আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সর্বদাই শরীয়াহ্

Al-Arafah Islami Bank PLC

Head Office: 63 Purana Paltan, Dhaka-1000

FINANCIAL STATEMENTS 2025 (AUDITED)

INDEPENDENT AUDITOR'S REPORT

Independent Auditors' Report to the Shareholders of Al Arafah Islami bank PLC.
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Al Arafah Islami Bank PLC and its subsidiaries (the Group) as well as the separate financial statements of Al Arafah Islami Bank PLC (the Bank), which comprise the consolidated and separate balance sheets as at 31 December 2025, and consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We would like to draw attention of the users of this report to the following facts:

1. Note 15: Other Liabilities – The required provisions against investments, off balance sheet items, other assets, non-banking assets, placement with other banks and gratuity have been determined as per Bangladesh Bank letter BSD-12/57/2026-396 dated 28.04.2026 based on the tripartite meeting among Bangladesh Bank, external auditors and the Bank, held on 21.04.2026. The details are as under:

A) The required provision against investments and off balance sheet items is BDT 6,983.89 crore, while the Bank maintained BDT 1,985.31 crore, resulting in a shortfall of BDT 4,998.58 crore, against an NPI ratio of 17.16% as per the above mentioned Bangladesh Bank letter and dividend is not distributable this year.

Classified investment of the bank has been increased by BDT 1,971.53 crore during 2025 considering the write-off during the year BDT 524.87 crore but no provision against classified investment has been accounted for this year due to insufficient profit.

The Bank applied investment rescheduling under Policy Support for more than 16% of the total investment. The rescheduling of classified investments, including extended grace periods, delays cash recoveries and may exert pressure on the Bank's liquidity position. Although compliant with regulatory guidelines, such rescheduling introduces heightened uncertainty over recoverability and may not fully reflect the underlying credit risk.

B) The required provisions against i) Others Assets is BDT 154.52 crore, while the Bank reported BDT 55.50 crore, ii) Non-Banking Assets is BDT 3.01 crore, while the Bank did not keep any provision, iii) Placement with Other Banks under Liquidity Stress is BDT 206.19, while the Bank did not keep any provision and iv) Gratuity is BDT 428.39, while the Gratuity Asset Fund is BDT 342 crore resulting provision shortfall of these accounts BDT 394.61 crore.

Bangladesh Bank has allowed deferral recognition of resulted entire shortfall of provision BDT 5,393.19 crore vide Bangladesh Bank letter BSD-12/57/2026-396 dated 28.04.2026 and the financial statements have been prepared accordingly by the Bank.

While the preparation of the financial statements is in accordance with regulatory guidance, it has the effect of increasing reported profit for the year and may not reflect the underlying credit risk or the Bank's expected loss position in future. The financial statements of the bank exhibited financial performance with a net profit after tax of BDT 86.51 crore. Had the bank made full provision, the total loss after tax would have amounted to BDT 5,306.68 crore, with a negative effect on CRAR.

2. The bank has recognized profit from profit rent suspense account without repayment for BDT 20 crore non complying with Bangladesh Bank Guidelines. Also, the bank did not maintain adequate provision against Income Tax for BDT 21.4 crore. As a result, net profit after tax has been overstated by BDT 41.4 crore.
3. Note 18: Capital Adequacy Ratio-The bank reports a CRAR of 10.72% (Core: 7.12%, Supplementary: 3.60%), which is already below the regulatory requirement of 12.5% reflecting a shortfall of 1.78% or BDT 689.45 crore. However, factoring in the BDT 5,393.19 crore provision shortfall causes the CRAR to turn negative, indicating a critically depleted capital position.
4. As per the audited financial statements of AIB Capital Market Services Limited, the market value of investment made by the subsidiary has declined by BDT 142.85 crore against which provision of only BDT 50.38 crore was accounted for. As a result, there is a shortfall of provision for BDT 92.47 crore, of which the portion of the bank is BDT 55.94 crore, being the shareholder of 60.5% of the share capital. The subsidiary did not account for the required provision as per the BSEC letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16.11.2025 issued by of Bangladesh Securities and Exchange Commission (BSEC) that allows them to defer such provision till 31.12.2031

