total Deposits (excluding interbank items) of the scheduled banks increased by Tk.998,369.20 million representing 13.10% point to point growth from Tk. 7619,087.50 million as on 30 September 2015to Tk.8617,456.70 million as on 30 September 2016.

Islamic Banks' Deposits: All Islamic Banks' Deposits increased by Tk. 202,009.90 million representing 13.62% point to point growth from Tk. 1482,992.10 million as on 30 September 2015 to Tk. 1685,002.0 million as on 30 September 2016.The share of Islamic Banks' Deposits as of 30 September 2016 stood at 19.55% as compared to 19.46% as of 30 September 2015.

Banks' Advances/ Investment: Total Advances/Investments (excluding bills) of the scheduled banks increased by Tk.828,271.70 million representing 15.18% point to point growth from Tk. 5457,078.20 million as on 30 September 2015to Tk. 6285,349.90 million as on 30 September 2016.

Islamic Banks' Investments: All Islamic Banks' Investments increased by Tk. 229,705.80 million representing 18.68% point to point growth from Tk. 1229,851.70 million as on 30 September 2015 to Tk. 1459,557.5 million as on 30 September 2016.The shares of Islamic Banks' Investments as of 30 September 2016 stood at 23.22% as compared to 22.54% as of 30 September 2015.

Operating Profit: Banks in Bangladesh managed to log in profits for 2016 despite a tough start to the year 2016. 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. In this situation, Islami Bank Bangladesh Limited registered the highest profit of Tk. 20,030.00 million among the banks and listed in the top in 2016. The listed second highest National Bank Limited earned profit of Tk. 11,280.00 million and Al-Arafah Bank logged in profits of Tk. 7,511.08 million and placed 7th position in 2016 while its position was 10th in 2015. Among the Islamic Bank, Al-Arafah stood 2nd position.

Foreign Exchange Reserve hits Us$31.92 Billion

The country's foreign currency reserves at the Bangladesh Bank increased by $4.43 billion or 16.11 percent to $31.92 billion on 21 December 2016 from $27.49 billion in December 2015.

Inflation Falls to 5.03% in December 2016

The country's general inflation on point-to-point basis (as per the base year 2005-06 =100) fell by 1.07 percentage points to 5.03 percent in December 2016 from 6.10 percent in December 2015, according to Bangladesh Bureau of Statistics (BBS). The food inflation decreased by 0.10 percentage points to 5.38 percent in December 2016 compared to 5.48 percent in December 2015. The non-food inflation fell by 2.56 percentage points to 4.49 percent in December 2016 compared to 7.05 percent in December 2015.

Private Sector Credit Growth Rises

The credit growth in the private sector rose by 1.29 percentage point to 15.01 percent in November 2016 from 13.72 percent in November 2015. Meanwhile, the credit growth in the government (net) sector fell by 5.32 percentage point to -1.33 percent in November 2016 from -3.99 percent in November 2015.

Agricultural Credit Disbursement Rises By 22.79%

Agricultural credit (including non-farm rural credit) disbursed by banks during July-November 2016-17 amounted to a provisional Tk.75.71 billion as compared to Tk.61.66 billion during July-November 2015-16, showing a rise of Tk.14.05 billion or 22.79 percent. The credit disbursement achieved 43.14 percent of total target (Tk.175.50 billion) set for 2016-17. Agricultural credit disbursed by banks in November 2016 increased by Tk.7.44 billion or 49.80 percent to Tk.22.98

billion from Tk.15.34 billion in November 2015. Meanwhile, total recovery of agricultural loan during July-November 2016-17 rose by Tk.8.79 billion or 14.43 percent to Tk.69.69 billion from Tk.60.90 billion during July-November 2015-16. Similarly, agricultural credit recovery by banks in November 2016 also rose by Tk.2.61 billion or 16.50 percent to Tk.18.43 billion from Tk.15.82 billion in November 2015.

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 8 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 (BGIIB) is the milestone for shariah based banking practices in Bangladesh.

Al-Arafah Islami Bank Limited

With the objective of achieving success in life here & hereafter 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. 9,943.06 million as on 31.12.2016.

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.

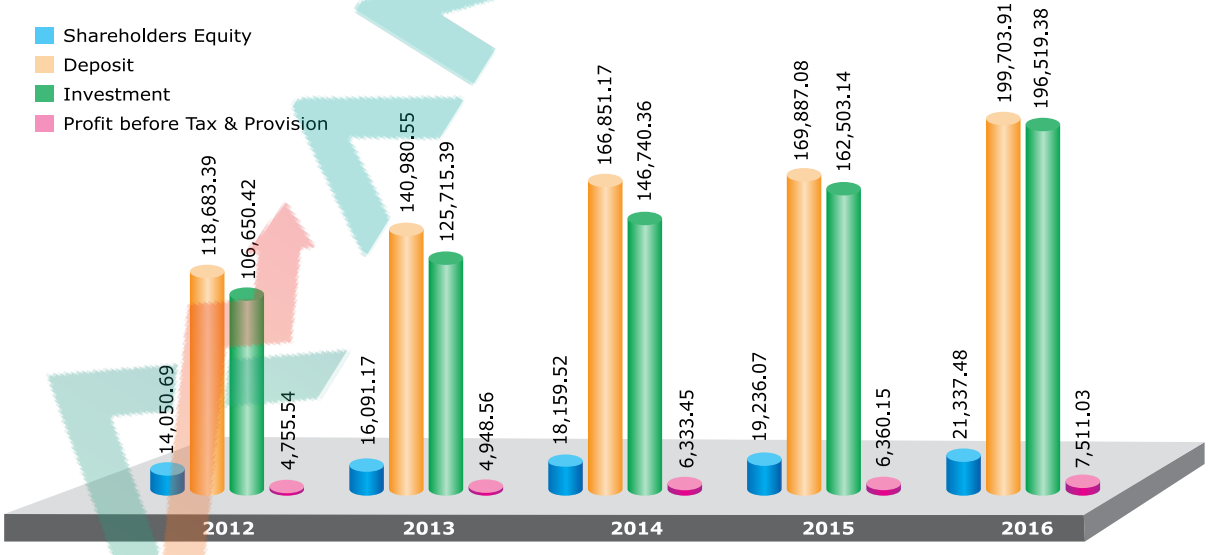
The equity of the bank has stood at Tk. 21,337.48 million as on 31 December 2016, the manpower was 3,070 and the number of shareholders was 36,696. It has achieved a continuous profit and declared a good dividend over the years. High quality customer service through the integration of modern technology 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 140 branches of which 24 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 Ltd. :

- 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

Performance at a glance
(in Million taka)



resulting in social justice and equitable distribution of wealth. It is committed to bring about changes in the underdeveloped rural areas for ensuring balanced socio economic development of the country through micro credit 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 2016

Al-hamdulillah, Shariah Supervisory committee consists of 6 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 2016 with some unavoidable circumstances our Honorable Members of the Shariah Supervisory Committee sat in 4(Four) 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 44.71 million as doubtful income of the branches of the Bank. Besides, after analysing balance sheet, the Supervisory committee identified Tk. 340.16 million as compensation realised in different branches and Tk. 0.37 million, Tk. 1.91 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 2016 keeping doubtful in-come amounting to Tk 135.05 million 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 2016, 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 (10,000 million) 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. In the year 2016, the company paid 18% cash dividend to its shareholders.

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.

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.

Millennium Information Solution Limited

Al-Arafah Islami Bank Ltd. owned 51% shares of Millennium Information Solution Limited a subsidiary company of Al-Arafah Islami Bank Limited Millennium Information Solution Limited, a private limited Company was incorporated in Bangladesh under the companies act 1994 on February 11, 2001. The main objective of company is to carry on activities relating to developing software products and providing maintenance and support services both the domestic and international clients. Over the years, MILS has established itself as the leading software developer, implementation and service provisioning company in Bangladesh which adheres to the rules of Islamic Shariah.

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 2016 was USD 129.56 million and under MDB FC was USD 12.21 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 16.10 highest in 2016. The market trend of our bank's share in Dhaka Stock Exchange from January 2016 to December 2016 is stated in the list:

Position in the Stock Market in the list:

Month	Opening	High	Low	Closing
January	14.70	15.70	14.20	15.20
February	15.20	15.70	14.40	14.50
March	14.50	14.90	13.90	14.20
April	14.20	14.60	12.10	12.30
May	12.30	13.40	12.50	13.10
June	13.10	13.10	12.60	13.10
July	13.10	13.70	13.20	13.60
August	13.60	14.30	13.30	13.70
September	13.70	14.80	13.70	14.80
October	14.80	15.00	14.40	14.70
November	14.70	15.40	14.70	15.10
December	15.10	16.10	14.90	15.90

Progress Analysis

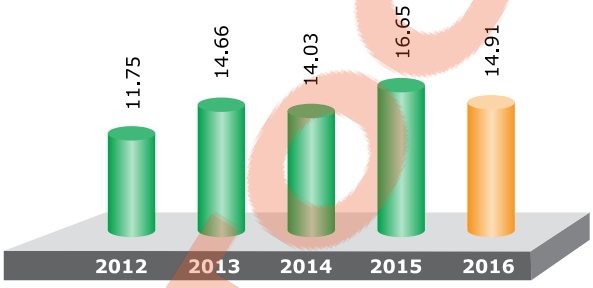
At the end of 2016, the number of depositors stood at 1,389,670 and the accumulated deposit was Tk. 199,703.92 million. The total number of investors stood at 167,981 and total investment extended to them was Tk 196,519.38 million. During the year 2016 the total income was Tk. 21,621.69 million and total expenditure was Tk. 14,110.66 million. At the end of the year the profit before tax and provision stood Tk. 7,511.03 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. 23,072.51 million to Tk. 25,455.36 million (Consolidated Basis) and Tk. 21,342.97 million to Tk. 23,704.16 million (Solo Basis). In the year 2016 bank issued AIBL Mudaraba Subordinated Bond Tk. 3,000.00 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. 9,943.06 million at 31st December 2016. The total reserve fund has stood at Tk 7,509.82 million in the current year against Tk. 6,432.32 million at 31st December 2015. In this account, the bank experienced a growth of 16.75 %. The Bangladesh Bank has fixed the ratio of minimum capital adequacy (MCR) against Risk-Weighted Assets at 10.625% or Tk. 4,000 million whichever is higher.

The Consolidated and Solo Basis capital adequacy ratio of the Bank as on 31.12.2016 are appended below:

Capital Adequacy Ratio



Consolidated Basis

Tk. in million

a) Core Capital (Tier-I)	2016	2015
Paid up Capital	9,943.06	9,469.58
Statutory Reserve	6,490.09	5,440.73
Retained Earnings	2,199.57	1,615.99
Non Controling Interest	1,726.67	1,718.18
Total Core Capital	**20,359.39**	**18,244.48**
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	1,802.71	1,437.01
Assets Revaluation Reserve	293.26	391.02
AIBL Sub Ordinate Bond	3,000.00	3,000.00
Total Supplementary Capital	5,095.97	4,828.03
Total Capital (a+b)	**25,455.36**	**23,072.51**
c) Capital Adequacy Ratio	**14.91%**	**16.65%**

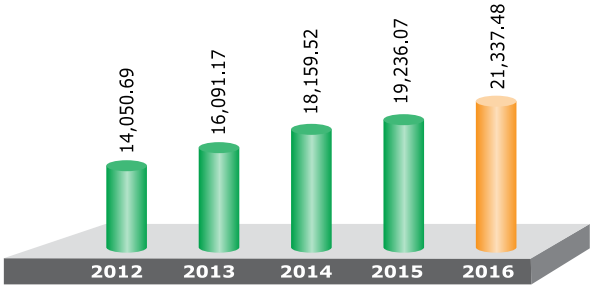
Solo Basis

Tk. in million

a) Core Capital (Tier-I)	2016	2015
Paid up Capital	**9,943.06**	9,469.58
Statutory Reserve	**6,490.09**	5,440.73
Retained Earnings	**2,175.04**	1,604.63
Total Core Capital	**18,608.19**	**16,514.94**
b) Supplementary Capital (Tier-II)		
Provision for Unclassified Investment	**1,802.71**	1,437.01
Assets Revaluation Reserve	**293.26**	293.26
AIBL Sub Ordinate Bond	**3,000.00**	3,000.00
Total Supplementary Capital	**5,095.97**	4,828.03
Total Capital (a+b)	**23,704.16**	**21,342.97**
c) Capital Adequacy Ratio	**14.41%**	**15.30%**

Shareholders Equity

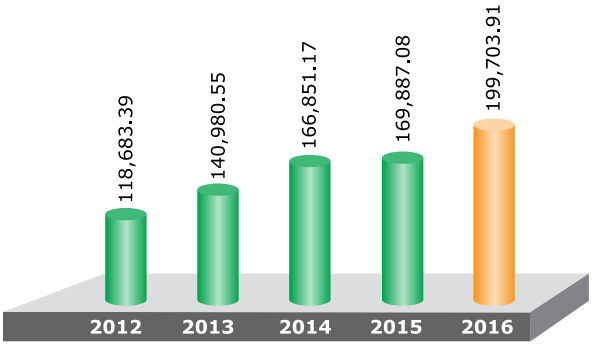
(In million Taka)



Deposits

The total deposit of the bank was Tk.199, 703.92 million at 31st December 2016 as against Tk. 169,887.08 million at 31st December 2015 a growth of 17.55% of which Tk.2,541.33 million was bank deposit and Tk. 197,162.59 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)



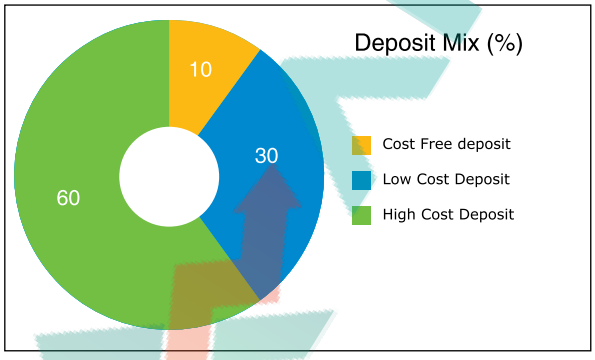
The mix deposit of the bank on December 31, 2016 was as follows:

Deposit Mix

Products	Taka in Million
a) Al Wadia Current Account	26,053.95
b) Mudaraba Savings Deposit	104,981.78
c) Other Mudaraba Deposit	46,027.27
d) Mudaraba Term Deposit	20,693.10
e) Bills Payable	1,947.82
Total	**199,703.92**

Deposit Mix (%)

Products	Taka in Million	% of Total
a) Cost Free deposit	20,090.21	10.06%
b) Low Cost Deposit	58,932.62	29.51%
c) High Cost Deposit	120,681.07	60.43%
Total	**199,703.91**	**100.00%**



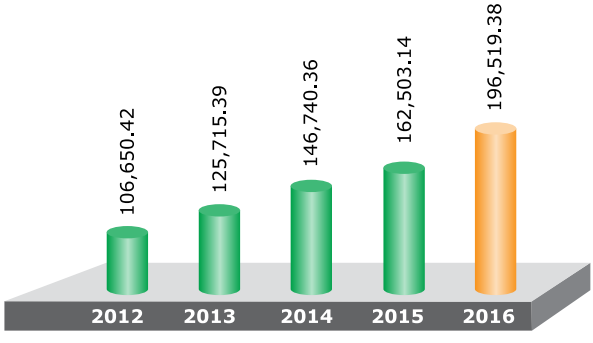
Various deposit product of the Bank in 2016 :

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)
	(b) Al-Arafah Savings Bond (5 Years)
	(c) Al-Arafah Savings Bond (8 Years)
10.	Marriage Saving Investment Scheme (MSIS)
11.	Pensioners deposit scheme
12.	Special Saving (Pension) Scheme
13.	Cash WAQF
14.	Lakhopati Deposit Scheme
15.	Kotipati Deposit Scheme
16.	Millionaire Deposit Scheme
17.	Double Benefit Scheme
18.	Triple Benefit Deposit Scheme
19.	Probashi Kallyan Deposit Pension Scheme
20.	Mudaraba Savings Deposit-Student,
21.	Farmers, Freedom fighters.

Investment

The investment of the bank has stood at Tk.196,519.38 million as on 31st December 2016 as against Tk. 162,503.14 (Net off PR) million in the previous year showing an increased by 20.93%. 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 4.54% in our bank as on 31 December 2016.

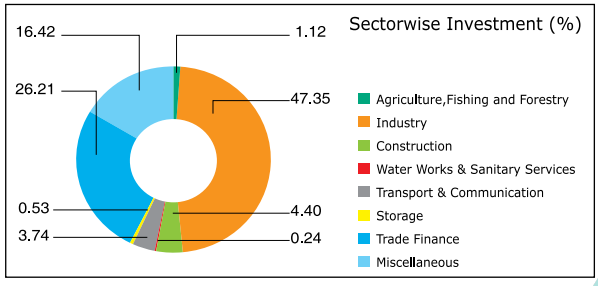
Investment Growth
(In million Taka)



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 2016

Sectors	Taka in million
Agriculture, Fishing and Forestry	2,298.10
Industry	97,344.00
Construction	9,052.00
Water works & Sanitary Service	489.60
Transport & communication	7,692.90
Storage	1,080.00
Trade Finance	53,891.30
Miscellaneous	33,752.08
Total (Including Profit Receivable	205,599.98
Less Unearned Profit on Investment	9,080.60
Total	**196,519.38**



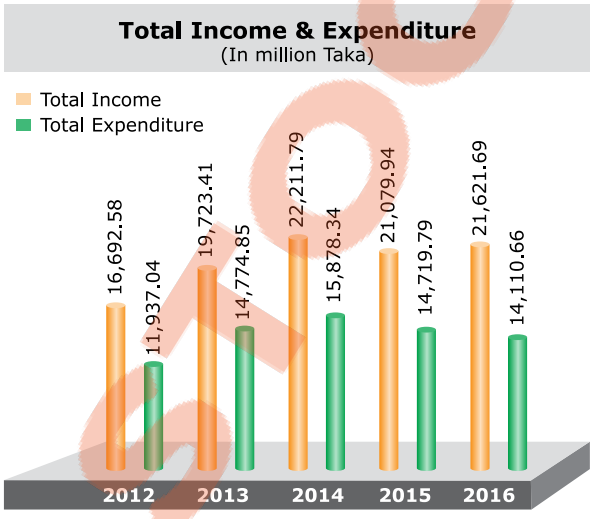
Income

Investment income: The investment income was Tk. 18,830.15 million during the year 2016 which was growth of 1.41% over the previous year. Investment income is 87.09% of the total income of Tk.21, 621.69 million.

Income from other than investment : The bank has earned Tk.2,791.54 million from sources other than investment like commission income, exchange income, locker rent etc. in the current year which is 12.91% of the total income. It indicates 11.13% growth over the year 2015.

Expenditure

Profit paid to depositors: The Bank has paid the depositors Tk. 9,957.73 million which is 52.88% of the investment income and 70.57% of the total expenditure for the year 2016. It was 10.07% negative growth over the year 2015.



Administrative and Other Expenses:

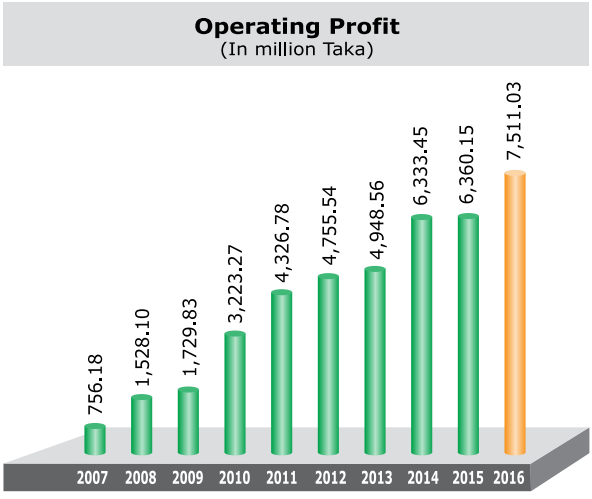
The administrative and other expenses were Tk. 4,152.88 million during the year showing 13.88% growth over the year2015. It is 29.43% of the total expenditure.

Operating Profit

The bank earned operating profit of Tk. 7,511.03 million during the year 2016. The operating profit of the Bank during the year 201 was Tk 6,360.15 million and thus the Bank attained growth of 18.10% in respect of operating profit. The provision for income tax for the year amounted to Tk. 2,206.59 million and divisible profit available for appropriation amounted to Tk 1,990.85 million.



Inside view of a heavy industry financed by Al-Arafah Islami Bank Ltd.



International Banking Wing (IBW)

International Banking Wing of Al-Arafah Islami Bank Limited has been working persistently to facilitate International Trade of the Bank with proper co-ordination amongst its five divisions: viz A) Treasury Division, B) Foreign Trade Operation Division, C) Foreign Trade Processing Division, D) Overseas Banking Division & E) Foreign Remittance Division. Entire works of the Wing are now being performed in more effectively and disciplined way to ensure efficient service in compliant manner.

A. Foreign Trade Operation Division:

Foreign Exchange Operation Division extends all necessary coordination and support to ensure smooth operation en-routing foreign trade transactions across the globe. This Division also reasonably ensures thorough monitoring and strict compliance of the works in disciplined manners. Quality Services are now rendered with efficiency and effectiveness which results in our significant market shares in International Trade and Commerce.

Position of foreign exchange business performance for the year 2016 is presented hereunder compared to the business of 2015.

(Figure in BDT- Million)

	Achievement As on 31 Dec, 2016	Achievement As on 31 Dec, 2015	Growth
Import	118,760.00	107,049.80	10.94%
Export	88,150.00	79,362.90	11.07%
Remittance	11,735.43	9,498.01	23.56%

B. Treasury Division:

AIBL Treasury manages the day to day liquidity in foreign currency and Foreign Exchange Risks. AIBL Foreign Exchange Treasury is engaged in FCY Fund Management. To manage the fund it participates in the inter banks FC market within the policies and guidelines of Bangladesh Bank's and BAFEDA. Treasury Division is broadly divided into Front Office, Mid Office & Back Office.

To accommodate with the slow economic expansion import trend, overseas FC borrowing by the big corporate clients and slow import trend made the foreign currency market ever liquid. Even that our Treasury Division was active throughout the year 2016 for utilizing available fund in the competitive market.

1. Income of the Treasury Division:

(Figure in BDT- Million)

Particulars	2016	2015	Growth
Exchange Gain	653.30	606.10	7.79%
Rebate Income (Rebate sharing Correspondents)	76.60	67.90	12.81%
Income from placement to OBU & EDF	166.80	105.80	46.44%
Total Income	896.70	779.80	13.81%

2. Updating the limits/Guidelines:

During 2016 the Division has updated its all guidelines, limits and operational procedures as per regulatory and internal requirement.

3. Prudent Asset Liability Management of the Bank:

Asset-Liability Management (ALM) is an integral part of the **Bank Management that manages the banks on and Off** Balance sheet position to offer competitively priced products and services to the customers. Bank has an Asset Liability Committee-ALCO, comprising the senior member of the management chaired by the Managing Director to



Inside view of a heavy industry financed by Al-Arafah Islami Bank Ltd.

take strategic decisions on fixation of asset liability pricing, responding to market scenarios. In monthly ALCO meetings, relevant issues like economic forecast, market status, peer group analysis, projections on profit rate and exchange rate and spreads; balance sheet gap in liquidity structure & profit rate sensitivity of gap, pertinent to ratio analysis, internal Transfer Pricing, Contingency Funding Plan, Stress Testing, Liquidity Coverage Ratio (LCR), Transfer Pricing mechanism for internal funding and investments in Government securities, regulatory & other audit compliance are discussed and decisions were taken for the interest of the bank.

4. Improvement of Financial Indicators:

Bank has seen some tremendously improved important financial indicators through effective Asset Liability Management. Comparative positions of the indicators are as follows:

Deposit Mix (%)

Particulars	Dec,2016	Dec,2015
Investment Deposit Ratio (IDR)	88.07%	87.33%
Maximum Cumulative	18.52%	18.63%
Outflow(MCO) Cost of Fund (COF)	7.92%	9.18%

6. Borrowing from Abroad: The Division arranged USD 28.08 million Murabaha finance for OBU under Shariah Principles from Overseas Banks/FIs for making investment against UPAS through OBU. We have also made scope to borrow further which will be utilized as and when required.

C. Overseas Banking Division:

To cope up with the ever changing nature of International Trade and Commerce, Overseas Banking Division has been working dedicatedly to ensure smooth flow of cross border transactions. It has every endeavor in place to develop its correspondent banking networks by establishing RMAs and opening of Nostro accounts with renowned banks and financial institutions in the prospective locations across the globe.

Despite different sanctions and hard and fast strict compliance of the regulatory authorizes regarding AML and Terrorist Financing issues, all financial Institutions are now obliged to follow AML compliance for setting up new correspondent relationships and review of the same for continuation and our bank is not apart from such obligation. In spite of that our banks gradual presence in the world is as under:

Sl No	Areas of Performance	Year 2014	Year 2015	Year 2016
01	Correspondent Relation(RMA)	323	329	341
02	Nostro A/C.	25	26	28
03	Credit Line	185 Million (USD)	202 Million (USD)	224 Million (USD
04	Training/Seminar to abroad	19 Officials	26 Officials	14 Officials

D. Foreign Trade Processing Division

Foreign Trade Processing Division used to perform under Foreign Trade Operation Division (FTOD) as a department until 2015. In 2016, this department has been approved as a Division of the International Banking Wing to process cash L/Cs of all AD's and Back to Back L/Cs of most of the branches. This division issues, advises and execute concerned payments of the Cash & back to Back Letter of Credits. The works are now done in a systematic and standard way that largely mitigates the cost and time under supervision and monitoring of the qualified and skilled officials. The Division has a plan for full centralization by this year by taking up all Back to Back and related Exports from Branches.

E. Foreign Remittance Division

Foreign Remittance is one of the most promising and multifarious stirring effects orientated important businesses of the bank, contributing sustainable growth, familiarizing & connecting people with the bank from the different classes of the society. Foreign Remittance Division has procured remittance from almost all remittance hubs across the globe consisting more than 100 countries through 11 (eleven) principal agents under drawing arrangement and 03 (three) sub agent arrangements with local banks and banks in abroad in 2016.

1. Remittance Achievement:

In the year of 2016 Foreign Remittance Division has procured remittance BDT 11,735.43 million under drawing arrangements with exchange houses in abroad, Sub-agent arrangement with local banks and personal remittance form the banks in abroad with a growth of 23.56% over the year 2015 and target achieved 102%.

(Figure in BDT-Million)

Achievem-ent 2015	No. of Remittance 2015	Target 2016	Achievem-ent 2016	No. of Remittance 2016	Achievement (%)	Growth (%)
9,498.01	2,07,991	11,500	1,735.43	2,54,436	102%	23.56%

2. Foreign Remittance Operation of Agent Banking Outlets:

All Agent Banking outlets have been providing Foreign Remittance service along with other banking services allowing by the Agent Banking Division since 2015. All the outlets of the agent banking are linked with the nearest concerned branches and operating with the agent banking software. Remittance beneficiaries residing in the remote areas are getting foreign remittance from the Agent Banking outlets, very close to their village. Controlling, monitoring and required compliance have been ensuring by the nominated link branches. Foreign Remittance procured through Agent Banking outlets during the year 2016 is 573.30 million and number of transactions is 16,766.

3. Remittance Drawing Arrangement:

Foreign Remittance Division has started procuring Foreign Remittance through establishing 03 (three) new drawing arrangement (TRANSFAST, GS Money, & Orbit Money Exchange) in USA, UK & Italy, and converting 01 (one) sub-agent (Xpress Money) to principal agent in UK in 2016. In order to boost-up remittance business a few new exchange houses in UAE, Italy, UK, Singapore & Hong-Kong are under process for establishment of drawing arrangement and also deploying all-out effort to establish new other drawing arrangement with exchange houses in Kuwait, Bahrain, UAE, Oman& across the globe.

4. Marketing & Promotional Activities:

With a view to inspire remittance desk officials of branches, Agent Banking outlets& Head Office, to increase the volume of foreign remittance as well as to increase MoneyGram transaction, Foreign Remittance Division has initiated a Remittance Achievement Award Giving Ceremony 2016under the promotional program of MoneyGram 2016. Honorable Chairman of the Bank handed over the award (tablet PC for every official)to 18 (eighteen) remittance desk officials of the branches, Agent outlets& Head Office.

- **Off-shore Banking Unit (OBU):**

Off-shore Banking Unit (OBU) of AIBL has been performing its operation at Motijheel Branch since its inception in 2014.

In 2016, total financing business under UPAS was USD 129.56 million and under MDBFC was USD 12.21 million and earned a profit of USD 3.23 Lac as against USD1.51lac in 2015.

- **Other achievements:**

IBW has been conducting Hajj Management since its inception with efficient and effective manner. We have handled about 34,000 non ballotee and 690 ballotee pilgrims through our Hajj booth at Ashkuna Haji Camp this year. In 2016, we sold SAR 2.80 Million to the pilgrims. We distributed 2,000 neck bags, 10,000 umbrellas and 1500 Hajj Guides along with 2,000 Tasbih and 2,000 stone bags to Hajj Pilgrims this year.

Internal Control & Compliance Risk Management of the Bank

Internal Control and Compliance risk management has been a significant and indispensable part of the banking organization to flourish efficiency and effectiveness of management and to uplift corporate governance and AIBLis no exception to that.

An internal control system encompasses the policies, processes, tasks, behaviours and other aspects of a company those are taken together to facilitate its effective and efficient operation by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieve the company's objectives. This includes the safeguarding of assets from inappropriate use or loss and fraud, and ensuring that liabilities are identified and managed; helps ensuring the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the organization; and helps ensuring compliance with applicable laws and regulations, and also with internal policies with respect to the conduct of business.

1. Recent Developments in ICC Risk Management in AIBL:

a) Revision of Internal Control & Compliance Policy Guidelines in the light of Guidelines on Internal Control and Compliance in Banks, February 2016 of Bangladesh Banks. New inclusion of the guidelines are-

i. Organogram: Organogram of Internal Control & Compliance Wing has been changed and functions of Compliance Division and Monitoring Division has been Re Arranged as per Bangladesh Bank's Guidelines.

ii. Role of Zonal Head for compliance of Audit objection: To conduct physical verification regarding compliance of audit & inspection and send the verification report to compliance division with recommendation.

iii. Organizing Weekly Communication Meeting: HO will arrange meetings on weekly basis attended by heads of different Divisions/ Departments of HO including ICCW and managers of branches (as guest attendees) to be presided over by The Managing Director.

iv. Changes in reporting line as per Bangladesh Bank Guidelines:

- The Head of Audit & Inspection Division shall submit the summarized individual Audit & Inspection Report to the Board Audit Committee.
- The Head of ICCW will submit the Audit reports with his/her comments to the Managing Director.

v. Introduction of Information System (IS) Audit Cell: As per Bangladesh Bank's Guidelines, Information System(IS) Audit Cell has been introduced under Audit & Inspection Division.

vi. Introduction of Subsidiary Audit Cell: As per Bangladesh Bank's Guidelines, Subsidiary Audit Cell has been introduced under Audit & Inspection Division.

vii. Introduction of New Category of lapses named Deemed Very Serious Lapses (DVSL) as per Bangladesh Bank Guidelines: If any SL is not rectified/settled within one year or the same objection (SL) is repeated in same account or area two times consecutively, those SL will be treated as Deemed to be Very Serious Lapses (DVSL).

viii. Shariah Audit & Inspection & Shariah Non-Compliance Risk Rating: Shariah audit & inspection will be carried out by the Muraquibs of Shariah Inspection & Compliance Department. Accordingly they will determine the individual branch's shariah non-compliance risk position based on operational performance. At the end of the year they will send the branch's risk rating to ICCW for preparation of branch's overall risk grading.

b) Ndependent Concurrent Audit System: The Concurrent Audit has been recognized as an effective system for internal control and compliance of the financial institutions in many countries over the world. Bangladesh Bank in their ICC Risk Management Guideline has suggested introducing Concurrent Audit system. Present status of Independent Concurrent Audit System in AIBL are-

- Independent Concurrent Auditors have been appointed at 10 (ten) branches having biggest business exposures which cover around 55% of the business of the Bank.
- Up to 31.12.2016 Independent Concurrent Auditors have found 77181 lapses out of which 63795 lapses have been rectified i.e. 83%.
- In future, Independent Concurrent Auditors will be deputed in more branches for covering 20% more business of the Bank.

c) Audit Automation Project: In order to bring more promptness, efficiency and flawlessness in audit & compliance work, initiative has been taken for developing software. If this project can be implemented, this will bring the following benefits-

- Increases the audit coverage.
- Facilitate risk based internal audit through risk assessment & branch grading.
- Improve audit quality and audit judgment.
- Improve efficiency and reduce audit cost.
- Ensure consistent quality of audit work and documentation.
- Improve competitive edge.

d) Whistle-blowers' Protection Policy: With a view to establish better Internal Control & Good Governance in the bank, Whistle-blowers' Protection Policy has been approved. Salient Features of the policy are-

If any staff/officer/executive provides information of any wrong doing simultaneously to Honourable Chairman of the Board, Honourable Managing Director and Head of ICCW then:

- identity of the whistle-blower will be kept confidential.
- the whistle-blower will be provided utmost protection.
- proper investigation will be carried out and steps will be taken accordingly.
- the whistle-blower may be rewarded considering the importance of the information provided.

If the whistle-blower makes an allegation frivolously, maliciously or for personal gain, appropriate action that could include disciplinary action may be taken but if he makes an allegation in good faith and has reasonable ground for believing it to be true then he has nothing to fear.

2. Activities performed by several divisions under ICCW in the year 2016:

a) Audit & Inspection Division:

i) Risk Based Internal Audit:- As per approved audit plan, Audit & Inspection Division has completed 100% audit including surprise & special audit in the branch and Head Office.

ii) In 2016, total 2, 10,379 lapses have been detected by Internal Audit in the Branches and 57% of lapses has been rectified on spot.

iii) In 2016, Internal Audit & Inspection team detected income leakage of Tk. 331.87 lac regarding non-realization of commission, charges, fees etc. and realized Tk. 100.71 lac on spot and tk. 23.77 lac through compliance division.

b) Compliance Division:

i) In 2016, Compliance division received total 134613 lapses (2015: 43327 & 2016: 91286) of which they have regularized 77928 lapses (57.89%) through follow-up.

ii) In 2016, 100% compliance of comprehensive inspection and foreign exchange inspection of Bangladesh Bank have been sent in time.

iii) Closure of audit files of 2015 is 53%. Closure of remaining 36 files are under process.

iv) The division has submitted 20 memos of branches, 6 memos of Head Office 81 memos of important miscellaneous issues to the BAC and Board on the basis of risk prioritization.

v) Other works performed by the division are assessing branch ICC Performance Gradation (based on Audit); submission of Report before Board regarding Implementation of BAC & Bangladesh Bank decisions, organizing Weekly communication meeting etc.

c) Monitoring Division:

Monitoring Division works as watch tower of the overall control system of the bank i.e. observing the business operations whether it is going in line with the regulatory and internal policies of the bank. Works accomplished by this division in 2016 are as follows:-

i) Offsite Monitoring: Through offsite monitoring, they review various returns from branches e.g. QOR, Self-assessment Anti-Fraud Internal Control Checklist, Investment Documentation Checklist, reports on issue and purchase of banking instruments etc. If they find any exceptional/abnormal changes therein, they inform immediately about the matter to the Head of ICCW and recommend for onsite audit.

ii) Online Monitoring: Through online terminal, they check regularly Daily Large Transactions, Employees A/C amount of transaction which is more than two times the take home salary of the employee, abnormal Changes in GL Items e.g. daily transactions of deposit, investment, sundry creditors, suspense, DEI, parking accounts, profit receivable, profit payable, income, expenditure of branches etc.

iii) Preparation of "Self-Assessment Report of Anti-Fraud Internal Control" of the bank for Submission to BB: Internal MIS Cell under Monitoring Division prepares "Self-Assessment sheet of Anti-Fraud Internal Control" of the bank by collecting various documents/ compliance from related divisions/departments. After being ensured compliance, it will send to Bangladesh bank on quarterly basis.

iv) Annual Health Report: They prepare health report of the bank from a three dimensional viewpoints, viz. Financial Health, Internal Control & Compliance Health and Image & Reputation Health according to Bangladesh Bank instruction.

Sustainable Finance Unit

Banks and Financial organizations are playing the foremost part in economic development. All banks and financial institutions have major responsibilities to practice and impose the environmental protection law on itself and all other its stakeholders as all business activities are performed circle around banks and financial institution. That's why the concept "Green banking" has come to light.

The modern term "Green" means "not to misuse/ conservation" that Allah (Subhanahu Wa Ta'ala) has narrated

in Holy Qur'an several times, Thousands of year ago for the betterment of earth. Allah (Subhanahu Wa Ta'ala) says in Holy Qur'an:

"And Allah loveth not those who do mischief" (Surah Al Ma'eda, verse 64)

The goal of Green banking is also same as Islam. So, Islami banks are one step ahead for implementation of Shariah that forbidden Riba and also not permit illegal financial or business activities. In another word, Green banking is the modern form of few Islamic moralities. As a Shariah complied bank, Al-arafah islami bank limited is very much conscious and eagerly practicing Green banking in all of its activities. The Green aim of AIBL is "Maximum utilization of minimum resources" with the slogan - "Act Green, to remain in Green".

Performance of Sustainable Finance Unit in the Year 2016

Environment Risk Management (ERM) Guidelines:

Environment Risk management Guidelines have been approved on 25th February, 2016 by our honorable board of directors.

Sector specific policies:

Sector specific policies have been included in the Environmental Risk Management (ERM) Guidelines on 25th February, 2016.

Environment Risk Rating (EnvRR):

As per the Instruction of ERM Guidelines, AIBL has rated 3,838 out of total 4,029 applicable investment clients in which 3,380 are low, 431 are moderate and 27 clients are high categorized. The total invested amount of 57,980.93 million has been disbursed against the rated investment clients as on 31st December, 2016.

Revised Green Banking Policy 2016:

A detailed and revised Green Banking Policy was approved on 30th October, 2016 by our honorable board of directors.

Financing in Eco-friendly sectors:

AIBL is well concern about environment. That's why AIBL is financing in those sectors where environment is safe i.e. for

- Installation of ETP: upto December, 2016 AIBL has financed bdt. 703.86 million for installing ETP in required sectors.
- Financing in sectors having ETP: As on 31st December 2016, the amount of bdt. Total of 42,017.88 million has been disbursed successfully in sectors already have ETP.
- Brick-field with modern technologies: AIBL has the pleasure to disburse total 2410.62 million bdt. on brick fields with modern technologies i.e. Zig-zag, HHK, Auto brick-field.
- Other sectors (energy efficient light, solar PV assembling plant, generate power using wind)

Beside these, AIBL has financed 165.85 million BDT. In solar light and solar PVC assembly plant,

Providing Investment facility at a lower rate (obtaining Islami Refinance facility from BB):

As per the participatory agreement with Bangladesh Bank, as a pioneer, for environmental protection, AIBL has successfully brought bdt. 26.90 million against our general investment in 2016. The main benefit of this fund is investment clients who are concern to protect environment can enjoy the amount at a lower rate of 9%.

By using the Islami Refinance fund AIBL also benefited by gaining 5% spread.

Tree plantation programme-2016:

Tree plantation programme-2016 held through branches of rural and urban area all over Bangladesh. Near about 40,000 (approximately) tree plants has been distributed among mass people. The expenditure for tree plantation programme was 2.00 million (approximately).

Training Workshop:

Total 9 workshops have been conducted up to December, 2016 in which total 385 executives/officials have participated there at AIBL Training Institute.

Planning & goals for 2017 of our Unit:

- Introducing Green strategic Planning, social risk management policy, gender parity policy
- Introducing some new Green Product for our stakeholders.
- Fully Utilization of Green finance budget for the year 2017 specially the allocated Budget for CSR Climate Risk Fund and for in house greener environment and practice establishment.
- In the year 2017 different Green Banking awareness programs are to be conducted with the executives of Head of the Department, all branch managers, 2nd officer, Investment In charge & other green banking related officer.
- In the year 2017 Workshop on Green Banking & Environment Risk Management will be conducted in AIBL Training Institute & Outside of Dhaka.
- Audit and supervision of Green Banking activities from our department will be conducted more closely in the year 2017. The Monitoring through all over the branch will be maintained in the year 2017.
- Tree plantation programme will also be held by all branches all over the Bangladesh in the year 2017.
- We will take proper Initiative for increasing sanction of green product under Refinance scheme in the year 2017.

The main Goal of Green Banking Department is to comply the Environment Risk Management Guideline, Green Banking Policy including Sector Specific Policy, Managing in-house Environment and convert all traditional investment into Green Investment in upcoming year.

At last but not the least, only Sustainable Finance Unit is not enough to perform for being remained in Green. As a family, all wings/divisions/departments including our stake holders are required to participate in Green initiatives/activities that will help us building AIBL as a Green Bank.

CSR Activities

CSR is an integral part of our corporate culture and ethics. We respond positively in every sphere of social activities. We are delivering innovative solution to our valued customer and in the same manner we are also helping different areas of social activity through our CSR activities.

During the year 2016, the bank has prolonged its hands towards the poor people in various ways. Our CSR areas were focused on as below:

Comparative CSR Position

(Amount in Million) Taka)

Particulars	2016	2015
Health Sector	64.60	159.10
Education Sector	9.70	9.70
Disaster Management	23.20	12.40
Cultural Activities	2.00	6.70
Environment	5.80	1.80
Others	0.00	15.30
Total	105.30	205.00

Financial Inclusion

We have taken many initiatives to reach the unbanked people and poorest segments in remote areas especially through our Special Deposit Schemes and micro investment programs. We have introduced some deposit products for the Farmers, Workers of Garments Industries, Freedom Fighters, Students, etc. We have taken the following actions plan for the year 2017 to strengthen our School Banking Program:

1. Annual Target for opening Student Account has been fixed at 25,000 and allocated among all the Branches of the Bank.
2. Introduction of financial educational affairs among the student of government approved educational institutions within the region of respective Branches.
3. As a part of motivational activities, it was decided to provide a pen with Bank Logo at the time of opening account by the student.
4. Collection of fees and deposit of school student by arranging movable counter of the Bank in the respective educational institution.

We have the following micro investment programs for the poorest people of the country:

- Rural Agricultural Investment Scheme (RAIS)
- Al-Arafah Khamarbari Investment Scheme
- Grameen Small Investment Scheme (GSIS)
- Al-Arafah Solar Energy Investment Scheme
- Micro Enterprise Investment Scheme
- Social Investment Scheme

Agent Banking

The 'Agent Banking' concept is new and much talked- about issue in the banking sector. It is playing a pragmatic role in paving the way for financial inclusion. Bangladesh Bank has introduced a guideline for 'agent banking' to be followed by all commercial banks. Considering the importance of the matter, Al-Arafah Islami Bank Ltd. has already got the permission for 183 no. and launched 65 Agent Banking outlets in 2016 with a view to bringing the un-banked population under banking services. We shall open near about 110 no. Agent outlet during the year 2017. The important aspect of agent banking is financial inclusion. Actually, financial inclusion is a tool for inclusive economic growth and financial development. About 30,000 new accounts have been opened within the year from the starting of Agent Banking Operation. This year



Donation for the flood victims to the Honorable Prime Minister's Fund under Corporate Social Responsibility (CSR)

we have plan to open 70,000 new accounts having amount of Deposit Tk. 2000.00 million by the agent outlet. We have already disbursed foreign remittance about Taka 537.30 million by the Agent Banking outlet. It could be increased to Taka 900.00 million at the end of this year 2017.

Agent Banking Activities At a glance (31/12/2016)

Types of Deposit	Deposit	Ratio	Comments
Current A/C	130.00 million	15.55%	No Cost Low Cost (53.23%)
Savings A/C	314.90 million	37.68%	
ITD A/C	44.40 million	5.31%	High Cost (46.77%)
MTDR A/C	346.40 million	41.46%	
Total Deposit	835.70 million	100.00%	-

Agent Related Information

Number of Agent	46
Number of Outlets	65
District Included	20
Number of Agent Staff	132

Achievement in 2016 and Target of 2017

	Achievement in 2016	Target of 2017
Number of Outlets	65	110
Number of A/Cs	30613	70,000
Deposit	835.70 million	2000.00 million
Remittance	606.70 million	900.00 million

Branch Managers must coordinate to achieve this target in time.

Microfinance

Our most focusing sector is Microfinance investment. More than 80,000 rural people have already been added to our Microfinance investment scheme. It will be increased about 0.10 million member at the end of this year 2017.

Branding & Public Relations

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. 136 news items of the Bank were broadcasted through 12 different TV Channels during the year 2016. We continued news branding on 4 major satellite TV channels such as, Ekushey TV, Channel-i, Bangla Vision and ATN Bangla.

Promotion in the television media got a major hike during the Ramadan this year. In 6 major TV channels which included NTV, ETV, Channel-9, Boishakhi TV and SATV, the Bank sponsored 7 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 vitals supports that led the Bank to hold a firm position in the market. More than 30 interviews of the Managing Director were published in the print media while our chief executive attended more than 15 Talk Shows and Interviews in the TV Media. 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 3198 Press Release items published in more than 60 different leading Newspapers and Media throughout the year. Besides, more than 600 advertisements took place in 100 different publications during that year. For 2017 our advertisement plan will focus to achieve the best outcome using available media and resources. We shall go into Electronic Media vastly this year, including Radio Branding.

The Promotional Plan also indicates that, we have to make our promotion through client service more effective and efficient in 2017. Leaflets and Brochures of our products will be made available in every branch. There will be a number of Banners, X-Stands and Danglers visible in our branches. 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 when they are with Al-Arafah Islami Bank Limited.

Branding Summery of AIBL in 2016

SL	Branding Details	Frequency During 2016
1	TV News Items	136
2	TV Channel Coverage	12
3	TV Branding (throughout the year)	4
4	TV Branding during Ramadan	7
5	Talk Show/Interview	30
6	PR Published	3198
7	Print media covered	60
8	Promotional Advertising	600
9	Publications used	100

Information Technology

Now, we are running true centralized operations for all branches, 100+ ATM and the number is growing every year. Bank have a decent & state of art Data center, Disaster Recovery site and strong team that has recognition & respect in the industry and faith of bank management and of valued customers.

We ensure that our systems meet accounting, compliance and risk requirements, as well as effectively managing customer information. Bank Core Banking System (CBS) is "ABABIL "developed by Millennium Information Solution Ltd. In terms of modernization "ABABIL" reached 9th position in global ranking for Islamic Banking Software as per Gartner report. Bank has tried for fully automated and paperless banking in true sense during these years. CBS uses 3-tier application architecture with ORACLE Database (11g Enterprise Edition) along with other Oracle products like Active Data Guard (ADG) for ensuring data replication to the Disaster Recovery Site (DRS) maintaining consistency and accuracy with efficiency and quality of service. Bank data center design will enable to accommodation of current requirement and increasing demand in the future.

With the supportive role of Bangladesh Bank, we have implemented the following projects successfully.

1. MasterCard, debit and credit card & Merchant Banking
2. National Payment Gateway (NPG)
3. Agent Banking
4. Mobile Banking
5. Internet Banking
6. SMS Banking
7. Business Process Automation (BPA)
8. Enterprise Resource Management (EAMS)
9. Human Resource Management (HRMS)
10. Batch, EFT & Real Time Gross Settlement (RTGS)
11. Sanction Screening Software etc.

Following ICT projects have been taken for the year 2017

a. Data Centre at New Office Building in Motijheel
b. Data Centre at DR Site in Mirpur
c. Enterprise Data Warehouse (EDW)
d. Central Management Information System(MIS)
e. Business Intelligence (BI)
f. Database Advanced Security
g. Database Audit Vault and Database Firewall (AVDF)
h. Database Multitenant Options
i. Contract Center (CC, IP Phony, Video Conference)
j. VAPT by external entity

Card Division Activities

Al-Arafah Islami Bank Limited has been offering diversified range of products and services since the beginning to provide the varied needs of the customers. The Debit Card and ATM service of the Bank was launched in 2011. We got the principal membership form MasterCard in 2015 and we have launched "la-Riba: credit card as test basis. We are providing technological advanced Card facilitated service to our valued customers. The synonym of Card is now "Plastic Money". In busy day to day urban life everybody prefers quick & advanced way of performing transaction with the Bank.

We already introduce Mobile ATM van to provide our Card & ATM service to rural areas. We are connected with National Payment Switch Bangladesh (NPSB), through which our valued customers can use our cards to withdrawal cash, balance enquire, etc. from any Banks ATM. For the first time in Bangladesh we provide cards to Agent Banking customers.

In the year of 2017, we will open-up the credit card for the customers. We will provide Hajj card to honorable Haji Saheba & Saheban. This year we will launch Instant card for Account Holders. They will get his/her card from Branch at the date of account opening. In this year we will increase our ATM network by establishing ATMs at prime locations including shopping malls, Airports, Train Stations, Bus Stoppages, etc. We will introduce Merchant POS, Branch POS and Agent POS for convenience of our customers.

Card Division working round the clock to provide efficient & satisfactory service to our valued customers. Adapting technological advancement, Card Division will provide modern day Banking service to our customer Insha Allah.

Risk Management

Risk is inherent in every walk of life and generally defined by the adverse impact on the profitability of several distinct sources of uncertainty. The nature and magnitude of business as well as the degree of competition in the banking industry has gradually increased in recent years, so as the level of various risks such as Credit Risk, Market Risk, Operational Risk, and Strategic Risks etc. Risk Management's main objectives are to identify and measuring the risks and



The Bank was awarded for patronizing the Information and Communication Technology (ICT) sector

advise mitigation there against.

AIBL has three lines of defense for identification, assessment, control and mitigation of risks.

1st line of defense: Day to Day Operational Management and Internal Controls

- Branches
- Support Functions

2nd line of defense: Risk Management and Compliance Functions

- Zonal Office
- Different Risk Management Committees
- Risk Management Division and CRO
- Board Risk Management Committee

3rd line of defense: Independent Assurance

- Internal Audit
- Board Audit Committee
- Supervision of Regulators

In accordance with the direction of Bangladesh Bank, AIBL has established a division named 'Risk Management Division'. AIBL possesses board's approved risk management guidelines designed to ensure that risks are identified, appropriately measured and controlled, and monitored and reported. Besides, different Risk Management Committees including All Risk Committee in Management level in addition to Board Risk Management Committee are performing their duties with utmost care to minimize the risk level. Regular meeting of all the committees are held on monthly/quarterly basis.

Monthly/Quarterly Risk Management Report and a Half-yearly Comprehensive Risk Management Report (CRMR) incorporating all risk areas are prepared as per directions of the prescribed format of Bangladesh Bank. These Reports are discussed in depth in the All Risk Committee in the Management level as well as Board Risk Management Committee and necessary instructions and guidance are given and implemented there against.

Dividend

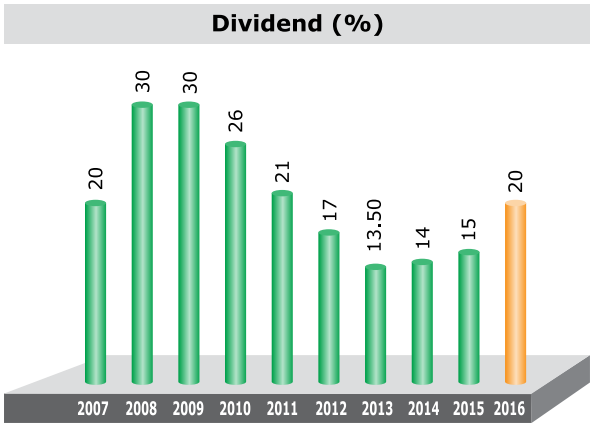
The bank has been paying dividend every year since 1998 just after conversion of a public limited company. The Board of Directors of the Bank is pleased to recommend 20% Cash dividend in the year 2016.

Table of Historical Dividend Payment Percentage are as follows:

Year	Dividend
2007	20% Bonus
2008	30% Bonus
2009	30% Bonus
2010	26% Bonus
2011	21% Bonus
2012	17% Bonus
2013	13.50% Bonus
2014	14% Cash
2015	10% Cash & 5% Bonus
2016	20% Cash



Blankets were donated to the Honorable Prime Minister's Fund to help the cold-effected people



Credit Rating

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

Year-wise Comparative Rating Position:

Date of Rating	Long Term	Short Term	Outlook
30 June 2016	AA 2	ST-2	Stable
30 June 2015	AA 2	ST-2	Stable
30 June 2014	AA 3	ST-2	Positive
30 June 2013	AA 3	ST-2	Stable

Interpretation:

AA1, AA2, AA3 (very Strong Capacity & Very High

Quality): Commercial Banks rated in this category have very strong capacity to meet their financial commitments. They differ from the highest-rated commercial banks only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk. Numerical modifiers 1, 2 and 3indicate rank. The modifier 1 indicates obligation ranks in the higher end of generic rating category, the modifier 2 indicates mid-range ranking and the modifier 3 indicates a ranking in the lower end.

ST-2 (High Grade): Commercial Banks rated in this category are considered to have strong capacity for timely repayment. Commercial Bank srated in this category are characterized with commendable position in terms of liquidity, internal fund generation and access to alternative sources of funds.

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 303 employees in different categories/ranks joined our fleet during the year 2016 raising our total employees to 3,070 including 181 Executive as on 31.12.2016.

Sl No	Designation	Category Number
1	Executives	181
2	Officers	2311
3	Others	578
	Total	**3070**

We have 3,070 staff in the Bank of whom 181 are executives 2,311 are officers and 578 other staff a as on December 31st 2016.

We nominated 321 employees in outside training course viz. BIBM, BBTA,BAB etc. in 2016 and they have completed the course successfully.

We motivate and facilitate our deserving employees to complete international standard professional degrees like CDCS. Presently, we have 40 CDCS of which 09 completed during the year 2016.

Activities of AIBTRI

AIBTRI : A Home of Knowledge & Human Resources Development.

Human resources are the main component of any development, improvement, changes or achievements. All material assets / resources are to be utilized by human resources to execute any plan or program. If the human resources are not found to be capable in utilizing other assets or resources prudently, efficiently and effectively, success of any plan / program will be far away. So, it is very important to have a pool of excellent human resources for any organization / institution. Training involves the development of skills that are usually necessary to perform a specific job. It brings positive changes in knowledge, skills, attitude and building confidence of the human capital so that they can be efficient in performing their duties and responsibilities. So, training is regarded to be one of the best means of improving performance.

The need for Training Institute was keenly felt in the early seventies to cater to the management training needs of the banking sector. The formation of Al-Arafah Islami Bank Training & Research Institute (AIBTRI) sine-qua-non for the development of human resources at the very beginning of AIBL. AIBTRI had to concentrate on training of the entry level officers due to absence of appropriate training infrastructure in AIBL arena from the very beginning. However, with the passage of time it assumed the responsibility of imparting training to the mid and senior level officials of AIBL.

The financial sector of Bangladesh underwent a number of reforms measures as per structural adjustment in the country. In line with these reforms, the AIBTRI has been adopting new strategies and methods for improving their services. AIBTRI is also keeping pace by putting its best efforts to respond to the need for capacity building of AIBL officials for implementation of the reform measures. Meanwhile, banking sector of Bangladesh demanded up-gradation of capabilities of managerial level officials as the bank expanded horizon of operations. In line with that AIBTRI regularly updates its training areas, contents and methods.

Training Scenario in 2016:

AIBTRI conducted a total number of 111 (one hundred & eleven) Training Courses, Workshops, Executive Development Programs and Outreach Programs where 4,529 participants attended during the period from January – December, 2016.

Training Courses (TC):

To develop the professional skill and knowledge of the officials in the field of Shariah banking, economics and finance, rural and micro finance, customer service development, motivation, capacity building, achieving the target and continuous growth, AIBTRI conducted a total of 20 (twenty) courses during the year 2016.

Training Workshops (TW):

A total of 65 (sixty five) workshops were conducted during the year against the target of 55 (fifty five) workshops. Out of this, a significant number of workshops were arranged for fulfilling the requirements of current issues relating to banking operations like as "Prevention of Money Laundering and Combating Financing of Terrorism". Moreover, with a view to enhancing skill among the employees, AIBTRI has conducted training workshops on "Capacity Building in Banking Operation".

Executive Development Programs (EDP):

To meet up the needs of executives, managers, manager operations, in the field of banking, finance, economy, national integrity strategy, money laundering prevention and allied fields, AIBTRI conducted 4 (four) EDPs.

Outreach Training Programs (OTP):

AIBTRI conducted 18 (eighteen) outreach training programs (OTP) during the period with 750 (seven hundred & fifty) officers. The programs had their remarkable impact to create awareness among young, brilliant and promising officers regarding Islamic Economics and Banking, Time & Stress Management, Recovery Management, Present Scenario of Economy, Environment Risk Rating as well as Financial Literacy etc.

Lead Bank Program (LBP):

This year Al-Arafah Islami Bank Ltd. had the privilege of organizing the daylong workshop on "Money Laundering Prevention & Combating Financing of Terrorism" as the lead bank nominated by Bangladesh Bank in Jessore. AIBTRI, as per instruction of the BFIU successfully arranged, monitored and supervised the workshop with 64 (sixty four) officials most of whom are BAMLCOs and the remaining are Branch Managers.

Seminar:

The institute has got the opportunity to organize a seminar on "Money Laundering Prevention & Combating Financing of Terrorism" for the directors of the board of the bank. The operational head of BFIU Mr. Debaprosad Debnath, General Manager of Bangladesh Bank & other experts of BFIU presented their keynote paper in the seminar.

Training Manual:

AIBTRI accumulated 03 (three) Training Manuals on Foundation Course for Newly Recruited MTOs/Officers this year to facilitate the participants to acquire knowledge on banking & use those as reference in their day to day banking operation.

In the year 2016, total 109 (one hundred nine) programs have been conducted by the institute & 4676 officials have participated in those programs ie. Each employee of the bank has attended more than one course on average.

However we are not complacent with only quantitative achievement. Our main focus is on quality. We are always striving for qualitative improvement. Keeping this end in view, we have prepared the academic calendar 2017 containing 24 training courses, 4 EDPs, 20 outreach programs & 55 workshops on various academic & professional issues.

It is worthy of mentioning that in the Academic Calendar of 2017, we have a plan to introduce Internship Program for the BBA/MBA students with a view to create an affiliation of the



Green Transformation Fund agreement was signed between Bangladesh Bank and AIBL

potential young generation with the bank. The students will be imparted with theoretical & practical training on islamic banking & finance to make them understand the methods, mechanism, philosophy & superiority of Islamic financial system.

Branch Level Initiatives:

Apart from this, Branches will be encouraged to take initiative to undertake some regular training programs like –

1. Mentoring Program at Branch level should be introduced / enforced for development of interpersonal relationship.
2. Every branch should act as a mini training institute for human resources development in real terms and speed.
3. "One Month One Session Training Program" may be launched in each branch for real human capital development with the cooperation of training institute vis-a-vis to develop branch officials.

Finally, it is our conviction to make the institute as a center of excellence & attraction for the employee of AIBL.

May Allah the almighty help us to increase the activities of AIBTRI further and make it a successful institute in banking arena to contribute human capital development at desired level.

Branch Network

At present we have 140 branches all over the country. In a bid to expand our network of Branches we got approval to open 10 (Ten) new branches in 2017.

Appointment of Statutory Auditor

In the 21st Annual General Meeting of the Bank M/S Khan Wahab Shafique Rahman & Co. Chartered Accountants & M/S Hoda Vasi Chowdhury & Co. Chartered Accountants was appointed External Auditors of the Bank for a term till conclusion of the 22nd Annual General Meeting.

The Board has approved M/S Hoda Vasi howdhury & Co. Chartered Accountants and M/S Rahman Mostafa Alam & Co. Chartered Accountants for appointment as External Auditors by the shareholders till the 23rd Annual General Meeting.

Board Meeting

During the year 2016, 16 regular and 02 emergency Board Meeting had been held. Besides, 47 meetings of Executive Committee, 10 meetings of Audit Committee and 4 Risk management Committee of the Board had also been held during the year.



The Bank introduced new remittance services this year to provide better facilities to its customers



The Board of Directors recommended 20% Cash Dividend subject to approval of AGM



Board Executive Committee meeting



Board Audit Committee meeting



Board Risk Management Committee Meeting



Honorable Chairman delivering speech at Annual Business Development Conference 2017



Opening ceremony of Azampur Branch, the 140th branch of the Bank



Bicycles was donated to the poor and meritorious girls to encourage their study



Honorable Chairman, Director and Managing Director with a group of participants at Training & Research Institute



The Bank achieved 'Best Corporate Award' from ICMAB for Shariah based banking



AIBL sponsored the award-wining team to attend 13th International Junior Science Olympiad at Indonesia



Training programs were arranged to combat against Money Laundering and Terrorism Financing



Debit Card for the Agent Banking Clients were introduced



MOU signing ceremony between the Bank and Hajj Agencies Association of Bangladesh (HAAB)



Board Meeting of Millenium Information Solution Limited



7th Annual General Meeting of AIBL Capital Market Services Limited



5th Annual General Meeting of AIBL Capital Management Limited

Directors' Report to the Shareholders as per condition No. 1.5 of SEC Notification No. SEC/CMRRCD/2006-158/Admin/44 Dated 07 August 2012

The Directors also report that:

i. Industry outlook and possible future developments in the industry. Page No 32-33

ii. Segment-wise or product-wise performance. Page No. 36-37 & 43-44

iii. Risks and concerns. Page No. 86-87

iv. A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin. Page No. 52

v. Discussion on continuity of any Extra-Ordinary gain or loss. Page No. Nil

vi. Basis for related party transactions-a statement of all related party transactions is disclosed in the annual report. Page No.128-130

vii. Utilization of proceeds from public issues, rights issues and/or through any others instruments. Page No. Nil

viii. An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IP0), Repeat Public Offering (RPO). Rights Offer, Direct Listing, etc. Page No. Nil

ix. There is no significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.

A Highlights along with reasons thereof are given below:

(In Million Taka)

Particular	2016	2015	Growth
Investment income	18,195.71	18,060.17	0.75%
Profit paid to depositors	10,340.73	11,370.69	(9.06%)
Net Investment Income	7,854.98	6,689.48	17.42%
Commission, Exchange and other Income	2,896.45	2,527.30	14.61%
Total Operating Income	10,751.43	9,216.78	16.65%
Total Operating Expense	3,996.27	3,483.03	14.74%
Profit before tax and provision	6,755.16	5,733.75	17.81%
Provision on Investment and others	1,508.36	1,746.69	(13.64%)
Profit Before tax	5,246.80	3,987.06	31.60%
Provision for taxation	2,206.59	1,766.95	24.88%
Net Profit after tax	3,040.21	2,220.11	36.94%
EPS (Restated 2015)	3.06	2.23	37.11%

Investment increased by Tk 32,703.24 million in 2016 their against Investment income increased by Tk 135.54 million and as 0.75% compared to previous year due to political recession, decreasing profit rate and not to utilization of optimum of surplus fund. On the other hand in spite of increase of Deposit Tk 42,120.39 million, profit paid on deposits and borrowings decreased by 9.06% compared to previous year due to decrease of deposits and borrowings rate. During the year 2016. Net Profit after tax increased by 36.94% compared to previous year 2015.

x. Remuneration to directors including independent directors. Page No. 106

xi. The financial statements prepared by the management of the issuer company 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)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), 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. There are no significant doubts upon the issuer company's ability to continue as a going concern.

xvii. Significant deviations from the last year's operating results of the bank has been highlighted and the reasons thereof is explained. Page No. Nil

xviii. Key operating and financial data of at least preceding 5 (five) years shall be summarized. Page No.15

xix. The Bank has declared cash dividend.

xx. The number of Board meetings held during the year and attendance by each director has been disclosed. Page No.53

xxi. The pattern of shareholding has been reported to disclose the aggregate number of shares(along with name details where stated below) held by:-

a. Parent/Subsidiary/Associated Companies and other related parties (name wise details); Page No. 128-130

b. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); Page No.53 & 54

c. c. Executives; Page No.9-10

d. d. Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). Page No. Nil

xxii. Appointment /Reappointment of a director the company has been disclosed the following information to the shareholder:-

a. A brief resume of the director; Page No.128-130

b. Nature of his/her expertise in specific functional areas; Page No.128-130

c. Name of the companies in which the person also holds the directorship and the membership of committees of the board. Page No.128-130

Directors' Attendance in the Board Meeting for the year 2016

Sl. No.	Name	Designation	Meeting Held	No. of attendance	Remarks
1	Alhajj Abdus Samad	Chairman	18	16	
2	Alhajj Abdus Salam	Vice Chairman	18	15	
3	Alhajj Badiur Rahman	Director	18	16	
4	Alhajj Md. Harun-Ar- Rashid Khan	Director	18	18	
5	Alhajj Nazmul Ahsan Khaled	Director	18	15	
6	Alhajj Abdul Malek Mollah	Director	18	18	
7	Hafez Alhajj Md. Enayet Ullah	Director	18	17	
8	Alhajj Ahamedul Haque	Director	18	17	
9	Alhajj Abu Naser Mohammad Yeahea	Director	18	14	
10	Alhajj Engr. Kh. Mesbahuddin Ahmed	Director	18	18	
11	Alhajj Niaz Ahmed	Director	18	16	
12	Alhajj Md. Anowar Hossain	Director	6	6	Appointed on 27-Jul-2016
13	Alhajj Mohammed Emadur Rahman	Director	18	7	
14	Alhajj Badsha Meah	Director	8	1	
	Dr. Md. Shafiul Haider Chowdhury	Alternative Director	10	8	
15	Alhajj Mohammed Haroon	Director	0	0	
	Alhajj Anwar Hossain	Alternative Director	18	9	
16	Alhajj Md. Liakat Ali Chowdhury	Director	18	9	
17	Alhajj Salim Rahman	Director	15	9	Appointed on 24-Feb-16
18	Jb. Khalid Rahim	Independent Director	18	14	
19	Jb. Faruq Ahmad Siddiqi	Independent Director	10	8	Appointed on 05-Jun-16
20	Jb. Amir Uddin PPM	Independent Director	4	1	Appointed on 25-Oct-16

Statement of Share held by Directors' and their Spouse and Minor Children
As on 31st December, 2016

Sl. No.	Number of the directors	Status	No. of Share	Remarks
1	Alhajj Abdus Samad	Chairman	22,376,392	
	Mrs. Shahana Ferdous	Spouse	718,525	
2	Alhajj Abdus Salam	Vice Chairman	20,166,568	
3	Alhajj Badiur Rahman	Sponsor Director	27,735,057	
	Mrs. Syeda Rashida Yasmin	Spouse	4,861,934	
4	Alhajj Md.Harun-Ar-Rashid Khan	Sponsor Director	19,886,609	
5	Alhajj Abdul Malek Mollah	Sponsor Director	19,941,603	
	Mrs. Laila Begum	Spouse	312	
6	Alhajj Hafez Md Enayetullah	Sponsor Director	19,891,573	
7	Alhajj Nazmul Ahsan Khaled	Sponsor Director	20,719,699	
8	Alhajj Ahmedul Hoque	Director	19,886,507	
9	Alhajj Abu Naser Mohamma Yeahea	Director	24,557,236	
10	Alhajj Kh. Mesbah Uddin Ahmed	Director	19,887,271	
	Mrs. Ajmeri Ahmed	Spouse	8,799,086	
11	Alhajj Niaz Ahmed	Director	19,988,724	
	Mrs. Shabana Niaz	Spouse	8,198,948	
12	Alhajj Md. Anowar Hossain	Sponsor Director	22,015,623	
13	Alhajj Badsha Meah	Sponsor Director	19,886,651	
	Mrs. Feroza Begum	Spouse	308,585	
14	Alhajj Mohammed Eamadur Rahman	Director	19,910,659	
15	Alhajj Mohammed Haroon	Sponsor Director	20,002,078	
16	Alhajj Md. Liakat Ali Chowdhury	Director	19,892,484	
17	Alhajj Salim Rahman	Director	19,887,005	
18	Jb. Khalid Rahim	Independent Director	-	
19	Jb. Faruq Ahmad Siddiqi	Independent Director	-	
20	Jb. Md. Amir Uddin PPM	Independent Director	-	
21	Md. Habibur Rahman	Managing Director	187	
	Mrs. Fatema Zohra	Spouse	24,675	

Statement of Shares held by Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Control & Compliance Division and their spouses and Minor Children (As on 31st December, 2016)

Sl No	Name of the Directors	Status	No. of Share	Remarks
1	Jb. Md. Habibur Rahman	Chif Executive Officer	187	
	Mrs. Fatema Zohra	Spouse	24,675	
2	Jb. Abdul Hannan khan	Company Secretary	15,365	
3	Jb. Mohammed Nadim ACA	Chif Financial Officer	Nil	
4	Jb. Muhammad Mahmoodul Haque	Head of Internal Control & Compliance Division	Nil	

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 Audit (As on 31st December, 2016)

Sl No	Name of the Directors	Designation	No. of Shares	Remarks
1	Jb. Md. Rezaur Rahman, ACMA,ACS,CMA(Aus)	Deputy Managing Director	Nil	
2	Jb. Kazi Towhidul Alam	Deputy Managing Director	Nil	
3	Jb. Mohammed Abdul Jalil	Deputy Managing Director	Nil	
4	Jb. Md. Fazlul Karim	Deputy Managing Director	Nil	
5	Jb. S. M. Jafar	Deputy Managing Director	Nil	



The Bank donated 2 pick-up vans to Dhaka Metropolitan Police under CSR activity

Date: 18 January 2017

The Managing Director
Al-Arafah Islami Bank Limited
36, Dilkusha C/A, Dhaka-1000

Sub: Audit opinion on the implementation of conditions of Corporate Governance guidelines implemented for the period ended 31 December 2016.

Dear Sir,

We have checked the relevant documents regarding the compliance of the provisions of Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC) under Notification No-SEC/CMRRCD/2006-158/134/ Admin/44 dated 07 August 2012 for the period ended 31 December 2016.

In our opinion, Al-Arafah Islami Bank Limited has complied with the conditions of Corporate Governance Guidelines of BSEC for the period ended 31 December 2016, except the followings:

Yours truly,

(S.H Khan & CO.)
Chartered Accountants

Compliance Report on SEC Notification

Status of compliance of corporate Governance (Report under Condition No. 7.00)

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put mark✓ in the appropriate column)		Explain for non-compliance with the condition
		Yes	No	
1.1	Board's size	✓		
1.2 (i)	Number of independent directors	✓		
1.2 (ii) a)	The independent director 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 (ii) b)	The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company :	✓		
1.2 (ii) c)	The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	✓		
1.2 (ii) d)	The independent director is not a member, director. or officer of any stock exchange;	✓		

Compliance Report on SEC Notification

Condition No.	Title	Compliance Status (Put mark✓ in the appropriate column)		Explain for non-compliance with the condition
		Yes	No	
1.2 (ii) e)	The independent director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	The independent director 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;	✓		
1.2 (ii) g)	The independent director shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) i)	The independent director has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	✓		
1.2 (v)	The Board shall lay down, a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		
1.3 (i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	✓		
1.4	Chairman of the Board and Chief Executive Officer	✓		
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IP0), Repeat Public Offering (RPO). Rights Offer, Direct Listing, etc.	✓		
1.5 (ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company 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.	✓		

Compliance Report on SEC Notification

Condition No.	Title	Compliance Status (Put mark✓ in the appropriate column)		Explain for non-compliance with the condition
		Yes	No	
1.5 (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.	✓		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	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 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii) a)	a brief resume of the director;	✓		
1.5 (xxii) b)	nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.1	Appointment of CFO, Head of Internal audit & company secretary.	✓		
2.2	Requirement to attend Board meeting	✓		
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall he clearly set forth in writing	✓		
3.1 (i)	Number of member of Audit committee	✓		
3.1 (ii)	Inclusion of independent director in the audit committee	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least I (one) member shall have accounting or related financial management experience,	✓		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy (ies) .immediately or not later than 1 (one) month from the date „of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		

Compliance Report on SEC Notification

Condition No.	Title	Compliance Status (Put mark✓ in the appropriate column)		Explain for non-compliance with the condition
		Yes	No	
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2 (i)	Selection of the Chairman of audit committee	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial, statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant 'related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering. (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds 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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board.	✓		
3.4.1 (ii) a)	report on conflicts of interests;	✓		
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations;:	✓		
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	Reporting to the Authorities	✓		
3.5	Reporting to the Shareholders and General Investors	✓		
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information system design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statement	✓		
4 (iv)	Broker -dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Any other services that the audit committee determines.	✓		
4 (viii)	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.	✓		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
5 (ii)	At least I (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		Partly complied

Compliance Report on SEC Notification

Condition No.	Title	Compliance Status (Put mark✓ in the appropriate column)		Explain for non-compliance with the condition
		yes	No	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
5 (v)	The. Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.	✓		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	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.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company diving the year which are fraudulent illegal or violation of the company's code of conduct.	✓		
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

Appreciation

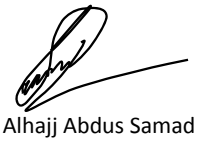
The Board of Directors expresses its gratitude to the Almighty Allah for enabling us to achieve remarkable progress in all respect during the year¬ 2016. Board of Directors takes this opportunity to thank the Shariah and Board Members of the Bank for their relentless whole hearted support. Their collective 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 2016. 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,



Alhajj Abdus Samad
Chairman
Date: 6th May 2017

শরীয়াহ্ সুপারভাইজরী কমিটি-এর বার্ষিক প্রতিবেদন

(৩১ ডিসেম্বর, ২০১৬ ঈসায়ী তারিখে সমাপ্ত বছরের জন্য)

بسم الله الرحمن الرحيم.

আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড-এর সম্মানিত শেয়ারহোল্ডারবৃন্দ !

السلام عليكم ورحمة الله وبركاته.

আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড তাদের ব্যাংকিং যাবতীয় কার্যাবলীতে ব্যাংকের শরীয়াহ্ সুপারভাইজরী কমিটি প্রদত্ত দিক নির্দেশনা, সিদ্ধান্ত এবং সুনির্দিষ্ট ফত্ওয়াসমূহ ও শরীয়াহ্র বিধিবিধান যথাযথভাবে বাস্তবায়ন করেছে কিনা সে সম্পর্কে মতামত প্রকাশের জন্য আমরা পর্যালোচনায় মিলিত হয়েছি।

আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড-এর ব্যাংকিং কার্যক্রমের ক্ষেত্রে ইসলামী শরীয়াহ্র নীতিমালা ও বিধিবিধান মোতাবেক সার্বিক ব্যবসা পরিচালনার দায়িত্ব মূলতঃ ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষের। শরীয়াহ্ সুপারভাইজরী কমিটির দায়িত্ব হলো ব্যাংকের কার্যাবলী পরিচালনায় শরীয়াহ্সম্মত দিকনির্দেশনা ও সিদ্ধান্ত প্রদান এবং তার ভিত্তিতে ব্যাংকের ব্যবস্থাপনা কর্তৃপক্ষ তাদের যাবতীয় কার্যক্রম পরিচালনা করছে কি না-তা যাচাইকরণে পর্যালোচনাপূর্বক একটি স্বাধীন মতামত প্রস্তুত করে আপনাদের নিকট উপস্থাপন করা।

আল-আরাফাহ্ ইসলামী ব্যাংক লিঃ-এর শরীয়াহ্ সুপারভাইজরী কমিটি কর্তৃক বিগত ২০১৬ ঈসায়ী বছরে প্রধান কার্যালয়সহ ব্যাংকের সকল (১৪০টি) শাখায় অনুসৃত সংশ্লিষ্ট নথিপত্র এবং লেনদেন যাচাই বাছাইসহ যাবতীয় কার্যক্রম পর্যবেক্ষণ করে ব্যাংক কর্তৃপক্ষ কর্তৃক উপস্থাপিত বার্ষিক ব্যালেন্সশীট পর্যালোচনা পূর্বক নিম্নোক্ত অভিমত ও পরামর্শ প্রদান করছে ঃ

অভিমত

ক. বিগত অর্থবছরে আল-আরাফাহ্ ইসলামী ব্যাংক লিঃ কর্তৃক ব্যাংকিং কার্যক্রমে অনুসৃত ও পরিচালিত কার্যাবলী, লেনদেন এবং চুক্তিসমূহ–যা আমরা পর্যালোচনা করেছি তা ইসলামী শরীয়াহ্র নীতিমালা ও বিধিবিধান অনুযায়ী করা হয়েছে।

খ. ব্যাংকের বিভিন্ন শ্রেণীর মুদারাবা ডিপোজিটরদের মাঝে যে লাভ বন্টন করা হয়েছে তা মুদারাবা নীতিমালা ও সাহিবুল মাল তথা ডিপোজিটরদের সাথে ব্যাংকের ওয়াদা মোতাবেক করা হয়েছে।

গ. ব্যাংক ডিপোজিটর ও শেয়ারহোল্ডারদের একাউন্ট ও টাকার উপর কোন 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 বিনিয়োগ সংশ্লিষ্ট অসতর্কতা প্রসূত শরীয়াহ্ অননুমোদিত পন্থায় অর্জিত সন্দেহজনক আয় (Doubtful Income) সতর্কভাবে চিহ্নিত করা হয়েছে এবং উক্ত অর্থ যাতে ডিপোজিটর ও শেয়ারহোল্ডারদের মাঝে লভ্যাংশ হিসেবে বন্টিত না হয় সেজন্য ব্যাংকের মূল আয় থেকে তা পৃথক করা হয়েছে।

পরামর্শ

১ শরীয়াহ্ মোতাবেক ক্রয়-বিক্রয় নিশ্চিতকরণসহ গ্রাহককে 'ক্রয়-প্রতিনিধি' নিয়োগের যথাযথ ব্যবস্থা গ্রহণ করা।

২ ব্যাংকের সর্বস্তরের জনশক্তিকে ইসলামী ব্যাংকিং বিষয়ে প্রশিক্ষিত করে গড়ে তোলার লক্ষ্যে ইসলামী অর্থনীতি ও ব্যাংকিং বিষয়ে পর্যাপ্ত প্রশিক্ষণের ব্যবস্থা গ্রহণ করা।

৩ ইসলামী ব্যাংকিং-এর বিনিয়োগ পদ্ধতি তথা মুদারাবা ও মুশারাকা বিনিয়োগ কার্যক্রম স্বল্প পরিসরে হলেও চালু করার সক্রিয় ও কার্যকরী পদক্ষেপ গ্রহণ করা।

৪ দেশের অপেক্ষাকৃত দরিদ্র গ্রাহকদের আর্থ-সামাজিক উন্নয়নের লক্ষ্যে বিদ্যমান ক্ষুদ্র বিনিয়োগ প্রকল্প জোরদার এবং নতুন নতুন উন্নয়নমূলক প্রকল্প চালু করার পাশাপাশি সেসব কার্যক্রমে শরীয়াহ্ পরিপালনের যথাযথ ব্যবস্থা গ্রহণ করা।

৫ ব্যাংকের ডিপোজিট ও বিনিয়োগ গ্রাহকসহ দেশের সাধারণ মানুষকে ইসলামী ব্যাংকিং-এর সাথে সম্পৃক্তকরণে এবং ব্যাংকের ইহকালীন ও পরকালীন কল্যাণের বিষয় তাদের নিকট তুলে ধরার নিমিত্তে প্রধান কার্যালয়, জোন ও শাখা পর্যায়ে নিয়মিতভাবে ইসলামী অর্থনীতি ও ব্যাংকিং বিষয়ক সেমিনার ও গ্রাহক সমাবেশ-এর আয়োজন করা।

৬ আল-আরাফাহ্ ইসলামী ব্যাংক ফাউন্ডেশনের কার্যক্রমে শরীয়াহ্ নির্দেশনার যথাযথ বাস্তবায়নসহ দেশের দরিদ্র জনগোষ্ঠির মাঝে জনকল্যাণমূলক যাবতীয় কার্যক্রম আরো জোরদার করা।

আল্লাহ্ তা'য়ালা আমাদের অজান্তে ও অনিচ্ছাকৃত ভুল-ত্রুটি ক্ষমা করে যাবতীয় ভাল কাজ তাঁর সন্তুষ্টির জন্য কবুল করুন এবং ভবিষ্যতে আরো তাক্বওয়া ও যোগ্যতা প্রদান করে বেশী ভাল কাজ করার তাওফীক দান করুন, আমীন।

(মো. আব্দুর রহীম খান)
সচিব
শরীয়াহ্ সুপারভাইজরী কমিটি

(মুফতী ছাঈদ আহমাদ মুজাদ্দেদী)
চেয়ারম্যান
শরীয়াহ্ সুপারভাইজরী কমিটি

জাতীয় শুদ্ধাচার কৌশল ও এআইবিএল কর্মকর্তাদের নৈতিকতার মানোন্নয়ন

জাতীয় শুদ্ধাচার কৌশল ঃ

শুদ্ধাচার বলতে সাধারণভাবে নৈতিকতা ও সততা দ্বারা প্রভাবিত আচরণগত উৎকর্ষ বুঝায়। এর দ্বারা একটি জাতি বা সমাজের কালোর্ত্তীণ মানদন্ড, নীতি ও প্রথার প্রতি আনুগত্যও বুঝানো হয়। ব্যক্তি-পর্যায়ে এর অর্থ হল কর্তব্যনিষ্ঠা ও সততা তথা চরিত্রনিষ্ঠা।

জাতীয় শুদ্ধাচার কৌশল প্রণয়নের লক্ষ্য ও উদ্দেশ্য ঃ

শুদ্ধাচারের উপর গুরুত্ব দিয়ে "প্রেক্ষিত পরিকল্পনা ২০২১" এ দুর্নীতি দমনকে একটি আন্দোলন হিসেবে গড়ে তোলার অঙ্গীকার ব্যক্ত করা হয়েছে। সেই অঙ্গীকারকে কার্যকরভাবে বাস্তবায়নের লক্ষ্যেই সরকার এই "শুদ্ধাচার কৌশল" প্রণয়ন করেছে।এই কৌশলের রুপকল্প ও অভিলক্ষ্য (Vision & Mission) হল সুখী- সমৃদ্ধ সোনার বাংলা এবং রাষ্ট্রীয় সকল প্রতিষ্ঠান ও সমাজে সুশাসন প্রতিষ্ঠা করা।রাষ্ট্রের অন্যতম লক্ষ্য ও দায়িত্ব হল নাগরিকের জন্য আইনের শাসন, মৌলিক মানবাধিকার, সমতা, ন্যায়বিচার প্রতিষ্ঠা এবং রাজনৈতিক, অর্থনৈতিক ও সামাজিক অধিকার নিশ্চিত করা। গনপ্রজাতন্ত্রী বাংলাদেশের সংবিধানে 'মানবসত্তার মর্যাদা ও মূল্যের প্রতি শ্রদ্ধাবোধ' রাষ্ট্র-পরিচালনার অন্যতম মূলনীতি হিসাবে চিহ্নিত হয়েছে। সেই লক্ষ্য বাস্তবায়নের জন্য সরকার দেশে সুশাসন প্রতিষ্ঠার উদ্যোগ গ্রহন করে এবং ২০১২ সালে জাতীয় শুদ্ধাচার কৌশল প্রণয়ন করে। এক্ষেত্রে একটি অপরিহার্য কৌশল হল সমাজ ও রাষ্ট্রকে দুর্নীতিমুক্ত তথা দেশে শুদ্ধাচার প্রতিষ্ঠা করা । বাংলাদেশ সরকার সোনার বাংলা গড়ার প্রত্যয়ে অক্টোবর ২০১২ সনে জাতীয় শুদ্ধাচার কৌশল (National Integrity Strategy) ঘোষণা করেছে।

জাতীয় শুদ্ধাচার আওতাভুক্ত ব্যক্তি/প্রতিষ্ঠান নাম ঃ

জাতীয় শুদ্ধাচার কৌশলটি রাষ্ট্র ও সমাজে দুর্নীতি দমন ও শুদ্ধাচার প্রতিষ্ঠার জন্য সকল রাষ্ট্রীয় প্রতিষ্ঠান, রাজনৈতিকদল, বেসরকারী প্রতিষ্ঠান, ব্যাংক, বীমা এবং শিক্ষা প্রতিষ্ঠান ইত্যাদিকে আওতায় আনা হয়েছে। সর্বোপরি, এসব প্রতিষ্ঠানে নিয়োজিত এবং তাদের সঙ্গে সংশ্লিষ্ট সকলের নৈতিকতা/চরিত্রনিষ্ঠা প্রতিষ্ঠার লক্ষ্যে স্ব-স্ব প্রতিষ্ঠান প্রয়োজনীয় কার্যক্রম গ্রহন করেছে।

শুদ্ধাচার কৌশল বাস্তবায়নে এআইবিএল এর অবস্থান ঃ

জাতীয় শুদ্ধাচার কৌশল (National Integrity Strategy) প্রতিষ্ঠার লক্ষ্যে সরকারের নির্দেশনার আলোকে বাংলাদেশ ব্যাংক সকল ব্যাংকে শুদ্ধাচার কৌশল বাস্তবায়নের জন্য নির্দেশনা প্রদান করে। বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে অত্র ব্যাংকে ফোকাল পয়েন্ট নির্ধারন এবং একজন সিনিয়র উপ-ব্যবস্থাপনা পরিচালকের নেতৃত্বে ৬- সদস্য বিশিষ্ট নৈতিকতা কমিটি গঠন এবং কর্মপরিকল্পনা প্রণয়ন করা হয়েছে। জাতীয় শুদ্ধাচার কৌশলের আদলে নৈতিকতা কমিটি অত্র ব্যাংকের নৈতিকতা বিষয়ক চ্যালেঞ্জ ও উহা বাস্তবায়নের কৌশল,আচরন বিধি (code of conduct) সংস্কার করে উহা পরিপালনের জন্য মানব সম্পদ বিভাগ কর্তৃক ইন্সট্রাকশান সার্কুলার জারী করা হয়েছে ও সর্বস্তরে পরিপালন চলমান রয়েছে । অন্যদিকে বাংলাদেশ ব্যাংকের নির্দেশনানুসারে ব্যাংক কর্তৃক বরখাস্তকৃত/অপসারণকৃত/পদত্যাগকৃত কর্মকর্তাদের তালিকা বাংলাদেশ ব্যাংকের ওয়েব পোর্টালে আপলোড করে প্রতি ত্রৈমাসিকে তাদেরকে অবহিত করা হচেছ। বাংলাদেশ ব্যাংকের নির্দেশনার আলোকে অত্র ব্যাংকের নির্বাহী/কর্মকর্তা/কর্মচারীদের নৈতিকতার মানোন্নয়নের লক্ষ্যে গৃহীত পদক্ষপের উপর দাখিলকৃত তথ্য ও বিবরনী পর্যালোচনা করত: বাংলাদেশ ব্যাংক এআইবিএলকে 'এ' গ্রেড প্রদান করেছে ।

সম্প্রতি বাংলাদেশ ব্যাংকের নির্দেশানুসারে ঃ ০১। ব্যাংকের নৈতিকতা কমিটির প্রস্তাব মোতাবেক (ক) তথ্য অধিকার কর্মকর্তা হিসেবে জনাব জালাল আহমেদ (ভিপি) পিআরডিকে নিয়োজিত করা হয়েছে, (খ) অভিযোগ নিষ্পত্তি কর্মকর্তা(অনিক) হিসেবে ব্যাংকের সিসিএস এন্ড সিএমসির দায়িত্বপ্রাপ্ত জনাব খান কামরানুর রহমান(এফএভিপি)কে নিয়োজিত করা হয়েছে এবং (গ) আপিল কর্তৃপক্ষ হিসেবে মাননীয় ব্যবস্থাপনা পরিচালক মহোদয়কে নির্ধারণের সিদ্ধান্ত গৃহীত হয়েছে।

০২। একটি ইনোভেশন টিম গঠন গঠিন করা হয়েছে। গঠিত ইনোভেশন টিম কর্তৃক সময়ে সময়ে উদ্ভাবনী ধারণা (Innovative Idea) উপস্থাপন এবং বাস্তবায়ন এর বিষয়টি প্রক্রিয়াধীন রয়েছে। ০৩। শুদ্ধাচার বিষয়সহ ব্যাংকের বিভিন্ন কর্মকান্ডে বিশেষ কাজের পুরষ্কার প্রদানের জন্য নৈতিকতা কমিটি কর্তৃক শুদ্ধাচার পুরষ্কার,২০১৬ প্রদানের নিয়ামক নির্ধারণ করা হয়েছে যা অচিরেই বাস্তবায়ন হবে (ইন-শা-আল্লাহ)। শুদ্ধাচার পুরষ্কার প্রদানের কতিপয় নিয়ামক হলোঃ সকল কাজে স্পষ্টতা ও সততা বজায় রাখার যোগ্যতা, নিঃস্বার্থ,নির্লোভ,নিরঅহংকারী ব্যক্তিত্বের যোগ্যতা, কথা ও কাজের মিলসহ মানবীয় সদগুনাবলী, শৃংখলা ও নিয়মানুবর্তিতা পালনের যোগ্যতা, ভুল তথ্য প্রদান করে কোন কাজ করার মাধ্যমে ব্যাংকে ঝুকি/ক্ষতি থেকে রক্ষা করার দৃষ্টান্ত রয়েছে কিনা, যে কোন সঠিক বিষয়ে সাহসের সাথে স্থির থেকে কথা বলার যোগ্যতা, গোপনীয়তা বজায় রাখার যোগ্যতা, সহযোগীতা মূলক মনোভাব ও বন্ধুত্বসুলভ ব্যক্তিত্বের যোগ্যতা, নির্ভরযোগ্যতা ও ব্যাংকের প্রতি আনুগত্যের যোগ্যতা, সদ্ব্যবহার ও হাসিমুখে গ্রাহকের সন্তুষ্টি অর্জনের সাথে সেবা প্রদানের সামর্থ্যতা, লক্ষ্যমাত্রা অর্জনের সক্ষমতা, গঠনমূলক সমালোচনা সহ্যের ক্ষমতা এবং সমস্যা সমাধানের দক্ষতা, ইসলামী ব্যাংকিং- এ জ্ঞান ও শরীয়াহ পরিপালনে সামর্থ্যতা, সর্বক্ষেত্রে শরীয়াহ পরিপালন করেন কিনা, ব্যাংকিং কর্মকান্ডে জাল জালিয়াতির ঘটনা উদঘাটন করেছেন কিনা ইত্যাদি। এছাড়া নৈতিক কার্যাবলীর বাহিরে অনৈতিক কর্মকান্ডের কারণে অতীব গুরুতর/গুরুতর অনিয়ম সম্পাদন করে থাকলে উহার বিপরীতে negative number প্রদান করা হবে অথবা শুদ্ধাচার পুরষ্কার পাবার অযোগ্য বলে বিবেচিত হবে। শুদ্ধাচার প্রতিষ্ঠা ও উল্লেখযোগ্য কৃতিত্বের জন্য কর্মকর্তাদের পুরস্কার করার মাধ্যমে উৎকৃষ্ট অনুশীলনকে উৎসাহিত (উত্তম চর্চার জন্য পুরুস্কার স্বীকৃতি হিসাবে ক্রেষ্ট, সনদপত্র/নগদ সম্মানী/পদোন্নতির ক্ষেত্রে অগ্রাধিকার, বিদেশে প্রশিক্ষণ/ট্যুর ইত্যাদি) করা হবে। ০৪। নৈতিকতার বিষয় (শুদ্ধাচার ছড়া) সম্বলিত বিজ্ঞাপন প্রতি বছরে অন্তত ৪টি জাতীয় দৈনিক পত্রিকায় প্রকাশের ব্যবস্থা গ্রহণ করা হচেছ।

Report of the Board Audit Committee

In compliance with the guidelines of Banking Companies Act (amended in July 2013), 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 Limited was formed by the Board of Directors of the bank with a view to ensuring the achievement of objectives of the bank, 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 Audit Committee

- 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 processes for monitoring compliance of laws and regulations and its own code of business conduct.
- 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 audit committee of AIBL have been chalked out on the basis of BRPD Circular No. 11 dated 27 October 2013, corporate governance notification issued by BSEC, dated 07 August, 2012 and other best practice of corporate governance guidelines and standards. The important roles and responsibilities of audit committee are described below:

i) 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.

ii) Review the Internal Audit Procedure.

iii) Review the efficiency and effectiveness of Internal Control System.

iv) Consider the recommendations made by the internal and external auditors.

v) Ensure fair presentation of financial statements in compliance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards.

vi) Review compliance with the applicable rules and regulations of Bangladesh Bank, BSEC, Bank Company Act- 1991 (amended in July, 2013) and Companies Act, 1994.

vii) Report immediately to the Board of Directors on conflict of interest.

viii) Report to the Board of Directors on frauds or irregularities or material defects in the Internal Control System.