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
1. Investment and measurement of provision for Investment	
The process for estimating the provision for investment portfolios associated with credit risk is significant and complex. For the individual analysis for large exposure, provision calculation considers the estimates future business performance and the market value of collateral provided for credit transactions. For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates of complex design and implementation. At year end the Bank reported total gross investments of BDT 50,121.97 crore (2024: BDT 48,484.44 crore) and provision for investments including off balance sheet items of BDT 1985.31 crore (2024: BDT 2,255.63 crore). We have focused on the following significant judgements and estimates which could give rise to material management bias: • Completeness and timing recognition of loss events in accordance with criteria set out in BRPD Circular No. 15, dated- 27 November 2024, BRPD Circular No. 05, dated- 25 June 2025, BRPD Circular No. 06, dated- 25 June 2025, BRPD Circular Letter No. 33, dated- 03 August 2022, BRPD Circular No. 16, dated- 18 August 2022 • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.	We tested the design and operating effectiveness of key controls focusing on the following: • Credit appraisal, investment Disbursement procedures, monitoring and provisioning process; • Completeness of appropriate documentation before disbursement of investments as well as recording of investment balance; • Alternate procedures applied by management to assess' new investment/renewal of existing • investments where latest audited financial statements of the borrower is not available; • Identification of loss events, including early warning and default warning indicators; • Review of quarterly Classification of Investments; Our substantive procedures in relation to the provision for investments portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.

See note # 9 and 15.2 to the financial statements.

Description of key audit matters	Our response to key audit matters
2. Investment income recognition	
Recognition and measurement of investment income involve a complex IT environment as well as require critical estimates and judgment. Since investment income from investments is one of the key performance indicators of the Bank, there is an inherent risk of fraud and error in recognition of investment income. The Bank has reported investment income of BDT 4,140.25 crore which is 1.51% lower than the previous year up to December (2024: BDT 4203.82 crore). Net Investment Income dropped significantly during the year under audit, mainly driven by increase in profit paid on deposits & borrowings and lower recovery from investments. Net Profit Margin (NIM) has declined to 1.97% in the current year from 2.2% in the previous year indicating a downward trend in core earnings efficiency. Accordingly, this has been considered as key audit matter.	We tested the design and operating effectiveness of key controls including automated control over recognition and measurement of income on investment. For selected customers and investment files on a sample basis we have also performed substantive test of details including recalculation and cut-of testing to check the accuracy of investment income. We performed several analytical and substantive procedures to check whether the calculations relating to the investment income, profit paid on deposits and borrowings etc. and the EPS are accurate or not. View of the Shariah Supervision Committee has been obtained on the profit recognition procedure complying with Shariah Law. Finally, we also conducted substantive analytical procedures to assess reasonableness of income recognised during the year with reference to the product-wise outstanding investment balances. However, due to the current uncertainty in the overall economic situation, conflict, volatility in fuel and commodity prices, strengthening of the USD, etc., there is an inherent risk that the actual recovery of accrued investment income-especially from those clients receiving deferral facilities-could differ materially from the actual situation in the future and a portion of the investment income accrued during the year ending December 31, 2025.

See note 23 to the financial statements.

Description of key audit matters	Our response to key audit matters
3. Valuation of bonds, sukuk and other investments	
The Bank has made significant investments in fixed term financial instruments such Bangladesh Government Islamic Investment Bond and Sukuk, Mudaraba Perpetual Bond and Sukuk Al Istisna as well as Mudaraba Sub-Ordinated Bond. Bond, classification and measurement of these require judgment and complex estimates. In the absence of a quoted price in an active market, these Bonds are valued at cost.	We assessed the processes and controls put in place by the Bank to identify and confirm the existence of these Bond & Sukuks. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note 8 to the financial statements.

Description of key audit matters	Our response to key audit matters
4. Carrying value of investments in subsidiaries by the Bank	
The Bank holds equity investments in its subsidiaries, AIB Capital Market Services Limited (CMSL) and AIB Capital Management Limited (CML), with a carrying value of BDT 291 crore as of 31 December 2025 (2024: BDT 291 crore). In our audit of the standalone financial statements for the year ended 31 December 2025, we identified that the Bank did not recognize an impairment loss for its investments in these subsidiaries. The failure to recognize the impairment resulted in an overstated carrying value of the investments, which could affect the financial position and profit before tax of the Bank.	We reviewed Management's impairment assessment process, focusing on the analysis of the recoverable values and the continued appropriateness of the value-in-use model used. We gathered information from external market sources and third-party references to challenge and validate the assumptions used. Furthermore, we noted that, in accordance with the deferral of the Bangladesh Securities and Exchange Commission (BSEC), the Bank's subsidiary, CMSL has not made provisions for the client margin investments, as per the BSEC letter no. BSEC/SMMID/NE/AP/2025/108/635 dated 16.11.2025 that allows them to defer such provision till 31.12.2031, subsequently requiring additional provisions.

See note 8.b to the financial statements.

Description of key audit matters	Our response to key audit matters
5. Legal and regulatory matters	
We focused on this area because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties, and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions that have been established and other contingent liabilities.	We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

Description of key audit matters	Our response to key audit matters
6. IT systems and controls	
Our audit focused on IT systems and controls due to their complexity, high transaction volume, and reliance on automated processes. Key areas included user access, developer access, and system changes. The Bank lacks a fixed asset register. Moreover, the IT system cannot fully implement complex Bangladesh Bank circulars for investment classification, requiring manual adjustments, leading to inaccurate Classification of investment information being recorded and reported.	We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes in management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Bank's periodic review of access rights and reviewed requests for changes to systems for appropriate approval and authorization. We reviewed the reconciliation process between Classification of Investments summaries and underlying schedules and evaluated the Bank's manual adjustments. Additionally, we tested the implementation of Bangladesh Bank's guidance for investment classification in the IT system. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Our findings on the IT system have been communicated to those charged with governance.

Other Matters

As per BSEC directive no. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21 May 2019, all sponsors and directors, other than independent directors, of a listed company are required to jointly hold a minimum of 30% of the paid-up capital, whereas the bank has 15.11% shares of sponsors and directors, which falls short of the regulatory requirement.

Other information

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

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with Rules and Regulation issued by Bangladesh Bank and IFRS Accounting Standards as issued by the IASB as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Group and the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
(ii) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
(iii) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
(iv) the balance sheet and profit and loss account of the Bank dealt with by the report are in agreement with the books of account and returns;
(v) 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 related guidance issued by Bangladesh Bank. Previous year's balances have been restated in applicable cases due to the consolidation of the OBU financial statement this year;
(vi) adequate provisions have not been made for advance and other assets which are in our opinion, doubtful of recovery. Please refer to our report no 1 under Emphasis of Matter section of this report;
(vii) based on our checking of sample, no advance or Investment in excess of the amount determined by Bangladesh Bank from time to time has been sanctioned or allowed except for the fact that the Bank exceeded the single borrower exposure limits of BDT 621.53 crore for funded exposure (15% of capital of BDT 4,143.56 crore) for multiple clients. In addition, it was also noticed that investment was sanctioned to bank's subsidiary AIBL Capital Market Service Limited exceeding 10% of tier 1 capital of the bank which is non compliant with BRPD Circular No. 3 of 2025;
(viii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls:
(a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
(b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities (other than matters disclosed in these financial statements);
(ix) financial statements for the year ended 31 December 2025 of subsidiary companies of the Bank namely AIBL Capital Market Services Limited and AIBL Capital Management Limited have been audited by K M Alam & Co., Chartered Accountants and Anil, Salam, Idris & Co., Chartered Accountants respectively. The auditors of both subsidiaries emphasised the matter of deferral in recognition of provision against the unrealized loss on the company's investment as per BSEC approval based on specific action plan. The consolidated financial statements accurately reflect these accounts, with an opportunity for further development scope identified in the non-controlling interest calculation process. The Bank has pledged its placement with Union Bank PLC. in mode of MTDR for BDT 100 crore against loan facilities of its subsidiary AIBL Capital Market Services Ltd. as security;
(x) the information and explanations required by us have been received and found satisfactory;
(xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 12,000 person hours;
(xii) We have reviewed the operational expenses and procurement process of fixed assets;
(xiii) Capital to Risk-weighted Asset Ratio (CRAR) could not be maintained as required by Bangladesh Bank. Details of which is mentioned in Sl. No. 3 of Emphasis of Matter section of this report. Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as required by Bangladesh Bank has been maintained adequately as at 31 December 2025;
(xiv) As part of our going concern assessment, we reviewed maturity mismatch between assets and liabilities which may adversely affect the Bank's subsequent liquidity position and noticed that the Structural Liquidity Profile (SLP) statement, Net Stable Funding Ratio (NSFR), Liquidity Coverage Ratio (LCR) suffer from inaccurate aging/maturity calculations. Assets, liabilities as well as off balance sheet exposures are not being classified according to their actual maturity buckets, rendering the maturity gap analysis unreliable. This failure to reflect the true liquidity position prevents the bank from proactively managing its future cash flow obligations; and
(xv) Non-banking assets have been accounted in conformity with Bangladesh Bank guidelines except for the fact that the allowed time line for recovery of the non-banking assets has been elapsed in all cases long ago.