Composition of the Board Audit Committee

The Board Audit Committee was reconstituted by the Board of Directors of the bank in its 293rd meeting held on 05 June, 2016. 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. Faruq Ahmad Siddiqi	M.A. (English), B.A. (Hons.) in English, Economics, History.	Independent Director	Chairman
2	Alhajj Md. Harun-ar-Rashid Khan	M.A. (Social Welfare)	Director	Member
3	Alhajj Abdus Salam	M.Com.	Director	Member
4	Alhajj Niaz Ahmed	M.Com. (Accounting), L.L.B.	Director	Member
5	Jb. Khalid Rahim	FCA (ICAEW), MA (UK)	Independent Director	Member

Meetings of Board Audit Committee

During the Year 2016, 10 (ten) meetings of the Committee were held.

Activities during the year

The Board Audit Committee carried out the following activities during the year 2016:-

- Reviewed the comprehensive inspection report of Bangladesh Bank, evaluated compliance status thereof and advised the bank management to take necessary action as required.
- Reviewed performance of internal audit, 2016.
- Reviewed audited accounts and report of 2016 and recommended those audited report to place to the Board.

- Reviewed inspection report of different branches of the bank conducted by Internal Control and Compliance Department of the bank and advised the bank management to enhance deposit, loans & advances including reduction of classified loans.
- Reviewed the compliance status of audit objections and advised the management to ensure full compliance of regulatory, legal and significant issues meticulously.
- Reviewed annual financial statements of the bank with appointment of external auditors prior to submission to the Board for their approval.
- Reviewed and approved Annual Plan of Risk Based Internal Audit, 2016.
- Reviewed and approved action plan for turning loss-incurring branches into profitable branches.
- Reviewed comparative position of half yearly income - expenditure statement as on 30 June, 2016 and 30 June, 2015.
- Recommend measures for improvement of the performance of the bank.
- Reviewed cost of fund as on June 30, 2016 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.

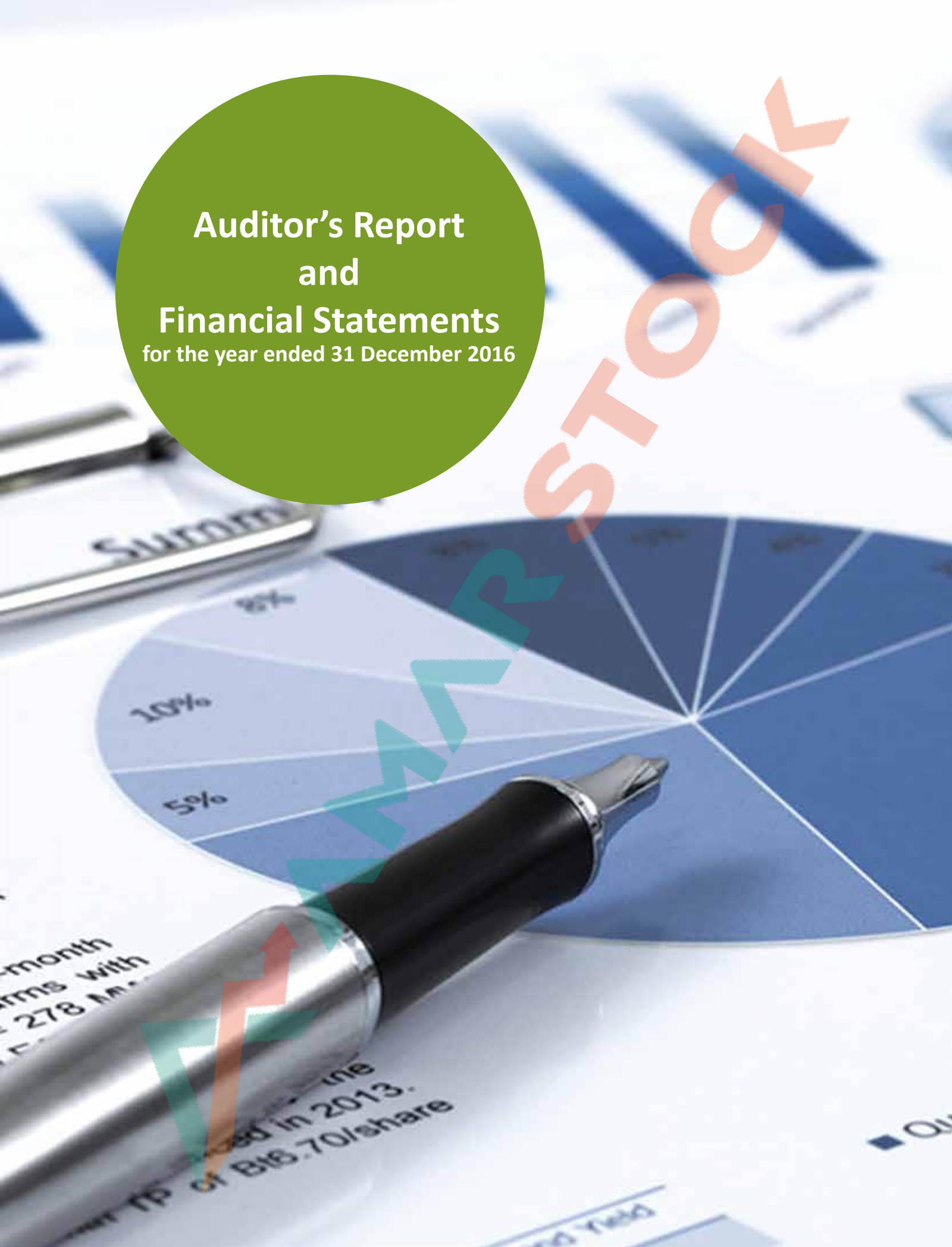
For and on behalf of Audit Committee

Faruq Ahmad Siddiqi
Chairman
Board Audit Committee

AMAR STOCK

Auditor's Report and Financial Statements

for the year ended 31 December 2016



Auditor's Report to the Shareholders of Al-Arafah Islami Bank Limited.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Al-Arafah Islami Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Al-Arafah Islami Bank Limited (the "Bank") which comprise the consolidated balance sheet and the separate balance sheet as at 31 December, 2016 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as explained in note 3c and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatements, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank 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 reports to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those statements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also 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 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as explained in note 3c.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report the following:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) 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 of the Group and the financial statements of the Bank 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:

i. Internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 3.A of the financial statements appeared to be materially adequate;

ii. 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 Bank and its related entities other than matters disclosed in these financial statement;

(c) financial statements of the Bank's three subsidiaries namely,AIBL Capital Market Service Limited (AIBL-CMSL), AIBL Capital Management Limited (AIBL-CML) and Millennium Information Solutions Limited (MISL) have been audited by S. H Khan & Co., Khan Wahab Shafique Rahman & Co.and Ahsan Zamir & Co., respectively and have been properly reflected in the consolidated financial statements;

(d) in our opinion, proper books of account as required by law have been kept by the Group and Bank so far as it appeared from our examination of those books;

(e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;

(f) the expenditure incurred was for the purposes of the bank's business;

(g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;

(h) adequate provisions have been made for advances which are, in our opinion, doubtful recovery;

(i) the records and statements submitted by the branches have been properly reflected and consolidated in the financial statements.

(j) the information and explanation required by us have been received and found satisfactory; and

(k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 13,000 person hours for the audit of the books and accountants of the Bank.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, March 28, 2017

HODA VASI CHOWDHURY & CO.
Chartered Accountants

Consolidated Balance Sheet As at December 31, 2016

PROPERTY AND ASSETS	Notes	2016 Taka	2015 Taka
Cash in hand			
Cash in hand (including foreign currencies)	5A	2,033,960,977	1,779,992,510
Balance with Bangladesh Bank and its Agents Banks		30,853,508,125	24,951,466,555
(including foreign currencies)		**32,887,469,102**	**26,731,459,065**
Balance with other Banks and Financial Institutions	6A		
In Bangladesh		3,426,434,934	2,436,891,773
Outside Bangladesh		5,703,406,904	3,953,284,997
		9,129,841,838	**6,390,176,770**
Placement with Banks & Other Financial Institutions	7.A	**3,333,450,160**	**1,100,000,000**
Investment in Share & Securities	8A	**9,158,676,294**	**8,851,134,487**
Government		6,990,000,000	6,180,000,000
Others	8.A.i	2,168,676,294	2,671,134,487
Investments	9A		
General Investments etc.		180,155,243,596	148,484,014,726
Bills purchased and discounted		16,364,134,345	14,019,129,402
		196,519,377,941	**162,503,144,128**
Fixed assets less Accumulated Depreciation	10A	**3,240,185,718**	**3,057,379,053**
Other Assets	11A	**18,631,047,423**	**20,473,363,436**
Non-Banking Assets		-	-
Total Assets		**272,900,048,477**	**229,106,656,939**
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions	12	**25,084,653,806**	**12,795,916,017**
Deposits and other Accounts	13A		
Mudaraba Savings Deposits		26,053,949,961	21,905,934,320
Mudaraba Term Deposits	13.A.ii.	104,981,785,080	92,519,200,283
Other Mudaraba Deposits	13.i.	46,027,267,857	37,764,527,251
Al-wadeeah Current Accounts and Other Accounts etc.	13.ii	20,693,095,761	16,457,585,767
Bills Payable		1,947,821,349	1,239,833,780
		199,703,920,008	**169,887,081,401**
Other Liabilities	14.A	**23,698,530,129**	**24,104,783,880**
Deferred tax Liabilities/ (Assets)	15	**75,456,597**	**82,801,120**
Total Liabilities		**248,562,560,539**	**206,870,582,418**
AIBL Subordinate Bond		**3,000,000,000**	**3,000,000,000**
Capital/Share holders Equity			
Paid -up Capital	16	9,943,064,280	9,469,585,030
Statutory Reserve	17	6,490,088,540	5,440,728,703
Revaluation Reserve	18	978,069,978	991,589,940
Retained Earnings	19.A	2,199,578,985	1,615,987,762
Total Equity attributable to equity holders of the bank		**19,610,801,783**	**17,517,891,435**
Non-Controlling Interest	16.A	1,726,686,152	1,718,183,083
Total Equity		**21,337,487,935**	**19,236,074,517**
Total Liability and Share holders equity		**272,900,048,477**	**229,106,656,939**

Consolidated Balance Sheet As at December 31, 2016

	Notes	2016 Taka	2015 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		10,243,938,166	9,956,571,853
Letters of Guarantee	20	4,981,342,733	4,471,407,869
Letters of Credit		26,110,933,527	16,316,709,625
Bills for Collection		3,652,427,592	3,835,366,743
Other Contingent Liabilities		-	-
Total		**44,988,642,018**	**34,580,056,090**
Other Commitments :			
Documentary Credits and other short term trade related transactions		-	-
Forward Assets Purchased and forward Deposit placed		-	-
Undraw note issuance and Revolving underwriting Facilities		-	-
Undraw Formal standing Facilities, Credit lines and others commitments		-	-
Total Off Balance sheet items including Contingent liabilities		**44,988,642,018**	**34,580,056,090**

Accompanying notes form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Director | Director | Chairman

Signed in terms of our report of even date.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, March 28, 2017

Consolidated Profit & Loss Accounts For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
Investment Income	21.A	18,830,156,209	18,568,005,614
Profit paid on deposits & Borrowing	22.A	(9,957,733,490)	(11,073,014,773)
Net Investment Income		**8,872,422,719**	**7,494,990,841**
Income from Investment in Shares /Securities	23.A	249,804,490	134,903,233
Commission, Exchange and Brokerage	24.A	2,256,415,349	2,153,661,562
Other Operating Income	25.A	285,324,498	223,380,201
		2,791,544,337	**2,511,944,996**
Total operating income		**11,663,967,056**	**10,006,935,837**
Salaries and allowances & contribution to P.F	26.A	2,691,997,385	2,346,091,156
Directors fees & expenses	27.A	15,928,345	14,221,784
Shariah Supervisory Committee's fees & expenses	28	222,456	186,955
Rent, taxes, insurance and lighting etc.	29.A	519,381,152	430,101,815
Postage, telegram, telephone and stamp etc.	30.A	74,993,610	69,576,889
Legal charges		10,906,430	5,009,678
Auditors' fee		1,420,500	801,250
Salary & Allowances to the Managing Director		13,240,000	11,600,000
Depreciation and repairs to the bank's properties	31.A	293,324,745	274,822,786
Stationery, printing & advertisement etc.	32.A	95,962,147	96,803,956
Other expenses	33.A	435,558,364	397,561,700
Total operating expenses		**4,152,935,134**	**3,646,777,969**
Profit/(Loss) before Tax & provision		**7,511,031,922**	**6,360,157,867**
Provision against Investments & Contingent Liabilities	34.A	1,547,870,131	1,619,872,195
Provision for diminution in value of investment		-	173,462,574
Other Provision		-	3,345,000
Total provision		**1,547,870,131**	**1,796,679,769**
Profit/(Loss) before Tax		**5,963,161,791**	**4,563,478,098**
Current tax	14.1.A	2,621,104,450	2,089,684,203
Deferred tax	15	(7,344,522)	7,910,325
Provision for Taxation		**2,613,759,927**	**2,097,594,527**
Net Profit/(Loss) after tax		**3,349,401,864**	**2,465,883,571**
Net Profit attributable to:			
Equity holders of the bank		3,053,388,813	2,235,175,137
Non-controlling Interest		296,013,051	230,708,434
Profit for the year		**3,349,401,864**	**2,465,883,571**
Appropriation			
Statutory Reserve		1,049,359,837	797,412,053
Non-Controlling Interest		296,013,051	230,708,434
		1,345,372,888	**1,028,120,487**
ransfer to Retained Earnings		**2,004,028,976**	**1,437,763,084**
Earning per Ordinary Share (EPS)	**39.A**	**3.07**	**2.25**

Accompanying notes form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Director | Director | Chairman

Signed in terms of our report of even date.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, March 28, 2017

Consolidated Cash Flow Statement For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
Cash flows from operating activities			
Investment income receipt in Cash		18,365,396,086	18,150,538,866
Profit paid on deposits and borrowing		(10,327,401,253)	(11,254,650,683)
Dividend received		520,046,348	362,391,774
Fees & Commission received in cash		2,256,415,349	2,153,661,562
Recoveries from written off investments		126,799,309	24,183,541
Cash payments to employees		(2,705,237,385)	(2,339,668,915)
Cash payments to suppliers		(95,962,147)	(96,803,956)
Received from other operating activities (item-wise)		285,324,498	223,380,201
Paid for other operating activities (item-wise)	35.A	(1,084,322,588)	(975,447,712)
Advance income tax paid		(2,291,907,683)	(2,153,736,798)
Operating profit before changes in operating assets and liabilities		**5,049,150,534**	**4,093,847,879**
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		502,458,193	(550,237,092)
Increase/(Decrease) of placement to other banks		(2,233,450,160)	8,650,000,000
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(34,036,802,876)	(15,663,581,847)
Increase/(Decrease) of other assets (item-wise)	36.A	4,201,942,654	(877,906,185)
Increase/(Decrease) of placement from other banks and financial institution		12,288,737,789	3,895,916,017
Increase/(Decrease) of Deposits from customers (other than Banks)		30,186,506,369	3,217,551,117
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	37.A	(4,842,641,347)	3,530,137,000
Cash receipt from operating activities		**6,066,750,622**	**2,201,879,009**
A. Net Cash from operating activities		**11,115,901,157**	**6,295,726,888**
Cash flows from investing activities:		-	-
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(450,219,674)	(631,129,036)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		**(450,219,674)**	**(631,129,036)**
Cash flows from financing activities			
Increase in Exchange Equalization Account		(13,519,962)	14,041,692
Issue of AIBL Subordinate Bond		-	3,000,000,000
Dividend paid		(946,958,503)	(1,267,713,015)
C. Net cash flows from financing activities		**(960,478,465)**	**1,746,328,677**
D. Net increase in cash and cash equivalent (A+B+C)		**9,705,203,018**	**7,410,926,529**
E. Effects of exchange rate changes on cash and cash-equivalents		**-**	**-**
F. Net increase in cash and cash equivalent D+E		**9,705,203,018**	**7,410,926,529**
G. Cash & Cash Equivalents at the beginning of the year		**39,301,635,835**	**31,890,709,305**
H. Cash & Cash Equivalents at the end of the year	**38.A**	**49,006,838,852**	**39,301,635,835**

Accompanying notes form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Director | Director | Chairman

Consolidated Statement of Changes in Equity For the year ended December 31, 2016

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2016	9,469,585,030	5,440,728,703	1,615,987,762	991,589,940	17,517,891,435	1,718,183,082	19,236,074,516
Changes in accounting policy	-	-	-	-	-		-
Buy back share							
Restated Adjustment		-	-	-	-	(3,109,981)	(3,109,981)
Restated balance	**9,469,585,030**	**5,440,728,703**	**1,615,987,762**	**991,589,940**	**17,517,891,435**	**1,715,073,101**	**19,232,964,535**
Surplus/deficit on account of revaluation of properties	-	-		-	-		-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-		-
Currency translation differences recognized in the income	-	-	-	(13,519,962)	(13,519,962)	-	(13,519,962)
Share premium						-	-
Net profit for the year	-	-	3,053,388,813	-	3,053,388,813	296,013,051	3,349,401,864
Cash -2015 (10.00 %)	-	-	(946,958,503)	-	(946,958,503)	(284,400,000)	(1,231,358,503)
Bonus Share (5.00 %)	473,479,250		(473,479,250)	-	-	-	-
Issue of share capital of subsidiary	-			-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-
Transferred to retained earning	-	-	-	-	-	-	-
Appropriations during the year	-	1,049,359,837	(1,049,359,837)	-	-	-	-
Balance as at December 31,2016	**9,943,064,280**	**6,490,088,540**	**2,199,578,985**	**978,069,978**	**19,610,801,783**	**1,726,686,152**	**21,337,487,935**
Balance as at December 31,2015	**9,469,585,030**	**5,440,728,703**	**1,615,987,763**	**991,589,940**	**17,517,891,436**	**1,718,183,082**	**19,236,074,518**

Chief Financial Officer | Managing Director | Director | Director | Chairman

Consolidated Statement of Liquidity (Maturity Analysis of Assets and Liabilities)
For the year ended December 31, 2016

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	32,887,469,102	-	-	-	-	32,887,469,102
	Balance with other Bank and Financial Institution	7,927,841,838	-	1,100,000,000	-	102,000,000	9,129,841,838
	Placement with Banks & Other Financial Institutions	-	2,800,000,000	533,450,160	-	-	3,333,450,160
	Investments (in Shares & Securities)	-	-	2,115,323,336	7,043,352,958	-	9,158,676,294
	Investments	40,534,900,000	41,884,700,000	66,968,595,649	30,041,595,649	17,089,586,644	196,519,377,941
	Fixed Assets including premises (Land & Bulding)	-	-	-	-	3,240,185,718	3,240,185,718
	Other Assets	2,642,800,000	58,400,000	55,000,000	-	15,874,847,423	18,631,047,423
	Non Banking Assets	-	-	-	-	-	-
	Total Assets	**83,993,010,940**	**44,743,100,000**	**70,772,369,145**	**37,084,948,607**	**36,306,619,785**	**272,900,048,477**
2	**Liabilities :**						
	Placement from Banks & Other Financial institutions	1,002,300,000	19,518,600,000	4,563,753,806	-	-	25,084,653,806
	Deposits	29,035,500,000	57,628,200,000	78,004,222,322	18,600,000,000	16,435,997,686	199,703,920,008
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	108,200,000	-	39,300,000	-	23,551,030,129	23,698,530,129
	Deferred tax Liabilities/ (Assets)	-	-	-	-	75,456,597	75,456,597
	AIBL Subordinate Bond	-	-	-	-	3,000,000,000	3,000,000,000
	Total Liabilities	**30,146,000,000**	**77,146,800,000**	**82,607,276,128**	**18,600,000,000**	**43,062,484,412**	**251,562,560,539**
	Net Liquidity Gap	53,847,010,940	(32,403,700,000)	(11,834,906,983)	18,484,948,607	(6,755,864,627)	21,337,487,937

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

Balance Sheet as at December 31, 2016

PROPERTY AND ASSETS	Notes	2016 Taka	2015 Taka
Cash in hand	**5**		
Cash in hand (including foreign currencies)		2,029,561,090	1,777,480,023
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		30,853,508,125	24,951,466,555
		32,883,069,215	**26,728,946,578**
Balance with other Banks and Financial Institutions	**6**		
In Bangladesh		3,426,429,934	2,436,886,773
Outside Bangladesh		5,703,406,904	3,953,284,997
		9,129,836,838	**6,390,171,770**
Placement with Banks & Other Financial Institutions	**7**	**2,800,000,000**	**1,100,000,000**
Investment in Share & Securities	**8**		
Government		6,990,000,000	6,180,000,000
Others		1,448,160,988	1,362,695,303
		8,438,160,988	**7,542,695,303**
Investments	**9**		
General Investments etc.		172,805,258,100	142,447,018,752
Bills purchased and discounted		16,364,134,345	14,019,129,402
		189,169,392,445	**156,466,148,154**
Fixed assets less Accumulated Depreciation	**10**	**3,074,024,258**	**2,928,332,618**
Other Assets	**11**	**21,840,168,129**	**23,307,267,486**
Non-Banking Assets		-	-
Total Assets		**267,334,651,873**	**224,463,561,909**
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial institutions	**12**	**25,084,653,806**	**12,795,916,017**
Deposits and other Accounts	**13**		
Mudaraba Savings Deposits		26,053,949,961	21,905,934,320
Mudaraba Term Deposits		105,332,062,757	92,854,674,703
Other Mudaraba Deposits	13.i	46,027,267,857	37,764,527,251
Al-wadeeah Current Accounts and Other Accounts etc.	13.ii	20,693,095,761	16,457,585,767
Bills Payable		1,947,821,349	1,239,833,780
		200,054,197,685	**170,222,555,821**
Other Liabilities	**14**	**19,534,082,882**	**20,855,755,467**
Deferred tax Liabilities/ (Assets)	**15**	**75,456,597**	**82,801,120**
AIBL Subordinate Bond		**3,000,000,000**	**3,000,000,000**
Total Liabilities (12+13+14+15)		**247,748,390,970**	**206,957,028,425**
Capital/Share Holders Equity			
Paid up Capital	16	9,943,064,280	9,469,585,030
Statutory Reserve	17	6,490,088,540	5,440,728,703
Other Reserve	18	978,069,978	991,589,940
Retained Earnings	19	2,175,038,104	1,604,629,812
Total Share holders equity		**19,586,260,902**	**17,506,533,484**
Total Liability and Share holders equity		**267,334,651,873**	**224,463,561,909**

AMAR STOCK

Balance Sheet as at December 31, 2016

	Notes	2016 Taka	2015 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		10,243,938,166	9,956,571,853
Letters of Guarantee	20	4,981,342,733	4,471,407,869
Letters of Credit		26,110,933,527	16,316,709,625
Bills for Collection		3,652,427,592	3,835,366,743
Other Contingent Liabilities		-	-
Total		**44,988,642,018**	**34,580,056,090**
Other Commitments :			
Documentary Credits and other short term trade related transactions		-	-
Forward Assets Purchased and forward Deposit placed		-	-
Undraw note issuance and Revolving underwriting Facilities		-	-
Undraw Formal standing Facilities, Credit lines and others commitments		-	-
Total Off Balance sheet items including Contingent liabilities		**44,988,642,018**	**34,580,056,090**

Accompanying notes form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Director | Director | Chairman

Signed in terms of our report of even date.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, March 28, 2017

Profit & Loss Accounts For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
IInvestment Income	21	18,195,715,103	18,060,176,184
Profit paid on deposits & Borrowing	22	(10,340,732,845)	(11,370,692,043)
Net Investment Income		**7,854,982,258**	**6,689,484,141**
Income from Investment in Shares /Securities	23	658,693,471	449,901,356
Commission, Exchange and Brokerage	24	1,991,029,049	1,874,034,077
Other Operating Income	25	246,733,971	203,359,973
		2,896,456,491	**2,527,295,406**
Total operating income		**10,751,438,749**	**9,216,779,547**
Salaries and allowances & contribution to P.F	26	2,621,492,527	2,278,057,134
Directors fees & expenses	27	11,344,045	9,322,684
Shariah Supervisory Committee's fees & expenses	28	222,456	186,955
Rent, taxes, insurance and lighting etc.	29	507,626,451	416,051,133
Postage, telegram, telephone and stamp etc.	30	74,403,302	69,012,359
Legal charges		10,694,700	5,001,201
Auditors' fee		1,245,500	691,250
Salary & Allowances to the Managing Director		13,240,000	11,600,000
Depreciation and repairs to the bank's properties	31	286,535,214	265,805,065
Stationery, printing and advertisement etc.	32	94,067,522	94,935,026
Other expenses	33	375,403,249	332,362,557
Total operating expenses		**3,996,274,966**	**3,483,025,364**
Profit/(Loss) before Tax & provision		**6,755,163,783**	**5,733,754,182**
Provision against Investments & Contingent Liabilities	34	1,508,364,596	1,582,014,154
Provision for diminution in value of investment		-	161,334,765
Other Provision		-	3,345,000
Total provision		**1,508,364,596**	**1,746,693,919**
Profit/(Loss) before Tax		**5,246,799,187**	**3,987,060,263**
Current tax	14.1	2,213,937,829	1,759,039,033
Deferred tax	15	(7,344,522)	7,910,325
Provision for Taxation		**2,206,593,306**	**1,766,949,358**
Net Profit/(Loss) after tax		**3,040,205,881**	**2,220,110,905**
Appropriation			
Statutory Reserve		1,049,359,837	797,412,053
General Reserve		-	-
		1,049,359,837	**797,412,053**
Retained Earnings		**1,990,846,044**	**1,422,698,852**
Earning per Ordinary share (EPS)	**39**	**3.06**	**2.23**

Accompanying notes form an integral part of these financial statements.

Chief Financial Officer | Managing Director | Director | Director | Chairman

Signed in terms of our report of even date.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, March 28, 2017

Cash Flow Statement For the year ended December 31, 2016

	Notes	2016 Taka	2015 Taka
Cash flows from operating activities			
Investment income receipt in Cash		18,176,535,698	17,961,832,962
Profit paid on deposits and borrowings		(10,710,400,608)	(11,552,327,953)
Dividend recieved		483,354,609	358,266,369
Fees & Commission received in cash		1,991,029,049	1,874,034,077
Recoveries from write off investments		126,799,309	24,183,541
Cash payments to employees		(2,634,732,527)	(2,271,634,893)
Cash payments to suppliers		(94,067,522)	(94,935,026)
Received from other operating activities (item-wise)		246,733,971	203,359,973
Paid for other operating activities (item-wise)	35	(1,008,293,482)	(889,829,638)
Advance income tax paid		(1,965,466,717)	(1,827,295,832)
Operating profit before changes in operating assets and liabilities		**4,611,491,780**	**3,785,653,579**
Changing in Operating assets & liabilities			
Increase/(Decrease) of trading securities		(85,465,685)	(520,602,927)
Increase/(Decrease) of placement to other banks		(1,700,000,000)	8,650,000,000
Increase/(Decrease) of Investment and advances to customers (other than Banks)		(35,302,290,118)	(16,664,211,081)
Increase/(Decrease) of other assets (item-wise)	36	3,500,285,032	(1,191,933,559)
Increase/(Decrease) of placement from other banks and financial institution		12,288,737,789	3,895,916,017
Increase/(Decrease) of Deposits from customers (other than Banks)		30,201,309,627	3,340,012,628
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	37	(2,444,929,182)	4,938,643,955
Cash receipt from operating activities		**6,457,647,463**	**2,447,825,033**
A. Net Cash from operating activities		**11,069,139,244**	**6,233,478,612**
Cash flows from investing activities:			
Proceeds from sale of securites		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(404,873,075)	(513,364,355)
Sales proceeds of Fixed assets		-	-
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		**(404,873,075)**	**(513,364,355)**
Cash flows from financing activities			
Increase in Exchange Equalization Account		(13,519,962)	14,041,692
Subordinate Debt		-	3,000,000,000
Increase in Share Capital			(1,325,741,907)
Dividend paid		(946,958,503)	-
C. Net cash flows from financing activities		**(960,478,465)**	**1,688,299,785**
D. Net increase in cash and cash equivalent (A+B+C)		**9,703,787,704**	**7,408,414,042**
E. Effects of exchange rate changes on cash and cash-equivalents		**-**	**-**
F. Net increase in cash and cash equivalent (D+E)		**9,703,787,704**	**7,408,414,042**
G. Cash & Cash Equivalents at the beginning of the year		**39,299,118,349**	**31,890,704,307**
H. Cash & Cash Equivalents at the end of the year	**38**	**49,002,906,053**	**39,299,118,349**

Chief Financial Officer | Managing Director | Director | Director | Chairman

Statement of Changes in Equity For the year ended December 31, 2016

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Total Equity
Balance at 1st January, 2016	9,469,585,030	5,440,728,703	1,604,629,812	991,589,940	17,506,533,485
Changes in accounting policy	-	-	-	-	-
Issue of the share capital	-	-	-	-	-
Restated balance	**9,469,585,030**	**5,440,728,703**	**1,604,629,812**	**991,589,940**	**17,506,533,485**
Surplus/deficit on account of revaluaton of properties	-	-	-	-	-
Surplus/deficit on account of revaluaton of investments	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	-
Net gain and losses not recognised in Income Statement	-	-	-	(13,519,962)	(13,519,962)
Net profit for the year	-	-	3,040,205,881	-	3,040,205,881
Cash -2015 (10.00 %)	-	-	(946,958,503)	-	(946,958,503)
Bonus Share (5.00 %)	473,479,250	-	(473,479,250)	-	-
Issue of share capital		-	-	-	-
Transferred to retained earning	-	-	-	-	-
Appropriations during the year	-	1,049,359,837	(1,049,359,837)	-	-
Total shareholders' equity as on December 31,2016	**9,943,064,280**	**6,490,088,540**	**2,175,038,103**	**978,069,978**	**19,586,260,902**
Total shareholders' equity as on December 31,2015	**9,469,585,030**	**5,440,728,703**	**1,604,629,812**	**991,589,940**	**17,506,533,485**

Chief Financial Officer | Managing Director | Director | Director | Chairman

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Statement Of Liquidity (Maturity Analysis of Assets and Liabilities)
For the year ended December 31, 2016

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	32,883,069,215	-	-	-	-	32,883,069,215
	Balance with other Bank and Financial Institution	7,009,836,838	-	1,100,000,000	-	1,020,000,000	9,129,836,838
	Placement with Banks & Other Financial Institutions	-	2,800,000,000	-	-	-	2,800,000,000
	Investments (in Shares & Securities)	-	-	1,755,065,683	6,683,095,305	-	8,438,160,988
	Investments	40,534,900,000	41,884,700,000	64,763,600,000	27,836,600,000	14,149,592,445	189,169,392,445
	Fixed Assets including premises (Land & Bulding)	-	-	-	-	3,074,024,258	3,074,024,258
	Other Assets	2,642,800,000	58,400,000	55,000,000	-	19,083,968,129	21,840,168,129
	Non Banking Assets	-	-	-	-	-	-
	Total Assets	**83,070,606,053**	**44,743,100,000**	**67,673,665,683**	**34,519,695,305**	**37,327,584,832**	**267,334,651,873**
2	**Liabilities :**						
	Placement from Banks & Other Financial Institutions	1,002,300,000	19,518,600,000	4,563,753,806	-	-	25,084,653,806
	Deposits	29,035,500,000	57,628,200,000	78,354,500,000	18,600,000,000	16,435,997,685	200,054,197,685
	Other Accounts	-	-	-	-	-	-
	Provision and Other Liabilities	108,200,000	-	39,300,000	-	19,386,582,882	19,534,082,882
	Deferred tax Liabilities/ (Assets)	-	-	-	-	75,456,597	75,456,597
	AIBL Subordinate Bond	-	-	-	-	3,000,000,000	3,000,000,000
	Total Liabilities	**30,146,000,000**	**77,146,800,000**	**82,957,553,806**	**18,600,000,000**	**38,898,037,164**	**247,748,390,970**
	Net Liquidity Gap	**52,924,606,053**	**(32,403,700,000)**	**(15,283,888,123)**	**15,919,695,305**	**(1,570,452,332)**	**19,586,260,902**

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

Notes to the Financial Statements As at and for the year ended December 31, 2016

1. The Bank and its activities

1.1 "Al-Arafah Islami Bank Limited was established in 1995 under the Companies Act, 1994 as a Banking Company with Limited Liability by shares. It is an interest free Shariah Bank of Bangladesh rendering all types of commercial banking services under the regulation of Bank Companies Act, 1991 (as amended 2013) . The Bank conducts its business on the principles of Musharaka, Bai-Murabaha, Bai-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 percepts 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 Exchance (DSE) and Chaittagong Stock Exchange (CSE). Presently the bank has 140 Branches and 3 (three) Subsidiary Companies.

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

1.2 Subsidiaries of the Bank

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

1.2.1 AIBL Capital Market Services Limited

Al-Arafah Islami Bank Ltd. owned 60.50% shares of AIBL Capital Market Services Ltd. a subsidiary company of Al-Arafah Islami Bank Limited. AIBL Capital Market Services Ltd. incorporated in Bangladesh on 20 September, 2010 as a Public Limited Company. The principal activities of subsidiary company is to provide quality services to the prospective institutional and indivdual 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 Ltd. owned 98% shares of AIBL Capital Management Limited a subsidiary company of Al-Arafah Islami Bank Limited. AIBL Capital Management Limited has been incorporated under the Companies Act (Act 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

1.2.3 Millennium Information Solution Limited (MISL)

Al-Arafah Islami Bank Ltd. owned 51% shares of Millennium Information Solution Limited, a subsidiary company of Al-Arafah Islami Bank Limited. Millennium Information Solution Limited, a private limited Company was incorporated in Bangladesh under the Companies Act 1994 on February 11, 2001. This company was acquired by the Bank-AIBL during the current year as per 250th meeting of the Board dated November 30, 2013. Subsequently, Bangladesh Bank approved the acquisitions of MISL vide letter no. BRPO (R-I) 717/2015-2017, Dated March 28, 2015. The main objective of company is to carry on activities relating to developing software products and providing maintenance and support services both the domestic and international clients. Over the years, MILS has established itself as the leading software developer, implementation and service provisioning company in Bangladesh which adheres to the rules of Islamic Shariah.

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 2013), 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 1987, Dhaka and Chittagong Stock Exchange Listing Regulations, other laws and rules applicable in Bangladesh and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) 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.

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 dawn up.

Subsidiries are entities controlled by the group. Control exists when the group has the power to govern the financial and operationg 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 Limited and the fianancial 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

BFRS: 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 judgment 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, 2016 to December 31, 2016.

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

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 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.

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

BFRS: As per requirements of BAS 39 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 BFRS 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

BFRS: As per requirement of BAS 39 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

BFRS: As per BAS 39 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) 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 BAS 39.

2.8.2.4 Investment in subsidiaries

The bank has made investment in subsidiary company AIBL Capital Market Service Ltd Tk. 2,420.00 million 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. Another subsidiaries company named Millenium Information Solution Limited (MISL) Tk. 15.00 Crore holding 51% shares.

2.8.3 Fixed assets Accounting & Depreciation and Intangible Assets Accounting & Amortization Policy.

Board of Directors of Al- Arafah Islami Bank Limited 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.

i) All fixed assets except land are stated at cost less accumulated depreciation and accumulated impairment loss as per BAS-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 by a independent professional valuer on 31st December 2012, any surplus on revaluation is shown as equity component until the disposal/de-recognition of asset. The property is located within:

a) Dist : Dhaka, P. S Motijheel, Sub - registry office : Sutrapur, Dhaka collectorate Touzi # 141-B-1, Mouza : Sabek Shahar Dhaka, Sheet # 22, Ward # 03,Holding No 63,Purana Palton 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 16.42 katha,

"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), S.A-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-08,809,811. Deed # 3825 300, dated: 22.08.2010 & 01.02.2012. The area of land measuring about (6.91+7.03) 13.94 katha,

c) Total land measuring 30.36 katha, cost price was Tk. 453,255,000. The land was revalued at tk. 4.50 crore per katha and total land valuation amount Tk. 1,366,200,000. Total asset revaluation gains amounting Tk. 912,945,000

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 month of acquisition. Whole month depreciation/amortization is to be charged if such assets are acquired in the first half of the month and no depreciation/amortization is to be charged if such assets are acquired in the second half of the month; no depreciation is charged from the month when the assets are disposed.

vi) Maintenance and repair costs are charged to profit and loss account as and when incurred.

vii) Presentation of intangible asset

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular No. 15.

2.8.4 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.

2.8.5 Non-banking asset

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

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

2.8.6 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. (Note -14.4)

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 BAS-16: "Property, Plant and Equipment". The bank first revalued its land in December 2004 and again in December 2012 which is absolutely owned by the bank and the surplus amount transferred to revaluation reserve. (Annexure-A)

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) 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

i) Provisions on Investment

a) Provision for Investment are made on the basis of year end review by the management and instructions contained in Bangladesh Bank BRPD Circular No. 05 dated 05 June, 2006 & BRPD Circular No. 10, dated 18 September, 2007 & Subsequent changes as per BRPD Circular No.14 dated 23 Spetemebr, 2012 and BRPD Circular No.05 dated 29 May, 2013 . 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 1%
General provision on special mention account	0.25% to 1%
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%

ii) Loans and advances/Investments net of provision

BFRS: 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.

iii) 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 Novemberm, 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. Bills for Collection
4. Acceptance and endorsements
5. Other Contingent Liabilities

iv) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items 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 @40.00% as prescribed in the Finance Act 2016 of the profit made by the bank considering taxable add-back of income and disallowance of expenditure in compliance with BAS-12 " Income Taxes". Tax return for the income year 2015 (Assessment year 2016-2017) has been filed but assessment is to be done by the tax authority.

The bank recognized deferred tax in accordance with the provision of BAS-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.

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.

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 BAS-37, provision and accrued expenses are recognised in the fianancial 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

i) 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.

FAMILY STOCK

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 interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 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.

ii) 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 tme of effecting the transactions

iii) Other comprehensive income

BFRS: As per BAS 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 do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income 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.

iv) 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.

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, 2016 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.

M. Revenues, gains, expenses & losses prohibited by Shariah:

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 BAS-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 BAS 24.

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 BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

2.20.2 Financial guarantees

BFRS: As per BAS 39, 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)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS 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 288th meeting held on 22 march 2017 has approved the audited financial statements for the year ended 31 December 2016.The Board has also recommended 15% cash dividend and 5% stock dividend for the year ended 31 December 2016 subject to approval of the shareholders at the 22th 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 2013) and in compliance with the rules of Islamic Law (Shariah) related to the banking business activities.

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 6 (six) 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.

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.

i) 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 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 dvision 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.

vii) 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 emphasize 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 are also conducting Core Risks System Audit during their regular Audit & Inspections.

viii) "Fraud and Forgeries:

During the year 2013, Audit and Inspection department of ICCD, have detected some incidents/irregularities as fraud-forgery relating to cash misappropriation and investment disbursement in 03 branches of the Bank, which is little 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.

During the year 1st January to 31st December, 2016 Audit and Inspection department of ICCD, have detected some incidents/irregularities as fraud-forgeries relating to cash misappropriation and investment disbursement in 03 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 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 (BAS) and Bangladesh Financial Reporting Standards (BFRS)

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 BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	18	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 for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investments in Associates	28	N/A
Disclosures in the Financial Statements of Banks and similar Financial Institutions	30	Applied
Interests in Joint Ventures	31	N/A
Financial Instruments: Disclosure and 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
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Financial Instruments: Disclosures	7	Applied
Consoliidated Financial Instruments	10	Applied
Disclosures of interest in other entities	12	Applied
Fair value Measurement	13	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 293rd meeting held on 5th June, 2016 as per BRPD Circular No. 11 Dated 27.10.2013 as under:

SL	Name	Status with Committee	Eduacational Qualification
1	Faruq Ahmad Siddiqi	Chairman	MA (English), BA (Hons) in English, Economics, History
2	Abdus Salam	Member	M.com
3	Md. Harun-ar-Rashid Khan	Member	M.A(Social Welfare)
4	Khalid Rahim	Member	FCA (ICAEW) ; MA(UK)
5	Al-hajj Niaz Ahmed	Member	M.com.(Accounting), LLB

During the period 2016 the audit committee of the bank conducted 10 (Ten) 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, 2016.

		2016 Taka	2015 Taka
5.	**Cash in hand**		
a)	Cash in hand		
	In local currency	2,028,680,184	1,776,218,626
	In Foreign currency (Note 5.a.ii)	880,906	1,261,397
		2,029,561,090	**1,777,480,023**
b)	Balance with Bangladesh Bank		
	In local currency	29,691,784,728	23,714,870,969
	In Foreign currency	296,368,858	149,778,262
		29,988,153,586	**23,864,649,231**
c)	Balance with Sonali Bank Ltd.		
	In local currency	865,354,539	1,086,817,324
	In Foreign currency	-	-
		865,354,539	**1,086,817,324**
5.a.i	**Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)**	**30,853,508,125**	**24,951,466,555**

5.a.ii In Foreign currency

Currency Name	Amount in FC	Ex. Rate	Amount in BDT	Amount in BDT
US Dollar	16069	54.82	880,906	1,261,397
Great Britain Pound	-		-	-
EURO	-		-	-
Others	-			
			880,906	**1,261,397**

5.d Cash Reserve Requirments (CRR) and Statutory Liquidity Requirments (SLR)

Cash Reserve Requirments (CRR) and Statutory Liquidity Requirments (SLR) have been calculated and maintained in accordance with Section 33 of Bank Companies Act 1991 (as amended 2013) & as per Bangladesh Bank Circular No: MPD/01 dated June 23, 2006.