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822

DVC : 2604300822AS929914

Place: Dhaka, Bangladesh
Date : 30-April-2026

Consolidated Balance Sheet

As at December 31, 2025

Particulars	Notes	31.12.2025 Taka	31.12.2024 Taka
PROPERTY AND ASSETS:			
Cash in hand			
Cash in hand (including foreign currencies)	5.A	5,592,493,767	5,807,425,610
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)	5.(b+c)	23,090,240,119	28,483,472,625
		28,682,733,886	**34,290,898,235**
Balance with other Banks and Financial Institutions	6.A		
In Bangladesh	6.a	1,205,953,984	770,652,712
Outside Bangladesh	6.b	1,078,187,856	945,448,370
		2,284,141,840	**1,716,101,082**
Placement with Banks & Other Financial Institutions	7.A	**6,600,000,000**	**6,950,000,000**
Investment in Share & Securities	8.A	**79,561,064,572**	**68,401,058,267**
Government	8.a	58,946,345,000	44,322,655,000
Others	8.A.i	20,614,719,572	24,078,403,267
Investments	9.A		
General Investments etc.		454,931,705,522	442,038,158,369
Bills purchased and discounted		42,890,090,882	40,000,571,999
		497,821,796,404	**482,038,730,368**
Fixed assets less Accumulated Depreciation	10.A	**5,931,380,327**	**5,575,430,442**
Other Assets	11.A	**24,337,939,523**	**19,553,406,833**
Non-Banking Assets	12	**37,683,927**	**37,683,927**
Total Assets		**645,256,740,479**	**618,563,309,153**
LIABILITIES AND CAPITAL			
Liabilities			
Placement from Banks & Other Financial Institutions	13.A	**59,239,874,243**	**64,471,886,287**
Deposits and other Accounts	14.A		
Mudaraba Savings Deposits		83,895,753,704	73,317,455,413
Mudaraba Term Deposits	14.A.ii.	240,980,715,391	233,494,543,146
Other Mudaraba Deposits		96,283,805,292	75,420,266,080
Al-wadeeah Current Accounts and Other Accounts etc.		59,828,628,206	68,351,849,494
Bills Payable		4,980,615,632	4,061,095,218
		485,969,518,225	**454,645,209,351**
Other Liabilities	15.A	**62,594,235,740**	**59,713,040,303**
Deferred tax Liabilities	16.A	**-**	**37,087,625**
AIBL Mudaraba Bond	17	**11,398,000,000**	**14,000,000,000**
Total Liabilities		**619,201,628,208**	**592,867,223,565**
Capital/Share holders Equity			
Paid -up Capital	18	11,516,917,130	11,516,917,130
Statutory Reserve	19	11,516,917,130	11,238,492,510
Asset revaluation Reserve	20.a	1,084,174,318	1,084,174,318
Foreign Currency Translation Reserve	20.b	-	2,080,247
Retained Earnings	21.A	252,842,871	170,780,664
Total Equity attributable to equity holders of the bank		**24,370,851,449**	**24,012,444,869**
Non-Controlling Interest	18.A	1,684,260,820	1,683,640,721
Total Equity		**26,055,112,269**	**25,696,085,590**
Total Liability and Share holders equity		**645,256,740,479**	**618,563,309,153**
Net assets value per share (NAV)	42	**21.16**	**20.85**
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		47,729,656,103	65,507,108,327
Letters of Guarantee	22	19,320,242,578	16,501,446,000
Letters of Credit		58,954,383,314	57,081,681,230
Bills for Collection		39,668,557,000	43,012,066,290
Other Contingent Liabilities		-	-
Total		**165,672,838,995**	**182,102,301,846**
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		**165,672,838,995**	**182,102,301,846**

Accompanying notes form an integral part of these financial statements.