5.e	**Cash Reserve Requirments (CRR)**		
	Required Reserve(6.5 % of Average Demand and Time Liabilities)	12,840,330,000	11,037,209,000
	Actual reserve held with Bangladesh Bank	29,680,893,000	23,713,653,000
	Surplus/(Deficit)	**16,840,563,000**	**12,676,444,000**
	Statutory Liqudity Requirments (SLR)		
	Required Reserve(5.50 % of Average Demand and Time Liabilities)	10,864,895,000	9,339,177,000
	Actual reserve held	26,725,456,000	12,370,464,000
	Surplus/(Deficit)	**15,860,561,000**	**3,031,287,000**
5.A	**Cash in hand**	2,029,561,090	1,777,480,023
	Al-Arafah Islami Bank Ltd.	4,399,887	2,512,487
	Millennium information solution Ltd.	**2,033,960,977**	**1,779,992,510**
6.	**Balance with other Banks and Financial Institutions**		
a)	**In Bangladesh:**		
	Al-Wadia Current Accounts		
	Dutch Bangla Bank Ltd.	748,968	8,257,618
	National Bank Ltd.	2,997,652	33,135,997
	Agrani Bank	1,650	1,650
		3,748,269	**41,395,264**
	Short Term Deposits		
	Dhaka Bank Ltd.	14,690,294	1,024,484
	Prime Bank Ltd.	6,935,714	54,241,774
	Islami Bank Bangladesh Ltd.	305,873,890	33,528,460
	Social Islami Bank Ltd.	391,887,401	1,979,155,765
	Shahjalal Islami Bank Ltd.	1,574,816,845	33,151,301
	EXIM Bank Ltd.	132,867,293	17,021,976
	ICB Islamic Bank Ltd.	162,200,684	166,216,374
	Jamuna Bank Ltd.	12,055,967	5,097,701
	The City Bank Ltd.	27,922,648	18,302,973
	Southeast Bank Ltd.	47,438,551	74,525,303
	AB Bank Ltd.	545,992,378	12,972,710
	Social Islami Bank Ltd.	-	251,687
	Bank Alfalh Ltd.	200,000,000	
	Rupali Bank Ltd.	-	1,000
		3,426,429,934	**2,436,886,773**

		2016 Taka	2015 Taka
b.	**Outside Bangladesh (NOSTRO A/C)**		

Name of bank	Currency Name	Amuont in Foreign Currency	Convertion rate per unit F.C	Amount In BDT.	Amount In BDT.
HABIB BANK AG ZURICH	CHF	2,979	76.66	228,363	475,348
COMMERZBANK AG FRANKFURT AM	EURO	59,799	82.15	4,912,556	179,402
SONALI BANK LTD.,LONDON	EURO	4,134	82.15	339,618	354,706
STANDARD CHARTERD BANK LTD,FRANKFURT	EURO	344,596	82.15	28,308,867	(745,271)
UNITED BANK OF INDIA	EURO	767	82.15	63,029	2,404,557
STANDARD CHARTERD BANK LTD,JAPAN	JPY	1,826,997	0.67	1,231,579	681,584
SONALI BANK LTD.,LONDON	POUND	17,205	96.37	1,658,117	676,454
STANDARD CHARTERD BANK LTD,LONDON	POUND	128,154	96.37	12,350,712	101,248,966
AL RAJI BANKING & INV CORP,SAUDI ARABIA	REYAL	1,018,602	20.98	21,374,962	4,814,571
AB BANK LID., MUMBAI	ACUD	(25,862)	78.71	(2,035,640)	37,138,625
AXIS BANK LTD.	ACUD	158,454	78.71	12,472,096	14,481,848
BANK OF BHUTAN	ACUD	199,437	78.71	15,697,910	18,286,657
COMMERZBANK AG FRANKFURT	USD	776,449	78.71	61,115,193	9,110,077
HABIB BANK OF PAKISTAN,KARACHI	ACUD	118,205	78.71	9,304,046	9,642,705
ICICI BANK LIMITED, MUMBAI	ACUD	602,118	78.71	47,393,361	96,500,117
ICICI BANK LIMITED,HONGKONG	USD	559,097	78.71	44,007,130	53,249,662
MASHREQUE BANK PSC,MUMBAI	ACUD	464,604	78.71	36,569,507	23,567,037
SONALI BANK LTD. LONDON	USD	94,063	78.71	7,403,825	18,367,092
SONALI BANK LTD. KOLKATA	ACUD	115,709	78.71	9,107,609	12,814,521
STANDARD CHARTERD BANK LTD,KARACHI	ACUD	214,115	78.71	16,853,217	3,433,149
OFF-SHORE BANKING UNIT		NILL		NILL	NILL
STANDARD CHARTERD BANK LTD,MUMBAI	ACUD	393,927	78.71	31,006,394	3,079,653
HABIB METROPOLITAN BANK LTD. KARACHI	ACUD	137,394	78.71	10,814,462	9,642,705
MASHREQUE BANK PSC,NEW YORK	USD	799,896	78.71	62,960,722	29,622,806
CITIBANK N.A.,NEW YORK, USA	USD	1,948,427	78.71	153,362,800	50,412,236
STANDARD CHARTERD BANK LTD,NEW YORK	USD	1,285,895	78.71	101,214,196	265,200,388
STANDARD CHARTERD BANK, KOLKATA (AMEX)	USD	130,349	78.71	10,259,898	10,126,882
HABIB AMERICAN BANK,NEW YORK,USA	USD	328,586		25,863,379	29,652,746
UNITED BANK OF INDIA,DOLLAR	ACUD	282,498	78.70	22,233,361	10,730,470
				746,071,267	**805,506,987**
				9,129,836,838	**6,390,171,770**

6.A.	**Consolidated Balance with other Banks and financial institutions**		
a)	**In Bangladesh:**		
	Al-Arafah Islami Bank Ltd. [Note-6.a]	3,426,429,934	2,436,886,773
	AIBL Capital Market Services Ltd.	215,047,483	174,099,975
	AIBL Capital Management Ltd.	29,421,771	31,107,790
		3,670,899,188	**2,642,094,538**
Less:	**Inter-Company Adjustment**	**(244,464,254)**	**(205,202,765)**
		3,426,434,934	2,436,891,773
b.	Outside Bangladesh	5,703,406,904	3,953,284,997
		9,129,841,838	**6,390,176,770**
6.A.i	**Maturity - wise Groupings (Inside & Outside Bangladesh)**		
	Payable on Demand		
	Up to 1 (one) month	7,927,841,838	3,406,576,770
	Over 1 (one) Month but not more than 3 (three) Months	-	-
	Over 3 (three) Months but not more than 1 (one) year	1,100,000,000	1,730,600,000
	Over 1 year but not more than 5 years	-	-
	Over 5 years	102,000,000	1,253,000,000
		9,129,841,838	**6,390,176,770**

		2016 Taka	2015 Taka
7.	**Placement with Banks & Other Financial institutions**		
	Islamic Finance and Investment Ltd.	-	100,000,000
	EXIM Bank Ltd.	1,200,000,000	-
	Southeast Bank Ltd.	500,000,000	1,000,000,000
	Premier bank ltd.	500,000,000	-
	IFIL MTDR	200,000,000	-
	AB Bank Ltd.	400,000,000	-
		2,800,000,000	**1,100,000,000**
7.A	Al-Arafah Islami Bank Ltd.	2,800,000,000	1,100,000,000
	AIBL Capital Market Services Ltd.	533,450,160	-
		3,333,450,160	**1,100,000,000**
8.	**Investment in Shares & Securities**		
	Bangladesh Govt. Islami Bond Fund (8.a)	6,490,000,000	5,680,000,000
	Investment In Islamic Refinance Fund(8.a)	500,000,000	500,000,000
	Investment in Share (8.b)	1,445,022,096	1,459,556,413
	Central Depository Bangladesh Limited (8.b)	3,138,890	3,138,890
		8,438,160,986	**7,642,695,303**
8.a	**Investments in Share & Securities**		
	Government Securities	**6,990,000,000**	**6,180,000,000**
	Bangladesh Govt. Islami Bond Fund	6,490,000,000	5,680,000,000
	Investment In Islamic Refinance Fund	500,000,000	500,000,000
	In shares (quoted and unquoted)		
	Quoted		
	Private (8.b)	937,568,865	952,103,180
	Unquoted		
	Private (8.b)	510,592,123	510,592,122
		1,448,160,988	**1,462,695,302**
8.b.i	**Book value of share as on 31 December 2016 as follows**		
	Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
	Rsrm steel	768,722	8,456,024
	Islami insurance	42,718,565	42,718,564
	Padma oil	5,637,770	5,637,770
	Fareast life	6,305,196	-
	Mjlbd	-	5,019,851
	Bdcom	-	620,241
	Jamunaoil	154,629,743	155,071,455
	Grameen phone	138,777,389	138,777,391
	Prime life insurance co. Ltd.	140,002,776	124,048,092
	Titas gas	56,679,797	56,679,795
	Sumit power	3,365,366	2,398,102
	Sppcl	-	5,046,041
	Gphispat	-	12,641,110
	Uniquehrl	39,659,137	39,659,142
	Orion pharma	83,685,709	83,685,718
	Bangladesh submarine cable com. Ltd.	79,595,213	79,595,213
	Upgdcl	5,195,111	5,195,111
	Fareast Life Insurance Co. Ltd.	-	6,305,192
	Meghnacem	10,548,369	10,548,369
	AIBl 1st Islamic Mutual Fund	170,000,000	170,000,000
		937,568,865	**952,103,180**
8.b.ii	**Unquoted shares in**		
	Swift Share	7,453,233	7,453,232
	Investment in sibl mudaraba sub-ordinated bond	500,000,000	500,000,000
	Central Depository Bangladesh Limited	3,138,890	3,138,890
		510,592,123	**510,592,122**
		1,448,160,988	**1,462,695,302**
8.A.i	**Investment in Shares & Securities**		
	Al-Arafah Islami Bank Ltd.	1,448,160,988	1,362,695,302
	AIBL Capital Market Services Ltd.	700,000,000	700,000,000
	AIBL Capital Management Ltd.	20,515,306	608,439,184
	Millennium information solution Ltd.	-	-
		2,168,676,294	**2,671,134,486**

		2016 Taka	2015 Taka
8.A.ii	**Maturity grouping of investments**		
	Payable on Demand		
	Not more than 3 months	-	-
	Over 3 (three) months but not more than 1 (one) year	-	-
	Over 1 year but not more than 5 years	1,448,160,988	1,362,695,302
	More than 5 years	720,515,306	1,308,439,184
		2,168,676,294	**2,671,134,486**
9.	**Investments**		
	a)General Investment		
	i. in Bangladesh		
	Murabaha Investment	17,335,763,428	12,709,297,966
	Bai-Muazzal Investment	76,526,008,025	69,983,132,086
	Hire Purchase Investment	49,638,994,915	38,339,304,262
	Quard	1,879,374,812	1,221,025,926
	Other Investment	36,505,808,648	39,253,504,887
		181,885,949,828	**161,506,265,127**
	ii. Out side Bangladesh	-	-
		181,885,949,828	161,506,265,127
	Less: Unearned profit on Investment	9,080,691,728	9,202,498,497
		172,805,258,100	**152,303,766,630**
	b)Bill Purchased & Discounted		
	Payable in Bangladesh	14,531,970,840	2,954,878,541
	Payable out side Bangladesh	1,832,163,505	1,207,502,983
		16,364,134,345	4,162,381,524
		189,169,392,445	**156,466,148,154**
	c)Maturity grouping of Investment		
	Including bills purchased and discounted		
	Payable on Demand		
	Up to 1 (one) month	40,534,900,000	36,492,600,000
	Over 1 (one) month but not more than 3 (three) months	41,884,700,000	33,345,000,000
	Over 3 (three) months but not more than 1 (one) year	64,763,600,000	47,277,448,154
	Over 1 year but not more than 5 years	27,836,600,000	23,270,900,000
	Over 5 years	14,149,592,445	16,080,200,000
	-	**189,169,392,445**	**156,466,148,154**
d)	**An analysis to disclose following Significant concentration :**		
	i.Investment to Directors and others	33,748,000	33,748,000
ii.	Investment to Managing Director and Cheif Executive	-	-
iii.	Investment to customer (No. of clients with amount of outstanding and classified loan to whom loans and Investment sanctioned more than 10% of total capital of the Bank)	59,834,900,000	45,275,700,000
iv.	**Investments to customers for more than 10% of Bank's Total Capital**		
	Number of clients	30	28
	Amount of outstanding Investment	59,834,900,000	45,275,700,000
	Amount of Classified Investment	-	-

	Name of Clients	Funded	Non-Funded	2016 Taka Figure in crore	2015 Taka Figure in crore
01	Meghna Group	-	115.92	115.92	51.52
02	Fair Acrylic Processing Ltd	-	-	-	33.06
03	Thermax Group	386.90	35.64	422.54	279.60
04	Majumder Traders	230.62	46.78	277.40	61.61
05	T K Group	48.24	56.29	104.53	102.51
06	Abul Khair Steel Industries Ltd.	211.75	275.72	487.47	485.36
07	Nasir Glass Ltd	224.09	22.13	246.22	240.79
08	AIBL Capital Market Services Ltd.	-	40.00	40.00	40.00
09	Noapara Traders	-	283.10	283.10	256.44
10	Techno Electricals ltd	30.52	208.49	239.01	195.25
11	Jaj Bhuiyan Group	123.07	22.73	145.80	128.41
12	Aman Tex Limited	220.33	103.64	323.97	287.89
13	Masihata Sweaters Ltd.	214.88	224.65	439.53	332.14
14	Gastro Liver Hospital & Reaserch Institute ltd	122.03	10.26	132.29	138.28
15	Birds Garments ltd, Unit-2, BiRoads R N R Fashion Ltd, & Khalifa Apparels Ltd.	35.27	52.51	87.78	86.41
16	Turag Garments & Hosiery Mills Ltd.	53.33	27.31	80.64	140.42
17	AIBL Capital Management Ltd	218.15	-	218.15	172.02
18	Bangladesh Steel Re-rolling Mills	62.11	30.81	92.92	75.09
19	Shahjalal Islami Bank Securities Ltd	-	-	-	106.43
20	Ziri Subedar Steel Rrerolling	34.61	62.30	96.91	30.52
21	Partex Jute Mills Ltd.	144.94	0.46	145.40	161.44
22	Kader Compact Spinning Mills	-	-	-	60.67
23	Kabir Steel Re-rolling Mills	51.39	44.98	96.37	114.83
24	Mahmud Indigo Ltd.	69.62	69.70	139.32	-
25	Ayman Textile & Hosiery Ltd.	305.71	46.99	352.70	117.39
26	Mahmud Denims Ltd.	63.34	22.23	85.57	339.64
27	Nitol Motors Ltd.	277.68	-	277.68	-
28	Robiul Islam, M/S. Rahman Traders & M/S. Zobari Traders	-	104.76	104.76	-
29	Kamal Yearn Ltd	214.88	99.13	314.01	-
30	Creative paper Mills	119.23	123.68	242.91	66.23
31	Biswas Poultry & Fish Feeds Ltd.	31.89	70.02	101.91	220.73
32	Anwar Khan Modern Hospital Ltd.	204.06	-	204.06	202.89
33	Rangs Industries Ltd	84.62	-	84.62	-
		3,783.26	**2,200.23**	**5,983.49**	**4,527.57**

		2016 Taka	2015 Taka
v)	**Industry/Sector wise Investments**		
	Agriculture, Fishing and forestry	2,519,300,000	2,212,900,000
	Industry	97,344,000,000	87,353,048,154
	Constraction	9,052,000,000	5,576,800,000
	Water works & sanatary services	489,600,000	302,600,000
	Transport & communication	5,733,100,000	7,597,600,000
	Storage	8,772,900,000	1,135,700,000
	Trade Finance	53,891,300,000	47,712,400,000
	Miscellaneous	20,447,884,173	13,777,598,497
		198,250,084,173	**165,668,646,651**
Less:	Unearned profit on Investment	9,080,691,728	9,202,498,497
		189,169,392,445	**156,466,148,154**
vi)	**Geographical Location -wise Investment**		
	Urban:	177,460,146,173	148,530,359,083
	Dhaka Region	144,349,747,173	114,539,318,193
	Chittagong Region	18,773,865,000	19,605,649,000
	Sylhet Region	611,571,000	3,711,661,000
	Rajshahi Region	4,547,590,000	1,623,002,000
	Khulna Region	1,574,767,000	5,434,838,000
	Rangpur Region	5,778,867,000	1,932,028,412
	Barisal Region	1,823,739,000	1,683,862,478
Rural:		**20,789,938,000**	**17,138,287,568**
	Dhaka Region	10,838,795,000	9,391,742,000
	Chittagong Region	3,817,282,000	3,097,549,000
	Sylhet Region	586,922,000	538,253,458
	Rajshahi Region	2,033,367,000	1,976,749,412
	Khulna Region	1,853,297,000	559,220,413
	Rangpur Region	966,609,000	1,288,586,850
	Barisal Region	693,666,000	286,186,435
		198,250,084,173	**165,668,646,651**
		9,080,691,728	9,202,498,497
Less:	**Unearned profit on Investment**	-	**189,169,392,445**	**156,466,148,154**

		2016 Taka	2015 Taka
e)	**Classification of Investment including bills purchased and discounted**		
	Unclassified:	**189,255,099,173**	**157,954,974,651**
	Standard including (Staff investment)	186,861,491,000	155,664,850,651
	Special Mention Accounts (SMA)	2,393,608,173	2,290,124,000
	Classified:	**8,994,985,000**	**7,713,672,000**
	Sub Standard	873,157,000	777,492,000
	Doubtful	806,636,000	1,576,600,000
	Bad / Loss	7,315,192,000	5,359,580,000
		198,250,084,173	**165,668,646,651**
Less:	Unearned profit on Investment	9,080,691,728	9,202,498,497
		189,169,392,445	**156,466,148,154**
f)	**Required Provision on Investment & Off -balance sheet exposures**		
	Unclassified		
	General provision on unclassified Investment	941,089,000	696,380,351
	General provision on small enterprise Investment	214,241,000	206,624,000
	General provision on Housing financing Investment	36,702,000	44,908,000
	General provision on consumer financing Investment	6,560,000	4,816,000
	General provision on Micro Investment	48,834,000	34,780,000
	General provision on special mention Investment	16,500,000	20,150,000
	General provision on BHS/MHS/SDS	88,902,000	82,607,000
	Classified	**1,352,828,000**	**1,090,265,351**
	Specific provision on substandard Investment	51,978,000	44,091,000
	Specific provision on doubtful Investment	124,627,000	439,001,000
	Specific provision on bad/loss Investment	2,402,264,000	1,617,184,532
	Unclassified	**2,578,869,000**	**2,100,276,532**
	General provision on Off-balance sheet	449,886,000	346,746,000
		4,381,583,000	**3,537,287,883**
g)	**Provision made on Investment & Off-balance sheet exposures**		
	Unclassified		
	General provision on unclassified Investment	941,089,000	696,380,351
	General provision on small enterprise Investment	214,241,000	206,624,000
	General provision on Housing financing Investment	36,702,000	44,908,000
	General provision on consumer financing Investment	6,560,000	4,816,000
	General provision on Micro Investment	48,834,000	34,780,000
	General provision on special mention Investment	16,500,000	20,150,000
	General provision on BHS/MHS/SDS	88,902,000	82,607,000
	Classified	**1,352,828,000**	**1,090,265,351**
	Specific provision on substandard Investment	51,978,000	44,091,000
	Specific provision on doubtful Investment	124,627,000	439,001,000
	Specific provision on bad/loss Investment	2,402,264,000	1,617,184,532
	Unclassified	**2,578,869,000**	**2,100,276,532**
	General provision on Off-balance sheet	449,886,000	346,746,000
		4,381,583,000	**3,537,287,883**

		2016 Taka	2015 Taka
Provision Excess/(Shortfall)			
h)	**Particulars of Investments**		
i)	Investment considered good in respect of which of the bank company is fully secured;	173,310,626,077	126,737,580,005
ii)	Investment considered good against which the banking company holds no security other then the debtors personal guarantee.	24,939,458,160	29,728,568,149
iii)	Investment considered good secured by the personal undertaking of one or more perties 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;	14,146,200	5,372,000
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 Clssified 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	7,315,192,000	5,359,580,000
i)	Decrease/Increase in provision (Specific)	486,392,468	581,492,532
ii)	Amount of Investment written off;	898,071,486	830,975,812
iii)	Amount realised against Investment previously written off;	126,799,309	24,183,541
b)	Amount of provision kept against Investment classified as “bad/loss” on the date of preparing the balance sheet ;	2,201,764,000	1,617,184,532
xi)			
i)	Cumulative amount of the written of Investment;	4,069,968,000	2,987,390,000
ii)	Amount written off during the current year;	898,071,486	830,975,812
iii)	The amount of written off Investment for which lawsuit has been field;	4,069,968,000	2,987,390,000
9.A.	**Investments**		
	Al-Arafah Islami Bank Ltd.	189,169,392,445	156,466,148,154
	AIBL Capital Market Services Ltd.	9,783,753,077	8,521,144,839
	AIBL Capital Management Ltd.	1,879,257,834	1,366,532,329
		200,832,403,356	**166,353,825,322**
	Less : Inter company Adjustment	(4,313,025,415)	(3,850,681,194)
		196,519,377,941	**162,503,144,128**
9.A.i	**Maturity grouping of Investment Including bills purchased and discounted**		
	Payable on Demand	-	-
	Up to 1 (one) month	40,534,900,000	36,492,600,000
	Over 1 (one) month but not more than 3 (three) months	41,884,700,000	43,232,677,168
	Over 3 (three) months but not more than 1 (one) year	66,968,595,649	43,426,766,960
	Over 1 year but not more than 5 years	30,041,595,649	23,270,900,000
	Over 5 years	17,089,586,642	16,080,200,000
		196,519,377,940	**162,503,144,128**

		2016 Taka	2015 Taka
10.	**Fixed Assets**		
	Tangiable Assets		
	Land	1,453,929,419	1,453,929,419
	Building	744,610,287	693,456,887
	Furniture (Wood)	403,484,682	327,891,053
	Furniture (Steel)	99,277,844	86,350,798
	Computer	207,740,364	185,482,146
	Computer (Accossories)	70,455,984	50,463,559
	Motor Car	129,933,240	100,377,467
	Machine equipment & appliance	582,497,887	506,897,697
	Online Hardware	319,044,697	248,167,277
	Interior Decoration	165,344,780	160,678,363
	Books & Library	9,154,137	9,421,057
		4,185,473,321	**3,823,115,723**
	Intangiable Assets		
	Online Software	181,395,598	140,444,535
	Total	**4,366,868,919**	**3,963,560,258**
	Less Accumulated Depreciation	1,292,844,661	1,035,227,640
		3,074,024,258	**2,928,332,618**
	Schedule of Fixed Assets are given in Annexure - A.		
10.A.	Fixed Assets		
	Al-Arafah Islami Bank Ltd.	3,074,024,258	2,928,332,618
	AIBL Capital Market Services Ltd.	20,362,532	11,712,876
	AIBL Capital Management Ltd.	535,729	467,627
	Millennium Information	145,263,199	116,865,932
		3,240,185,718	**3,057,379,053**
11.	**Other Assets**		
	Balance with BO A/C for share purchase	1,206,249,451	1,267,256,615
	Suspense Account	58,495,731	99,991,006
	DD Paid without Advice	-	7,300
	Stock of Stationery	24,025,841	25,384,025
	Stamp in hand	4,875,551	3,659,647
	Advance Deposit	3,841,752	3,818,232
	Advance Rent	345,704,276	252,384,949
	Capital Work In Progress	652,231,722	371,698,078
	Investment for Subsidiary Companies	3,060,000,000	3,060,000,000
	Advance Income Tax & TDS [Note 11.2]	13,039,216,681	11,073,749,964
	Protested Bills	7,796,700	8,959,700
	Prepaid Expenditure	25,232,912	27,871,668
	Brac Bank Eldorado Settement A/C	-	20,000,000
	Balance with cmsl for portfolio account	1,435,406,079	1,418,558,167
	Accrued Income	1,448,219,595	1,380,500,637
	Mfci usd (edf) a/c	40,575,188	4,072,535,101
	Scb mc settlement a/c (local)	55,192,645	6,328,761
	Stock of ATM Card	1,050,000	1,049,634
	Branches Adjustment A/C	-	29,168,514
	Parking for nostro sub gl usd	86,000	86,000
	Dividend Receivable	358,132,736	6,704,221
	Clearing Adjustment	73,835,267	77,555,267
	Due from off-shore Banking unit	4,957,335,636	3,147,778,010
		26,797,503,763	**26,455,045,496**
Less:	Balance with OBU for elimination investment with OBU	4,957,335,636	3,147,778,010
		21,840,168,127	**23,307,267,486**

		2016 Taka	2015 Taka
11.1	Classification of other Assets under the following catagories		
i)	Investment in shares of subsidiary companies;	3,060,000,000	3,060,000,000
	In Bangladesh	-	-
ii)	Stationery, Stamps, Printing materials etc.	29,951,392	30,093,306
iii)	Advance rent and advertisement;	345,704,276	252,384,949
iv)	Profit accrued on Investment but not collected, commision & brokerage receivable on shares and debenture and other income receivable	1,448,219,595	1,380,500,637
v)	Security deposit	3,841,752	3,818,232
vi)	Preliminary, formation and organization expenses, renovation and development expenses	-	-
vii)	Prepaid expenses	25,232,912	27,871,668
viii)	Balance with BO A/C for share purchase	1,261,442,096	1,273,585,376
ix)	Suspenses account	58,495,731	99,991,006
x)	DD Paid without advice	-	7,300
xi)	Protested Bills	7,796,700	8,959,700
xii)	Parking for nostro sub gl usd	86,000	86,000
xiii)	Dividend Receivable	358,132,736	6,704,221
xiv)	Capital Work In Progress	652,231,722	371,698,078
xv)	Others	14,589,033,215	16,691,567,013
		21,840,168,127	**23,207,267,486**
xv)	**Others**		
	Brac Bank Eldorado Settement A/C	-	20,000,000
	Branches Adjustment A/C	-	29,168,514
	Advance Income Tax & TDS	13,039,216,681	11,073,749,964
	Mfci usd (edf) a/c	40,575,188	4,072,535,101
	Balance with cmsl for portfolio account	1,435,406,079	1,418,558,167
	Clearing Adjustment	73,835,267	77,555,267
		14,589,033,215	**16,691,567,013**
11.2	**Advance Income Tax & TDS**		
i)	Begining of the year	11,073,749,964	9,246,454,132
	Advance tax paid during the year	1,794,931,776	1,656,741,756
	Tax deducted at Source during the year	170,534,941	170,554,076
	Advance income tax at the end of the year	**13,039,216,681**	**11,073,749,964**
11.A.	**Consolidated Other Assets**		
	Al-Arafah Islami Bank Ltd.	21,840,168,129	23,307,267,486
	AIBL Capital Market Services Ltd.	1,753,321,166	1,747,681,856
	AIBL Capital Management Ltd.	490,909,897	322,445,203
	Millennium information solution Ltd.	44,858,817	34,425,496
		24,129,258,009	**25,411,820,041**
	Less: Inter-Company Adjustment	(5,498,210,586)	(4,938,456,605)
		18,631,047,423	**20,473,363,436**

12. Placement from Banks & Other financial Institutions

The Bank has taken finance from Islami Investment Bond (Islami Bond) at banks' own Mudaraba savings rate for 60/90/120/150/180 days tenor which introduced by the Government for Islami Banks and Financial Institutes in September 2004 through Bangladesh Bank. The borrowing has been secured by Demand Promissory Note.

				2016 Taka	2015 Taka
a.	Name of the Bank In Bangladesh	Mature Date	Nature	Amount	Amount
	Brorowing from Bangladesh Bank	4-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	6-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	6-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	13-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	18-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	21-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	21-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	25-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank	26-Jan-2017	D.P Note	2,000,000,000	1,000,000,000
	Brorowing from Bangladesh Bank		D.P Note		1,000,000,000
	Brorowing from Bangladesh Bank		D.P Note		2,000,000,000
				18,000,000,000	**12,000,000,000**
	Outside Bangladesh			**7,084,653,806**	**795,916,017.00**
				25,084,653,806	**12,795,916,017**

13	**Deposit and Other Accounts**		
	Mudaraba Savings Deposits	26,053,949,961	21,905,934,320
	Mudaraba Term Deposits	105,332,062,757	92,854,674,703
	Other Mudaraba Deposits [Note :13.i]	46,027,267,857	37,764,527,251
	Al-Wadia Current Accounts and Others Accounts etc.[Note: 13.ii]	20,693,095,761	16,457,585,767
	Bills Payable	1,947,821,349	1,239,833,780
		200,054,197,685	**170,222,555,821**
13.i.	**Other Mudaraba Deposits**		
	Mudaraba Short Term Deposit	13,072,698,735	7,443,774,453
	Installment Term Deposit (Itd)	12,260,932,397	10,179,271,550
	Savings Inv. Deposit (Sid)	59,850,290	95,503,766
	P/P Term Deposit (Ptd)	6,331,403,853	6,459,763,201
	Monthly Hajj Deposit (Mhd)	123,066,002	95,510,521
	Term Hajj Deposit (Thd)	2,507,151	2,343,620
	Marriage Savings & Invt. Scheme	501,704	371,634
	Savings Bond	-	53,727,976
	Special Pension Dep. Scheme	68,152,885	60,538,285
	Mudaraba Term Cash Waqf Deposi	18,851,259	17,135,283
	Lakhapati Deposit Scheme (Lds)	846,988,743	901,372,703
	Millionaire Dep. Scheme (Mmds)	4,319,670,800	3,895,745,505
	Kotipoti Deposit Scheme (Mkds)	2,321,126,004	1,907,472,160
	Double Benefit Dep. Scheme (Dbds)	4,346,986,886	4,201,695,859
	Pension Dep. Scheme (Pds)	2,041,756,180	2,240,684,473
	Triple Benefit Dep. Scheme (Tbds)	212,774,968	209,616,262
		46,027,267,857	**37,764,527,251**
13.ii	**Al-wadeeah Current Accounts and Other Accounts**		
	Al-wadeeah Current Deposits	9,823,232,157	7,942,790,543
	Sundry Deposit	7,038,787,620	2,723,247,205
	Profit Payable For All Deposit Ac	2,757,577,517	3,127,245,280
	F.C Held against EDF	141,589,294	2,433,372,068
	F.C Deposit Account :	931,909,173	230,930,671
		20,693,095,761	**16,457,585,767**

		2016 Taka	2015 Taka
13.A.	**Consolidated Deposit and other Accounts**		
	Mudaraba Savings Deposits	26,053,949,961	21,905,934,320
	Mudaraba Term Deposits [Note :13.A.ii]	104,981,785,080	92,519,200,283
	Other Mudaraba Deposits	46,027,267,857	37,764,527,251
	Al-Wadia Current Accounts and Others Accounts etc.	20,693,095,761	16,457,585,767
	Bills Payable	1,947,821,349	1,239,833,780
		199,703,920,008	**169,887,081,401**
13.A.i	**Maturity-wise Classification of Deposits**		
i.	Repayable on Demand	4,355,325,000	4,081,800,000
	With a residual maturity of		
ii.	Repayable within 1 (one) month	24,680,175,000	68,455,252,520
iii.	Over 1 (one) month but within 6 (six) months	81,029,466,697	38,875,412,410
iv.	Over 6 (six) months within 1 (one) year	54,602,955,625	35,897,549,211
v.	Over 1 (one) year within 5 (five) years	18,600,000,000	13,445,162,781
vi.	Over 5 (five) years within 10 (ten) years	16,434,795,185	9,131,904,479
vii.	Unclaimed Deposits 10 (ten) years and above	1,202,500	-
		199,703,920,007	**169,887,081,401**
13.A.i	Mudaraba Term Deposits	105,332,062,757	92,854,674,703
Less:	Inter-Company Adjustment	(350,277,677)	(335,474,420)
		104,981,785,080	**92,519,200,283**
14.	**Other Liabilities**		
	Others provision	15,510,964	15,510,964
	Branches Adjustment A/C	1,282,807	-
	Hajj foundation	69,000	69,000
	Provident fund	531,256	121,821
	Social security b. Fund	40,200	4,800
	Adjustment a/c credit balance	66,223,268	61,780,294
	Clearing adjustment	927,438	38,545
	Interest income	3,703,461	1,419,924
	Cib collection charge	5,887,827	2,857,663
	Cash waqf (staff)	80,000	80,000
	Provission for unclassified investment	1,352,828,000	1,090,265,351
	Provission for classified investment	2,586,669,000	2,100,276,532
	Provision for taxation	14,085,871,838	11,871,933,933
	Parking account	14,804,365	297,236,356
	Provision for off balance sheet item	449,886,000	346,746,000
	Outstanding expense	1,135,759	710,624
	Cmsd clearing adjustment a/c.	2,200	2,200
	Beftn adjustment	27,157,131	34,904,474
	Supervision fees (sme)	293,395	259,200
	Provision for diminution in value of investment	173,799,456	288,802,153
	Vat payable account	474,621	10,630
	Electronic govt procurement	4,618,909	2,222,790
	Bangladesh bank usd (edf)	39,293,863	4,046,691,085
	Profit rent suspense	83,685,703	104,304,983
	Compensation receivable	516,782,310	455,419,040
	Atm settlement npsb (issuing)	52,601,126	64,087,102
	Provision for Gratuity	49,922,982	70,000,000
		19,534,082,882	**20,855,755,467**

		2016 Taka	2015 Taka
14.1	**Provision for income Tax**		
	Current tax		
	Provision held at the begining of the year	11,871,933,933	10,112,894,900
	Provision made during the year	2,213,937,829	1,759,039,033
	Settlement for previous year	-	-
	Provision held at the end of the year	**14,085,871,761**	**11,871,933,933**
14.1.a	**Provision for Current Tax made during the year**		
	Income Tax on Business income	2,167,034,835	1,686,758,996
	Capital gain	232,072	626,763
	Cash Dividend	96,670,922	71,653,274
	Excess Profit Tax (+)	-	-
	Estimated Provision Required as at December 31,2016(i)	**2,263,937,829**	**1,759,039,033**
	Provision held		
	Balance as at January 1,2016	11,871,933,933	10,112,894,900
	Tax for previous year (-)	**11,871,933,933**	**10,112,894,900**
	Actual provision for tax held (II)		
	Estimated provision needs to be made (I-II)	2,213,937,829	1,759,039,033
	Provision actually made during the year	2,213,937,829	1,759,039,033
	A. Computation of Taxable Profit		
	Profit before tax	5,455,099,187	3,987,060,263
	Add:Inadmissible expenditure	1,705,413,415	2,153,204,518
	Less: Item of income for sparate Considaration	485,675,332	381,414,114
	Less: Further allowable Expenditure	1,257,250,184	1,090,445,450
	Estimated Business income other than 82(C)	**5,417,587,086**	**4,668,405,217**
	Add: Capital Gain	483,354,609	358,266,369
	Add:Cash dividend	2,320,722	23,147,745
	Total Taxable Income	**5,903,262,418**	**5,049,819,331**
14.2	**Provision on Investment & Others**		
	Classified Investments (Specific) [14.2.a.i]	2,586,669,000	2,100,276,532
	Provision against Unclassified Investments (general) [14.2.a.ii]	1,352,828,000	1,090,265,351
	Provision against Off-balance Sheet exposures [14.2.a.iii]	449,886,000	346,746,000
	Provision for diminution in value of investments [14.3]	173,799,456	288,802,153
	Total Provision Held (a)	**4,563,182,455**	**3,826,090,036**
a)	**The movement in Specific provision on classified Investment :**		
i)	**Provision held at the begining of the year**	2,100,276,532	1,518,784,000
	Fully provision debt writaten off	(898,071,486)	(830,975,812)
	Recoveries of amount previously written off	126,799,309	24,183,541
	Specific provision for the year	1,142,661,947	1,388,284,803
	Provision transfered from diminution in value of investment	115,002,697	-
	Provision held at the end of the year	**2,586,669,000**	**2,100,276,532**
ii)	**The movement in general provision on unclassified Investment :**		
	Provision held at the beginning of the year	1,090,265,351	938,273,000
	Provision during the year	262,562,649	151,992,351
	Provision transfered from classified investment	-	-
	Provision held at the end of the year	**1,352,828,000**	**1,090,265,351**
iii)	**The movement in provision against Off-balance sheet exposures**		
	Provision held at the beginning of the year	346,746,000	305,009,000
	Provision during the year	103,140,000	41,737,000
	Provision held at the end of the year	**449,886,000**	**346,746,000**
	Total general provision on Investment	**4,389,382,999**	**3,537,287,883**

		2016 Taka	2015 Taka
b)	**Provision for Others**		
	Provision held at the beginning of the year	15,510,964	12,165,964
	Provision during the year	-	3,345,000
		15,510,964	**15,510,964**
	Less, Adjustment durring the year	-	-
	Provision held at the end of the year	**15,510,964**	**15,510,964**
14.3	**Provision for diminution in value of invevtment in Share**		
	Provision held at the beginning of the year	288,802,153	127,467,388
	Provision transfered to classified Investment	(115,002,697)	161,334,765
	Provision held at the end of the year	**173,799,456**	**288,802,153**

14.4 AIBL General A/C

Account represents outstanding inter-branch and Head Office transactions (Net) originated but not responded up to the balance sheet date. However, the unresponded entries as on 31-12-16 are as under:

	Number of unresponded entries		Unresponded amount Amount in Crore	
Particulars	**Dr**	**Cr**	**Dr**	**Cr**
Upto 3 months	0	7	-	1,290,007
Over 3 months but within 6 months	0	0	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	0	**7**	**-**	**1,290,007**

14.A.	**Consolidated Other Liabilities**		
	Al-Arafah Islami Bank Ltd.	19,534,082,882	20,855,755,467
	AIBL Capital Market Services Ltd.	6,031,977,484	4,700,779,301
	AIBL Capital Management Ltd.	559,656,292	417,829,539
	Millennium information solution Ltd.	12,964,276	10,816,397
		26,138,680,934	**25,985,180,704**
	Less: Inter-Company Adjustment	(2,440,150,805)	(1,880,396,824)
		23,698,530,129	**24,104,783,880**
14.I.A	**Consolidated Current tax**		
	Al-Arafah Islami Bank Ltd.	2,213,937,829	1,759,039,033
	AIBL Capital Market Services Ltd.	402,177,294	326,440,966
	AIBL Capital Management Ltd.	4,989,327	4,204,204
		2,621,104,450	**2,089,684,203**
14.4.A	**Provision for diminution in value of investment**		
	Al-Arafah Islami Bank Ltd.	173,799,456	288,802,153
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	12,127,809
		173,799,456	**300,929,962**
15.	**Deferred tax Liabilities/ (Assets)**		
	Opening balance	82,801,119	74,890,794
	Add: Addition for the year	(7,344,522)	7,910,325
	Closing balance	-	-
	Provision held at the end of the year	**75,456,596**	**82,801,119**
	Presented after appropriate offsetting as follows:	82,801,119	74,890,794
	Deferred tax Liabilities(+)	(7,344,522)	7,910,325
	Deferred tax Liabilities	**75,456,596**	**82,801,119**
	Deferred Tax Liabilities(net)		

		2016 Taka	2015 Taka
16.	**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)	7,123,724,600	6,650,245,350
		9,943,064,280	**9,469,585,030**

c) **Issued and paid up Capital of the Bank is 994,306,429 nos. of shares of Tk. 10 each as follows**

Description	2016 No. of Shares	2015 No. of Shares	2016 Total Taka	2015 Total Taka
Sponsors / Promoters	417,059,441	401,407,127	4,170,594,410	4,014,071,270
Institution	174,154,517	127,362,881	1,741,545,170	1,273,628,810
General Public	403,092,471	418,188,495	4,030,924,710	4,181,884,950
Total	**994,306,429**	**946,958,503**	**9,943,064,290**	**9,469,585,030**

d) **Break-up of Shares Classification of shareholders by holding as on 31-12-2016**

Range of Holding			Number of Shareholders	No. of Shares	No. of Shares
Less	than	50,000	35854	108,819,617	10.94%
50,001	to	100,000	327	23,092,628	2.32%
100,001	to	200,000	197	27,552,538	2.77%
200,001	to	300,000	70	17,444,831	1.75%
300,001	to	400,000	43	14,805,647	1.49%
400,001	to	500,000	30	13,450,566	1.35%
500,001	to	1,000,000	54	39,757,075	4.00%
1,000,001	to	10,000,000	98	282,152,168	28.38%
10,000,001	to	20,000,000	22	467,231,359	46.99%
		Total	**36695**	**994,306,429**	**100.00%**

e)	**Minimum Capital Requirement Capital Adequacy Ratio**		
	1.Tier-I (Core Capital)		
	Paid-up Capital	9,943,064,280	9,469,585,030
	Statutory Reserve	6,490,088,540	5,440,728,703
	General Reserve	-	-
	Retained Earnings	2,175,038,104	1,604,629,811
	Minority Interest in Subsidiaries		
		18,608,190,925	**16,514,943,545**
	2.Tier- II (Supplimentary Capital)		
	General Provision	1,802,714,000	1,437,011,351
	Assets Revaluation Reserves	293,264,474	391,019,299
	AIBL Subordinate Bond	3,000,000,000	3,000,000,000
		5,095,978,474	**4,828,030,650**
	3.Tier- III		
	A. Total Eligible Capital (1+2)	**23,704,169,399**	**21,342,974,195**
		-	
	B. Total Risk weighted Assets (a+b+c)	**164,461,897,100**	**139,454,128,182**
	a. Credit Risk	**147,669,839,100**	**121,967,553,200**
	i. Balance sheet Business	141,915,365,600	117,703,255,000
	ii. Off-balance sheet Business	5,754,473,500	4,264,298,200
	b. Market Risk (From WS-3)	**2,401,070,000**	**5,089,695,000**
	c. Operational Risk (From WS-4)	**14,390,988,000**	**12,396,879,982**
	C. Capital Adequqcy Ratio (CAR) (A / B)	**14.41%**	**15.30%**
	D. Core Capital to RWA	11.31%	11.84%
	E. Supplementary Capital to RWA	3.10%	3.46%
	F. Minimum Capital Requirement (MCR) 10.00% of RWA	16,446,189,710	13,945,412,818
	G. Capital Surplus	**7,257,979,689**	**7,397,561,377**

		2016 Taka	2015 Taka
16.A.	**Non-Controlling Interest**		
	Opening balance	1,718,183,083	1,578,883,020
Add:	Non-Controling Interest in Profit for the year	8,503,070	139,300,063
		1,726,686,152	**1,718,183,083**
17.	**Statutory Reserve**		
	Opening balance beginning of the year	5,440,728,703	4,643,316,650
	Add. Reserve @ 20% (on pre-tax profit)	1,049,359,837	797,412,053
	Balance at the end of the year.	**6,490,088,540**	**5,440,728,703**
18.	**Other Reserve**		
	FC Revaluation Reserve	521,730	14,041,692
	Asset revaluation Reserve	977,548,248	977,548,248
		978,069,978	**991,589,940**
19.	**Retained Earnings**		
	Opening balance beginning of the year	1,604,629,812	1,507,672,866
Less :	Bonus Share	(1,420,437,753)	(1,325,741,904)
Add:	Net Profit / (loss) after tax during the year	3,040,205,881	2,220,110,905
		3,224,397,941	**2,402,041,867**
Less :	transfer to Statutory Reserve	1,049,359,837	797,412,053
		2,175,038,104	**1,604,629,812**
19.A.	**Consolidated Retained Earnings**		
	Al-Arafah Islami Bank Ltd.	1,615,987,762	1,490,190,743
	Add: Net profit after tax during the year	3,053,388,813	2,235,175,137
	Add: Dividend adjusment	-	13,775,843
	Less: Stock dividend to equity holders of the bank	(946,958,503)	(1,325,741,907)
	Less: Cash dividend to equity holders of the bank	(473,479,250)	
	Less: Transfer to statutory reserve	(1,049,359,837)	(797,412,053)
		2,199,578,985	**1,615,987,762**
20.	**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	4,981,342,733	4,471,407,869
		4,981,342,733	**4,471,407,869**
21.	**Investment Income**		
i.	Income from General Investments		
	Murabaha	1,292,867,587	1,454,907,628
	Bai-Muazzal	7,179,170,035	7,389,480,292
	Hire-Purchase	4,483,577,162	4,334,917,959
	Others mode income	4,759,960,271	4,142,713,776
		17,715,575,055	**17,322,019,655**
ii.	Profit received from other Islamic Bank	480,140,048	738,156,529
	Total (i + ii)	**18,195,715,103**	**18,060,176,184**
21.A.	**Cosolidated Investment Income**		
	Al-Arafah Islami Bank Ltd.	18,195,715,103	18,060,176,184
	AIBL Capital Market Services Ltd.	1,220,161,707	1,102,458,379
	AIBL Capital Management Ltd.	132,001,970	115,803,492
	Millennium information solution Ltd.	61,548,489	50,824,729
		19,609,427,269	**19,329,262,784**
Less :	Inter company Adjustment	(779,271,060)	(761,257,170)
		18,830,156,209	**18,568,005,614**

		2016 Taka	2015 Taka
22.	**Profit paid on Deposits & Borrowing**		
	Mudaraba Savings Deposit	766,115,652	734,703,335
	Mudaraba Short Term Deposit	304,992,303	322,326,537
	Mudaraba Term Deposit	6,408,696,009	7,621,086,564
	Mudaraba Special Deposit	2,086,594,828	2,430,695,430
	Mudaraba BD. Govt. Islamic Bond fund	774,334,053	261,880,177
		10,340,732,845	**11,370,692,043**
22.A.	**Profit paid on Deposits & Borrowing**		
	Al-Arafah Islami Bank Ltd.	10,340,732,845	11,370,692,043
	AIBL Capital Market Services Ltd.	231,913,177	331,389,506
	AIBL Capital Management Ltd.	131,182,607	106,588,974
	Millennium Information	33,175,921	25,601,420
		10,737,004,550	**11,834,271,943**
Less :	Inter company Adjustment	(779,271,060)	(761,257,170)
		9,957,733,490	**11,073,014,773**
23.	Income from Investment in Share /Securities		
	Dividend income (cash)	483,354,609	358,266,369
	Gain on sale of Shares/Securities	2,320,722	6,267,634
	Profit received from other Islamic Bond	173,018,140	85,367,353
		658,693,471	**449,901,356**
23.A.	**Income from Investment in Share /Securities**		
	Al-Arafah Islami Bank Ltd.	658,693,471	449,901,356
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	26,711,019	23,901,877
		685,404,490	**473,803,233**
	Less : Inter company Adjustment	(435,600,000)	(338,900,000)
		249,804,490	**134,903,233**
24.	**Commission, Exchange & Brokerage Income**		
	Commission	1,035,673,900	991,146,115
	Exchange	955,355,149	882,887,962
	Brokerage commision	-	-
		1,991,029,049	**1,874,034,077**
24.A	**Commission, Exchange & Brokerage Income**		
	Al-Arafah Islami Bank Ltd.	1,991,029,049	1,874,034,077
	AIBL Capital Market Services Ltd.	265,307,550	278,077,485
	AIBL Capital Management Ltd.	78,750	1,550,000
		2,256,415,349	**2,153,661,562**
Less :	Inter company Adjustment	-	-
		2,256,415,349	**2,153,661,562**
25.	**Other Operating Income**		
	Procesing fee on investment	463,525	155,141
	Supevision fee	190,190	328,850
	Service charge	936,983	843,039
	Capital gain or loss from fixed asse	-	7,341,269
	Passbook sales(gsis)	123,600	115,426
	Application form sales(seis)	203,722	206,412
	Direct expenses on investment	1,335,334	75,717
	Tranfer / redumsion fee	-	2,000
	SWIFT charge recovered	2,106,130	272,229
	Telex charge recovered	61,567	19,325
	Telephone/ fax charge	26,429,019	13,228,527
	P & t charge recovered	37,399,808	35,338,619
	Account maintenance fee	138,141,807	122,564,012
	Card income	25,237,111	10,539,321
	Misc earning	14,105,175	12,330,085
		246,733,971	**203,359,973**

		2016 Taka	2015 Taka
25.A.	**Other Operating Income**		
	Al-Arafah Islami Bank Ltd.	246,733,971	203,359,973
	AIBL Capital Market Services Ltd.	26,368,206	14,844,881
	AIBL Capital Management Ltd.	51,357	1,144,450
	Millennium information solution Ltd.	12,170,964	4,030,897
		285,324,498	**223,380,201**
Less :	Inter company Adjustment	-	-
		285,324,498	**223,380,201**
26.	**Salaries, Allowances & Contribution to P.F**		
	Basic Pay	898,700,436	778,557,037
	House Rent Expenses	418,593,615	360,471,616
	House Maintanence	165,993,033	142,596,349
	Medical Expenses	177,506,896	154,355,209
	Bonus	360,816,356	312,968,835
	Bank's contribution to P.F	82,083,390	71,183,222
	Utility	1,364,525	3,131,086
	Conveyance Expenses	73,107,564	67,562,032
	LFA Allowance	176,531,725	153,221,458
	Leave Encashment Expenses	49,396,028	41,498,410
	Car Allowance	107,475,977	72,511,880
	Gratuity	109,922,982	120,000,000
		2,621,492,527	**2,278,057,134**
26.A.	**Salaries, Allowances & Contribution to P.F**		
	Al-Arafah Islami Bank Ltd.	2,621,492,527	2,278,057,134
	AIBL Capital Market Services Ltd.	44,775,054	39,151,029
	AIBL Capital Management Ltd.	11,370,525	15,293,614
	Millennium information solution Ltd.	14,359,279	13,589,379
		2,691,997,385	**2,346,091,156**
27.	**Director & Sharia Council Fees & Expenses**		
i.	Directors fees for attending Board/executive Committee/other committee meeting	4,940,400	3,224,200
ii.	TA/DA/ Hotel fare & Foreign Directors	6,205,530	6,098,484
iii.	Others	198,115	-
		11,344,045	**9,322,684**
27.A.	**Director & Sharia Council Fees & Expenses**		
	Al-Arafah Islami Bank Ltd.	11,344,045	9,322,684
	AIBL Capital Market Services Ltd.	4,451,000	4,723,100
	AIBL Capital Management Ltd.	133,300	176,000
		15,928,345	**14,221,784**
28.	**Sharia Supervisory Committee's Fees & Expenses**		
i.	Sharia fees for attending meeting	192,000	143,000
ii.	TA/DA/ Hotel fare & Foreign Directors	-	-
iii.	Others	30,456	43,955
		222,456	**186,955**
29.	**Rent,Taxes,Insurance & Electricity Bill**		
	Rent Office	287,644,298	225,651,681
	Electricity Bill	83,904,137	71,000,132
	Insurance	136,078,016	119,399,320
		507,626,451	**416,051,133**

		2016 Taka	2015 Taka
29.A.	**Rent,Taxes,Insurance & Electricity Bill**		
	Al-Arafah Islami Bank Ltd.	507,626,451	416,051,133
	AIBL Capital Market Services Ltd.	11,060,624	13,056,118
	AIBL Capital Management Ltd.	694,077	994,564
		519,381,152	**430,101,815**
30.	**Postage,Telegram,Telephone & Stamp**		
	Stamp and Catridge paper	-	3,260
	Postage	22,524,455	12,681,129
	Fax Charges	13,224	-
	Telephone (Office)	5,389,745	5,609,313
	Telephone (Residence)	2,104,690	2,096,408
	Telephone (Mobile)	7,301,647	5,442,081
	SWIFT Charge	6,296,446	7,169,340
	Internet Charges	337,032	480,956
	Online Charge	30,436,063	35,529,872
		74,403,302	**69,012,359**
30.A.	**Postage,Telegram,Telephone & Stamp**		
	Al-Arafah Islami Bank Ltd.	74,403,302	69,012,359
	AIBL Capital Market Services Ltd.	510,808	448,630
	AIBL Capital Management Ltd.	79,500	115,900
		74,993,610	**69,576,889**
31.	**Depreciation Repairs to the Bank's property**		
	Repairs to the Bank's property		
	R.R. Furniture & Fixture (Wooden)	862,742	684,756
	R.R. Furniture & Fixture (Steel)	1,449,496	1,318,816
	R.R. Computer	923,657	314,175
	Maint. of Motor Car and other Vahicle	780,975	728,004
	R.R. Machine equipment & appliances	12,018,330	14,466,075
	Maintenance of Land & Building	53,903	87,330
	Maintenance of Rented Premises	2,450	530,358
	R.R. Computer Accessories	550,669	803,693
	R.R. Others	951,057	552,363
	Software Maintenance Fee	8,750,600	17,626,243
	Hardware Maintenance Fee	1,009,900	2,067,445
		27,353,779	**39,179,258**
	Depreciation to the Bank's property		
	Depr. Furniture (Wood)	31,382,053	26,435,079
	Depr. Furniture (Steel)	7,301,917	6,701,551
	Depr. Computer	19,815,205	18,075,716
	Depr. Motor Car	16,170,652	15,171,249
	Depr. Machine equip & Appliance	79,654,421	72,818,118
	Depr. Books & Library	100,573	85,907
	Depr. Land & Building	18,178,782	16,805,656
	Depr. Online Hardware	36,400,415	26,630,556
	Depr. Online Software	25,332,156	21,156,605
	Depr. Computer Accessories	9,381,415	7,177,772
	Depr. Interior Decoration	15,463,848	15,567,598
		259,181,437	**226,625,807**
		286,535,216	**265,805,065**
31.A	**Depreciation Repairs to the Bank's property**		
	Al-Arafah Islami Bank Ltd.	286,535,216	265,805,065
	AIBL Capital Market Services Ltd.	6,607,067	8,885,370
	AIBL Capital Management Ltd.	182,464	132,351
		293,324,747	**274,822,786**

		2016 Taka	2015 Taka
32.	**Stationary, Printing & Advertisement**		
	Printing & Stationerty	20,615,261	33,078,035
	Paper & Table Stationery	34,082,357	25,768,875
	Advertisement & Publicity Expenses	39,369,904	36,088,116
		94,067,522	**94,935,026**
32.A.	**Stationary, Printing & Advertisement**		
	Al-Arafah Islami Bank Ltd.	94,067,522	94,935,026
	AIBL Capital Market Services Ltd.	1,691,107	1,404,225
	AIBL Capital Management Ltd.	203,518	464,705
		95,962,147	**96,803,956**
33.	**Other expenses**		
	Local conveyance expenses	8,973,796	7,745,375
	Petrolium oil lubricant motors	9,452,925	8,136,450
	Cng motor car	2,906,452	2,003,402
	Entertainment expenses	18,354,584	16,526,849
	Travelling expenses	24,161,915	23,128,900
	Bank charge	9,608,579	9,245,841
	Wages (salary-casual staff)	49,114,111	51,534,078
	Security guard service	80,890,666	83,859,499
	Subscription	8,776,262	4,599,033
	Leveries & uniforms	621,685	616,090
	Petrolium oil & lubricants	9,384,660	8,790,418
	Donations	362,650	357,770
	Registration charge	1,627,775	1,210,219
	Wasa charge	5,652,245	4,287,632
	Gas charge	1,268,652	888,796
	Cdbl fees and charges	100,000	-
	News paper journal & periodical	2,148,512	1,875,164
	Evining banking expenses	791,995	760,190
	Upkeep branches premises	2,351,255	2,067,305
	Swift	809,500	1,760,800
	Washing charge	1,815,881	1,520,795
	Computer charge	15,224,073	14,722,673
	Photo copy charge	836,801	846,488
	Business development	13,107,002	9,249,664
	Manager conference	1,366,118	3,450,673
	Excise duty	9,350	12,750
	Closing expenses	86,500	122,400
	Misc. Expenses	10,725,390	6,191,274
	Registration expenses	2,982,294	6,340,815
	Excise duty	7,157,900	700
	Closing allowance	1,033,854	5,969,360
	Agm/egm	231,216	3,416,095
	Crocarige	517,500	258,649
	Creditrating charge	387,528	632,500
	Tax token expenditure	2,978,977	673,796
	Capital loss from sale of fixed assets	-	43,000
	Training expenses	12,955,968	12,313,299
	Card expense	49,974,772	17,347,243
	It allowance	3,678,714	3,966,548
	Saturday working allowance	12,532,695	11,919,570
	Charge expenses	-	3,744,185
	Honorarium	442,500	226,270
		375,403,249	**332,362,557**

	2016 Taka	2015 Taka
33.A. Consolidated Other expenses		
Al-Arafah Islami Bank Ltd.	375,403,249	332,362,557
AIBL Capital Market Services Ltd.	50,405,275	59,700,428
AIBL Capital Management Ltd.	787,451	706,014
Millennium information solution Ltd.	8,962,389	4,792,701
	435,558,364	**397,561,700**
34. Provision against Investments & Off-Balance sheet exposures		
On Classified Investment as per Bangladesh Bank Circular	1,142,661,947	1,388,284,803
On Un-classified Investment as per Bangladesh Bank Circular	262,562,649	151,992,351
On Off-balance sheet as per Bangladesh Bank Circular	103,140,000	41,737,000
	1,508,364,596	**1,582,014,154**
34.A. Provision against Investments & Off-Balance sheet exposures		
Al-Arafah Islami Bank Ltd.	1,508,364,596	1,582,014,154
AIBL Capital Market Services Ltd.	33,885,335	37,858,041
AIBL Capital Management Ltd.	5,620,200	-
	1,547,870,131	**1,619,872,195**
35. Paid for other operating activities		
Directors fees & expenses	11,344,045	9,322,684
Shariah Supervisory Committee's fees & expenses	222,456	186,955
Rent, taxes, insurance and lighting etc.	507,626,451	416,051,133
Postage, telegram, telephone and stamp etc.	74,403,302	69,012,359
Legal charges	10,694,700	5,001,201
Auditors' fee	1,245,500	691,250
Repairs to the bank's properties	27,353,779	39,179,258
Other expenses	375,403,249	350,384,798
	(1,008,293,482)	**(889,829,638)**
35.A. Paid for other operating Activities		
Al-Arafah Islami Bank Ltd.	(1,008,293,482)	(889,829,638)
Inter company Adjustment	(76,029,106)	(85,618,074)
	(1,084,322,588)	**(975,447,712)**
36. Increase/Decrease of other assets (item-wise)		
Balance with BO A/C for share purchase	(61,007,164)	568,789,493
Suspense Account	(41,495,275)	(216,652,718)
DD Paid without Advice	(7,300)	-
Stock of Stationery	(1,358,184)	3,919,166
Stamp in hand	1,215,904	844,921
Advance Deposit	23,520	774,608
Advance Rent	93,319,327	20,575,740
Capital Work In Progress	280,533,644	177,448,892
Investment for Subsidiary Companies	-	150,000,000
Advance Income Tax & TDS [Note 11.2]	-	-
Protested Bills	(1,163,000)	3,253,000
Prepaid Expenditure	(2,638,756)	25,595,164
Brac Bank Eldorado Settement A/C	(20,000,000)	-
Balance with cmsl for portfolio account	(83,152,086)	993,099,069
Accrued Income	-	-
Mfci usd (edf) a/c	(4,031,959,913)	28,849,016
Scb mc settlement a/c (local)	48,863,884	(35,707,214)
Stock of ATM Card	366	(366)
Branches Adjustment A/C	(29,168,514)	(550,414,259)
Parking for nostro sub gl usd	-	(12,032,353)
Dividend Receivable	351,428,515	2,240,200
Clearing Adjustment	(3,720,000)	31,351,200
	3,500,285,032	**(1,191,933,559)**

		2016 Taka	2015 Taka
36.A	**Increase/Decrease of other assets (item-wise)**		
	Al-Arafah Islami Bank Ltd.	3,500,285,032	(1,191,933,559)
	Inter company Adjustment	701,657,622	314,027,374
		4,201,942,654	**(877,906,185)**
37.	**Increase/Decrease of Trading liabilities (item-wise)**		
	Others provision	-	3,345,000
	Branches Adjustment A/C	1,282,807	121,821
	Hajj foundation	-	4,800
	Provident fund	409,435	(304,813,150)
	Social security b. Fund	35,400	(382,845)
	Adjustment a/c credit balance	4,442,974	1,419,924
	Clearing adjustment	888,893	1,057,713
	Interest income	2,283,537	(0)
	Cib collection charge	3,030,164	(806,792,271)
	Cash waqf (staff)	-	1,759,039,033
	Provission for unclassified investment	-	-
	Provission for classified investment	(656,269,479)	41,737,000
	Provision for taxation	2,213,937,905	(946,836)
	Parking account	-	(22,291,665)
	Provision for off balance sheet item	103,140,000	129,825
	Outstanding expense	425,135	161,334,765
	Beftn adjustment	(7,747,343)	-
	Supervision fees (sme)	34,195	1,872,490
	Provision for diminution in value of investment	(115,002,697)	4,046,691,085
	Vat payable account	-	(598,683)
	Electronic govt procurement	2,396,119	150,254,654
	Bangladesh bank usd (edf)	(4,007,397,222)	64,087,102
	Profit rent suspense	(20,619,280)	70,000,000
	Compensation receivable	61,363,270	(226,625,807)
	Atm settlement npsb (issuing)	(11,485,976)	-
	Provision for Gratuity	(20,077,018)	-
	Cmsd clearing adjustment a/c.	-	-
	Depreciation to the Bank's property	-	-
		(2,444,929,182)	**4,938,643,955**
37.A	**Increase/Decrease of Trading liabilities (item-wise)**		
	Al-Arafah Islami Bank Ltd.	(2,444,929,182)	4,938,643,955
	Inter company Adjustment	(2,397,712,165)	(1,408,506,956)
		(4,842,641,347)	**3,530,137,000**
38.	**Cash and Cash Equivalent at the end of the year**		
	Cash in hand	2,029,561,090	1,777,480,023
	Balance with Bangladesh Bank & Sonali Bank Ltd.	30,853,508,125	24,951,466,555
	Balance with Other Banks	9,129,836,838	6,390,171,770
	Bangladesh Government Islamic Investment Bond	6,990,000,000	6,180,000,000
		49,002,906,053	**39,299,118,348**

		2016 Taka	2015 Taka
38.A	**Cash and Cash Equivalent at the end of the year**		
	Al-Arafah Islami Bank Ltd.	49,002,906,053	39,299,118,348
	AIBL Capital Market Services Ltd.	10,202	5,000
	AIBL Capital Management Ltd.	-	-
	Millennium information solution Ltd.	3,922,597	2,512,487
		49,006,838,852	**39,301,635,838**
39.	**Calculation of Earning Per Share (EPS)**		
	The earning per share of the bank has been calculated in accordance with BAS-33 under basic Earning per share method as follows:		
	Earnings Per Share (EPS)		
	Basic earning (net profit after tax) for the year	3,040,205,881	2,220,110,905
	Number of ordiner shares outstanding as of the reportng date	994,306,428	994,306,428
	Earning per Share	**3.06**	**2.23**
39.A	**Consolidated Earnings Per Share (CEPS)**		
	Net profit after tax	3,053,388,813	2,235,175,137
	Number of ordiner shares outstanding as of the reportng date	994,306,428	994,306,428
	Consolidated earnings per share as per share	**3.07**	**2.25**

Earnings per share has been calculated in accordance with BAS - 33: "Earnings Per Share (EPS)". Previous year's figures have been adjusted for the issue of bonus shares and right shares during the year.

40. Events after the balance sheet date

The Board of Directors in its 305th meeting held on 28 March, 2017 has approved the audited financial statements for the year ended 31 December 2016. The Board has also recommended 20% cash dividend for the year ended 31 December 2016 subject to approval of the shareholders at the 22nd Annual General Meeting (AGM).

Consolidated Schedule of Fixed Assets as at December 31, 2016

Annexure - A.I

SL No	Particulars	Cost / Revaluation					Depreciation/Amortization				Written down value as on 31.12.16
		Balance at 1st January 2016	Revalution	Addtion during the year	Transfer/ Disposal during the year	Balance at 31st December 2016	Balance at 1st January 2016	Charge for the year	Tranfer/ Disposal during the year	Balace at 31st December 2016	
A. Fixed Assests											
1	Land	1,453,929,419	-	-	-	1,453,929,419	-	-	-	-	1,453,929,419
2	Building	693,456,887	-	51,153,400	-	744,610,287	33,060,454	18,178,782	-	51,239,236	693,371,051
3	Furniture & Fixture (Wood)	331,567,292	-	76,914,654	25,030	408,456,916	91,350,566	31,865,310	10,811	123,205,065	285,251,851
4	Furniture & Fixture (Steel)	86,680,122	-	12,930,346	550	99,609,918	42,016,954	7,334,368	550	49,350,772	50,259,146
5	Computer	189,885,789	-	23,063,578	8,000	212,941,367	146,665,048	20,682,666	6,425	167,341,289	45,600,078
6	Computer Acessories	56,554,596	-	19,992,425	-	76,547,021	28,996,674	9,478,651	-	38,475,324	38,071,697
7	Motor Car	113,373,837		49,812,912	2,250,863	160,935,886	77,463,543	18,409,162	1,317,244	94,555,461	66,380,425
8	Machine Equipment & Appliance	518,018,662		78,473,884	909,605	595,582,941	318,756,786	81,709,018	888,326	399,577,477	196,005,464
9	Books & Library	9,489,816	-	35,270	302,190	9,222,896	8,521,034	101,856	2,836	8,620,054	602,842
10	Online Hardware	251,068,511	-	70,943,898	66,478	321,945,931	150,033,756	36,851,889	66,478	186,819,167	135,126,764
11	Interior Decoration	171,090,180	-	10,879,694	189,730	181,780,144	79,459,699	16,988,696	418,868	96,029,527	85,750,617
Sub-Total		**4,197,833,526**	-	**394,200,061**	**3,752,446**	4,265,562,726	1,145,692,010	241,600,396	2,711,538	1,215,213,372	3,050,349,354
B. Intangible Assets											
12	Online Software	249,361,534		56,993,743	-	306,355,277	90,773,080	25,747,001	1,167	116,518,913	189,836,364
Sub-Total		**279,592,928**	-	**56,993,743**	**-**	**306,355,277**	**108,829,432**	**25,747,001**	**1,167**	**116,518,913**	**189,836,364**
December 31,. 2016		**4,477,426,455**	-	**451,193,804**	**3,752,446**	**4,571,918,003**	**1,254,521,443**	**267,347,397**	**2,712,705**	**1,331,732,285**	**3,240,185,718**
December 31,. 2015		**3,618,344,433**	-	**537,334,641**	**31,202,429**	**4,124,476,645**	**856,792,254**	**235,202,568**	**24,897,229**	**1,067,097,593**	**3,057,379,053**

Schedule of Fixed Assets as at December 31, 2016

Annexure - A

SL No	Particulars	Cost / Revaluation					Depreciation/Amortization				Written down value as on 31.12.16
		Balance at 1st January 2016	Revalution	Addtion during the year	Transfer/ Disposal during the year	Balance at 31st December 2016	Balance at 1st January 2016	Charge for the year	Tranfer/ Disposal during the year	Balace at 31st December 2016	
A. Fixed Assests											
1	Land	1,453,929,419	-	-	-	1,453,929,419	-	-	-	-	1,453,929,419
2	Building	693,456,887		51,153,400	-	744,610,287	33,060,454	18,178,782	-	51,239,236	693,371,051
3	Furniture & Fixture (Wood)	327,891,053		75,593,629	-	403,484,682	89,931,679	31,382,053	-	121,313,732	282,170,950
4	Furniture & Fixture (Steel)	86,350,798		12,927,596	550	99,277,844	41,939,234	7,301,917	550	49,240,601	50,037,243
5	Computer	185,482,146		22,258,218	-	207,740,364	142,825,951	19,815,205	-	162,641,156	45,099,208
6	Computer Acessories	50,463,559		19,992,425	-	70,455,984	25,261,104	9,381,415	-	34,642,518	35,813,466
7	Motor Car	100,377,467		29,555,773	-	129,933,240	71,335,306	16,170,652	314,514	87,191,444	42,741,796
8	Machine Equipment & Appliance	506,897,697		76,360,190	760,000	582,497,887	309,712,186	79,654,421	760,001	388,606,605	193,891,282
9	Books & Library	9,421,057		35,270	302,190	9,154,137	8,460,827	100,573	2,836	8,558,564	595,573
10	Online Hardware	248,167,277		70,943,898	66,478	319,044,697	147,583,996	36,400,415	66,478	183,917,933	135,126,764
11	Interior Decoration	160,678,363		4,856,147	189,730	165,344,780	75,109,309	15,463,848	418,868	90,154,289	75,190,491
Sub-Total		**3,823,115,723**	-	**363,676,546**	**1,318,948**	**4,185,473,321**	**945,220,044**	**233,849,279**	**1,563,247**	**1,177,506,078**	**3,007,967,244**
B. Intangible Assets											
12	Online Software	140,444,535		40,951,063	-	181,395,598	90,007,595	25,332,156	1,167	115,338,583	66,057,015
Sub-Total		**140,444,535**	-	**40,951,063**	**-**	**181,395,598**	**90,007,595**	**25,332,156**	**1,167**	**115,338,583**	**66,057,015**
December 31,. 2016		**3,963,560,258**	-	**404,627,609**	**1,318,948**	**4,366,868,919**	**1,035,227,639**	**259,181,435**	**1,564,414**	**1,292,844,661**	**3,074,024,259**
December 31,. 2015		**3,464,668,083**	-	**518,659,554**	**19,767,379**	**3,963,560,258**	**823,074,012**	**226,625,806**	**14,472,179**	**1,035,227,639**	**2,928,332,620**

Investment in Shares & Securities Stock at hand as on 31 December, 2016

Annexure - B

SL No.	Name of Company	No. of Share	Amount (at cost)	Market rate	Market Amount
1	BSC	148606	79,595,213	470.20	69,874,541
2	FAREASTLIF	66030	6,305,196	67.70	4,470,231
3	GP	393384	138,777,389	284.10	111,760,394
4	ISLAMI INS	1751557	42,718,565	19.70	34,505,673
5	JAMUNAOIL	700135	154,629,743	181.60	127,144,516
6	MEGHNACEM	64100	10,548,369	106.10	6,801,010
7	ORIONPHARMA	1473357	83,685,709	42.10	62,028,330
8	PADMAOIL	16754	5,637,770	180.20	3,019,071
9	PRIMELIFE	1526011	140,002,776	67.90	103,616,147
10	RSRM STEEL	15211	768,722	73.40	1,116,487
11	SUMITPOWER	74258	3,365,366	37.00	2,747,546
12	TITAS	783991	56,679,797	49.40	38,729,155
13	UPGDCL	30136	5,195,111	141.60	4,267,258
14	UNIQUEHRL	439500	39,659,137	53.90	23,689,050
Total		**7,483,030**	**767,568,865**		**593,769,409**

Highlight on the Overall Activities of the Bank for the year 31 December, 2016

SL NO	Particulars	Year 2016	Year 2015
1	Paid -up Capital	9,943,064,280	9,469,585,030
2	Total Capital	23,704,169,399	21,440,729,020
3	Capital Surplus(Deficit)	7,257,979,689	7,520,655,950
4	Total Assets	267,334,651,873	224,463,561,909
5	Total Deposits	200,054,197,685	170,222,555,821
6	Total Investment	189,169,392,445	156,466,148,154
7	Total Contingent Liabilities	44,988,642,018	34,580,056,090
8	Investment Deposit Ratio (%)	88.50%	88.59%
9	Ratio of Classified Investment to Total investment (%)	4.54%	4.66%
10	Profit after Tax & Provision	3,040,205,881	2,220,110,906
11	Amount of Classified Investment during the year	8,994,985,000	7,713,672,000
12	Provision kept against Classified Investment	2,578,869,000	2,100,276,532
13	Provision Surplus / (Deficit)	-	-
14	Cost of fund (%)	7.92%	9.72%
15	Profit earning Assets	209,537,390,271	171,499,015,227
16	Profit Non-earning Assets	57,797,261,602	52,964,546,682
17	Return on Investment (ROI)	10.41%	11.70%
18	Return on Assets After Tax (ROA)	1.14%	0.99%
19	Income from Investment in Shares	658,693,471	449,901,356
20	Earning per Share (Taka)	3.06	2.34
21	Net Income per share (Taka)	3.06	2.34
22	Price Earning Ratio (Times)	5.20	6.36

AMARSTOCK

Corporate Tax Status as on December 31, 2016

Annexure - C

Income Year	Assessment Year	Net Profit as per Accounts	% of Income Tax	Tax Provision	Tax Assessed/ under process by DCT	Provision Excess/ (Short)	Advance Tax Paid	Status
1	2	3	4	5	6	7	8	9
1999	2000-2001	70,465,519	35.00	24,662,932	24,536,396	126,536	26,264,725	Final
2000	2001-2002	67,002,756	40.00	23,450,965	27,606,270	(4,155,305)	27,715,613	Final
2001	2002-2003	39,480,489	40.00	13,818,171	22,145,464	(8,327,293)	31,102,841	Final
2002	2003-2004	136,805,485	45.00	57,762,194	67,938,971	(10,176,777)	28,112,459	Final
2003	2004-2005	231,014,282	45.00	103,956,427	110,307,969	(6,351,542)	58,448,981	Final
2004	2005-2006	316,310,754	45.00	156,999,375	149,941,492	7,057,883	155,930,333	Final
2005	2006-2007	478,003,215	45.00	215,101,448	216,446,000	(1,344,552)	120,309,105	Final
2006	2007-2008	855,469,686	45.00	384,023,920	438,508,427	(54,484,507)	250,302,555	Final
2007	2008-2009	582,843,658	45.00	354,484,244	357,814,418	(3,330,174)	399,858,323	Final
2008	2009-2010	1,258,903,318	42.50	619,702,611	601,673,861	18,028,750	435,550,808	Final
2009	2010-2011	1,589,240,231	42.50	594,193,859	562,955,813	31,238,046	693,948,472	Final
2010	2011-2012	2,789,842,969	42.50	845,882,642	779,655,163	66,227,479	791,245,152	Final
2011	2012-2013	3,291,741,277	42.50	1,501,239,915	1,507,686,980	(6,447,065)	959,610,813	Tribunal
2012	2013-2014	3,646,224,047	42.50	1,709,802,603	1,709,802,603	-	1,918,110,777	Appeal
2013	2014-2015	3,737,856,011	42.50	1,669,747,081	1,669,747,081	-	1,407,038,348	Appeal
2014	2015-2016	3,968,342,405	40.00	1,838,066,513	1,838,066,513	-	1,942,904,827	Return filed
2015	2016-2017	3,987,060,263	40.00	1,938,823,082	1,938,823,082	-	1,827,295,832	Return filed
2016	2017-2018	5,246,799,187	40.00	2,263,937,829	2,263,937,829	-	1,965,466,717	Return to be file
	Total	**32,293,405,552**		**14,315,655,811**	**14,287,594,332**	**28,061,479**	**13,039,216,681**	

Off-shore Banking Unit (OBU) Balance Sheet as at December 31, 2016

	2016		2015	
	USD	Taka	USD	Taka
PROPERTY AND ASSETS				
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	316,702	24,927,949	146,671	11,513,634
Outside Bangladesh	-	-	-	-
	316,702	**24,927,949**	**146,671**	**11,513,634**
Placement with Banks & Other Financial institutions	-	-	-	-
Investment in Share & Securities				
Government	-	-	-	-
Others	-	-	-	-
	-	-	-	-
INVESTMENTS				
General Investments etc.	-	-	-	-
Bills purchased and discounted	62,981,405	4,957,335,636	40,099,083	3,147,778,010
	62,981,405	**4,957,335,636**	**40,099,083**	**3,147,778,010**
Fixed assets including Premises	-	-	-	-
Other Assets	-	-	-	-
Non-Banking Assets	-	-	-	-
Total Assets	**63,298,106**	**4,982,263,586**	**40,245,754**	**3,159,291,644**
LIABILITIES AND CAPITAL				
Liabilities				
Placement from Banks & Other Financial institutions	**62,982,529**	**4,957,424,139**	**40,099,083**	**3,147,778,010**
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	-	-	-	-
Deferred tax Liabilities/ (Assets)	-	-	-	-
Total Liabilities	**62,982,529**	**4,957,424,139**	**40,099,083**	**3,147,778,010**
Capital/Share Holders Equity				
Paid up Capital	-	-	-	-
Statutory Reserve	-	-	-	-
Foreign Currency Transaction gain/(Loss)				
Other Reserve	-	-	-	-
Retained Earnings	315,577	24,839,447	146,671	11,513,634
Total Share holders equity	**315,577**	**24,839,447**	**146,671**	**11,513,634**
Total Liability and Share holders equity	**63,298,106**	**4,982,263,586**	**40,245,754**	**3,159,291,644**

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Off-shore Banking Unit (OBU) Balance Sheet as at December 31, 2016

	2016		2015	
	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	**-**	**-**	**-**	**-**

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Off-shore Banking Unit (OBU) Profit & Loss Accounts as at December 31, 2016

	2016		2015	
	USD	Taka	USD	Taka
Investment Income	2,876,388	226,403,670	1,359,635	106,731,311
Profit paid on deposits & Borrowing	(2,556,811)	(201,249,379)	(1,208,564)	(94,872,277)
Net Investment Income	**319,577**	**25,154,291**	**151,071**	**11,859,034**
Income from Investment in Shares /Securities	-	-	-	-
Commission, Exchange and Brokerage	-	-	-	-
Other Operating Income	-	-	-	-
	-	-	-	-
Total operating income	**319,577**	**25,154,291**	**151,071**	**11,859,034**
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	314,844	4,400	345,400
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**	**314,844**	**4,400**	**345,400**
Profit/(Loss) before Tax & provision	**315,577**	**24,839,447**	**146,671**	**11,513,634**
Provision against Investments & Contingent Liabilities	-	-	-	-
Provision for diminution in value of invevtment	-	-	-	-
Other Provision	-	-	-	-
Total provision	**-**	**-**	**-**	**-**
Profit/(Loss) before Tax	**315,577**	**24,839,447**	**146,671**	**11,513,634**
Current tax	-	-	-	-
Deferred tax	-	-	-	-
Provision for Taxation	**-**	**-**	**-**	**-**
Net Profit/(Loss) after tax	**315,577**	**24,839,447**	**146,671**	**11,513,634**
Appropriation				
Statutory Reserve	-	-	-	-
General Reserve	-	-	-	-
	-	-	-	-
Retained Earnings	**315,577**	**24,839,447**	**146,671**	**11,513,634**
Earning per Ordinary share (EPS)				

Off-shore Banking Unit (OBU) Cash Flow Statement
for the year ended December 31, 2016

	2016		2015	
	USD	Taka	USD	Taka
Investment income receipt in Cash	2,876,388	226,403,670	1,359,635	106,731,311
Profit paid on deposits	(2,556,811)	(201,249,379)	(1,208,564)	(94,872,277)
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)	(314,844)	(4,400)	(345,400)
Advance income tax paid	-	-	-	-
Operating profit before changes in operating assets and liabilities	**315,577**	**24,839,447**	**146,671**	**11,513,634**
Changing in Operating assets & liabilities				
Increase/Decrease of trading securities	-	-	-	-
Increase/Decrease of investment and advances to other banks	62,982,529	4,957,424,139	40,099,083	3,147,778,010
Increase/Decrease of Investment and advances to customers (other than Banks)	(62,981,405)	(4,957,335,636)	(40,099,083)	(3,147,778,010)
Increase/Decrease of other assets (item-wise)	-	-	-	-
Increase/Decrease of Deposits from other banks	-	-	-	-
Increase/Decrease of Deposits from customers (other than Banks)	-	-	-	-
Increase/Decrease of Other liabilities account of customers	-	-	-	-
Increase/Decrease of Trading liabilities (item-wise)	-	-	-	-
Cash receipt from operating activities	**1,124**	**88,503**	**-**	**-**
A. Net Cash from operating activities	**316,702**	**24,927,950**	**146,671**	**11,513,634**
Cash flows from investing activities:				
Proceeds from sale of securites	-	-	-	-
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)	**316,702**	**24,927,950**	**146,671**	**11,513,634**
E.Effects of exchange rate changes on cash and cash-equivalents	**-**	**-**	**-**	**-**
F.Net increase in cash and cash equivalent (D+E)	**316,702**	**24,927,950**	**146,671**	**11,513,634**
G.Cash & Cash Equivalents at the beginning of the year				
H.Cash & Cash Equivalents at the end of the year	**316,702**	**24,927,950**	**146,671**	**11,513,634**

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Off-shore Banking Unit (OBU) Notes to the Financial Statements
For the year ended 31 December 2016

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, Bangladesh Financial Reporting Standard (BFRS) 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 BAS-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 78.7111 closing rate as at 31st December 2016.

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 BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Off-shore Banking Unit (OBU) Notes to the Financial Statements
For the year ended 31 December 2016

4. Profit income

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

4.1 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.

4. 2 Profit paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

4.3 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

5. 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.

6 Cash flow statement

Cash flow statement has been prepared in accordance with the BAS-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.

7. 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.

8 Reporting period

The financial statements cover from 1st January 2016 to December 31, 2016.

Off-shore Banking Unit (OBU) Notes to the Financial Statements
For the year ended 31 December 2016

		2016		2015	
		USD	Taka	USD	Taka
Cash					
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:	316,702	24,927,949	146,671	11,513,634
	Outside Bangladesh				
		316,702	**24,927,949**	**146,671**	**11,513,634**
	Placement with Banks & Other Financial institutions				
	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	-	-	-	-
	Quard	-	-	-	-
	Other Investment	-	-	-	-
		-	-	-	-
ii.	Out side Bangladesh				
b)	Bill Purchased & Discounted				
	Payable in Bangladesh				
	Payable out side Bangladesh	62,981,405	4,957,335,636	40,099,083	3,147,778,010
		62,981,405	**4,957,335,636**	**40,099,083**	**3,147,778,010**
	Fixed Assets				
	Tangiable Assets				
	Land	-	-	-	-
	Building	-	-	-	-
	Furniture (Wood)	-	-	-	-
	Furniture (Steel)	-	-	-	-
	Computer	-	-	-	-
	Computer (Accessories)	-	-	-	-
	Motor Car	-	-	-	-
	Machine equipment & appliance	-	-	-	-
	Online Hardware	-	-	-	-
	Interior Decoration	-	-	-	-
	Books & Library	-	-	-	-

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Off-shore Banking Unit (OBU) Notes to the Financial Statements
For the year ended 31 December 2016

	2016		2015	
	USD	Taka	USD	Taka
Intangiable Assets				
Online Software				
Total	-	-	-	-
Less Accumulated Depreciation				
	-	-	-	-
Other Assets				
Placement from Banks & Other financial Institutions				
Parent Bank	34,901,408	2,747,128,176	30,105,293	2,356,200,495
Out Side Bangladesh	28,081,122	2,210,295,963	10,083,790	791,577,515
	62,982,529	**4,957,424,139**	**40,099,083**	**3,147,778,010**
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				
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				
Retained Earnings				
Opening balance beginning of the year	146,671	11,513,634	48,962	3,813,619
Less : transfer to Parent bank	(146,671)	(11,513,634)	(48,962)	(3,813,619)
Add: Profit during the year	315,577	24,839,447	146,671	11,513,634
Less : transfer to Parent bank				
	315,577	**24,839,447**	**146,671**	**11,513,634**
Investment Income				
Profit paid on Deposits & Borrowing				
Income from Investment in Share /Securities				
Commission, Exchange & Brokerage Income				
Commission				
Exchange				
Brokerage commision				
Other Operating Income				
Salaries, Allowances & Contribution to P.F				
Director & Sharia Council Fees & Expenses				
i. 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				

Off-shore Banking Unit (OBU) Notes to the Financial Statements
For the year ended 31 December 2016

	2016		2015	
	USD	Taka	USD	Taka
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	4,000	314,844	4,000	345,400
Internet Charges				
Online Charge				
	4,000	**314,844**	**4,000**	**345,400**
Depreciation Repairs to the Bank's property				
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 Vahicle				
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				
Depreciationto 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 & Stationerty				
Paper & Table Stationery				
Advertisement & Publicity Expenses				
Other expenses				
Cash and Cash Equivalent at the end of the year				
Cash in hand				
Balance with Other Banks	316,702	24,927,949	146,671	11,513,634
Bangladesh Government Islamic Investment Bond				
	316,702	**24,927,949**	**146,671**	**11,513,634**

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Status & Compliance Report on Bangladesh Bank's guidelines on ICC, Board Audit Committee.

BRPD Circular No. 17 Date - 07 October, 2003 & BRPD Circular No. 12 Date - 23 December, 2002

Sl. No.	BB Guidelines	Complied	Partial Complied	Not complied
1.	To frame policy/guidelines on ICC & other core risks management models	✓		
2.	To form Board Audit Committee to monitor the effectiveness of Internal Control System	✓		
3.	The Board of Directors have to have periodic review meetings with the Senior Management to discuss the effectiveness of the Internal Control System of the Bank & ensure that the Management has taken appropriate actions as per the recommendations of the Auditors & the head of Internal Control.	✓		
4.	**An Independent Audit Mechanism** to be introduced to monitor the effectiveness of the organizational and procedural controls.	✓		
5.	The Board of Directors & Management must establish a Compliance Culture within the bank that emphasis & demonstrates to all levels of personnel	✓		
6.	External Auditors by dint of their independence from the management of the bank can provide unbiased recommendation on the strength and weakness of the internal control system of the bank.	✓		
7.	The Board & the Management have to ensure that the internal Auditors are qualified and experienced enough relating to their responsibilities.	✓		
8.	To establish a **"Code of Ethics"** by Management and Board of Directors for all levels of personnel which is to be signed & adhere to by the personnel.	✓		
9.	To constitute MANCOM (Management Committee) by the Managing Director.	✓		
10.	The **Management Committee**(MANCOM) will review the overall effectiveness of the control system of the bank and provide a certification on a yearly basis to the Board of Directors on the effectiveness of Internal Control Policy, practice and procedure	✓		
11.	To constitute appropriate committee on **Management Reporting System**(MRS) to evaluate data for decision making by the Management	✓		
12.	To **establish a new Division namely Internal Control** & Compliance Division(ICCD) with 3 Department/Unit	✓		
13.	The ICCD should be adequately staffed so that it can perform its duty properly. In order to ensure that availability of efficient people with Internal Control the banks will make it mandatory for all middle to senior management staff to spend at least 2(two) years with Internal Control.	✓		
14.	The **Head of ICCD/ICT shall submit Annual Report on the Health of the Bank to the MD/MC & Board Audit** Committee for onward submission to the Board of Directors	✓		
15.	The Head of ICCD will set out an Audit Plan for each year which is to be approved by the Management & Board Audit Committee.	✓		
16.	To ensure appropriate segregation of duties and to ensure that personnel are not assigned conflicting responsibilities	✓		
17.	The Internal & external **Audit/Inspection Reports to be submitted to the Board without any intervention of the Management**	✓		
18.	The **Head of Internal Control & Compliance Division have a reporting line with the bank's Board**. The Audit Committee of the Board will be the contact point for the Internal Control & Compliance Division. This division must also have a reporting line with the Managing Director of the bank	✓		
19.	The **Head of ICCD will report directly to the MD** and also have an indirect reporting line to the Bank's Board/Board Audit Committee.	✓		
20.	**Audit & Inspection Department** have to conduct Annual Audit and risk based audit with priority to the sensitive areas.	✓		
21.	The ICT will prepare synopsis over the executive summary on individual inspection reports received from the Audit & Inspection reports and submit the same to the Head of ICCD. (a) For no high-risk items and less than 5 medium risk items will be reported to the MD/CEO; (b) More than 3 high-risk items identified in breach will trigger the report to be given to the MD/CEO and the Audit Committee of the Board; (c) However, any losses amounting to more than BDT 10 million will be directly reported to the MD and the Audit Committee of the Board through the Head of ICCD.	✓		

Sl. No.	BB Guidelines	Complied	Partial Complied	Not complied
22.	Audit & Inspection Department conducts special audit/surprise check of the branches/units as and when necessary.	✓		
23.	Audit & Inspection Department have to prepare a summary report(s) on audit findings and submits it to MD/CEO as well as Audit Committee on the Board.	✓		
24.	Departmental Control Functions Checklist (DCFCL) to be prepared and to be reviewed by Departmental In charge/ Branch Manager at the prescribed frequencies i.e. daily, weekly, monthly & quarterly basis. The DCFCL should be retained with the Department/Branch for future inspection by regular/special Audit & Inspection Team and/or Senior Management.	✓		
25.	Quarterly Operation Report (QOR) relating to operational function of the branches to be prepared in duplicate copies by each branch/office in the prescribed format out of which one copy to be sent to the line management and another copy to the Monitoring Department/ICT by 10th of the month of each quarter end i.e. 10th April, July, Oct. & January each year which will be reviewed by line management and Audit & Inspection Department as & when they visit the branches	✓		
26.	The ICT will monitor the function of various department/branches of the bank periodically on regular basis. Depending on the requirement the Audit & Inspection Department of ICCD will carry out inspection, surprise inspection.	✓		
27.	Risk Analysis of Control Functions (DCFCL): Individual items in the DCFCL need to be assigned a risk rating in terms of (a) impact and (b) probability	✓		
28.	ICT will suggest the Head of ICC to send Audit & Inspection team to branches/departments to carry out sample checks on DCFCLs according to the prescribed frequency.	✓		
29.	**Regulatory Compliance** Department have to obtain clarifications on various issues from regulatory authorities.	✓		
30.	Regulatory Compliance Department maintains all relevant circulars and regulatory guidelines.	✓		
30.	Disaster Recovery System (DRS) exits in the bank.	✓		
32.	The **Board Audit Committee** meeting will be held at least 3/4 months in a year and it can seat any times as it deem fit	✓		
33.	The **Board Audit Committee** will have to place compliance report before the board on quarterly basis regarding regularization of the errors & omissions, fraud and forgeries and other irregularities as detected by the internal and external auditors and inspectors of regulatory authorities.	✓		
34.	The **Board Audit Committee** will review the corrective measures taken by the management as regards the reports relating to fraud-forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and inform the board on a regular basis.	✓		
35.	The **Board Audit Committee** will review the activities and organizational structure of the internal audit function and ensure that no unjustified restrictions or limitations is made.	✓		
36.	The **Board Audit Committee** will review the laws & regulations framed by the regulatory authorities (Central Bank and other bodies) and internal regulations approved by the Board have been complied with.	✓		

Related Party Disclosure

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operating decision. Related party information are given below:

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	Alhajj Abdus Samad S.Alam Bhaban, 2119, Asadgonj, Chittagong.	Chairman	**Director:**		
			a. AIBL Capital Market Services Ltd.	0.50%	
			Proprietor:		
			b. Samad Trading Agency	100%	
2	Alhajj Abdus Salam Mir Ahmed Building 234, Khatungong, Chittagong.	Vice Chairman	**Managing Director**		
			a. Mir Banaspati Ltd		
			b. Mir CNG & Filling Station		
			c. Mir Pulp & Paper Industries Ltd.	25%	
			d. Mir Filling Station Ltd.	100%	
			Director:		
			e. Karnafully Filling Station Ltd.	15%	
			f. AIBL Capital Market Services Ltd.	1.50%	
			CEO:		
			g. M/S. Hajee Mir Ahmed Sowdagar	30%	
			Proprietor:		
			h. M/S M.A. Salam & Co.	100%	
3	Alhajj Badiur Rahman Priya Prangon, Building No. -A, Flat No: 0506, 2 Paribagh, DHaka	Director	**Proprietor:**		
			a. M/S Oceanlink Services	100%	
			Director :		
			b. Central Hospital Ltd.	2.45%	
			c. Human Resources Dev Co. Ltd.	2%	
			Chairman/Director :		
			d. AIBL Capital Market services ltd.	0.88%	
			e. Bridene Pvt. Ltd.	16.66%	
			f. Ocean Trade Ltd.	15.00%	
			CEO/Director		
			g. Ariel Maritime PTE Ltd.	100%	
4	Alhajj Md. Harun-ar-Rashid Khan House-19/A, Road-18, Banani, Dhaka	Director	**Director:**		
			a. AIBL Capital Market services ltd.	0.62%	
			b. Canadian Trillinium School (Ltd)	--	
5	Alhajj Nazmul Ahsan Khaled 760, Satmasjid Road, Dhanmondi R/A, Dhaka	Director	**Managing Director :**		
			a. Moonlight Garments Ltd	20%	
			b. Ehsan Garments Ltd.	10%	
			c. Khaled Shipping Lines Ltd.	50%	
			d. Engineers Enterprise Ltd.	67%	
			e. Nourish Poultry & Hatchery Ltd.	25%	
			f. Nourish Agro Ltd.	20%	
			g. Telnet Communication Ltd.	20%	
			h. Nourish Grand Parents Ltd.	20%	
			i. Nourish Feeds Ltd.	20%	
			Director :		
			j. Mohammadi Navigation Ltd.	46.15%	
			k. AIBL Capital Market Services Ltd.	0.50%	
6	Alhajj Abdul Malek Mollah House-12-14, Road-6, Block-E, Niketon, Gulshan-1, Dhaka	Director	**Managing Director :**		
			a. The Mollah Trading Ltd.	15%	
			Shareholder:		
			b. AIBL Capital Market Services Ltd.	0.50%	
7	Hafez Alhajj Md. Enayet Ullah 2, Mukim Katra, Moulvi Bazar, Dhaka.	Director	**Active Owner:**		
			a. M/S Hadyet & Brothers	100%	

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
8	Alhajj Ahamedul Hoque M/s. A.H. Syndicate 16/1, Amir Market, Khatungonj, Chittagong.	Director	**Proprietor:**		
			a. M/S. A.H. Syndicate	100%	
			Shareholder:		
			b. AIBL Capital Market Services Ltd.	0.25%	
9	Alhajj Abu Naser Mohammad yeahea 232-234, Tejgoan Industrial Area, Dhaka-1208.	Director	**Managing Director:**		
			a. Purbachal Steel Mills Ltd.	71.46%	
			b. Purbachal Exclusive Ltd.	75%	
			c. Purbachal Drillers Ltd.	50%	
			d. Beco Feed Ltd.	42.50%	
			Director:		
			e. AIBL Capital Market Services Ltd.	4.50%	
			Proprietor:		
			f. Purbachal Gas Filling	100%	
			g. Beco Electronics	100%	
10	AlHajj Engr. Kh. Mesbahuddin Ahmed House # 2-E, Road # 8, Sector # 7, Uttara Model Town, Dhaka.	Director	**Managing Director**		
			a. M/S Aqua Consultant and Association Ltd.	47%	
			Director :		
			b. Takaful Islami Insurance Ltd.	3.20%	
			c. Human Resources Development Co. Ltd (HURDCO)	5%	
			d. Central Hospital Ltd.	4.88%	
			e. AIBL Capital Market services ltd.	1.75%	
11	Alhajj Niaz Ahmed House # 24, Road # 1, Block # i, Chairman Bari, Banani, Dhaka.	Director	**Managing Director:**		
			a. Golden Oil Mills Ltd.	70%	
			b. Savoy Ice Cream Factory Ltd.	77%	
			Director:		
			c. AIBL Capital Market Services Ltd.	0.75%	
			d. Islami Commercial Insurance Co. Ltd.	5%	
			e. South East University		
			f. Bangla Tel Limited	10%	
			g. BD Link Communication Limited	5%	
			h. Jibondhara Solution Limited	10%	
			Proprietor:		
			i. Golden Trading Corporation	100%	
			j. Khaja Corporation	100%	
12	Alhajj Md. Anowar Hossain House # 6, Road # 1, Dhanmondi, Dhaka-1205.	Director	**Managing Director**		
			a Tania Textiles Ltd.	62.50%	
			b A.G. Textile Mills Ltd.	54.00%	
			c Dubai Bangla L P Gas Ltd	40.00%	
			d Ashik Shipping Lines Ltd.	60.00%	
			e Dubai Bangladesh Cement Mills Ltd.	18.00%	
			f Dubai Bangladesh Bag Factory Ltd.	80.00%	
			Director		
			g Islami Commercial Insurance Co. Ltd.	10%	
			h Southeast University	--	
			i Anowar Hossain Secondary School	--	
			j Sultan Hossain Memorial Hospital	--	
13	Alhajj Badsha Meah 1025/C, Housing Society, Nasirabad, Chittagong. **Alternative Director** Jb. Dr. Md. Shafiul Haider Chowdhury	Director	**Shareholder:**		
			a AIBL Capital Market Services Ltd.	1.75%	

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
14	Alhajj Mohammed Emadur Rahman Kazi Castle, Islampur, ShaporanSylhet.	Director	**Deputy Managing Director:** a Al Haramain Perfumes Mgf & Oudh Processing Ind. L.L.C. b Al Haramain Hospital **Managing Director:** c Rich & Ruitz Perfumes Trading L.C.C. d Al Halal Perfumes Industry e Hamidia Tea Company Limited **Partner:** f. Al Haramain Trading LCC **CEO:** g 4 Corners Distribution UK Limited **Shareholder:** h AIBL Capital Market Services Ltd.	 20% 49% 24% 10% 50% 0.75%	
15	Alhajj Mohammed Haroon 1025/B, Housing Society, Nasirabad, Chittagong. **Alternative Director:** Jb. Anwar Hossain	Director	**Owner:** a Rising Star Trading Est (U.A.E.) **Shareholder:** b AIBL Capital Market Services Ltd.	 100% 0.75%	
16	Alhajj Md. Liakat Ali Chowdhury As-Salam Tower (9th Floor), 57, Agrabad C/A, Chittagong	Director	**Managing Partner:** a Asadi steel Enterprise b Jamuna Ship Breakers **Managing Director:** c Bangladesh Ship Breaking Ltd. d L & M Builders (Pvt) Ltd. **Proprietor** e Regal Oxygen **Director:** f. AIBL Capital Market Services Ltd.	 90% 5/6th Portion 90% 25% 100% 0.25%	
17	Alhajj Salim Rahman 255, Nasirabad I/A, Chittagong.	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. KDS Steel Accessories Ltd l. KDS Logistics Ltd. **Shareholders** m Eastern Bank Ltd. n. Pragati Insurance Ltd. o. Pragati Life Insurance Ltd.	 13.82% 0.67% 3.61% 16.16% 49.85% 50.12% 1.71% 45.00% 7.92% 21.00% 50.00% 0.07% 1949250 Shares 621147 Shares 221373 Shares	
18	Jb. Khalid Rahim House No. 53 (Old: 276), Road No. 16 (Old:27), Dhanmondi R/A,	Independent Director	Nil	N/A	
19	Jb. Faruq Ahmad Siddiqi Siddiqi House' 296, Elephant Road, Dhaka-1205.	Independent Director	**Independent Director** a. Apex Tanneries Ltd. b. Runner Automobiles Ltd.	 -- --	
20	Jb. Md. Amir Uddin PPM A 11 Nasreen Villa, 08 Baily Road, Dhaka	Independent Director	Nil	N/A	
21	Jb. Md. Habibur Rahman House # 39, Road # 2, Sector # 9, Uttara Model Town, Dhaka-1230.	Ex-Officio Director	Nil	N/A	

b.