Managing Director | Director | Director | Chairman

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822

DVC : 2604300822AS929914

Place: Dhaka, Bangladesh
Date : 30-April-2026

Consolidated Profit or Loss Accounts

For the year ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Investment Income	23.A	41,617,998,752	42,274,753,602
Profit paid on Deposits & Placements from Other Banks	24.A	(35,504,556,311)	(29,718,594,015)
Net Investment Income		**6,113,442,441**	**12,556,159,587**
Income from Investment in Shares /Securities	25.A	3,876,454,755	2,723,807,235
Commission, Exchange and Brokerage	26.A	4,197,186,472	4,384,685,469
Other Operating Income	27.A	1,011,928,376	1,083,146,243
		9,085,569,603	**8,191,638,947**
Total operating income		**15,199,012,044**	**20,747,798,534**
Salaries and allowances & contribution to P.F	28.A	7,274,453,104	7,936,443,024
Directors fees & expenses	29.A	8,480,132	11,505,382
Shariah Supervisory Committee's fees & expenses	30	253,639	526,355
Rent, taxes, insurance and lighting etc.	31.A	524,567,158	506,972,644
Postage, telegram, telephone and stamp etc.	32.A	140,250,535	148,226,738
Legal charges		50,239,903	25,258,289
Auditors' fee		6,147,066	2,093,000
Salary & Allowances to the Managing Director		21,424,646	25,332,000
Depreciation and repairs to the bank's properties	33.A	1,071,351,694	1,075,102,497
Stationery, Printing and Advertisement etc.	34.A	292,663,583	286,309,786
Other expenses	35.A	2,318,193,010	2,204,858,234
Total operating expenses		**11,708,024,470**	**12,222,627,949**
Profit/(Loss) before Tax & provision		**3,490,987,574**	**8,525,170,586**
Provision against Investments & Contingent Liabilities	36.A	2,234,000,000	3,734,066,075
Provision for diminution in value of investment		176,586,529	176,394,157
Other Provision		8,500,000	505,963,773
Total provision		**2,419,086,529**	**4,416,424,005**
Profit/(Loss) before Tax		**1,071,901,045**	**4,108,746,580**
Current tax	15.A.i	291,007,138	3,347,237,541
Deferred tax		(73,461,155)	(3,162,568)
Provision for Taxation		**217,545,983**	**3,344,087,404**
Net Profit/(Loss) after tax		**854,355,062**	**764,671,607**
Net Profit attributable to:			
Equity holders of the bank		853,734,963	754,956,374
Non-controlling Interest		620,099	9,715,234
Profit for the year		**854,355,062**	**764,671,608**
Appropriation			
Statutory Reserve		278,424,620	270,000,000
General Reserve (1 % start-Up fund)		-	7,442,421
Profit paid on aibl mudaraba perpetual bond		500,000,000	464,000,000
Non-Controlling Interest		620,099	9,715,234
		779,044,719	**751,157,655**
Transfer to Retained Earnings		**75,310,343**	**13,513,952**
Earning per Ordinary Share (EPS)	41.A	**0.74**	**0.66**

Accompanying notes form an integral part of these financial statements.

Managing Director | Director | Director | Chairman

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822

DVC : 2604300822AS929914

Place: Dhaka, Bangladesh
Date : 30-April-2026

Note: The published Annual Financial Statements 2025 is available at the Website of the Bank. The address of the Website www.aibl.com.bd

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আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সর্বদাই শরীয়াহ্

Al-Arafah Islami Bank PLC

Head Office: 63 Purana Paltan, Dhaka-1000

FINANCIAL STATEMENTS 2025 (AUDITED)

Consolidated Statement of Changes in Equity

For the period ended December 31, 2025

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 1st January, 2025	**11,516,917,130**	**11,238,492,510**	**170,780,665**	**1,084,174,318**	**2,080,247**	**24,012,444,870**	**1,683,640,721**	**25,696,085,591**
Changes in accounting policy	-		-	-	-	-		-
Offload share	-	-	-	-	-	-	-	-
Restated Adjustment		-	-	-	-	-	-	-
Restated balance	**11,516,917,130**	**11,238,492,510**	**170,780,665**	**1,084,174,318**	**2,080,247**	**24,012,444,870**	**1,683,640,721**	**25,696,085,591**
AIT adjustment for CML (2012-2017)	-	-	7,506,946	-	-	7,506,946	-	7,506,946
Prior Year Adjustment for Suspense Account (CML)	-	-	(1,371,629)	-	-	(1,371,629)	-	(1,371,629)
Prior Year Adjustment (CMSL)			616,546			616,546	-	616,546
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences recognized in the income	-	-	-	-	(2,080,247)	(2,080,247)	-	(2,080,247)
Share premium	-	-	-	-	-	-	-	-
Net profit for the year	-	-	853,734,963	-	-	853,734,963	620,099	854,355,062
Cash Dividend	-	-	-	-	-	-		-
Bonus Share	-	-	-	-	-	-	-	-
Asset revalution Reserve	-	-	-	-	-	-	-	-
Gain on pre acquisition of subsidiary	-	-	-	-	-	-	-	-
Revaluation of subsidiary	-	-	-	-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond			(500,000,000)		-	(500,000,000)	-	(500,000,000)
Transfer to 1 % strat-Up fund	-	-	-	-	-	-	-	-
Appropriations during the year	-	278,424,620	(278,424,620)	-	-	-	-	-
Balance as at December 31, 2025	**11,516,917,130**	**11,516,917,130**	**252,842,871**	**1,084,174,318**	**-**	**24,370,851,450**	**1,684,260,819**	**26,055,112,269**
Balance as at December 31, 2024	**11,516,917,130**	**11,238,492,510**	**170,780,665**	**1,084,174,318**	**2,080,247**	**24,012,444,870**	**1,683,640,721**	**25,696,085,591**

Managing Director | Director | Director | Chairman

Consolidated Statement Of Liquidity

(Maturity Analysis of Assets and Liabilities) For the year ended December 31, 2025

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 (including balance with Bangladesh Bank and its agent banks)	5,592,493,767	-	-	-	23,090,240,119	28,682,733,886
	Balance with other Bank and Financial Institution	1,535,244,918	499,626,192	-	-	249,270,730	2,284,141,840
	Placement with Banks & Other Financial Institutions	500,000,000	4,600,000,000	500,000,000	-	1,000,000,000	6,600,000,000
	Investments (in Shares & Securities)	-	-	22,965,715,000	24,955,600,000	31,639,749,572	79,561,064,572
	Investments	79,249,016,155	149,810,705,776	149,666,960,410	86,487,165,825	32,607,948,239	497,821,796,404
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,931,380,327	5,931,380,327
	Other Assets	60,100,000	-	308,879,000	29,832,663	23,901,833,872	24,300,645,535
	Deferred tax Liabilities/ (Assets)	-	-	-	-	36,389,814	36,389,814
	Non Banking Assets	-	-	-	-	37,683,927	37,683,927
	Total Assets	**86,936,854,840**	**154,910,331,968**	**173,441,554,410**	**111,472,598,488**	**118,494,496,599**	**645,255,836,305**
2	**Liabilities :**						
	Placement from Banks & Other Financial institutions	2,997,600,000	24,498,800,000	29,890,479,419	1,852,994,824	-	59,239,874,243
	Deposits and Other Accounts	88,838,353,838	148,197,825,877	142,646,391,262	83,513,237,699	22,773,709,549	485,969,518,225
	Provision and Other Liabilities	3,206,758,000	12,868,861,621	-	-	46,518,489,118	62,594,108,739
	Deferred tax Liabilities/ (Assets)	-	-	-	-	-	-
	AIBL Mudaraba Subordinated Bond	-	-	-	-	11,398,000,000	11,398,000,000
	Total Liabilities	**95,042,711,838**	**185,565,487,498**	**172,536,870,681**	**85,366,232,524**	**80,690,198,667**	**619,201,501,208**
	Net Liquidity Gap	(8,105,856,998)	(30,655,155,530)	904,683,729	26,106,365,965	37,804,297,932	26,054,335,097

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.

Managing Director | Director | Director | Chairman

Statement of Liquidity

(Maturity Analysis of Assets and Liabilities) For the year ended December 31, 2025