Name of the Party	Relationship	Nature of Transaction	Amount
AIBL capital Market Services Ltd.	Subsidiary Company	Investment	1,100,000,000
AIBL capital Management Ltd.	Subsidiary Company	Investment	2,000,000,000

Name of the Directors and their shareholdings in the year- 2016

Sl.	Name of Directors	Status	Ending position on 31/12/2016	Opening position on 01/01/2016	Remarks
1.	Al-Hajj Abdus Samad	Chairman	22376392 shares of Tk. 10/- each Tk 22,37,63,920/-	21310850 shares of Tk. 10/- each Tk 21,31,08,500/-	
2.	Al-Hajj Mohammed Abdus Salam	Vice-Chairman	20166568 shares of Tk. 10/- each Tk 20,16,65,680/-	19206256 shares of Tk. 10/- each Tk 19,20,62,560/-	
3.	Alhajj Badiur Rahman	Sponsor Director	27735057 shares of Tk. 10/- each Tk 27,73,50,570/-	26414342 shares of Tk. 10/- each Tk 26,41,43,420/-	
4.	Al-Hajj Md.Harun-Ar-Rashid Khan	Sponsor Director	19886609 shares of Tk. 10/- each Tk 19,88,66,090/-	18939629 shares of Tk. 10/- each Tk 18,93,96,290/-	
5.	Al-Hajj Abdul Malek Mollah	Sponsor Director	19941603 shares of Tk. 10/- each Tk 19,94,16,030/-	18992003 shares of Tk. 10/- each Tk 18,99,20,030/-	
6.	Al-Hajj Hafez Md. Enayetullah	Sponsor Director	19891573 shares of Tk. 10/- each Tk 19,89,15,730/-	18944356 shares of Tk. 10/- each Tk 18,94,43,560/-	
7.	Alhajj Md. Liakat Ali Chowdhury	Director	19892484 shares of Tk. 10/- each Tk 19,89,24,840/-	18945223 shares of Tk. 10/- each Tk 18,94,52,230/-	
8.	Al-Hajj Nazmul Ahsan Khaled	Sponsor Director	20719699 shares of Tk. 10/- each Tk 20,71,96,990/-	18971142 shares of Tk. 10/- each Tk 18,97,11,420/-	
9.	Al-Hajj Ahamedul Haque	Director	19886507 shares of Tk. 10/- each Tk. 19,88,65,070/-	18939531 shares of Tk. 10/- each Tk. 18,93,95,310/-	
10.	Al-Hajj Kh. Mesbah Uddin Ahmed	Director	19887271 shares of Tk. 10/- each Tk. 19,88,72,710/-	18940259 shares of Tk. 10/- each Tk. 18,94,02,590/-	

Name of the Directors and their shareholdings in the year- 2016

Sl.	Name of Directors	Status	Ending position on 31/12/2016	Opening position on 01/01/2016	Remarks
11.	Alhajj Abu Naser Mohammad Yeahea	Director	24557236 shares of Tk. 10/- each Tk. 24,55,72,360/-	23387844 shares of Tk. 10/- each Tk. 23,38,78,440/-	
12.	Alhajj Md. Anowar Hossain	Sponsor Director	22015623 shares of Tk. 10/- each Tk. 22,01,56,230/-	-	
13.	Alhajj Niaz Ahmed	Director	19988724 shares of Tk. 10/- each Tk. 19,98,87,240/-	19036881 shares of Tk. 10/- each Tk. 19,03,68,810/-	
14.	Alhajj Salim Rahman	Director	19887005 shares of Tk. 10/- each Tk. 19,88,70,050/-	-	
15.	Alhajj Mohammed Haroon	Sponsor Director	20002078 shares of Tk. 10/- each Tk. 20,00,20,780/-	19049597 shares of Tk. 10/- each Tk. 19,04,95,970/-	
16.	Alhajj Mohammed Emadur Rahman	Director	19910659 shares of Tk. 10/- each Tk. 19,91,06,590/-	18962533 shares of Tk. 10/- each Tk. 18,96,25,330/-	
17.	Alhajj Badsha Meah	Sponsor Director	19886651 shares of Tk. 10/- each Tk. 19,88,66,510/-	18939668 shares of Tk. 10/- each Tk. 18,93,96,680/-	
18.	Jb.Khalid Rahim	Independent Director	Nil	Nil	
19.	Jb.Faruq Ahmed Siddiqi	Independent Director	Nil	Nil	
20.	Jb.Md.Amir Uddin PPM	Independent Director	Nil	Nil	
21.	Md. Habibur Rahman Managing Director	Ex-Officio Director	187 shares of Tk. 10/- each Tk. 1,870/-	179 shares of Tk. 10/- each Tk. 1,790/-	

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 implementation process 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 vides BRPD Circular No: 18 Dated: 21December, 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:

	2015	2016	2017	2018	2019	2020
Minimum Common Equity Tier-1(CET-1) Capital Ratio	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%
Minimum CET-1 plus Capital Conservation Ratio	4.50%	5.125%	5.75%	6.375%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Capital Conservation Buffer	10.00%	10.625%	11.25%	11.875%	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, 2016 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 Limited
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)	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. 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 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. 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. **Procedures** 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. 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. 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. **Consolidation for regulatory purposes** 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. 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 CRAR. **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. **Al-Arafah Islami Bank Limited has 4 (Four) subsidiaries viz.** a. AIBL Capital Market Services Ltd. b. AIBL Capital Management Ltd.

	c. AIBL Asset Management Co. Ltd. d. Millennium Information Solution Limited (MISL). Al-Arafah Islami Bank holds 60.50%, 98%,98% and 51% AIBL Capital Market Services Ltd. AIBL Capital Management Ltd. AIBL Asset Management Co. Ltd. Millennium Information Solution Limited (MISL). A brief description of the Bank and its subsidiary are given below: **a. 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 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. **b. AIBL Capital Management Limited** AIBL Capital Management Limited, a subsidiary company of Al-Arafah Islami Bank Limited, 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. **c) AIBL Asset Management Co. Ltd.** Another subsidiary company in the name of AIBL Asset Management Co. Ltd. has already been incorporated with Authorized Capital of Tk. 500 million and Paid up Capital of Tk. 100 million to carry out the business of Asset Management, Portfolio Management, Capital Market Operation and other financial services. The shareholding ratio of AIBL and its another subsidiary AIBL Capital Market Services Limited is 9:1. We hope that the company will start its functioning very soon. **d) Millennium Information Solution Limited (MISL)** Al-Arafah Islami Bank Ltd. owned 51% shares of Millennium Information Solution Limited a subsidiary company of Al-Arafah Islami Bank Limited. Millennium Information Solution Limited, a private limited Company was incorporated in Bangladesh under the Companies Act 1994 on February 11, 2001. The main objective of company is to carry on activities relating to developing software products and providing maintenance and support services both the domestic and international clients. Over the years, MILS has established itself as the leading software developer, implementation and service provisioning company in Bangladesh which adheres to the rules of Islamic Shariah.

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 someof 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, 2014 (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 AIBLas 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 CRRA 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 CEF I whichever higher	Complied
6	Addition to Minimum CRRA, Capital Conservation Buffer (CCB) of 2.50% of the Total RWA is being introduced which will be maintain in the form of CET I.	Complied

2. Quantitative Disclosures:

The amount of Regulatory Capital 2016 as follows:

(Figure In million)

1.Common Equity Tier-1(Going Concern Capital):	Solo Basis	Consolidated Basis
Fully Paid-up Capital	9,943.06	9,943.06
Statutory Reserve	6,490.09	6,490.09
Retained Earnings	2,175.04	2,199.57
Non Controlling Interest		1,726.67
Less: Deferred Tax Assets (DTA)		
Total Common Equity Tier-1 Capital	18,608.19	20,359.39
2. Tier-2 Capital :		-
General Provision	1,802.71	1,802.71
Subordinated debt	3,000.00	3,000.00
Revaluation Reserves for Securities up to 50%	488.77	488.77
Less: Revaluation Reserves for Fixed Assets, Securities & Equity Securities.	(195.51)	(195.51)
Total Admissible Tier-2 Capital	5,095.97	5,095.97
Total eligible capital	23,704.16	25,455.36

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	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 2016. In line with the guidelines of the Bangladesh Bank, the Bank has adopted the following approaches for computing the capital charge. For Credit Risk – Standardized Approach For Market Risk – Standardized Approach Operational Risk – Basic Indicator Approach 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%.

Quantitative Disclosures :

(Figure In million)

Capital requirement under following Risk:	**Solo Basis**	**Consolidated Basis**
a) Capital requirement for Credit Risk	14,766.98	15,119.85
b) Capital requirement for Market Risk	240.11	368.32
c) Capital requirement for Operational Risk	1,439.10	1,585.08
d)Total Capital Requirement (b+c+d)	16,446.19	17,073.25
e) Capital to Risk –weighted Asset Ratio:	14.41%	14.91%
1.Common Equity Tier 1 (CET 1) Ratio	11.31%	11.92%
Tier 1 Capital Adequacy Ratio	11.31%	11.92%
Tier-2 Capital Adequacy Ratio	3.10%	2.98%
Capital to Risk-weighted Asset Ratio (CRAR)	14.41%	14.91%
f) Capital Conservation Buffer	0.6250%	0.625%
Available Capital under Pillar 2 Requirement	23,704.16	25,455.36
Minimum Capital Requirement (MCR)	16,446.19	17,073.25

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 or 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	17,335.76
Bai-Muazzal Investment	76,526.01
Hire Purchase Investment	49,638.99
Quard	1,879.37
Other Investment	36,505.81
Sub Total	**181,885.94**
Outside Bangladesh	-
	181,885.94
Less: Unearned profit on Investment	**9,080.69**
	172,805.25
Bill Purchased & Discounted	
Payable in Bangladesh	14,531.97
Payable outside Bangladesh	1,832.16
Sub Total	**16,364.13**
Total Funded:	**189,169.39**
b) Total Non- Funded:	**44,988.64**
c) Geographical distribution of exposures	
Region Based	
Dhaka Region	**148,080.25**
Chittagong Region	21,556.37
Sylhet Region	1,143.59
Rajshahi Region	6,279.52
Khulna Region	3,271.05
Rangpur Region	6,436.50
Barisal Region	2,402.10
Total	**189,169.39**

(Figure In million)

d) Country based funded	
Domestic	189,169.39
Overseas	-
e) Country based Non-funded	
Domestic	44,988.64
Overseas	-
f) Major Industry wise distribution of exposures	
Agriculture, Fishing and Forestry	2,298.10
Industry	97,344.00
Construction	9,052.00
Water works & Sanitary Service	489.60
Transport & communication	7,692.90
Storage	1,080.00
Trade Finance	53,891.30
Miscellaneous	26,402.10
Total	198,250.00
Less Unearned Profit on Investment	9,080.59
Total	**189,169.39**
g) Distribution of risk exposure by claims	**-**
a) Claims on sovereigns and central banks	36,478.00
b) Claims on PSE -	-
c) Claims on banks and securities firms	15,340.70
d) Claims on corporate	51,919.50
e) Claims included in the retail portfolio & small enterprises	92,118.00
f) Claims secured by residential property	7,638.30
g) Claims secured by commercial real estate	9,616.60
h) Consumer Investment	**475.10**
i) Off-balance sheet items	14,589.71
h) Credit risk mitigation	
Claims secured by financial collateral	2,684.50
Net exposure after the application of haircuts	775.00
Claims secured by eligible guarantee	36,478.00
I) Residual contractual maturity breakdown of the whole portfolio	
Repayable on demand	-
Up to 1 month	40,534.90
More than 1 month but less than 3 months	41,884.70
More than 3 months but less than 1 year	64,763.60
More than 1 year to less than 5 year	27,836.60
More than 5 year	14,149.59
Total	**189,169.39**
Gross Non Performing Assets- (NPAs)	
Non-performing assets to outstanding Investment (loans and advances)	8,994.98
Movement of Non Performing Assets (NPAs)	
Opening balance	7,713.67
Additions	10,402.28
Less Cash Recovery	(2,142.80)
Less RSDL from CL	(6,080.10)
Less Written Off	(898.07)
Closing balance	8,994.98
Movement of specific provisions for NPAs	
Opening balance	2,100.28
Fully Provision Debt Written off	(898.07)
Recoveries of amount previously write off	126.80
Provision made during the period	1,142.66
Provision transfer from diminution in value of investment	115.00
Closing balance	**2,586.67**

MAAR STOCK

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:

alues of investments (for unquoted securities) as disclosed in the Balance Sheet:

(Figure In million)

Name of the Scrip	value
Central Depository Bangladesh Ltd	3.14
Total	**3.14**

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, 2016

(Figure In million)

Particulars	Up to 1	1 to 3 month	3 to 12 month	I to 5 years	Above 5 years	Total
Asset						
Cash in hand	32,883.07	-	-	-	-	32,883.07
Balance with other banks & Financial Institute	7,009.84	-	1,100.00	-	1,020.00	9,129.84
Placement with other banks & Financial Institute	-	2,800.00	-	-	-	2,800.00
Investment in Shares & Securities (only HTM)	-	-	1,755.06	6,683.10	-	8,438.16
Investment (Loans and Advances)	40,534.90	41,884.70	64,763.60	27,836.60	14,149.59	189,169.39
Fixed Assets	-	-	-	-	3,074.02	3,074.02
Other Assets	2,642.80	58.40	55.00	-	19,083.97	21,840.17
Total	**83,070.61**	**44,743.10**	**67,673.66**	**34,519.70**	**37,327.58**	**267,334.65**
Liabilities						
Placement from other banks & Financial Institute	1,002.30	19,518.60	4,563.75	-	-	25,084.65
Deposits and Other accounts	29,035.50	57,628.20	78,354.50	18,600.00	16,436.00	200,054.20
Provision and other liabilities	108.20	-	39.30	-	19,386.58	19,534.08
Deferred Tax Liabilities/Assets	-	-	-	-	75.46	75.46
AIBL Subordinate Bond	-	-	-	-	3,000.00	3,000.00
Total	**30,146.00**	**77,146.80**	**82,957.55**	**18,600.00**	**38,898.04**	**247,748.39**
GAP	**52,924.61**	**(32,403.70)**	**(15,283.89)**	**15,919.70**	**(1,570.46)**	**19,586.26**
Cumulative GAP	**52,924.61**	**20,520.91**	**5,237.02**	**21,156.72**	**19,586.26**	**-**

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	52,924.61	52,924.61	52,924.61
Impact on NII (Net Interest Income)	44.10	88.21	132.31
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on Net Interest Income	17.64	35.28	52.92
Period		1 to 3 month	
GAP	(32,403.70)	(32,403.70)	(32,403.70)
Impact on NII(Net Interest Income)	(54.01)	(108.01)	(162.02)
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on Net Interest Income	(21.60)	(43.20)	(64.81)
Period		3 to 12 month	
GAP	(15,283.89)	(15,283.89)	(15,283.89)
Impact on NII(Net Interest Income)	(114.63)	(229.26)	(343.89)
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on Net Interest Income	(45.85)	(91.70)	(137.56)

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	52,924.61	52,924.61	52,924.61
Impact on NII (Net Interest Income)	(44.10)	(88.21)	(132.31)
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on Net Interest Income	(17.64)	(35.28)	(52.92)
Period		1 to 3 month	
GAP	(32,403.70)	(32,403.70)	(32,403.70)
Impact on NII (Net Interest Income)	54.01	108.01	162.02
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on NII	21.60	43.20	64.81
Period		3 to 12 month	
GAP	(15,283.89)	(15,283.89)	(15,283.89)
Impact on NII(Net Interest Income)	114.63	229.26	343.89
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on NII	45.85	91.70	137.56

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	5,237.02	5,237.02	5,237.02
Period(Year)		1 Year	
Impact on NII (Net Interest Income)	52.37	104.74	157.11
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on NII	20.95	41.90	62.84

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	5,237.02	5,237.02	5,237.02
Period(Year)		1 Year	
Impact on NII (Net Interest Income)	(52.37)	(104.74)	(157.11)
Applicable tax rate	40.00%	40.00%	40.00%
Tax adjusted impact on NII	(20.95)	(41.90)	(62.84)

7) Market Risk:

a) Qualitative Disclosuresa)

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.
Methods used to measure	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.
Market Risk.	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: 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	118.75	118.75
Foreign exchange risk	121.35	121.35
Commodity risk	-	-
Total	240.11	240.11

8) Operational risk:

Qualitative Disclosures:

<table>
<tr><td>i) Views of BOD on system to reduce operational Risk</td><td>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.</td></tr>
<tr><td>ii) Performance gap of executives and staffs</td><td>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.</td></tr>
<tr><td>iii) Potential external events</td><td>No potential external events are expected to expose the Bank to significant operational risk</td></tr>
<tr><td>iv) Policies and Processes for mitigating operational risk:</td><td>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 2016 ICC Division conducted following No. of audit:
<table>
<tr><td>Nature of Audit</td><td>No of Frequencies</td></tr>
<tr><td>Compressive & Risk based Internal Audit Annually</td><td>129 branches i.e 100% as per</td></tr>
<tr><td>Audit Plan</td><td></td></tr>
<tr><td>Compressive & Risk based Internal Audit Quarterly</td><td>4 times i.e 100% as per Audit Plan</td></tr>
<tr><td>Head Office Audit & Inspection</td><td>20 Wing/Division/ Zonal Head i.e 100% as per Audit Plan</td></tr>
<tr><td>Surprise Inspection</td><td>36 branches i.e 100% as per Audit Plan</td></tr>
</table>
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:
<table>
<tr><td>Nature of Risk</td><td>No of Branches</td></tr>
<tr><td>Extremely High Risk</td><td>7</td></tr>
<tr><td>Very High Risk</td><td>24</td></tr>
<tr><td>Extremely High Risk</td><td>48</td></tr>
<tr><td>High Risk</td><td>38</td></tr>
<tr><td>Medium Risk</td><td>12</td></tr>
<tr><td>Low Risk</td><td>129</td></tr>
</table></td></tr>
<tr><td>v) Approach for calculating capital charge for operational risk</td><td>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:
K = [(GI 1 + GI2 + GI3) α]/n</td></tr>
</table>

b) Quantitative Disclosures: (Figure In million)

(Figure In million)

b) The capital requirements for operational		**Average GI**	**1,238.19**
Year	Gross Income		**15% of Average GI**
December-2015	10,751.34		
December-2014	9,216.80		
December 2013	8,813.80		
Total GI	**28,781.94**	**9,593.98**	**1,439.10**

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.
ii) Methods used to measure Liquidity risk	**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. **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.
iii) Liquidity Risk Management System	**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 Limited 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.
iv) Policies and Processes for mitigating Liquidity risk	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 Limited 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.

	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.

b) Quantitative Disclosures:

(Figure In millionInterest rate risk

Liquidity Coverage Ratio	106.17%
Net Stable Funding Ratio (NSFR)	101.21%
Stock of High quality liquid assets	3,900.76
Total net cash outflows over the next 30 calendar days	3,679.96
Available amount of stable funding	21,244.78
Required amount of stable funding	20,991.48

10. Leverage Ratio:

a) Qualitative Disclosures:

i) Views of BOD on system to reduce excessive leverage	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 monitoring the exposure limit of lending, capital strength of our Bank in order to avoid building-up excessive on- and off-balance sheet leverage.
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	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. minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. Tier-1 Capital (after related deductions) Leverage Ratio = ---------- Total Exposure (after related deductions)

b) Quantitative Disclosures:

(Fig In Million)

	Solo	Consolidated
Leverage Ratio	6.75%	7.35%
On Balance Sheet Exposure	263,153.56	268,286.47
Off- Balance Sheet Exposure	14,955.13	14,955.13
Total Exposure	278,108.69	283,241.60

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 Limited, for the financial year ended December 31, 2015.

a) Qualitative Disclosures:

a) Information relating to the bodies that oversee remuneration:

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.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.

Risk Takers are senior employees who can take, or influence the taking of, material risk for Al-Arafah Islami Bank or for a material business unit:

Managing Director	:	01
Deputy Managing Director	:	06
Executive Vice President	:	08
Senior Vice President	:	20

b) Information relating to the design and structure of remuneration processes: Key features of remuneration policy:

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.

Al-Arafah Islami Bank 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.

Objectives of remuneration policy:

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.

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:

The remuneration committee reviewed the firm's remuneration on 2014 and revised the remuneration by conducting a survey considering the following facts:

	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. 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 :** 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.
	c) Description of the ways in which current and future risks are taken into account in the remuneration processes. The Bank's remuneration practices are carefully managed takes into account the following key risks when implementing remuneration measures: • Financial Risks • Compliance Risks 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 me et or only partially meets compliance requirements, no award or a reduced award may be made.
	d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration: 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.
	e) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance: 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 rganization. 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: • Disciplinary Action (at the discretion of Enquiry committee) • Resignation of the employee prior to the payment date. At the same time previously paid or already vested variable pay can also be recovered under the case of disciplinary action.
	f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms: 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:

	Cash Form: Short-Term Incentives / Rewards 1. 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. **Long-Term Incentives / Rewards** 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 **Non-Cash Form:** Short-Term Incentives / Rewards 1. Accelerate promotion for top talents; 2. Study leave. Long-Term Incentives / Rewards 1. 1. Foreign training award;

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: BDT 2271.63 (million) 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. clawbacks 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



AUDITOR'S REPORT

on the Financial Statements
of
AIBL Capital Market Services Ltd.
For the Period ended December 31, 2016

AUDITOR'S REPOR

To The Shareholders of
AIBL Capital Market Services Limited

Introduction

We have audited the accompanying Financial Statements of AIBL Capital Market Services Limited which comprise of the Statement of Financial Position as at 31 December 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRSs), give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the results of its operations for the year then ended comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that

(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 account as required by law have been kept by the company so far as it appeared from our examination of these books ;

(c) the Statement of Financial Position, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of account ; and

(d) the expenditure incurred was for the purposes of the company's business.

Dated: Dhaka
January 29, 2017

(S. H. Khan & Co.)
Chartered Accountants

Statement of Financial Position as at December 31, 2016

Particulars	Notes	Amount (In Taka) 31.12.2016	Amount (In Taka) 31.12.2015
ASSETS:			
Non - Current Assets:		**20,362,532**	**11,712,876**
Property, Plant & Equipment	4	20,362,532	11,712,876
Current Assets:		**12,985,571,886**	**11,142,926,670**
Account Receivable	5	53,598,056	59,234,201
Investment	6	10,008,800,560	8,705,244,814
Investment in Share (DSE & CSE)	7	700,000,000	700,000,000
Advance, Deposits & Prepayment	8	9,229,248	7,044,343
Advance Income Tax	9	1,680,493,862	1,336,443,999
Cash and Cash equivalent	10	533,450,160	334,959,313
Total Assets:		**13,005,934,418**	**11,154,639,546**
EQUITY AND LIABILITIES:			
Capital and Reserve:		**4,055,863,955**	**4,051,864,963**
Paid -up Capital	11	4,000,000,000	4,000,000,000
Retained Earning		55,863,955	51,864,963
Non-current Liabilities		**2,918,092,979**	**2,401,995,282**
Borrowing from Bank	12	2,918,092,979	2,401,995,282
Current Liabilities:		**6,031,977,484**	**4,700,779,301**
Accounts Payable	13	3,731,024,964	2,835,889,410
Provision for Investments	14	343,709,835	309,824,500
Provision for taxation	15	1,957,242,685	1,555,065,391
Total Equity and Liabilities:		**13,005,934,418**	**11,154,639,546**

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

Director | Director | Chief Executive Officer

Signed subject to our seperate report of even date.

Place : Dhaka
Date : 29.01.2017

(S. H. Khan & CO.)
Chartered Accountants

Statement of Comprehensive Income For the Year ended 31 December, 2016

Particulars	Notes	Amount (In Taka) Jan-Dec'2016	Amount (In Taka) Jan-Dec'2015
Investment Income	16	1,220,161,707	1,102,458,379
Profit paid on Borrowing	17	(231,913,177)	(331,389,506)
Net Investment Income		988,248,530	771,068,873
Income from Commission, Exchange & Others:			
Brokerage Commission	18	265,307,550	278,077,485
Documentation & Maintenance Fess	19	4,888,000	4,627,000
Other Operating Income	20	21,480,206	10,217,881
		291,675,756	**292,922,366**
Total operating Income (A)		**1,279,924,286**	**1,063,991,239**
Hawla,Laga & CDBL Charges	21	31,830,185	32,944,495
Salary allowances& Contribution to P.F	22	44,775,054	39,151,029
Rents, Taxes, Insurance, Lighting etc.	23	11,060,624	13,056,118
Honorarium & Meetting Expense	24	4,451,000	4,723,100
Law Charges		211,730	8,477
Postage, Telegram, Telephone & Stamps etc	25	510,808	448,630
Depreciation, Amortization & Repairs to Properties	26	6,607,067	8,885,370
Stationary, Printing, Advertisement etc.		1,691,107	1,404,225
Other Expenses	27	18,725,090	26,855,933
Total operating expenses (B)		**119,862,665**	**127,477,377**
Profit/(loss) before provision and Tax C = (A - B)		**1,160,061,621**	**936,513,862**
Provision for Taxation	28	402,177,294	326,440,966
Provision for Investment		33,885,335	37,858,041
Net Profit after Tax		**723,998,992**	**572,214,855**
Retained Earning Brought forward		51,864,963	39,650,108
		775,863,955	**611,864,963**
Interim Dividend Paid		720,000,000	560,000,000
Retained earning Carried forward		**55,863,955**	**51,864,963**
Earning per Share (EPS)		**1.81**	**1.43**

The annexed notes form an integral part of these financial statements

Director | Director | Chief Executive Officer

Signed subject to our seperate report of even date.

Place : Dhaka
Date : December 07,2016

(S. H. Khan & CO.)
Chartered Accountants

Statement of Changes in Equity As at 31 December, 2016

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2016	4,000,000,000	51,864,963	4,051,864,963
Net profit for the Period	-	723,998,992	723,998,992
Interim Dividend Paid		(720,000,000)	(720,000,000)
Balance as at December 31, 2016	**4,000,000,000**	**55,863,955**	**4,055,863,955**

Director Director Chief Executive Officer

Statement of Changes in Equity As at 31 December, 2015

Particulars	Share Capital	Retained Earning	Total
Balance as on 1st January, 2015	4,000,000,000	39,650,108	4,039,650,108
Net profit for the Period	-	572,214,855	572,214,855
Interim Dividend Paid		(560,000,000)	(560,000,000)
Balance as at December 31, 2015	**4,000,000,000**	**51,864,963**	**4,051,864,963**

Director Director Chief Executive Officer

AMAR STOCK

Statement of Cash Flows For the Year ended December 31, 2016

Particulars	Amount (In Taka) Jan-Dec'2016	Amount (In Taka) Jan-Dec'2015
Cash flows from operating activities		
Investment income receipt in Cash	1,220,161,707	1,102,458,379
Profit paid on deposits and borrowing	(231,913,177)	(331,389,506)
Commission received in cash	265,307,550	278,077,485
Cash payments to employees	(44,775,054)	(39,151,029)
Cash payments to suppliers	(1,691,107)	(1,404,225)
Received from other operating activities (item-wise)	26,368,206	14,844,881
Paid for other operating activities (item-wise)	(68,061,638)	(79,182,300)
Advance income tax paid	(344,049,863)	(350,089,416)
Operating profit before changes in operating assets and liabilities	**821,346,624**	**594,164,269**
Changing in Operating assets & liabilities	(1,303,555,746)	533,385,681
Increase/Decrease of Accounts receivable	5,636,145	18,316,636
Increase/Decrease of Borrowing	516,097,697	(1,158,004,718)
Increase/Decrease of Accounts payable	895,135,554	219,113,638
Increase/Decrease of other assets (item-wise)	(2,184,905)	(2,613,839)
Increase/Decrease of other liabilities (item-wise)	-	-
Cash receipt from operating activities	**111,128,745**	**(389,802,602)**
A. Net Cash from operating activities	**932,475,369**	**204,361,667**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(13,984,521)	(495,351)
B. Net cash flows from investing activities	**(13,984,521)**	**(495,351)**
Cash flows from financing activities		
Increase in Share Capital	-	-
Interim Dividend Paid	(720,000,000)	(560,000,000)
C. Net cash flows from financing activities	**(720,000,000)**	**(560,000,000)**
D. Net increase in cash and cash equivalent (A+B+C)	**198,490,848**	**(356,133,684)**
E.Effects of exchange rate changes on cash and cash-equivalents	**-**	**-**
F.Net increase in cash and cash equivalent D+E	**198,490,848**	**(356,133,684)**
G.Cash & Cash Equivalents at the beginning of the period	**334,959,312**	**691,092,996**
H.Cash & Cash Equivalents at the end of the period	**533,450,160**	**334,959,312**

Director Director Chief Executive Officer

AIBL CAPITAL MARKET SERVICES LIMITED
Notes to the Financial Statement
For the year ended 31st December, 2016

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIALS INFORMATION:

a) Legal Form of the Enterprise:

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.

b) Address of Registered Office and Principal Place of Business:

The principal place of business is the Registered Office at Peoples Insurance Bhaban (7th floor), 36 Dilkusha C/A, Dhaka-1000.

c) 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. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS:

a) 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 Security and Exchange Commission (Amendment) Act 2012, the listing rules of Dhaka Stock and Chittagong Stock Exchange, guideline from BB, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), and other applicable laws and regulations.

b) 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).

c) 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.

d) Components of financial statements:

According to International Accounting Standards (IAS)-1, as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components;

i. Statement of Financial Position
ii. Statement of 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.

3. PRINCIPAL ACCOUNTING POLICIES:

a) Statement of Cash Flows:

Cash Flow Statement is prepared in accordance with BAS-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 BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

b) Investment in security:

Investment in security are classified broadly in two categories and accounted under as follows:

I) Investment in listed securities:

Investment in listed security is carried at the lower of cost or market value in accordance with BAS-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.

c) Revenue Recognition:

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 rest.

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.

d) Event after balance sheet dated: BAS-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 BAS-37: Provision, Contingent Liabilities and Contingent Assets.

e) 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.

f) Provision of TAX:

Provision for income tax has been calculated on the total business income though company's trading income is subject to deduction of tax at source which is treated as final discharge from tax liability under Income Tax Ordinance 1984.

g) 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.

h) Fixed assets and depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on the cost of fixed assets in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with BAS-16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal and addition during the year. The rates of depreciation used to write off the amount of assets are as follows:

Interior Decoration	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%

i) 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.

j) Comparative figures of financial statements:

The comparative figures of Statement of Financial Position for the period ended 31st December, 2016 have been compared with the unaudited financial statements of 31st December, 2015.

			Amount (In Taka) 31.12.2016	Amount (In Taka) 31.12.2015
4.00	**Fixed Assets:**			
	Property, Plant & Equipment			
	a) Tangible Asset			
	Interior Decoration		6,186,782	6,043,427
	Computer accessories		-	97,236
	Online Hardware		-	451,475
	Motor Car		11,929,091	211,512
	Furniture & fixture - steel		200,679	231,612
	Office equipment		-	1,687,762
	Computer		-	348,712
	Furniture & fixture - wood		1,425,412	1,725,927
			19,741,964	**10,797,663**
b)	**Intangible Assets**			
	Online Software		620,568	915,213
			620,568	**915,213**
	Total (a+b)		**20,362,532**	**11,712,876**
	Details have been shown in Annexure-"A"			
5.00	**Accounts Receivable:**			
	Receivable from DSE		52,758,056	59,234,201
	Dividend Receivable		840,000	-
			53,598,056	**59,234,201**
6.00	**Investments:**			
Margin Investment			9,783,753,077	8,521,144,839
	Investment in Dealer A/C (6.01)		215,047,483	174,099,975
	Investment In AIBL Capital Management Ltd.		10,000,000	10,000,000
			10,008,800,560	**8,705,244,814**

6.01 Investment in Dealer Account as on 31.12.2016

Name of the Instrument	No of Share	Cost price	Market price
ACI Ltd	10,990	5,607,291	4,236,645
ACI Formulation Ltd.	216,817	38,584,283	32,956,184
Amanfeed Ltd.	462,000	33,140,109	31,785,600
BDlamps Ltd.	15,493	2,896,727	2,703,529
Fareastlife	341,220	36,867,395	23,100,594
Fortune shoese Ltd.	4,574	45,740	232,359
ICB	222,835	32,981,323	23,286,258
Islami Insurance Ltd.	113,143	3,454,973	2,228,917
MJLBD	18,089	1,802,296	2,163,444
Premier Cement Ltd.	622,055	57,997,029	56,731,416
YPL	3,139	28,540	95,426
Balance		1,641,777	-
Total		**215,047,483**	**179,520,371**

7.00	**Investment in Share (DSE & CSE):**			
	Investment in Share (DSE)		525,000,000	525,000,000
	Investment in Share (CSE)		175,000,000	175,000,000
			700,000,000	**700,000,000**

AMAR STOCK

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 alloted 7,215,106 number of ordinary shares (of which 4,329,064 shares blocked with DSE Demutualization Blocked Account) and CSE also alloted 4,287,330 number of ordinary shares (of which 2,572,398 shares are blocked with CSE) at face value of Tk. 10/-each.

			Amount (In Taka) 31.12.2016	Amount (In Taka) 31.12.2015
8.00	**Advance, Deposit & Prepayments:**			
	Advance against for Office Space at Nikunja, Dhaka.		100,000	100,000
	Advance against for Office Space Gulshan(old).		624,080	1,450,700
	Advance against for Office Space at Amborkhana		319,050	583,650
	Advance rent Gulshan Br.(New)		766,000	982,000
	Advance Rent Dhanmondi		224,000	224,000
	Advance Rent Uttara Br.		2,395,260	1,830,000
	Advance Rent Barisal Br.		1,646,669	-
	Advance Rent B. Baria		866,574	1,006,344
	Advance Rent Khatungonj		1,218,466	-
	Advance Against Petty Cash		1,069,149	867,649
			9,229,248	**7,044,343**
9.00	**Advance Income Tax:**			
	Tax deducted at source DSE		33,656,935	73,110,607
	Tax deducted at source CSE		1,956,407	4,719,886
	TDS against Dividend		2,533,898	1,804,000
	Tax deducted at source Bank		1,515,566	4,117,721
	Tax paid 2016 through Chalan & Source		78,750,000	-
	Tax paid 2015 Through Challan & Source		415,952,141	106,562,870
	Tax paid 2014 through challan & Source		306,367,030	306,367,030
	Tax paid 2013 through challan & Source		289,791,671	289,791,671
	Tax paid 2012 through challan & Source		299,436,990	299,436,990
	Tax paid 2011 through challan		230,386,748	230,386,748
	Tax paid 2010 through chalan		20,146,476	20,146,476
			1,680,493,862	**1,336,443,999**
10.00	**Cash and Cash equivalent:**			
	Al-Arafah Islami Bank Limited	**Note-10.01**	533,439,958	334,954,313
	Shajalal Islami Bank Limited		10,202	5,000
			533,450,160	**334,959,313**
10.01	**Balance at Bank:**			
	Al-Arafah Islami Bank Limited, Motijheel Br. Dhaka (2693)		15,288	14,880
	AIBL Capital Market Services Limited Cons.cust. (2927)		493,254,555	315,782,673
	AIBL Capital Market Services Limited. (2936)		6,909,693	7,823,729
	Al-Arafah Islami Bank Limited, Dhanmondi Branch		-	400,000
	AIBL Capital Market Services Ltd. Dividend A/C ()		9,321,106	8,816,265
	Al-Arafah Islami Bank Limited, Gulshan		43,000	400,000
	Al-Arafah Islami Bank Limited, Barishal Br.		-	1,375,000
	Al-Arafah Islami Bank Limited, Khatungonj Br.		756,000	280,000
	AIBL Capital Market Services Ltd. Public Issue Application A/C		19,903,214	61,766
	AIBL Capital Market Services Limited Uttara		220,000	
	AIBL Capital Market Services Limited Sylhet		-	
	AIBL Capital Market Services Limited SIBL		2,102	-
	AIBL Capital Market Services Limited Khulna		3,015,000	-
	Al-Arafah Islami Bank Limited, B. Baria		-	-
			533,439,958	**334,954,313**
11.00	**Share Capital:**			

		Amount (In Taka) 31.12.2016	Amount (In Taka) 31.12.2015
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**

11.03 Share Holding Position: As at 31,December 2016

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:**	**4,000,000,000**	**4,000,000,000**
	Issued, Subscribed and fully Paid-up Capital is 40,00,00,000		

11.03 Share Holding Position: As at 31,December 2016

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
Badiur Rahman	0.88%	3,500,000	35,000,000
KYCR Coils Industries Ltd.	0.50%	2,000,000	20,000,000
Alhaj Abdul Malek Mollah	0.50%	2,000,000	20,000,000
AIBL Capital Management Limited	0.50%	2,000,000	20,000,000
AI- haj Md. Harun-ar-Rashid Khan	0.63%	2,500,000	25,000,000
Alhaj Nazmul Ahsan Khaled	0.50%	2,000,000	20,000,000
KDS Garment industries Ltd.	5.00%	20,000,000	200,000,000
Alhaj Abdus Samad	0.50%	2,000,000	20,000,000
Alhaj Abu Naser Mohammad Yeahea	4.50%	18,000,000	180,000,000
Alhaj Abus Salam	1.50%	6,000,000	60,000,000
Niaz Ahmed	0.75%	3,000,000	30,000,000
Badshah Meah	1.75%	7,000,000	70,000,000
Alhaj Kazi Md. Mofizur Rahman	2.00%	8,000,000	80,000,000
Alhaj Eng. Kh. Mesbahuddin Ahmed	1.75%	7,000,000	70,000,000
Md. Ashik Hossain	0.50%	2,000,000	20,000,000
Farid Ahmed	0.50%	2,000,000	20,000,000
Mohammed Mahtabur Rahman	1.50%	6,000,000	60,000,000
Md. Liakat Ali Chowdhury	0.25%	1,000,000	10,000,000
Mohammed Haroon	0.75%	3,000,000	30,000,000
A S M Mainuddin Monem	0.50%	2,000,000	20,000,000
Ahmedul Haque	0.25%	1,000,000	10,000,000
Sarker Mohammad Shameem Iqbal	0.25%	1,000,000	10,000,000
Mohammed Emadur Rahman	0.75%	3,000,000	30,000,000
Kazi Abu Kauser	0.50%	2,000,000	20,000,000
Master Abul Kashem	0.25%	1,000,000	10,000,000
Naba knit Composite Limited	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
Majbura Begum	0.25%	1,000,000	10,000,000
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

Name of the Share Holder	% of Share holdings	No. of Shares	Amount (In Taka)
Mohammad Jahangir	0.25%	1,000,000	10,000,000
Mollah Mahmood Malek	0.50%	2,000,000	20,000,000
Mollah Mazharul Malek	0.25%	1,000,000	10,000,000
Norrish Poultry and Hatchery ltd.	1.00%	4,000,000	40,000,000
Galco Steel Bangladesh ltd.	0.50%	2,000,000	20,000,000
Mohammed Oheidul Alam	0.25%	1,000,000	10,000,000
Sahana Ferdous	0.25%	1,000,000	10,000,000
Islamic Commercial Insurance Co. Ltd.	1.25%	5,000,000	50,000,000
Faisal Ahmed	0.50%	2,000,000	20,000,000
Mohammed Oliur Rahman	0.75%	3,000,000	30,000,000
Md.Nurul Hoque	0.25%	1,000,000	10,000,000
Kh Sakib Ahmed	0.50%	2,000,000	20,000,000
Mrs. Shamsun Nahar Begum	0.25%	1,000,000	10,000,000
Md. Rafiqul Islam	0.25%	1,000,000	10,000,000
P & I International Limited	1.00%	4,000,000	40,000,000
Mohammad Fazlur Rahman	0.25%	1,000,000	10,000,000
Anower 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
TOTAL	**100.00%**	**400,000,000**	**4,000,000,000**

12.00	**Borrowing from Bank:**		
	Borrowing from Al-Arafah Islami Bank Limited Motijheel	1,100,000,000	1,000,000,000
	Borrowing from AIBL Capital Management Limited	1,309,400,000	1,360,000,000
	Borrowing from ICB Pronodona scheme	8,692,979	41,995,282
	Borrowing from SIBL	500,000,000	-
		2,918,092,979	**2,401,995,282**
13.00	**Accounts Payable :**		
	Al - Arafah Islami Bank Limited	1,163,815,014	988,975,014
	Profit Payable for borrowings	1,417,252,685	1,187,417,629
	VAT, Salary Tax & AIT Payable	151,362	151,669
	Payable toCSE	53,027,116	43,574,648
	Payable to clients	348,758,520	237,452,697
	Dividend Tax Payable	-	27,160,000
	Bonus & Incentive	91,310	91,309
	Audit Fess	50,000	-
	Dividend payable	724,640,000	344,000,000
	Dividend adjustment clients	5,335,017	4,012,328
	Security Money	101,814	54,650
	IPO Application Process Account	17,802,126	2,999,466
		3,731,024,964	**2,835,889,410**
14.00	**Provision for Investment:**		
	Openig Balance	309,824,500	271,966,459
	Add : Provision for Investment	33,885,335	37,858,041
	Closing Balance	**343,709,835**	**309,824,500**
15.00	**Provision for taxation :**		
	Openig Balance	1,555,065,391	1,228,624,425
	Add: Income tax provision during the year	402,177,294	326,440,966
	Closing Balance	**1,957,242,685**	**1,555,065,391**
16.00	**Investment Income :**		
	Margin Profit income	1,205,000,432	1,081,424,678
	Profit on MSND	15,161,275	21,033,701
		1,220,161,707	**1,102,458,379**

		Amount (In Taka) 31.12.2016	Amount (In Taka) 31.12.2015
17.00	**Profit paid on Borrowing :**		
	Borrowing from Al-Arafah Islami Bank limited	64,979,167	215,999,997
	ICB Pronodona	2,078,121	1,885,898
	SIBL	14,086,111	-
	Borrowing from AIBLCML	130,703,111	113,503,611
	AIBL Motijheel Branch	20,066,667	-
		231,913,177	**331,389,506**
18.00	**Brokerage commission**		
	DSE	251,077,835	259,961,227
	CSE	14,229,715	18,116,258
		265,307,550	**278,077,485**
19.00	**Documentation & Maintenance Fess :**		
	BO Documentation fees	400,500	658,500
	BO Maintenance fees	4,392,500	3,869,500
	Margin documentation fees	95,000	99,000
		4,888,000	**4,627,000**
20.00	**Other Operating Income:**		
	CDBL Income	1,150,936	3,374,834
	Cheque dishonour Charge	136,885	157,000
	Dividend income	13,509,489	3,053,404
	IPO Process Income	67,970	47,069
	BO Close Charge	500	-
	Realized Capital gain	6,599,402	3,523,500
	Others	15,024	62,074
		21,480,206	**10,217,881**
21.00	**Hawla, Laga & CDBL Charges :**		
	Hawla charge	64,786	87,574
	Laga charge	17,521,754	17,492,575
	CDBL Charges	14,243,645	15,364,346
		31,830,185	**32,944,495**
22.00	**Salary allowances& Contribution to P.F:**		
	Salary allowances& Contribution to P.F	42,071,748	36,626,064
	Wages	2,331,429	2,086,511
	Security Services	371,877	438,454
		44,775,054	**39,151,029**
23.00	**Rents, Taxes, Insurance, Lighting etc.:**		
	Rent	8,568,445	10,883,917
	Insurance	45,860	45,860
	Lighting& electricity bill	2,446,319	2,126,341
		11,060,624	**13,056,118**
24.00	**Honorarium & Meeting Expense:**		
	Meeting & Honorariam	4,451,000	4,723,100
		4,451,000	**4,723,100**
25.00	**Postage, Telegram, Telephone & Stamps etc:**		
	Postage, Telegram, Telephone & Mobole	497,733	414,009
	Stamps	13,075	33,500
	Photocopy	-	1,121
		510,808	**448,630**
26.00	**Depreciation & Repairs to Properties:**		
	Depreciation	5,334,864	7,739,823
	Repair & Maintenance	1,272,203	1,145,547
		6,607,067	**8,885,370**

AMARSTOCK

			Amount (In Taka) 31.12.2016	Amount (In Taka) 31.12.2015
27.00	**Other Expenses:**			
	Computer Charge		235,950	226,900
	Bank Charge		75,538	94,951
	Petroleum Oil, Lubricant & WASA/ Gas.		701,127	471,130
	Entertainment		1,786,195	1,762,668
	Bonus & Incentive		8,381,459	8,712,907
	Leave encashment		2,891,365	-
	Travelling, Local conveyance & Saturday Allowance		182,002	191,209
	Internet & Online Charge		2,237,510	2,132,360
	Registration Expenses		631,688	-
	Training Expenses		4,500	102,000
	Audit Fees		150,000	100,000
	Realized Loss		-	11,037,111
	Utilities bill		204,337	300,344
	Vat		15,000	15,000
	Other Expenses	**Note-27.01**	1,228,419	1,709,353
			18,725,090	**26,855,933**
27.01	**Break up of Other Expenses:**			
	Subscription Renewal		727,511	989,984
	Newspaper		49,782	50,838
	Mandatory Leave		48,300	263,520
	Upkeep		41,871	27,842
	Miscellanous		33,353	36,856
	Investors Protection		80,602	52,613
	Aircondition charge		-	10,000
	AR License		2,000	5,000
	Closing Allowances		15,000	28,000
	EID Garcia		-	14,700
	Bank Guarantee		230,000	230,000
			1,228,419	**1,709,353**
28.00	**Provision for Current Tax:**			
	Operating Income Before tax		1,160,061,621	936,513,862
	Total Business Income		**1,160,061,621**	**936,513,862**
	Less: Capital Gain		6,599,402	3,523,500
	Less: Dividend Income		13,509,489	3,053,404
	Taxable Income		**1,139,952,730**	**929,936,958**
	Income Tax @ 35 % on estimated Taxable Income		**398,983,456**	**325,477,935**
	Add: TDS Dividend @ 20%		2,533,898	610,681
	Add: Capital Gain @10%		659,940	352,350
			402,177,294	**326,440,966**

AIBL Capital Market Services Ltd.
Fixed Assets Schedule As at December 31, 2016

Annexure-A

Particular	Cost				Rate %	Depreciation				Written Down Value as on December 31, 2016
	Balance as on Jan 01, 2016	Addition during the Year	Dispopsal/ Adjustment	Balance as on December 31, 2016		Balance as on January 1, 2016	Charge during the Year	Adjustment	Balance as on December 31, 2016	
Tangible Asset										
Interior Decoration	10,393,817	1,182,737	-	11,576,554	10%	4,350,390	1,039,382	-	5,389,772	6,186,782
Computer Accessories	1,203,374	-	-	1,203,374	20%	1,106,138	97,236	-	1,203,374	-
Online Hardware	2,901,234	-	-	2,901,234	20%	2,449,760	451,474	-	2,901,234	-
Motor Car	5,287,800	12,775,139	-	18,062,939	20%	5,076,288	1,057,560	-	6,133,848	11,929,091
Furniture & Fixture - Steel	309,332	-	-	309,332	10%	77,720	30,933	-	108,653	200,679
Office Equipment	9,874,276	-	-	9,874,276	20%	8,186,514	1,687,762	-	9,874,276	-
Computer	4,101,595	-	-	4,101,595	20%	3,752,883	348,712	-	4,101,595	-
Furniture & Fixture - Wood	3,005,154	-	-	3,005,154	10%	1,279,227	300,515	-	1,579,742	1,425,412
	37,076,582	**13,957,876**	-	**51,034,458**		**26,278,920**	**5,013,574**	**-**	**31,292,494**	**19,741,964**
Intangible Assets			-							
Online Software	1,606,448	26,645	-	1,633,093	20%	691,235	321,290	-	1,012,525	620,568
	1,606,448	26,645	-	1,633,093		691,235	321,290		1,012,525	620,568
Total	**38,683,030**	**13,984,521**	**-**	**52,667,551**		**26,970,155**	**5,334,864**	**-**	**32,305,019**	**20,362,532**



AUDITOR'S REPORT

on the Financial Statements of AIBL Capital Management Ltd. For the Period ended December 31, 2016

FIRST TOUCH

AUDITOR'S REPORT

We have audited the accompanying Financial Statements of AIBL Capital Management Ltd which comprise the Statement of Financial Position as at 31st December, 2016 and the 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 a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Company 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.

Auditor's Responsibility:

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as, evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements present fairly in all material respect, the financial position of AIBL Capital Management Ltd as at 31st December, 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the Company Act , 1994 and other applicable rules and regulations.

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 purposes of our audit and made due verification thereof;

ii. in our opinion, proper books of account 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 statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Dhaka: January 29, 2017

Statement of Financial Position As at December 31 , 2016

Particulars	Notes	Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
PROPERTY & ASSETS:			
Non - Current Assets			
Property, Plant & Equipment	**4.00**	535,729	467,627
Current Assets:			
Cash and Bank Balance	**5.00**	29,421,771	31,107,790
Account Recivable	**6.00**	417,297,690	285,276,707
Investment	**7.00**	1,919,773,140	1,994,971,513
Advance Income Tax	**8.00**	10,998,405	6,274,309
Balance with AIBL CMSL		42,613,802	10,894,187
Total Assets		**2,420,640,537**	**2,328,992,133**
EQUITY AND LIABILITIES:			
Capital and Reserve			
Paid Up Capital	**9.02**	500,000,000	500,000,000
Retained Earning	**10.00**	(33,948,191)	(37,523,318)
Total Equity		**466,051,809**	**462,476,682**
Current Liabilities			
Borrowing from Bank (AIBL)		1,394,932,437	1,448,685,912
Accounts Payable	**11.00**	502,991,470	371,774,244
Provision for Taxation	**19.00**	14,641,401	9,652,074
Provision for Investment	**20.00**	42,023,421	36,403,221
Total Liabilities		**1,954,588,729**	**1,866,515,451**
Total Equity and Liabilities		**2,420,640,537**	**2,328,992,133**
Net Asset Value per share.		**9.32**	**9.25**

The annexed notes form an integral part of these financial statements

Director Director CEO

Signed to our seperate report of even date.

Place : Dhaka
Date : January 29, 2017

KHAN WAHAB SHAFIQUE RAHMAN & CO.
Chartered Accountants

Statement of Profit or Loss and Others Comprehensive Income
For the year ended 31 December, 2016

Particulars	Notes	Amount In Taka 2016	Amount In Taka 2015
Investment Income	12.00	132,001,970	115,803,492
Profit Paid on Borrowings	13.00	(131,182,607)	(106,588,974)
Net Investment Income		**819,363**	**9,214,518**
Operating Income	14.00	26,841,126	26,596,327
		26,841,126	**26,596,327**
Total Operating Income (A)		**27,660,489**	**35,810,846**
Salary and Allowances	15.00	11,370,525	15,293,614
Honorarium & Meeting Expenses		133,300	176,000
Rents, Taxes, Insurance, Lighting etc.		694,077	994,564
Postage, Telegram, Telephone & Stamps etc	16.00	79,500	115,900
Audit fees		25,000	10,000
Stationery, Printing, Advertisement etc.	17.00	203,518	464,705
Depreciation		182,464	132,351
Other Expenses	18.00	787,452	706,014
Total Operating Expenses (B)		**13,475,836**	**17,893,148**
Profit/ Loss Before Provision and Tax C = (A - B)		**14,184,654**	**17,917,698**
Provision for Taxation	19.01	4,989,327	4,204,204
Provision for Investment	20.01	5,620,200	12,127,809
Net Profit after Tax & Provision		**3,575,127**	**1,585,685**
Retained Earning Brought Forward		**(37,523,318)**	**(39,109,003)**
Retained Earnings Carried Forward		**(33,948,191)**	**(37,523,318)**
Earning per Share (EPS)	21.00	**0.0715**	**0.0317**

The annexed notes form an integral part of these financial statements

Director Director CEO

Signed to our seperate report of even date.

Place : Dhaka
Date : January 29, 2017

KHAN WAHAB SHAFIQUE RAHMAN & CO.
Chartered Accountants

AMAR STOCK

Statement of Changes in Equity For the year ended 31 December, 2016

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2016	500,000,000	(37,523,318)	462,476,682
Net Profit for the Year	-	3,575,127	3,575,127
Balance as at 31 December , 2016	**500,000,000**	**(33,948,191)**	**466,051,809**

For the year ended 31 December, 2016

Particulars	Share Capital	Retained Earning	Total
Balance as at 01 January, 2015	500,000,000	(39,109,003)	460,890,997
Net Profit for the Year	-	1,585,685	1,585,685
Balance as at 31 December , 2015	**500,000,000**	**(37,523,318)**	**462,476,682**

Director Director CEO

AMAR STOCK

Statement of Cash flows For the year ended 31 December,2016

Particulars	Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
Cash flows from operating activities:		
Investment income receipt in Cash	132,001,970	115,803,492
Profit paid on deposits and borrowing	(131,182,607)	(106,588,974)
Cash payments to employees	(11,370,525)	(15,293,614)
Received from other operating activities (item-wise)	26,841,126	26,596,327
Paid for other operating activities (item-wise)	(1,922,847)	(2,467,183)
Paid for Preliminary Expenses	-	-
Advance income tax paid	(4,724,097)	(1,072,001)
Operating profit before changes in operating assets and liabilities	**9,643,020**	**16,978,048**
Changing in Operating assets & liabilities		
Increase/Decrease Investment	75,198,373	177,653,658
Increase/Decrease of Accounts receivable	(132,020,983)	(115,333,098)
Increase/Decrease of Borrowing	(53,753,475)	(167,999,999)
Increase/Decrease of Accounts payable	131,217,226	104,793,924
Increase/Decrease of other assets (item-wise)	(31,719,615)	(10,894,187)
Cash receipt from operating activities	**(11,078,474)**	**(11,779,702)**
A. Net Cash from operating activities	**(1,435,454)**	**5,198,346**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(250,565)	(44,000)
B. Net cash flows from investing activities	**(250,565)**	**(44,000)**
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)	**(1,686,019)**	**5,154,346**
E.Effects of exchange rate changes on cash and cash-equivalents	**-**	**-**
F.Net increase in cash and cash equivalent (D+E)	**(1,686,019)**	**5,154,346**
G.Cash & Cash Equivalents at the beginning of the year	**31,107,790**	**25,953,444**
H.Cash & Cash Equivalents at the end of the year	**29,421,771**	**31,107,790**
Net Operating Cash Flow per Share	**(0.029)**	**0.104**

Director Director CEO

TMAR STOCK

AIBL Capital Management Limited
Notes to the financial statements
As at and for the year ended 31 December, 2016

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 October2011. 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 Peoples Insurance Bhaban (7th floor) 36 Dilkusha C/A, 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.

2.0 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 BB, Bangladesh Accounting Standards (BAS), and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations of Bangladesh Securities & Exchange Commission.

2.02 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 Fixed assets and depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on the cost of fixed assets in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with BAS-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%

2.05 Components of financial statements:

According to International Accounting Standard (IAS) - 1, as adopted by ICAB as BAS -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. Principal Accounting Policies:

3.01 Cash flow Statement:

Cash Flow Statement is prepared in accordance with BAS -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 BAS-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 on quarterly basis.

3.03 Event after balance sheet dated: BAS 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 BAS 37: Provision, Contingent Liabilities and Contingent Assets.

3.04 Cash & Cash Equivalent :

Cash and cash equivalents 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.

3.05 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 General:

a) The financial statements are presented in Bangladeshi Taka (BDT) Currency, which is the company's functional currency.

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 conform with current year's presentation.

AMARSTOCK

			Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
4.00	**Property, Plant & Equipment:**			
	Opening balance		661,753	617,753
	Addition during the year		250,565	44,000
	Closing balance (A)		**912,318**	**661,753**
	Depreciation :			
	Opening balance		194,126	61,775
	Add: Charged for the year		182,464	132,351
	Closing balance (B)		376,590	194,126
	Written down value (A-B)		**535,729**	**467,627**
	Details have been shown in Schedule-A			
5.00	**Cash at Bank:**			
	AL - Arafah Islami Bank Ltd. - 3350		1,946,542	4,124,349
	AL - Arafah Islami Bank Ltd. - 4796		27,475,229	26,983,441
	Closing balance		**29,421,771**	**31,107,790**
6.00	Accounts Recivable:			
	Profit on Bai-Muazzel with AIBL CMSL		408,594,913	277,891,802
	Recivable from Panel Broker		9,954	18,912
	Dividend Recivable		8,692,823	7,365,993
	Closing balance		**417,297,690**	**285,276,707**
7.00	**Investment:**			
	Margin Investment		5,527,306	5,504,559
	Investment in Shares & Securities (Annexure-B)		569,857,834	593,451,184
	Investment in Placement Share		14,988,000	14,988,000
	Investment in AIBL CMSL		20,000,000	20,000,000
	Investment for Quard Car		-	1,027,770
	Investment in AIBL CMSL (Bi-Muazzel)		1,309,400,000	1,360,000,000
	Closing balance		**1,919,773,140**	**1,994,971,513**
8.00	**Advance Tax:**			
	Advance Tax 2012		1,156,941	1,156,941
	Tax Paid 2013 through challan		4,045,367	4,045,367
	Tax Paid 2015-2016 through Challan		429,416	-
	Tax on Dividend Income		5,360,921	1,050,001
	Tax on Underwriting Commission Income		-	22,000
	Tax Deducted for Expense		5,760	-
	Closing balance		**10,998,405**	**6,274,309**
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**
	Al-Arafah Islami Bank Limited	98.00%	490,000,000	490,000,000
	AIBL Capital Market sevices Limited	2.00%	10,000,000	10,000,000
	Total	**100.00%**	**500,000,000**	**500,000,000**

		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
10.00	**Retained Earnings:**		
	Opening balance	(37,523,318)	(39,109,003)
	Add: Net profit for the year	3,575,127	1,585,685
	Closing balance	**(33,948,191)**	**(37,523,318)**
11.00	**Accounts Payable :**		
	Vat Payable	6,000	12,600
	Payble to Client	15,000	246,825
	Profit on Borrowings	502,646,951	371,464,344
	Paid to A.H. Traders for Double A paper purchase month of September 2015.	-	19,475
	Debited for Bangladesh Capital Market Expo-2015 daily allowances.	-	12,000
	Paid to IDEA Communication for Bangladesh Capital Market Expo-2015 Stall Banner design.	-	19,000
	Paid to CDBL for CDS bill November, 2016	25,468	-
	Debited for Donation of Mr. Zubraz Khan Death.	18,496	-
	Debited to Al-Arafah Islami Bank Ltd. for Leave	270355	-
	Debited for Closing Allowances 2016.	4,000	-
	Debited for Mobile Allowances for the month of Dec	5,200	-
	Total	**502,991,470**	**371,774,244**
12.00	**Investment Income :**		
	Profit from Cash at Bank	107,064	252,553
	Less: Tax Deducted at source	(10,706)	(25,255)
	Margin Profit Income	807,432	1,605,763
	Service Charge Income	395,069	466,821
	Profit Bai-Muazzal with AIBL CMSL	130,703,111	113,503,611
	Total	**132,001,970**	**115,803,492**
13.00	**Profit paid on Bai-Muazzel with AIBL :**		
	Profit paid on Bai-Muazzel with AIBL	131,182,607	106,588,974
		131,182,607	**106,588,974**
14.00	**Operating Income:**		
	Capital Gain	3,528,769	5,761,714
	Dividend Income	23,182,250	18,140,163
	IPO income	645.00	611.00
	Income from dishonour cheque charge	3,000.00	-
	Issue Manager Commission	-	1,550,000
	Underwriting Commission	78,750	1,115,500
	BO Documentation	4,585	5,000
	CDBL for yearly Rebet	38,143	19,939
	BO Maintanance, Renewal Fee	4,983	3,400
	Total	**26,841,126**	**26,596,327**
15.00	**Salary & Allowances :**		
	Salary and Allowance	9,213,663	12,939,119
	Wages	135,000	135,000
	Leave Encashment for the year 2014	544,615	-
	Incentive & Festval Bonus	1,477,247	2,219,495
	Total	**11,370,525**	**15,293,614**

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		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
16.00	**Postage, Telegram, Telephone, Mobile & Stamps etc.:**		
	Mobile Bill	79,500	115,900
	Total	**79,500**	**115,900**
17.00	**Stationary, Printing, Advertisement etc.:**		
	Advertisement Exp.	98,430	310,535
	Printing & Stationary	105,088	154,170
	Total	**203,518**	**464,705**
18.00	**Other Expenses :**		
	BMBA Membership & Annual fees Fees	100,000	100,000
	Registration fees of Book Bidding Process	25,000	-
	Subscription, Renewal Fees	50,000	50,000
	Entertainment	20,000	3,600
	Saturday Allowance	4,000	-
	Training Exp.	13,500	-
	Travelling Allowance	10,516	43,100
	Ttrade licence renewal Fees	36,095	20,660
	Bank Charges & Fees	1,528	1,656
	Eid Gracious	-	22,000
	Petty Cash Exp.	106,170	106,792
	Transfer to AIBL CML IPO Application A/C.	-	5,000
	Vat Exp.	22,200	-
	Newspaper, Journal & Periodicals	-	1,500
	Internet Charge	223,200	223,200
	CDBL Charge	95,469	97,170
	Repair & Maintenance	-	6,336
	Law Charge	75,774	20,000
	Computer Accessories	-	-
	Closing Allowance	4,000	5,000
	Total	**787,452**	**706,014**
19.00	**Provision for Tax :**		
	Opening Balance	9,652,074	5,447,870
	Add: Povision during the year (Note:19.01)	4,989,327	4,204,204
	Closing balance	**14,641,401**	**9,652,074**
19.01	**Provision for Current Tax :**		
	Operating income	14,184,654	17,917,698
	Less: Gain on Sale of Securities	3,528,769	5,761,714
	Less: Dividend Income	23,182,250	18,140,163
	Total Business Income	(12,526,365)	(5,984,179)
	Income Tax [@ 37.50% on estimated Business Income]	-	-
	Add: Gain on Sale of Securities (10%)	352,877	576,171
	Add: Dividend Income (20%)	4,636,450	3,628,033
	Total	**4,989,327**	**4,204,204**

		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
20.00	**Provision for Investment:**		
	Opening balance	36,403,221	24,275,412
	Addition of Provision for the year	5,620,200	12,127,809
	Closing balance	**42,023,421**	**36,403,221**
20.01	**Current Provision for Investment :**		
	A) Provision due against un-realized loss as on 31-12-2015	60,639,047	73,234,455
	B) Provision made on 31-12-2015	12,127,809	14,646,891
	Provision carried forward un-realized loss (A-B)	48,511,238	58,587,564
	Increase/Decrease of loss during the year	(20,410,238)	2,051,483
	Total provision need up to current year	28,101,000	60,639,047
	Provision made @ 20% during the year	**5,620,200**	**12,127,809**

Provision for investment has been made during the year Tk.28,101,000 being @ 20% of total provision needed Tk.5,620,200 up to current year according to the Bangladesh Securities and Exchange Commission (BSEC) circular no.SEC/CMRRDC/2009-193/181 on dated December 8,2015.

21.00	**Earning Per Share:**		
	Net Profit after Tax & Provision	3,575,127	1,585,685
	No. of Shares	50,000,000	50,000,000
	Earning per Share	**0.0715**	**0.0317**

AMAR STOCK

AIBL Capital Management Limited
Schedule of Property, Plant & Equipment as at 31 December, 2016

Schedule-A

Particulars	Cost				Rate	Depreciation					Written Down Value as at 31.12.2015
	Opening Balance 01.01.2016	Addition during the year	Disposal during the year	Balance as at 31 .12.2016		Opening Balance 01.01.2016	Charged for the year	Adjustment during the year	Balance as at 31.12.2016	Written Down Value as at 31.12.2016	
Office Equipment	112,205	30,290	-	142,495	20%	33,662	28,499	-	62,161	80,335	78,544
Computer	302,048	-		302,048	20%	86,214	60,410	-	146,624	155,424	215,834
MB Operationg Software	247,500	220,275	-	467,775	20%	74,250	93,555	-	167,805	299,970	173,250
Balance at 31.12.2016	**661,753**	**250,565**	-	**912,318**		**194,126**	**182,464**	-	**376,590**	**535,729**	**467,627**

AMAR STOCK

Investment in Shares & Securities
Stock at hand as on 31 December , 2016

Annexure- B

SL . No.	Name of Company	No. of Shares	Amount (at cost)	Market Rate	Market Amount
1	AGNISYSL	393,298	7,918,154.26	20.90	8,219,928.20
2	AMANFEED	60,500	2,810,325.00	68.80	4,162,400.00
3	ATLASBANG	3,180	286,849.56	109.40	347,892.00
4	BATASHOE	3,301	2,888,174.85	1,142.00	3,769,742.00
5	BATBC	6,908	11,711,007.37	2,483.00	17,152,564.00
6	BDCOM	15,291	234,062.41	25.70	392,978.70
7	BSC	25,585	10,186,912.29	470.20	12,030,067.00
8	DESCO	855,816	37,711,711.74	46.30	39,624,280.80
9	FAREASTLIF	1,458,923	83,820,938.94	67.70	98,769,087.10
10	FORTUNE	4,574	45,740.00	50.80	232,359.20
11	GENNEXT	1,098,530	13,024,908.00	9.90	10,875,447.00
12	GP	274,161	59,231,726.10	284.10	77,889,140.10
13	HAKKANIPUL	110	6,971.73	48.80	5,380.20
14	ICB	360,477	36,354,536.20	104.50	37,669,846.50
15	ICBAMCLC1U	1,303,050	12,992,084.50	10.70	13,942,635.00
16	IDLC	200,000	12,890,050.77	57.00	11,400,000.00
17	ISLAMIINS	345,644	6,407,492.73	19.70	6,809,186.80
18	JAMUNAOIL	482,957	89,254,154.51	181.60	87,704,991.20
19	KPCL	131,110	11,087,062.90	62.50	8,194,375.00
20	MHSML	388,125	12,949,462.50	21.20	8,228,250.00
21	MPETROLEUM	31,810	6,698,006.70	170.40	5,420,424.00
22	ORIONPHARM	626,678	31,065,594.14	42.10	26,383,143.80
23	PADMAOIL	118,288	36,585,230.96	180.20	21,315,497.60
24	PREMIERCEM	81,566	8,129,995.45	91.20	7,438,819.20
25	PRIMELIFE	235,002	14,370,325.76	67.90	15,956,635.80
26	SAIFPOWER	100,885	5,426,369.94	50.60	5,104,781.00
27	SQUARETEXT	205,435	15,802,981.42	69.20	14,216,102.00
28	SUMITPOWER	658,780	31,178,005.76	37.00	24,374,860.00
29	USMANIAGL	32,498	3,760,457.31	85.60	2,781,828.80
30	YPL	653,139	5,028,540.00	30.40	19,855,428.64
	Total		**569,857,834**		**590,268,072**

AUDITOR'S REPORT

on the Financial Statements
of
Millennium Information Solution Ltd.
For the Period ended December 31, 2016



REPORT OF THE AUDITORS'

We have audited the accompanying financial statements of MILLENNIUM INFORMATION SOLUTION LIMITED, which comprise the Statement of Financial Position as at December 31, 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial statements of the Company in accordance with the Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines as necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as of December 31, 2015 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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 the company so far as it appeared from our examination of those books;

c) the Statement of Financial Position and the Statement of Comprehensive Income dealt with the report are in agreement with the books of accounts.

Ahsan Zamir FCA
Partner
Ahsan Zamir & Co.
Chartered Accountants
Dated: Dhaka
January 22, 2017

Statement of Financial Position As at December 31, 2016

	Particulars		Notes & Schedule	Amount in Taka December 31, 2016	Amount in Taka December 31, 2015
	ASSETS:				
A.	**Non Current Assets (i+ii)**			**145,263,200**	**116,865,932**
i.	**Property, plant & Equipment**			**22,404,389**	**9,802,880**
	Assets at cost less Accumulated depreciation	**SCH-A**	**4.00**	22,404,389	9,802,880
ii.	**Intangible assets**			**122,858,811**	**107,063,052**
	Deferred expenses		**5.00**	2,958,601	1,649,602
	Software development expenses		**6.00**	119,900,210	105,413,450
B.	**Current assets**			**155,072,127**	**167,194,516**
	Advance, Deposit & Pre-payments		**7.00**	3,224,893	3,143,920
	Accounts receivable	**SCH-B**	**8.00**	41,633,924	31,266,455
	Investments		**9.00**	105,813,423	130,271,655
	Cash & Cash equivalent		**10.00**	4,399,887	2,512,487
	TOTAL ASSETS [A+B]			**300,335,327**	**284,060,448**
	SHARE HOLDERS EQUITY & LIABILITIES				
C.	**Authorized capital**				
	2,00,00,000 Ordinary shares @ Tk. 10 each			200,000,000	200,000,000
D.	**Issued, subscribed & paid up capital**				
	1,83,71,261 Ordinary shares @ Tk. 10 each		**11.00**	183,712,610	183,712,610
E.	**Reserve & surpluses**			**103,658,441**	**89,605,132**
	General Reserve			-	-
	Share Premium			56,306,570	56,306,570
	Retained Earnings			47,351,871	33,298,562
F.	**Current liabilities**			**12,964,276**	**10,742,706**
	Accounts Payable	**SCH-C**	**12.00**	10,357,096	9,231,892
	Advance against revenue		**13.00**	100,000	100,000
	Loan from Bank		**14.00**	-	-
	Provision for Income Tax		**15.00**	2,507,180	1,410,814
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES [D+E+F] :			**300,335,327**	**284,060,448**
	Number of Shares			18,371,261	18,371,261
	Net Assets Value per share			**15.64**	**14.88**

The accompanying notes form an integral part of this Financial Statements.

Director Director Managing Director

This is the Statement of Financial Position referred to in our separate report of even date

Place : Dhaka
Date : January 22, 2017

Ahsan Zamir FCA
Partner
Ahsan Zamir & Co.
Chartered Accountants

Statement of Comprehensive Income For the year ended December 31, 2016

Particulars	Notes & Schedule	Amount in Taka December 31, 2016	Amount in Taka December 31, 2015
Revenue	**16.00**	61,548,489	50,883,299
Less : Production expenses	**17.00**	33,175,920	25,681,420
Gross Profit		**28,372,570**	**25,201,879**
Less : Operating expenses		**23,256,661**	**18,082,724**
Direct, administration and general expenses	**18.00**	14,359,279	13,509,379
Sales and market development expenses	**19.00**	8,897,382	4,573,345
Operating Profit		**5,115,909**	**7,119,155**
Add: Non-Operational Income	**20.00**	12,170,964	4,030,897
Net Income before Financial Expenses		**17,286,872**	**11,150,052**
Less : Financial expenses	**21.00**	65,007	219,356
Net Income before Tax		17,221,865	10,930,696
Less: Income Tax	**15.01**	2,507,180	1,410,814
Net Income after Tax		**14,714,685**	**9,519,882**
Number of Shares		18,371,261	18,371,261
Earning Per Share (EPS)		**0.80**	**0.52**

The accompanying notes form an integral part of this Financial Statements.

Director Director Managing Director

This is the Statement of Financial Position referred to in our separate report of even date

Place : Dhaka
Date : January 22, 2017

Ahsan Zamir FCA
Partner
Ahsan Zamir & Co.
Chartered Accountants

Millennium Information Solution Limited
Accounting policies and notes to the Financial Statements
For the year ended December 31, 2016

1.00 Background of the company and nature of business:

Millennium Information Solution Ltd. was incorporated as a private limited company on February 11, 2001 under the Company's Act 1994.

The main objective of the Company is to carry on activities relating to developing software products and providing maintenance and support services both to domestic and international clients. Over the years, MISL has established itself as the leading software developer, implementation and service provisioning company in Bangladesh which adheres to the rules of Islamic Shariah.On May 28, 2015 the company has become a subsidiary company of Al-Arafah Islami Bank Ltd.

2.00 Accounting policies& estimates:

a. Basis of Accounting

The account of the company is being maintained at accrual basis on historical cost convention following the Bangladesh Financial Reporting Standards (BFRS's) as applied by the Institute of Chartered Accountants of Bangladesh.

b. Reporting period

As the company is a subsidiary company of a financial institute named Al-Arafah Islami Bank Limited; therefore income covers a financial period from January 01, 2016 to December 31, 2016 according to the section 2 (35) of "Income tax Ordinance 1984".

c. 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.

3.00 Significant Accounting Policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Property, plant and equipment and their depreciation

Depreciation on the property, plant and equipment has been charged at full on their opening written down value less disposals. The values of the property, plant and equipment have been shown at written down value and depreciation has been charged at rates varying from 10-15%.

3.02 Valuation of software development expenses

This represents the cost allocated for Customized Software Ababil and Sylvia developing by the Company through various Programmers engaged on regular employment basis and related expenditure as per IAS-38 Para 24.4.5 & BAS-38 (Intangible Assets). During the reporting period the company has transferred Tk.19,757,433.00to software development expenses from revenue expenses to determine the value of its software. Total software development expenses of Ababil, Sylvia and Mobile banking as on December 31 2016 is Tk. 119,900,209.00

3.03 Amortization of non-current assets

During the year amortization has been made on software development expense @5% and deferred expense @25%.

3.04 Income Tax

The income of the company is tax exempted up to June 30, 2024 as per sixth schedule Part-A, Para-33 of Income Tax Ordinance 1984. Company's Tax Identification Number (E-TIN) is 477932327703.

3.05 Reporting currency and recognition of foreign currency income

All the transactions are shown in Bangladesh Taka currency. The foreign currency transactions have been converted into Taka at the time of recognition. Foreign currency gains/losses were recognized at the time of receipt/payment of money.

3.06 Comparatives

Whereessential, prior period's figures havebeen rearranged to ensure ready comparability with the current periods presentation. All fraction amounts have been rounded off to the nearest Taka.

3.07 Dividend

The Board of Directors hasnot beendeclared any dividend on the financial statement of December 31,2016.

3.08 Financial Assets:

i. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank which are available for use by the Company without any restriction.

ii. Accounts receivable

Accounts receivable represent the amounts due from customers for delivering products or rendering services. Accounts receivable are initially recognized at cost which is the fair value of the consideration given in return.

3.09 Financial liabilities:

i. Accounts Payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

3.10 Revenue recognition

Revenue is recognized when service provided or invoice is raised against the service/product to the client in accordance with the contractual agreement or work order.

3.11 Finance income and expense

Finance income comprises on MTDR's and savings accounts profit. Income is recognized as it accrues, using the effective method.

Finance expense comprises bank commission and charges.

3.12 Statement of Cash flows

Statement of Cash flows have been prepared and presented under Indirect method in accordance with the requirements of BAS 7: Statement of Cash flows.

AMAR STOCK

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
4.00 Property, Plant & Equipment : TK.			
This is arrived at as under:			
Balance as on January 01, 2016		**14,508,553**	**8,330,961**
Add: Addition during the year		16,535,349	6,762,642
		31,043,902	**15,093,603**
Less: Adjustment during the year		2,433,498	585,050
		28,610,404	**14,508,553**
Less: Accumulated Depreciation		6,206,015	5,495,269
Balance as on December 31, 2016		**22,404,389**	**9,013,284**
[Fixed Assets Details Shown in Schedule - A]			
5.00 Deferred expenses : Tk.			
This balance consists of as follows :			
Trade Marks Registration Expense	[Note: 5.01]	-	750
Marketing & Promoting Exp-Ababil	[Note: 5.02]	2,721,601	1,648,852
ISO Certificate: Tk.	[Note: 5.03]	237,000	-
		2,958,601	**1,649,602**
5.01 Trade Marks Registration Expense: Tk.			
This balance consists of as follows :			
Balance as on January 01, 2016		750	1,500
Add : Addition during the year		-	-
		750	1,500
Less : Amortization during the year		750	750
Balance as on December 31, 2016		**-**	**750**
5.02 Marketing & Promoting Exp-Ababil: Tk.			
This balance consists of as follows :			
Balance as on January 01, 2016		**1,648,852**	**1,944,778**
Add : Addition during the year		2,270,625	901,950
		3,919,477	2,846,728
Less : Amortization during the year: 25%		1,197,876	1,197,876
Balance as on December 31, 2016		**2,721,601**	**1,648,852**
5.03 ISO Certificate: Tk.			
This balance consists of as follows :			
Balance as on January 01, 2016		**-**	**-**
Add : Addition during the year		237,000	-
		237,000	-
Less : Amortization during the year		-	-
Balance as on December 31, 2016		**237,000**	**-**
6.00 Software development expenses : Tk.			
This balance consists of as follows :			
Ababil (Online Islamic Banking)	[Note: 6.01]	110,607,388	97,221,088
Mobile Banking Solution	[Note: 6.02]	5,563,504	5,856,320
Sylvia HRM Solution	[Note: 6.03]	3,729,318	2,336,042
		119,900,210	**105,413,450**

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
6.01	**Software development expenses- 'Ababil' : Tk.**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	97,221,087.50	87,773,434.00
	*Add : Addition during the year	18,247,355.00	13,836,325.00
		115,468,442.50	**101,609,759.00**
	Less: Amortization during the year @5 % on opening balance	4,861,054.50	4,388,672.00
	Balance as on December 31, 2016	**110,607,388.00**	**97,221,088.00**
	***Software development expenses- 'Ababil' : Tk.**		
	Salaries and Allowances for Ababil Development	18,247,355.00	13,836,325.00
		18,247,355.00	**13,836,325.00**
6.02	**Software development expenses-'Mobile Banking' : Tk.**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	5,856,320.00	5,856,320.00
	Add : Addition during the year	-	-
		5,856,320.00	**5,856,320.00**
	Less: Amortization during the year @5 % on opening balance	292,816.00	-
	Balance as on December 31, 2016	**5,563,504.00**	**5,856,320.00**
6.03	**Software development expenses-'HRMS Sylvia' : Tk.**		
	This balance consists of as follows :		
	Sylvia HRM Solution		
	Balance as on January 01, 2016	2,336,042.00	1,141,168.00
	*Add : Addition during the year	1,510,078.00	1,251,932.00
		3,846,120.00	**2,393,100.00**
	Less: Amortization during the year @5 % on opening balance	116,802.00	57,058.00
	Balance as on December 31, 2016	**3,729,318.00**	**2,336,042.00**
	*Software development expenses- ' HRMS Sylvia' : Tk.		
	Add : Salary & Allowance for HRMS Sylvia Development	1,510,078.00	1,251,932.00
		1,510,078.00	**1,251,932.00**
7.00	**Advance, Deposit & Pre-payments: Tk.**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	3,143,920.00	1,446,026.00
	Add : Addition during the year	9,489,633.00	2,623,488.00
		12,633,553.00	**4,069,514.00**
	Less: Adjustment during the year	9,408,660.00	925,594.00
	Balance as on December 31, 2016	**3,224,893.00**	**3,143,920.00**
	Break-up of Advance, Deposit & Pre-payments: Tk.		
	Advance Income Tax Paid at sources	61,231.00	-
	Advance Income Tax Paid at Source-MTDR/FDR	470,576.00	352,411.00
	Advance Income Tax Paid at Source-on AIBL SND AC#5406	7,283.00	54,465.00
	Advance Income Tax paid for Car	110,000.00	-

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
Advance Income Tax paid for Share Dividend		219,622.00	-
Advance to High Teck Park for Office Rent		1,396,734.00	580,734.00
Advance to DCASTALIA		80,000.00	-
Advance for ISO Certificate		-	92,750.00
Advance to BD Com Online LTD		1,035.00	1,035.00
Security deposit to DGDP for enlistment		50,000.00	50,000.00
Security deposit to DGDP against BAF works		84,500.00	84,500.00
Security deposit to Spectrum Eng. (For CID)		5,000.00	5,000.00
Security Deposit to BASIC Bank Ltd		-	36,339.00
Security Deposit for BG/PG/APG (From AIBL)		461,075.00	1,296,450.00
Security Deposit to Prime Bank Ltd		-	51,022.00
Deposit for International Roaming for CEO Mobile		20,000.00	20,000.00
TDR for B.G. as rental security of Grameen Bank Bhaban		-	161,376.00
Short Term Loan to BVC & ATCPIL		197,838.00	197,838.00
Loan Paid to Mr. Shahin		60,000.00	-
Loan paid to Kaysar Ahmed		-	80,000.00
Loan paid to Shaikh Ahmed Farooqui		-	80,000.00
		3,224,893.00	**3,143,920.00**
8.00	Accounts receivable : Tk		
	This balance consists of as follows :		
	Balance as on January 01, 2016	**31,266,455.00**	**26,210,223.00**
	Add: Addition during the year	52,257,114.00	43,970,210.00
		83,523,569.00	**70,180,433.00**
	Less: Adjustment during the year	41,889,645.00	38,913,978.00
	Balance as on December 31, 2016	**41,633,924.00**	**31,266,455.00**
	[Accounts receivable Details Shown in Schedule - B]		
9.00	**Investments :**		
	This balance consists of as follows :		
	Investment in FDR/MTDR Tk. [Note: 9.01]	63,000,000.00	91,413,619.00
	Investment in shares [Note: 9.02]	42,813,423.00	38,858,036.00
	Balance as on December 31, 2016	**105,813,423.00**	**130,271,655.00**
9.01	Investment in FDR/MTDR Tk.		
	This balance consists of as follows :		
	Balance as on January 01, 2016	91,413,619.00	-
	Add: Investment during the year	63,000,000.00	140,000,000.00
	Add: Net Profit (Gross Profit less Excise Duty)	4,668,259.00	3,479,110.00
		159,081,878.00	**143,479,110.00**
	Less: Income Tax deduct at source	470,576.00	352,411.00
	Less: Encashment	95,611,302.00	51,713,080.00
	Balance as on December 31, 2016	**63,000,000.00**	**91,413,619.00**

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
9.02	**Investment in shares**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	38,858,036.00	-
	Add: New share purchased during the year	35,647,773.00	46,514,785.00
	Add: Capital Gain	6,331,764.20	6,368.00
		80,837,573.00	**46,521,153.00**
	Less: Sales during the year	38,024,150.00	7,663,117.00
	Balance as on December 31, 2016	**42,813,423.00**	**38,858,036.00**
	DESCO	7,165,650.00	7,165,650.00
	BXPHARMA	11,340,054.00	-
	PREMIERCEM	18,381,457.00	-
	SQURPHARMA	-	17,715,025.00
	AMANFEED	5,926,263.00	-
	BSCCL	-	590,398.00
	PHARMAID	-	3,939,301.00
	SIBL	-	3,366,750.00
	SHASHADNIM	-	6,080,913.00
		42,813,423.00	**38,858,036.00**
10.00	**Cash & bank balance:Tk.**		
	This balance consists of as follows :		
	Cash in hand [Note: 10.01]	354,569.00	160,430.00
	Cash at bank & other accounts [Note: 10.02]	4,045,318.00	2,352,057.00
		4,399,887.00	**2,512,487.00**
10.01	**Cash in hand : Tk.**		
	Local currency with petty cash A/C in BDT	349,323.00	155,184.00
	Foreign Currency (Converted into BDT)	5,246.00	5,246.00
		354,569.00	**160,430.00**
10.02	Cash at bank and other institute: Tk.		
	Bank Name & Branch A/C No.		
	Al-Arafah Islami Bank Ltd, Motijheel Br. SND-0021220005406	477,291.00	892,715.00
	Dutch Bangla Bank Ltd, Motijheel Foreign Ex Br. 105-110-18205	8,608.00	287,495.00
	Social Islami Bank Ltd. Motijheel Forreign Ex Br. 018.133.11673	35,401.00	23,015.00
	AIBL Capital Market Services Ltd. BOID: 1204290059327175	3,524,019.00	1,148,832.00
		4,045,318.00	**2,352,057.00**
11.00	**Issued, subscribed & paid up capital : Tk.**		
	This balance is made up as follows :		
	Mr. Mahmud Hossain (1,519,070 Shares @ of Tk. 10 each)	15,190,700.00	15,190,700.00
	Mr. Fokhruz Zaman (1,519,070 Shares @ of Tk. 10 each)	15,190,700.00	15,190,700.00
	Mr. Md. Iftear Zahid (1,012,716 Shares @ of Tk. 10 each)	10,127,160.00	10,127,160.00
	Mr. Didarul Islam Chowdhury (506,358 Shares @ of Tk. 10 each)	5,063,580.00	5,063,580.00
	Mr. Saiful Alam (506,358 Shares @ of Tk. 10 each)	5,063,580.00	5,063,580.00
	Mr. Syed Azmal Hossain (843,938 Shares @ of Tk. 10 each)	8,439,380.00	8,439,380.00
	Mr. Anir Chowdhury (843,938 Shares @ of Tk. 10 each)	8,439,380.00	8,439,380.00
	Bengal Venture Capitals (2,000,470 Shares @ of Tk. 10 each)	20,004,700.00	20,004,700.00
	Asian Tiger Capital Partners Investments Ltd (250,000 Shares @ of Tk. 10 each)	2,500,000.00	2,500,000.00
	Al-Arafah Islami Bank Limited (9,369,343 Shares @ of Tk. 10 each)	93,693,430.00	93,693,430.00
		183,712,610.00	**183,712,610**

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
12.00	**Accounts Payable:Tk.**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	9,231,892.00	13,341,388.00
	Add : Addition during the year	62,622,669.00	46,539,721.00
		71,854,561.00	**59,881,109.00**
	Less : Adjustment during the year	61,497,465.00	50,649,217.00
	Balance as on December 31, 2016	10,357,096.00	9,231,892.00
	[Schedule-C for details]		
13.00	**Advance against Revenue:Tk.**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	100,000.00	200,000.00
	Add : Addition during the year	9,723,780.00	7,852,186.00
		9,823,780.00	**8,052,186.00**
	Less : Adjustment during the year	9,723,780.00	7,952,186.00
	Balance as on December 31, 2016	100,000.00	100,000.00
	The break up is as follows :		
	Al-Arafah Islami Bank-Ababil -Support	-	-
	Advance from BHEET IT	100,000.00	100,000.00
		100,000.00	**100,000.00**
14.00	**Loan/Quard from Bank : Tk.**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	-	2,500,000.00
	Add. Loan received	1,500,000.00	6,565,000.00
	Add. Profit charged by bank	-	98,310.00
		1,500,000.00	**9,163,310.00**
	Less: Loan refund	1,500,000.00	9,163,310.00
	Balance as on December 31, 2016	**-**	**-**
15.00	**Provision for Income Tax: Tk**		
	This balance consists of as follows :		
	Balance as on January 01, 2016	1,410,814.00	6,241.00
	Add : Provission made during the year [Note: 15.01]	2,507,180.00	1,410,814.00
		3,917,994.00	**1,417,055.00**
	Less: Advance Income Tax adjusted	426,876.00	683.00
	Less : Income Tax paid during the year	983,938.00	5,559.00
	Balance as on December 31, 2016	**2,507,180.00**	**1,410,814.00**
15.01	**Income Tax: TK.**		
	This balance consists of as follows :		
	Tax on SND Account's Income 35%	25,491.00	190,627.00
	Tax on MTDR Profit 35%	1,633,891.00	1,217,688.00
	Tax on other income	-	270.00
	Tax on Capital Gain from Share Trading 10%	633,176.00	2,229.00
	Tax on Dividend Income (Considering Exempted Tk. 25,000.00) 20%	214,622.00	-
		2,507,180.00	**1,410,814.00**