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 (including balance with Bangladesh Bank and its agent banks)	5,592,493,767	-	-	-	23,090,240,119	28,682,733,886
	Balance with other Bank and Financial Institution	1,580,244,918	499,990,450	-	-	203,523,114	2,283,758,482
	Placement with Banks & Other Financial Institutions	500,000,000	4,600,000,000	500,000,000	-	1,000,000,000	6,600,000,000
	Investments (in Shares & Securities)	-	-	21,965,715,000	22,955,600,000	26,209,516,285	71,130,831,285
	Investments	79,249,016,155	149,810,705,776	153,064,860,410	86,487,165,825	32,607,948,239	501,219,696,404
	Fixed Assets including premises (Land & Building)	-	-	-	-	5,930,613,360	5,930,613,360
	Other Assets	60,100,000	-	308,879,000	29,832,663	24,168,707,576	24,567,519,239
	Deferred tax Liabilities/ (Assets)	-	-	-	-	36,389,814	36,389,814
	Non Banking Assets	-	-	-	-	37,683,927	37,683,927
	Total Assets	**86,981,854,840**	**154,910,696,226**	**175,839,454,410**	**109,472,598,488**	**113,284,622,434**	**640,489,226,398**
2	**Liabilities :**						
	Placement from Banks & Other Financial Institutions	2,997,600,000	24,498,800,000	29,890,479,419	-	-	57,386,879,419
	Deposits and Other Accounts	88,838,353,838	148,197,825,877	142,944,051,242	83,513,237,699	22,496,029,549	485,989,498,205
	Provision and Other Liabilities	3,206,758,000	12,868,861,621	-	-	45,423,012,058	61,498,631,679
	Deferred tax Liabilities/ (Assets)	-	-	-	-	-	-
	AIBL Mudaraba Subordinated Bond	-	-	-	-	11,398,000,000	11,398,000,000
	Total Liabilities	**95,042,711,838**	**185,565,487,498**	**172,834,530,661**	**83,513,237,699**	**79,317,041,607**	**616,273,009,303**
	Net Liquidity GAP	**(8,060,856,998)**	**(30,654,791,272)**	**3,004,923,749**	**25,959,360,789**	**33,967,580,827**	**24,216,217,095**

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.

Managing Director | Director | Director | Chairman

Statement of Changes Equity

For the year ended December 31, 2025

Particular	Paid up Capital	Statutory Reserve	Retained Earnings	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Total Taka
Balance at 1st January, 2025	11,516,917,130	11,238,492,510	11,501,282	1,084,174,318	2,080,247	23,853,165,488
Changes in accounting policy	-	-		-	-	-
Issue of the share capital	-	-	-	-	-	-
Restated balance	**11,516,917,130**	**11,238,492,510**	**11,501,282**	**1,084,174,318**	**2,080,247**	**23,853,165,488**
Tax adjustment previous year	-	-		-	-	-
Surplus/deficit on account of revaluaton of investments	-	-	-	-	-	-
Currency translation differences recognized in the income/(Loss)	-	-	-	-	(2,080,247)	(2,080,247)
Net gain and losses not recognised in Income Statement	-	-	-	-	-	-
Net profit for the year	-	-	865,115,572	-	-	865,115,572
Cash Dividend	-	-	-	-	-	-
Bonus Share	-	-	-	-	-	-
Asset revalution Reserve		-	-	-	-	-
Profit paid on aibl mudaraba perpetual bond	-	-	(500,000,000)	-	-	(500,000,000)
Transfer to 1 % strat-Up fund	-	-	-	-	-	-
Appropriations during the year	-	278,424,620	(278,424,620)	-	-	-
Total shareholders' equity as on December 31,2025	**11,516,917,130**	**11,516,917,130**	**98,192,233**	**1,084,174,318**	**-**	**24,216,200,810**
Total shareholders' equity as on December 31,2024	**11,516,917,130**	**11,238,492,510**	**11,501,282**	**1,084,174,318**	**2,080,247**	**23,853,165,488**