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
16.00	**Revenue : TK.**		
	This balance consists of as follows :		
	Domestic software sales [Note 16.01]	35,550,326.00	29,686,825.00
	Domestic software support [Note 16.02]	25,998,163.00	21,196,474.00
	Total Income:	**61,548,489.00**	**50,883,299.00**
16.01	**Income from Software Development: TK.**		
	This balance consists of as follows :		
	Al-Arafah Islami Bank Ltd	14,407,486.00	13,623,716.00
	Social Islami Bank Ltd	7,049,500.00	7,162,500.00
	The City Bank Ltd.	925,165.00	1,130,000.00
	EXIM Bank Limited	90,000.00	3,636,364.00
	Union Bank Limited	7,006,113.00	1,337,320.00
	Islamic Finance and Investment Limited (IFIL)	600,000.00	1,400,000.00
	ICB Islamic Bank	274,312.00	329,175.00
	IFIC Bank Ltd	697,750.00	697,750.00
	Dhaka Bank	200,000.00	-
	United Commercial Bank Ltd.(UCBL)	1,500,000.00	-
	BURO Bangladesh	2,800,000.00	-
	AMZ Uddipon	-	50,000.00
	Ahmed Mashuque & Co	-	320,000.00
		35,550,326.00	**29,686,825.00**
16.02	**Income from Domestic software support : TK.**		
	This balance consists of as follows :		
	Al-Arafah Islami Bank Ltd	9,223,349.00	7,852,186.00
	Social Islami Bank Ltd	6,557,444.00	5,206,220.00
	Union Bank Ltd	3,276,360.00	2,730,300.00
	The City Bank Ltd.	2,199,000.00	1,299,000.00
	Lafarge Surma Cement Ltd	1,846,524.00	1,547,215.00
	AB Bank Ltd.	1,435,404.00	1,451,553.00
	Agrani Bank Ltd	480,000.00	480,000.00
	Hajj Finance Co.	693,000.00	630,000.00
	Dhaka Bank	287,082.00	-
		25,998,163.00	**21,196,474.00**
17.00	**Production expenses : Tk.**		
	This balance consists of as follows :		
	Directors' Remuneration and allowance	1,453,334.00	1,267,333.00
	Salaries and Allowances to Production Officers	22,896,915.00	17,497,654.00
	Wages for Part Time Work	-	103,000.00
	Oracle Software Expense	237,138.00	227,784.00
	Travelling & Daily Allowance	35,460.00	391,567.00
	Offday & Overtime Allowance	19,000.00	115,402.00
	Leave Encashment Allowances	232,807.00	406,877.00
	Stationery	6,700.00	-
	Computer Accessories	14,500.00	7,130.00
	Conveyance Production	106,321.00	46,723.00
	Entertainment-Production	-	7,459.00

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
	Lunch Expense	424,730.00	322,256.00
	Training Expenses	83,870.00	10,000.00
	Production Staff Refreshment	198,830.00	104,608.00
	Mobile Allowance	118,960.00	115,520.00
	VAT deduction on Software Development	679,112.00	55,563.00
	VAT deduction on Software Support	8,483.00	128,775.00
	Internet Expense	174,792.00	169,276.00
	Repairs and Maintenance of Computer Accessories	8,600.00	22,900.00
	Repairs and Maintenance of Power Supply & Electrical Equipment	-	1,000.00
	Overseas Travelling Expenses	322,817.00	-
	Amortization of Software Development Exp	5,270,673.00	4,977,856.00
	Depreciation Exp.	882,878.00	447,049.00
		33,175,920.00	**26,425,733.00**
18.00	**Direct, administration and general expenses : Tk.**		
	This balance consists of as follows :		
	Directors' Remuneration and allowance	1,453,333.00	1,267,333.00
	Salaries and Allowances Admin	4,691,743.00	3,482,822.00
	Leave Encashment	20,900.00	12,467.00
	Contribution to Provident Fund	1,793,517.00	1,023,761.00
	Offday & Overtime Allowance	38,333.00	-
	Stationeries & Photocopy	161,812.00	212,434.00
	Printing	209,822.00	46,870.00
	Office Maintenance Expenses	155,288.00	57,244.00
	Computer Accessories	-	115,050.00
	Conveyance	33,951.00	41,526.00
	Lunch Expense	30,294.00	21,575.00
	Entertainment	81,191.00	95,864.00
	Business Promotion Expense	830,847.00	141,075.00
	Office Staff Refreshment	270,648.00	187,903.00
	Telephone, Mobile, Telex & Fax Expenses	91,434.00	262,023.00
	Electricity Bill	497,984.00	407,368.00
	Internet Expenses	12,420.00	13,420.00
	Vehicle Maintenance	1,514,400.00	414,789.00
	Postage & Courier Expenses	11,180.00	2,705.00
	Audit, Consultancy & Legal Expenses	81,375.00	1,941,750.00
	Fees, Forms, Registration & Renewals	312,509.35	423,464.00
	Medicine as First AID	4,510.00	-
	Advertisement Expense	2,550.00	12,750.00
	Cleaning & Washing Expense	74,999.00	20,375.00
	Office Rent	155,100.00	1,800,000.00
	Repair & Maintenance	166,815.00	51,160.00

Particulars		Amount In Taka 31.12.2016	Amount In Taka 31.12.2015
	Newspaper & yearicals	15,562.00	4,350.00
	Stamp & Notary expense	8,730.00	5,910.00
	Meeting/Conference and Seminar Expenses	324,614.00	262,230.00
	Miscellaneous Expenses	184,366.00	696,664.00
	Bed debts Expenses	230,000.00	30,000.00
	Discount allowed to customer	-	198,135.00
	Accidental & other Losses	-	500.00
	Loss on disposal of fixed assets	16,174.00	21,000.00
	Depreciation exp	882,878.00	234,863.00
		14,359,279.00	**13,509,379.00**
19.00	**Sales and market development expenses : Tk.**		
	This balance consists of as follows :		
	Directors' Remuneration and allowance	1,453,333.00	1,267,333.00
	Salaries and Allowances to Marketing Executives	3,840,048.00	1,622,667.00
	Conveyance-Marketing	8,310.00	18,604.00
	Lunch Expense	3,415.00	4,485.00
	Travelling & Daily Allowance	1,395,025.00	-
	Courier Expenses	1,152.00	-
	Advertisement Expense	87,250.00	57,250.00
	Bid Document Purchase Expenses	27,345.00	22,000.00
	Marketing commission	-	147,517.00
	Depreciation Exp.	882,878.00	234,863.00
	Amortization of Marketing and Promoting Exp	1,198,626.00	1,198,626.00
		8,897,382.00	**4,573,345.00**
20.00	**Income from other sources:TK.**		
	This balance consists of as follows :		
	Income (Profit) From SND Account	72,832.00	544,649.00
	Income (Profit) From MTDR	4,668,259.00	3,479,110.00
	Gain on sale of old Scrap	-	770.00
	Capital Gain from Share Trading	6,331,764.00	6,368.00
	Dividend Income	1,098,109.00	-
		12,170,964.00	**4,030,897.00**
21.00	**Financial Expenses : Tk.**		
	This balance consists of as follows :		
	Credit Cards Charge	28,849.00	28,096.00
	Bank Charge for Bi-Muajjal Loan	-	98,310.00
	Bank Charges	34,968.00	92,450.00
	BO Account Charges	1,190.00	500.00
		65,007.00	**219,356.00**

AMAR STOCK

Property, Plant & Equipment As at December 31, 2016

Schedule -A

Particulars	Cost				Rate of Dep. (%)	Depreciation				Written down Value as on 31.12.2016
	Balance as on 01.01.2016	Addition	"Disposal/ Adjustment"	Balance as on 31.12.2016		Balance as on 01.01.2016	Addition	Adjustment	Balance as on 31.12.2016	
Power supply & electric equipment	308,500	657,152	-	965,652	15%	216,234	112,413	-	328,647	637,005
Access Control System	-	125,950	-	125,950	15%	-	18,893	-	18,893	107,057
Motor vehicle	7,708,570	7,482,000	2,250,863	12,939,707	10%	1,051,949	1,180,950	1,002,730.00	1,230,169	11,709,538
Computer & accessories	4,887,663	805,360	8,000	5,685,023	15%	2,629,432	458,339	6,425.00	3,081,346	2,603,677
Furniture & Fixture	671,085	1,321,025	25,030	1,967,080	10%	139,660	182,742	10,811.00	311,591	1,655,489
Office decoration, partitions	18,000	4,840,810	-	4,858,810	10%	4,149	485,466		489,615	4,369,195
Office Equipments	825,984	1,300,302	149,605	1,976,681	15%	596,478	207,030	128,325.00	675,183	1,301,498
Cookers and cutlery	19,992	2,750	-	22,742	10%	7,563	1,518	-	9,081	13,661
Books & periodicals	68,759	-	-	68,759	15%	60,207	1,283	-	61,490	7,269
Total	**14,508,553**	**16,535,349**	**2,433,498**	**28,610,404**		**4,705,673**	**2,648,634**	**1,148,291**	**6,206,015**	**22,404,389**

Note:

01) Depreciation have been charged on reducing balance over the useful life.

Allocation of depreciation

Production department	882,878
Administration department	882,878
Marketing department	882,878
	2,648,634

Total Depreciation exp have been allotted to Production, Administration and Sales & Marketing department equally

ANNUAL STOCK

Property, Plant & Equipment As at December 31, 2016

Schedule -A

Particulars	Cost				Rate of Dep. (%)	Depreciation				Written down Value as on 31.09.2016
	Balance as on 01.01.2016	Addition during the period	Adjustment during the period	Balance as on 31.09.2016		Balance as on 01.01.2016	Addition during the period	Adjustment during the period	Balance as on 30.09.2016	
Toyota Allion-Dhaka Metro-Gha-23-3647	2,230,863	-	2,230,863	-	10%	915,006	87,724.00	1,002,730	-	-
Toyota Hiace-Dhaka Metro-CHA-56-0160	2,644,367	-	20,000	2,624,367	10%	66,109	255,826.00	-	321,935	2,302,432
Mitsubishi-Hard Jeep Dhaka Metro-Gha-13-7614	2,833,340	-	-	2,833,340	10%	70,834	276,250.00	-	347,084	2,486,256
Toyota AXIO G-Dhaka Metro-GA-20-6174	-	1,873,000	-	1,873,000	10%	-	140,475.00	-	140,475	1,732,525
Toyota AXIO G-Dhaka Metro-GA-20-6702	-	1,893,000	-	1,893,000	10%	-	141,975.00	-	141,975	1,751,025
Toyota AXIO X-Dhaka Metro-GA-20-7002	-	1,823,000	-	1,823,000	10%	-	136,725.00	-	136,725	1,686,275
Toyota AXIO G-Dhaka Metro-GA-20-7687	-	1,893,000	-	1,893,000	10%	-	141,975.00	-	141,975	1,751,025
Total	**7,708,570**	**7,482,000**	**2,250,863**	**12,939,707**		**1,051,949**	**1,180,950**	**1,002,730**	**1,230,169**	**11,709,538**

ALAMIN STOCK

Fixed Assets Statement For the year ended December 31, 2016

Code :	Power Supply & Electric Equipments:	Opening Balance	Addition	Adjustment	Cl. Balance	Remarks
21040201	Un-Interruptible Power Supply (UPS)	300,880.00	-	-	300,880.00	
21040203	Circuit Breaker	4,720.00	-	-	4,720.00	
21040205	Electric Meter	2,900.00	-	-	2,900.00	
21040206	Electric Cabling and Others	-	657,152.00	-	657,152.00	
	Total	**308,500.00**	**657,152.00**	**-**	**965,652.00**	
Code :	**Access Control System**	**Opening Balance**	**Addition**	**Adjustment**	**Cl. Balance**	**Remarks**
21040301	Access Controller	-	29,238.00	-	29,238.00	
21040302	Reader for Access Control	-	6,997.00	-	6,997.00	
21040303	Electro Macnetic Lock for Access Control	-	20,242.00	-	20,242.00	
21040304	Other Accessories for Access Control	-	69,473.00	-	69,473.00	
	Total	**-**	**125,950.00**	**-**	**125,950.00**	
Code :	**Motor Vehicle**	**Opening Balance**	**Addition**	**Adjustment**	**Cl. Balance**	**Remarks**
21050102	Car-Toyota Allion-Dhaka Metro-Gha-23-3647	2,230,863.00	-	2,230,863.00	-	
21050103	Micro Bus- Toyota Hiace Dhaka Metro-Cha-560160	2,644,367.00	-	20,000.00	2,624,367.00	
21050104	Car-Hard Jeep Mitsubishi-Dhaka Metro-Gha-13-7614	2,833,340.00	-	-	2,833,340.00	
21050105	Car-Toyota AXIO G-Dhaka Metro-GA-20-6174	-	1,873,000.00	-	1,873,000.00	
21050106	Car-Toyota AXIO G-Dhaka Metro-GA-20-6702	-	1,893,000.00	-	1,893,000.00	
21050107	Car-Toyota AXIO X-Dhaka Metro-GA-20-7002	-	1,823,000.00	-	1,823,000.00	
21050108	Car-Toyota AXIO G-Dhaka Metro-GA-20-7687	-	1,893,000.00	-	1,893,000.00	
	Total	**7,708,570.00**	**7,482,000.00**	**2,250,863.00**	**12,939,707.00**	
	Computer & Accessories:					
Code :	**Personal Computers**	**Opening Balance**	**Addition**	**Adjustment**	**Cl. Balance**	**Remarks**
21060101	CPU Set	2,435,980.00	21,800.00	-	2,457,780.00	
21060102	Monitors	117,450.00	-	8,000.00	109,450.00	
21060103	Sound Speakers	1,800.00	-	-	1,800.00	
21060201	Laptop Computer	1,423,227.00	192,500.00	-	1,615,727.00	
21060202	Palmtop Computer	-	-	-	-	
	Sub Total	**3,978,457.00**	**214,300.00**	**8,000.00**	**4,184,757.00**	
	Printer, Scanner and Multimedia Projector:	-			-	
21060301	Laser Printer	52,100.00	-	-	52,100.00	
21060303	Ink-Jet Printer	-	-	-	-	
21090206	Photocopier "Samsung-SCX-4216F"	42,000.00	-	-	42,000.00	
21060602	EPSON EMP-61 Mutimedia LCD, Projector (EPSON) Sl No. F3LG4X0003F	112,000.00	-	-	112,000.00	
21040207	Multimedia Projector [Hitachi CP-RX82]	41,500.00	-	-	41,500.00	
21060701	A4 Cannon Scanner	11,100.00	10,000.00	-	21,100.00	
	Sub Total	**258,700.00**	**10,000.00**	**-**	**268,700.00**	**-**
	Networking Equipments:					
21060401	Server Computer	188,000.00	358,000.00	-	546,000.00	
21060402	Networking Hub	71,805.00	-	-	71,805.00	
21060404	Wireless Access Point/Modem	15,798.00	10,500.00	-	26,298.00	
21060405	Server Rack	-	45,674.00	-	45,674.00	
21060406	Netwarking Cable and Other Accessories		121,486.00	-	121,486.00	
	Sub Total	**275,603.00**	**535,660.00**	**-**	**811,263.00**	**-**

Fixed Assets Statement For the year ended December 31, 2016

	General Accessories:					
21060502	Pen/ Flash Drive	41,730.00	-	-	41,730.00	
21060801	TV Card	5,400.00	-	-	5,400.00	
21060802	LAN Card	49,675.00	1,200.00	-	50,875.00	
21060804	Fax Modem	2,800.00	-	-	2,800.00	
21060805	Cables, Socket and Plugs	2,365.00	-	-	2,365.00	
21060806	Other Accessories	60,743.00	-	-	60,743.00	
21060808	RAM	55,160.00	20,000.00	-	75,160.00	
21060809	CD Writer	7,500.00	-	-	7,500.00	
21060811	Hard Disk Drive	109,000.00	4,200.00	-	113,200.00	
21060813	DVD Writer	14,200.00	-	-	14,200.00	
21060814	Voice Recorder	5,000.00	-	-	5,000.00	
21060816	Router	19,000.00	16,500.00	-	35,500.00	
21060815	Power Supply Unit	2,330.00	-	-	2,330.00	
21060817	Mother Board	-	3,500.00	-	3,500.00	
	Sub Total	374,903.00	45,400.00	-	420,303.00	-
	Total	**4,887,663.00**	**805,360.00**	**8,000.00**	**5,685,023.00**	**-**
	Furniture & Fixtures:					
Code :	**Tables:**	**Opening Balance**	**Addition**	**Adjustment**	**Cl. Balance**	**Remarks**
21070101	Full Secretariate Table	-	-	-	-	
21070102	Half Secretariate Table	-	-	-	-	
21070103	Conference Table	-	88,825.00	-	88,825.00	
21070104	Computer Table	17,300.00	-	15,570.00	1,730.00	
21070105	Reception Table	-	29,920.00	-	29,920.00	
21070106	Round (Discussion) Table	-	-	-	-	
21070108	Tea Table	-	16,700.00	-	16,700.00	
21070109	Other Table	-	-	-	-	
21070110	Executive Table	42,429.00	428,558.00	-	470,987.00	
21070111	Ladder	2,100.00	-	-	2,100.00	
21070112	Director Table	-	68,328.00	-	68,328.00	
21070114	Shoe Shelf	-	35,530.00	-	35,530.00	
21070115	Low Height File Cabinet	-	190,085.00	-	190,085.00	
21070116	Full Height File Cabinet	-	128,796.00	-	128,796.00	
	Sub Total	**61,829.00**	**986,742.00**	**15,570.00**	**1,033,001.00**	**-**
	Chair:					
21070201	Revolving Chair of Directors	-	-	-	-	
21070202	Revolving Chair of Executives	550,000.00	190,216.00	-	740,216.00	
21070203	Executive Chair	14,950.00	-	-	14,950.00	
21070204	Normal/ Steel Chair	-	-	-	-	
21070205	Sofa Set	-	99,657.00	-	99,657.00	
21070206	Dining Chair	-	22,410.00	-	22,410.00	
21070208	Cane Chair & Sofa Set	6,500.00	-	6,500.00	-	
	Sub Total	**571,450.00**	**312,283.00**	**6,500.00**	**877,233.00**	**-**
	Other Furniture & Fixture:					
21070301	Wooden/ Board Shelf	13,986.00	-	-	13,986.00	
21070304	Show case	-	-	-	-	

AMAR STOCK

Fixed Assets Statement For the year ended December 31, 2016

21070307	Hub Stand	-	-	-	-	
21070601	White Board	8,550.00	17,000.00	-	25,550.00	
21070602	Display Board	-	5,000.00	-	5,000.00	
21070701	Tube Light Sets & Fittings	-	-	-	-	
21070702	Wall Clock and Table Clock	-	-	-	-	
21070703	Complain Box	-	-	-	-	
21070704	Ladder	-	-	-	-	
21070705	Coat Stand	1,000.00	-	-	1,000.00	
21070706	Drum	-	-	-	-	
21120101	Company Name Plate	6,600.00	-	-	6,600.00	
21130101	Carom Board	4,710.00	-	-	4,710.00	
21080303	Sofa Set Cover	2,960.00	-	2,960.00	-	
	Other Furniture & Fixture:	37,806.00	22,000.00	2,960.00	56,846.00	-
		-			-	
	Total	**671,085.00**	**1,321,025.00**	**25,030.00**	**1,967,080.00**	**-**
		-			-	
	OFFICE EQUIPMENT:	**-**			**-**	
Code :	**Fans:**	**Opening Balance**	**Addition**	**Adjustment**	**Cl. Balance**	**Remarks**
21070401	Ceiling Fan	-	-	-	-	
21070402	Table Fan	53,260.00	-	-	53,260.00	
21070403	Pedestal Fan	6,600.00	-	-	6,600.00	
21070406	Stand Fan	-	28,050.00	-	28,050.00	
	Sub Total	**59,860.00**	**28,050.00**	**-**	**87,910.00**	**-**
	Cabinets and Almiras					
21070501	Steel Cabinet	7,000.00	-	-	7,000.00	
21070502	Wooden Cabinet	-	-	-	-	
21070507	Side Drawer	6,750.00	102,850.00	-	109,600.00	
	Sub Total	**13,750.00**	**102,850.00**	**-**	**116,600.00**	**-**
	Air Conditioner/Fridge:					
21090101	Split Type AC	539,210.00	40,755.00	89,000.00	490,965.00	
21090102	Window Type AC	25,565.00	-	25,565.00	-	
21090104	Split Type AC- 2 Ton		86,268.00	-	86,268.00	
21090105	Split Type AC- 1.5 Ton		287,464.00	-	287,464.00	
21090106	Split Type AC- 1 Ton		459,473.00	-	459,473.00	
21090302	Refrigerator	-	-	-	-	
	Sub Total	**564,775.00**	**873,960.00**	**114,565.00**	**1,324,170.00**	**-**
	Telephone/Telex/Fax:					
21090203	Desk Top Telephone Set	32,105.00	21,292.00	-	53,397.00	
21090205	Mobile Set	59,756.00	-	-	59,756.00	
21090201	Fax Set	16,300.00	-	-	16,300.00	
21090202	PABX Set	35,040.00	69,332.00	35,040.00	69,332.00	
21090207	Other PABX Accessories		84,104.00		84,104.00	
	Sub Total	**143,201.00**	**174,728.00**	**35,040.00**	**282,889.00**	**-**
	Other Office Equipments:					
21090401	Calculator	490.00	-	-	490.00	
21090601	Water Filter	5,300.00	-	-	5,300.00	

Fixed Assets Statement For the year ended December 31, 2016

21090603	Water Purifier	16,500.00	-	-	16,500.00	
21090604	Carpet/Paposh/Mat	1,200.00	-	-	1,200.00	
21091101	Calling Bell	1,000.00	-	-	1,000.00	
21091102	Door Closer	-	-	-	-	
21120201	Tool Kit	2,558.00	-	-	2,558.00	
21120202	Dust Blower	1,550.00	-	-	1,550.00	
21120401	Fire Extinguishers	1,800.00	18,743.00	-	20,543.00	
21120402	Fire System Control		24,120.00		24,120.00	
21120403	Fire Smoke Detector		30,688.00		30,688.00	
21120404	Fire Alarm Bell with Light		5,130.00		5,130.00	
21120405	Fire Exit Sign		12,317.00		12,317.00	
21120406	Other Fire Protection Accessories		29,716.00		29,716.00	
21040204	Switch Gear [to launch more monitor at a time]	14,000.00	-	-	14,000.00	
21090602	Table Top Dispenser	-	-	-	-	
23010425	NP-Prepaid: 03772 019422	-	-	-	-	
	Sub Total	**44,398.00**	**120,714.00**	**-**	**165,112.00**	**-**
	Total	**825,984.00**	**1,300,302.00**	**149,605.00**	**1,976,681.00**	**-**
Code :	**DECORATION & PARTITION:**	**Opening Balance**	**Addition**	**Adjustment**	**Cl. Balance**	**Remarks**
21080101	Ceiling Decoration	-	1,044,263.00	-	1,044,263.00	
21080102	Civil & Internal Decoration		1,861,888.00	-	1,861,888.00	
21080103	Sanitary & Plumbing		177,690.00	-	177,690.00	
21080104	Painting		496,155.00	-	496,155.00	
21080201	Aluminum & Glase Fabrication	18,000.00	1,260,814.00	-	1,278,814.00	
21080202	Cane Partition	-	-	-	-	
21080204	Cubicles	-	-	-	-	
21080301	Vertical and Horizontal Blinds	-	-	-	-	
	Total	**18,000.00**	**4,840,810.00**	**-**	**4,858,810.00**	**-**
	Crockeries & Cutleries:					
21100102	Electric Cooker	2,500.00	-	-	2,500.00	
21100103	Electric Heater	3,670.00	2,750.00	-	6,420.00	
21091103	Oven	7,500.00	-	-	7,500.00	
21100201	Flask	3,322.00	-	-	3,322.00	
21100202	Plate	3,000.00	-		3,000.00	
	Total	**19,992.00**	**2,750.00**	**-**	**22,742.00**	**-**
	BOOKS & Periodicles:		**-**			
21110101	Software and Software Related Books	67,337.00	-	-	67,337.00	
21110102	Administrative and Other Books	1,422.00	-	-	1,422.00	
	Total	**68,759.00**	**-**	**-**	**68,759.00**	**-**
	Grand Total	**14,508,553.00**	**16,535,349.00**	**2,433,498.00**	28,610,404.00	-

Break-up:

	MTDR No.	Opening Date	Name of the Bank	Branch	Principal Amount	Profit	Excise Duty	Income Tax	Adjustment	31-Dec-2016	31-Dec-2015	Remarks
22030411	0021310147246	24-Jun-2015	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	20,314,137.60	332,895.55	7,500.00	33,289.55	20,606,243.60	-	20,314,137.60	Closed 27/03/2016
22030414	0021310147281	24-Jun-2015	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	40,628,274.40	2,659,151.80	7,500.00	265,915.10	43,014,011.10	-	40,628,274.40	
22030415	0021310147279	24-Jun-2015	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	10,157,068.90	52,172.10	7,500.00	5,217.00	10,196,524.00	-	10,157,068.90	
22030416	0021310147292	24-Jun-2015	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	20,314,137.60	1,334,761.56	7,500.00	133,476.10	21,507,923.06	-	20,314,137.60	
	0021320077249	27-Mar-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	10,000,000.00	326,778.00	7,500.00	32,677.80	286,600.20	10,000,000.00	-	New
	0021320079894	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	5,000,000.00	-	-	-	-	5,000,000.00	-	New
	0021320079872	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	8,000,000.00	-	-	-	-	8,000,000.00	-	New
	0021320079883	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	8,000,000.00	-	-	-	-	8,000,000.00	-	New
	0021320079861	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	8,000,000.00	-	-	-	-	8,000,000.00	-	New
	0021320079859	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	8,000,000.00	-	-	-	-	8,000,000.00	-	New
	0021320079848	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	8,000,000.00	-	-	-	-	8,000,000.00	-	New
	0021320079837	27-Dec-2016	Al-Arafah Islami Bank Ltd.	Mitijheel (AD)	8,000,000.00	-	-	-	-	8,000,000.00	-	New
						-	-	-	-	-	-	
						-	-	-	-	-	-	
						-	-	-	-	-	-	
						-	-	-	-	-	-	
						-	-	-	-	-	-	
						-	-	-	-	-	-	
										-		
					154,413,618.50	4,705,759.01	37,500.00	470,575.55	95,611,301.96	63,000,000.00	91,413,618.50	

STOCK

BRANCHES OF AIBL

DHAKA DIVISION

Banani Branch (AD)
16, Kamal Ataturk Avn, Banani,Dhaka
9822250, Fax- 9822357, 01819255587

Motijheel Corporate Branch (AD)
125, Motijheel C/A, Dhaka-1000
9563884, 9570608, 01760-100500

Dhanmondi Branch (AD)
H#54/1, R#4/A, Dhanmondi, Dhaka
58610913, 01811-483199

Dilkusha Branch (AD)
63, Dilkusha C/A, Dhaka-1000
9559063, 01766677411

Islampur Branch
29-31, Islampur Road, Dhaka
57393800, 57393754, 01715-619789

Jatrabari Branch (AD)
6 S.F. Sharak, West Jatrabari, Dhaka
7554510, 7554477, 01833-302272

Joydebpur Chowrasta Branch
Joydebpur Chourasta, Gazipur
49263958, 01819-261297

Kapasia Branch
Kapasia Bazar, Kapasia, Gazipur
068-2452393, 01715-416263

Konapara Branch
958, Konapara Bazar, Demra, Dhaka, 01811-409592

Motijheel Branch (AD)
161, Motijheel C/A, Dhaka-1000
9569350 (D), 01940-986464

Moulvibazar Branch (AD)
130, Chowk Mogoltuly, Moulvibazar, Dhaka
57311989, 01819-211828

Mirpur Branch
3/A, Darus-Salam Road, Mirpur-1, Dhaka
9008123, 9010623, 01811-449493

Mouchak Branch
76 D.I.T. Road, Malibagh, Dhaka
9339006, 01783-499644

Mohammadpur Krishi Market Branch
32/8(Ka),T.M. Road, Mohammadpur, Dhaka
9142732, 01937777077

Madhabdi Branch
691-694 Madhabdi Bazar, Narshingdi
9446005, 01711-613484

Nawabpur Road Branch (AD)
85/87, Nawabpur Road, Dhaka
47110708, 01787-697347

North South Road Branch (AD)
96, Nazrul Islam Sarani, Bangshal, Dhaka
9580875, 01819-557805

New Elephant Road Branch (AD)
91, New Elephant Road, Dhaka
9665323-4, 01841-975438

Narayangonj Branch
71, B.B. Road, Narayangonj, 7645821, 01811-487863

Pagla Branch
Afser Karim Bhabon, Pagla, Narayangonj
47696133, 01819-253591

Progati Sharani Branch
Ga-133/3 Progati Sharani, Dhaka
9863317, 01713-204935

Uttara Model Town Branch (AD)
H#13 R # 14/A, S-4, Uttara, Dhaka
58950583, 01819-261382

VIP Road Branch (AD)
50/1, Inner Cerculer Road, Dhaka
9345871-2, 01811-409593

Gulshan Branch (AD)
Hosna Center, 106 Gulshan Avenue, Dhaka
9863236, 01790346400

Hazaribagh Branch
149, Hazaribagh bazar, Dhaka-1209
9611758-9, 01819-255297

Keranigonj Branch
Hridia Shopping Complex, Kadamtali, Keranigonj
7763100, 7763099, 01811-487862

Manda Branch
96 North Manda, Dhaka, 7277772, 7277388, 01811-458743

Nandipara Branch
Nandipara Bazar, Dhaka. 7811053, 01710-809042

Bhairab Branch
74, Kaporpotty, bhairab, Kishorgonj
9471178, 01817-032726, Fax: 9470775

Gazipur Branch
Holding # K-280 , BIDC Road, Gazipur
4926-1102, 4926-1140, 01811-448051

Hemayetpur Branch
Asha Plaza (1st Floor), Hemayetpur Bus Stand, Hemayetpur, Savar, Dhaka, 01811-448052

Kamrangirchar Branch
Hazi Kamal Super Market, Kamrangirchar, Dhaka
55160200, 01815-451189, Fax - 961-4459

Khilkhet Branch
B-34/Ka, Khilkhet Super Market, Khilkhet, Dhaka
58950051, 01819157536

Mirpur-10 Golchattar Branch
27 Dewan Mansion, Mirpur-10, Dhaka
9006979, 9011766, 01811-448055

South Jatrabari Branch
314/A South Jatrabari, Dhaka
7545161, 7544840, 01752-016968

BRANCHES OF AIBL

Abdullahpur SME Branch
Minnat Plaza, Abdullahpur Bazar, Abdullahpur,
Keranigonj, Dhaka, 131101713-810082

Bandar SME Branch
555/1, Wilson Road, Bandar Bazar, Narayanganj
766-1317-8, 01826-180327

Panchdona SME Branch
Panchdona Chowrasta, Narshingdi
029446452-3, 01718-080042

Ati Bazar Branch
Manik Plaza, Ati Bazar , Keranigonj, Dhaka
7769168, 7769169, 01833-330274

Dakkhin Khan Branch
L.K. Plaza, Dakkhin Khan Bazar, Dakkhin Khan, Dhaka
8999042, 01972-582013

Natun Bazar Branch
Natun Bazar, Madani Avenue, Dhaka, 01811-487861

Panthapath Branch
F R Tower, 8C Sukrabad, Panthapath, Dhaka-1207
9138682, 01819-238220

Kolatia SME Branch
Kolatia Bazaar, Keranigonj, Dhaka
7769157, 01760-938299, 01817-112883

Shyamoli Branch
13/1 Ring Road, Shyamoli, Dhaka
9136517, 01822-237880

Bhelanagar Branch
Jailkhanar mor, Bhelanagar, Narshingdi
9452295, 9452296, 01811-487868

Kathgora Bazar Branch
Kathgora Bazar, Ashulia, Savar, Dhaka
7792573, 01711-111292

Nayapur Branch
Nayapur Bazar, Narayangonj, 01811-487863

Rampal Branch
Shipahipara, Rampal, Munshigonj
7611855, 7610066, 01811-487864

Ruhitpur Branch
Ruhitpur Bazar, Keranigonj, Dhaka
7766882-3, 01920-997483

Sonargaon Janapath Road Branch
Plot#30, Sector#11, Sonargaon Janapath road,
Uttara, Dhaka, 8991109,7914470, 01911-711950

Barmi Branch
Barmi Bazar, Sreepur, Gazipur, 018-47054694

Bhagyakul Branch
A Rashid Tower, Balasur Chowrasta,Sreenagar, Munshigonj
01817-072556

Fulbaria Branch
Joynal Abedin Sarker Plaza, Fulbaria,Kaliakoir, Gazipur
01847-054692, 01785-980027

Rampura Branch
5/1, Paschim Chowdhury Para, Rampura, Dhaka
9361356, 01712635225

Tangail Branch
77-78, Victoria Road, Tangail, 092161435, 01819-556372

Faridpur Branch
15/75, Mujib Sarak Niltuli, Faridpur
0631-65365, 01864554466

Kawranbazar Branch
Dhaka Trade Centre, 99, Kazi Nazrul Islam Avenue,
Kawran Bazar, Tejgaon, Dhaka-1215
9135309, 9135345, 01766677618, 01937268577

Kazirhat Branch
Mosjid Market, Kazirhat, Zanjira, Shariatpur
01957272755, 01783-510066.

Mohakhali Branch
Arzed Chember13 Mohakhali C/A, Dhaka.
985 22 43, 985 22 59, 017 32 20 10 03

Tongi Branch
Holding # 8, Charag Ali Market, Tongi, Gazipur
017 11 64 23 56

Kaliakoir Branch
College Road, Kaliakoir Bazar, Kaliakoir, Gazipur.
01755505468

Pallabi Branch
Plot # 81, Block # A, Section # 12, Pallabi, Mirpur, Dhaka.
9023611, 9023511, 01811410689

Kaligonj Branch
Aganagar, Kaligonj, Keranigonj, Dhaka. 01819677744

Azampur Branch
Azampur, Chalaban, Dakshinkhan, Dhaka.
48954592-3, 01712-190054

MYMENSINGH DIVISION

Mymensingh Branch
70, Choto Bazar, Mymensingh, 091-66714, 01912-000458

Netrakona Branch
274, Choto Bazar, Netrakona.
0951-615 48, 0951-615 49, 017 77 75 48 49

CHITTAGONG DIVISION

Agrabad Branch (AD)
96, Agrabad C/A, Chittagong
031-713372-3, Fax- 031-2514695

Hathazari Branch
Hathazari Bazar, Chittagong, 031-2601679, 01811-408492

Jubilee Road Branch (AD)
221, Jubilee Road, Chittagong, 031-637680, 01819-315480

Khatungonj Branch (AD)
146, Khatungonj, Chittagong, 031-617103, 01819-315481

O.R. Nizam Road Branch
943, O.R. Nizam Road, Nasirabad, Chittagong
031-656567-8, 01819-345030

BRANCHES OF AIBL

Patherhat Branch
Patherhat, Rauzan, Chittagong.
031-671150, 01811-424739

Cox's Bazar Branch
902, Sayket Tower, East Bazarghata, Cox's Bazar
0341-51081-2, 01819-320289

Chowmuhani Branch
857,858 Hazipur, Feni Road, Noakhali
0321-51000, 01715-033336

Feni Branch
33-34 S.S.K Road, Feni, 0331-63548-9, 01811-418216

Comilla Branch
257,240, Monoharpur, Kotwali, Comilla
081-64546, 01711-431174

Companigonj Branch
Companigonj Bazar, Muradnagor, Comilla
08026-59076, 01712235569

Gallai Branch
Gallai, Chandina, Comilla, 01715-219672

Brahmanbaria Branch
Mosjid Road, Hazi MansionBrahmanbaria Sadar
0851-59330, 01827-563888

Akhaura SME Branch
College Road, Sarak BazarAkhaura , B.Baria
08522-56155, 01740-619012

Bashurhat SME Branch
34, Main Road, Bashurhat, Noakhali
0322-356070, 01811-448041

Tantarbazar SME Branch
Tantar Bazar, Akhaura, Brahmanbaria, 01743-244344

Station Road Branch
Ctg108, Station Road, Chittagong
031-632812-3, 01811418211

Hajigonj Branch
Hajigonj Tower, 762 Hajigonj, Chandpur
0842-475145-6, 01814-351919

Kutibazar Branch
Kutibazar, Kasba, B.Baria, 01811-412291

Halishahar Branch
Holding: 1655, Port Connecting Road,
Halishahar, Chittagong, 031-715662-3, 01833-149150

Rahimanagar Branch
Rahimanagar Bazar, Kachua, Chandpur, 01811-487870

Teknaf Branch
Teknaf, Cox's Bazar
034-2675120, 034-2675121, 01833-112924

Barura Branch
Madina Market, Hospital Road, Barura, Comilla
0802752305-6, 01847-054695

Muradpur Branch
Islam Tower, 59, CDA Avenue, Muradpur,
Panchlaish, Chittagong, 031-657966, 01965-881111

Nabinagar Branch
Nabin Super Market, Sadar Road,Nabinagar, Brahmanbaria
0852575504, 01766-678445

Padua Bazar Branch
Seven Star Shopping Complex, Padua Bazar,
Lohagara, Chittagong, 01833-175500

Gouripur Branch
Maa Complex (1st Floor) Gouripur Bazar,
Daudkandi, Comilla. 01811418206, 01791575766

Kadamtoli Branch
376, D. T. Road, Kadamtali, Chittagong.
031-2522835, 031-2522861-2, 01847114430

Nangalkot Branch
Nangalkot Bazar, Nangalkot, Comilla
01712796757, 0803366471-2

Shiberhat Branch
Idris Complex (1st Floor) Shiberhat, Sandwip, Chittagong.
01847114428, 01796399377, 01718357947

Ashugonj Branch
Ashugonj Bazar, Ashugonj, Brahmanbaria. 018 19 43 29 28

Azadi Bazar Branch
Masjid Market, Azadi Bazar, Fatikchhari, Chittagong
016 29 40 89 98

Aman Bazar Branch
Amanat Sha Palza (1st Floor), Hathazari Road, Chittagong.
031-2580870-1, 01792253088

Chawkbazar Branch
Shazada Market (1st Floor), 178/182 College Road,
Chawkbazar, Chittagong. 031-2853784-5, 01811458741

Lakshmipur Branch
Akota Super Market, Bazar Main Road, Lakshmipur Sadar,
Lakshmipur. 0381-62290, 01718357947

SYLHET DIVISION

Ambarkhana Branch
4877, 4874 Ambarkhana, Sylhet
0821-720352, 01777-767929

Beani Bazar Branch
825, South Beani Bazar, Sylhet
08223-56114-5, 01713-409987

Laldighirpar Branch
1795, Reasot Tower, Laldighirpar, Sylhet
0821-710809, 01819-550426

Moulvibazar Branch
99-100 Saifur Rahaman Road, Moulvibazar
0861-54106-7, 01714-000907

Ruposhpur Branch
1450 Central Road, Srimangal, Moulvibazar
08626-71242, 01711431173

BRANCHES OF AIBL

Zindabazar Branch
Jalalabad House, Zindabazar, Sylhet
0821-722078-9, 01711-431175

Madhabpur SME Branch
265-349, Madhabpur Bazar, Hobigonj
0832-756352, 01926-697968

KHULNA DIVISION

Khulna Branch (AD)
4, Sir Iqbal Road, Khulna, 041-721249, 01765-063340

Benapole Branch
283, 284, Benapole Bazar, Jessore
04228-75686, 01711-431176

Jessore Branch
27, M.K. Road, Jessore, 0421-68571, 01711-431060

Satkhira Branch
466, Bara Bazar Sarak, Satkhira, 0471-63606, 01712-514660

Chuknagar Branch
Chuknagar Bazar, Dumuria, Khulna, 01750-024499

Mongla Branch
19/A, Mongla Port I/A, Mongla, Bagerhat
04662-75105-6, 01738-933588

Gallamari Branch
219/1, Sher-E-Bangla Road, Gallamari, Khulna
041-2832181, 01710-685025

Kushtia Branch
147, N. S. Road, Harun Market (Infront of Sadar Thana),
Kushtia. 07172262, 01799368224, 01712962933

Jhaudanga Branch
Jaman Market, Jhaudanga Bazar, Satkhira, 016 70 29 58 01

Chuadanga Branch
Molla Tower-2, Hotel Royal Blue (1st Floor), Shahid Alaul
Islam Khokon, Sarak (VJ School Road), Chuadanga.
0761-81146-7, 01718503698

BARISHAL DIVISION

Barisal Branch
442, Hemayetuddin Road, Barishal
0431-64476, 01727379119

Jhalakathi Branch
68, Monohari Patti, Jhalakathi
0498-62808, 01754-015565Fax : 0498-62807

Bhola Branch
Jahangir Plaza, Sadar Road, Bhola
0491-61244-5, 01715-602316, Fax - 0491-61244

Mathbaria Branch
407 Kapuria Patty, Mathbaria, Pirojpur
04625-75374, 01923319066, Fax - 04625-75373

Bhandaria Branch
Kapuria Potty, Bhandaria, Pirojpur
0462-356469, 01726-265060

Alipur Branch
Alipur Bazar, Kalapara, Patuakhali
044-2856234-5, 01755906755, 01670295801

Banaripara Branch
Haji Sobhan Market, Falpatti Road, Banaripara, Barisal
0433-25 62 90 (D), 0433-25 62 91, 017 15 63 29 60

Borguna Branch
Holding # 0075, Sadar Road, Borguna.
017 27 42 19 43, 044 85 13 39-40

Mostofapur Branch
Mostofapur Bus Stand, Madaripur.
0661-61206-7, 01730466564

RAJSHAHI DIVISION

Rajshahi Branch (AD)
239,248 Shaheb Bazar, Boalia, Rajshahi
0721-775171, 01727-179771

Bogra Branch (AD)
Talukder Mansion, Barogola Bogra
051-69994-5, 01713-203754

Mohadevpur Branch
Plot No. 425, Mohadevpur, Noagaon
07426-75136, 01711-425675

Shahjadpur Branch
Chowdhury Plaza, Dariapur Bazaar Shahjadpur, Shirajgonj
07527-64052, 07527-64053,01762-331990, 01557-718828

Pabna Branch
Plot#355, Sonapotti, Pabna, 0731-62047, 01765700080

Chapainawabganj Branch
Teacher's Plaza (1st Floor), 42/14, Baten Khar More,
Chapainawabganj Sadar, Chapainawabganj
0781-515 45 (D), 0781-515 46, 017 28 50 40 26

Sherpur Branch
Dhunat More, Sherpur, Bogra.
0502977185-6, 017283303 31

Natore Branch
Holding #0363-01, Kanaikhali, Natore Sadar, Natore.
0771-61533-4, 01713924930

RANGPUR DIVISION

Saidpur Branch (AD)
Dr. Zikrul Hoque Road, Saidpur Nilphamari
05526-72804, 01716-236334 Fax : 05526-72804

Dinajpur Branch
333, Nimtala , Dinajpur, 0531-61865-7, 01715-139798

Badargonj SME Branch
Upazila Road, Badargonj, Rangpur
05222-56573-4, 01761-730189

Rangpur Branch
15, Central Road, Payrachattar, Rangpur
0521-55830, 01773-268000

Palashbari Branch
Rabbi Super Market (1st Floor), Bogra-Rangpur Highway,
Palashbari, Gaibandha. 0542-456136, 01740015795

আল-আরাফাহ্
ইসলামী ব্যাংক লিমিটেড
العرفة اسلامى بنك لميتيد
Al-Arafah Islami Bank Limited

Head Office : 36, Dilkusha C/A, Dhaka-1000

PROXY FORM

I/We ..... of (address) .....

..... being shareholder(s) of Al-Arafah Islami Bank Limited hereby appoint Mr./Mrs. .....

of (address) .....

as my PROXY, to attend and vote for me on my behalf at the 22nd Annual General Meeting (AGM) of the Company to be held on Saturday the 6th May 2017, at 10.00 a.m. at **'Officers Club" 26 Baily Road, Dhaka** and at any adjournment thereof.

Signed this in my/our presence on.....day of .....2017.

Revenue Stamp of Tk. 20/-

Signature of the Proxy

Signature of the Shareholder

Folio No. .....

BO A/C. No.

No. of shares held . .....

Notes :

1. This form of proxy, duly completed with a revenue stamp of Tk. 20/- only, must be deposited at least 48 hours before the meeting at the Company's Share Department, Rahman Mansion (1st floor), 161, Motijheel C/A, Dhaka-1000, proxy will be invalid if not signed and stamped as shown above.
2. Signature of the Shareholder should agree with the specimen signature registered with the Company.

আল-আরাফাহ্
ইসলামী ব্যাংক লিমিটেড
العرفة اسلامى بنك لميتيد
Al-Arafah Islami Bank Limited

Head Office : 36, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

I do hereby record my attendance of the 22nd Annual General Meeting (AGM) of the Company to be held on Saturday the 6th May 2017, at 10.00 a.m. at **'Officers Club" 26 Baily Road, Dhaka.**

Name of the Shareholder/Proxy .....

Folio No. ..... BO A/C. No.

No. of shares held . .....

Signature of the Shareholder/ proxy

Dated : .....

Note : Shareholders attending the meeting in person or by proxy are requested to deposit the attendance slip duly filled in at the entrance of the meeting Hall. Seats in the Auditorium are reserved only for the Shareholders/Proxies.

বি.দ্রঃ বিএসইসি নটিফিকেশন নং SEC/SRMI/2000-953/1950 dated 24th October, 2000 এবং Circular No. এসইসি/ সিএমআরসিডি/ ২০০৯-১৯৩/১৫৪, তারিখ ২৪ অক্টোবর, ২০১৩ এর পরিপালনার্থে বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কুপন প্রদানের ব্যবস্থা থাকবে না।

AMAR STOCK