Managing Director | Director | Director | Chairman

Consolidated Cash Flow Statement

For the period ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Cash flows from operating activities:			
Investment income receipt in Cash		45,192,100,299	46,147,621,262
Profit paid on deposits and borrowing		(34,925,000,321)	(28,484,443,271)
Dividend received		33,432,081	68,489,460
Fees & Commission received in cash		4,197,186,472	4,384,685,469
Recoveries from written off investments		191,155,746	320,676,379
Cash payments to employees		(7,295,877,750)	(7,971,399,703)
Cash payments to suppliers		(292,663,583)	(286,309,786)
Received from other operating activities (Item-wise)		1,011,928,376	1,083,146,243
Paid for other operating activities (item-wise)	37.A	(3,590,109,440)	(2,348,862,219)
Advance income tax paid		(2,642,343,645)	(3,405,692,920)
Operating profit before changes in operating assets and liabilities		**1,879,808,233**	**9,507,910,914**
Changing in Operating assets & liabilities			
(Increase)/Decrease of trading securities		545,783,695	(360,523,876)
(Increase)/Decrease/(Decrease) of placement to other banks		350,000,000	1,300,000,000
(Increase)/Decrease of Investment and advances to customers (other than Banks)		(8,546,878,889)	(27,696,650,813)
(Increase)/Decrease of other assets (item-wise)	38.A	(8,002,737,495)	3,522,330,724
Increase/ (Decrease) of placement from other banks and financial institution		(5,232,012,043)	6,517,116,124
Increase/(Decrease) of Deposits from customers (other than Banks)		30,752,245,008	33,071,167,990
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39.A	1,690,834,655	(9,610,117,497)
Cash receipt from operating activities		**11,557,234,932**	**6,743,322,651**
A. Net Cash from operating activities		**13,437,043,165**	**16,251,233,565**
Cash flows from investing activities:			
Proceeds from sale of securities		-	-
Payments for purchases of securities		-	-
Purchase of property, plant and equipment		(1,250,392,062)	(1,469,950,321)
Sales proceeds of Fixed assets		995,550	5,080,532
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		**(1,249,396,509)**	**(1,464,869,789)**
Cash flows from financing activities			
Increase in Exchange Equalization Account		(2,080,247)	2,080,247
Issue of AIBL Subordinate Bond / Perpetual Bond		(2,602,000,000)	(2,000,000,000)
Increase in Share Capital		-	548,424,620
Dividend paid		-	(1,096,849,251)
C. Net cash flows from financing activities		**(2,604,080,247)**	**(2,546,344,384)**
D. Net increase in cash and cash equivalent (A+B+C)		**9,583,566,409**	**12,240,019,393**
E. Effects of exchange rate changes on cash and cash-equivalents		-	-
F. Net increase in cash and cash equivalent D+E		**9,583,566,409**	**12,240,019,393**
G. Cash & Cash Equivalents at the beginning of the year		**80,329,654,317**	**68,089,634,924**
H. Cash & Cash Equivalents period ended	40.A	**89,913,220,726**	**80,329,654,317**
Net Operating Cash Flow per Share (NOCFPS)	43	**11.67**	**21.28**

Managing Director | Director | Director | Chairman

Balance Sheet

As at December 31, 2025

PARTICULARS	Notes	31.12.2025 Taka	31.12.2024 Taka
PROPERTY AND ASSETS:			
Cash in hand	5		
Cash in hand (including foreign currencies)	5.a	5,592,493,767	5,804,554,951
Balance with Bangladesh Bank and its Agents Banks (including foreign currencies)		23,090,240,119	28,483,472,625
		28,682,733,886	**34,288,027,576**
Balance with other Banks and Financial Institutions	6		
In Bangladesh		1,205,570,626	770,652,712
Outside Bangladesh		1,078,187,856	945,448,370
		2,283,758,482	**1,716,101,082**
Placement with Banks & Other Financial Institutions	7	**6,600,000,000**	**6,950,000,000**
Investment in Share & Securities	8		
Government	8.a	58,946,345,000	44,322,655,000
Others	8.b	12,184,486,285	12,608,907,981
		71,130,831,285	**56,931,562,981**
Investments	9		
General Investments etc.		460,717,549,635	444,843,791,174
Bills purchased and discounted		40,502,146,769	40,000,571,999
		501,219,696,404	**484,844,363,173**
Fixed assets less Accumulated Depreciation	10	**5,930,656,786**	**5,574,059,500**
Other Assets	11	**24,603,892,769**	**22,965,901,136**
Non-Banking Assets	12	**37,683,927**	**37,683,927**
Total Assets		**640,489,253,539**	**613,307,699,376**
LIABILITIES AND CAPITAL			
Liabilities:			
Placement from Banks & Other Financial institutions	13	**57,386,879,419**	**62,585,347,478**
Deposits and other Accounts	14		
Mudaraba Savings Deposits		83,895,753,704	73,317,455,413
Mudaraba Term Deposits		240,988,615,391	233,703,804,152
Other Mudaraba Deposits	14.ii	96,573,785,272	75,420,266,080
Al-wadeeah Current Accounts and Other Accounts etc.	14.iii	59,828,628,206	68,351,849,494
Bills Payable		4,980,615,632	4,061,095,218
		486,267,398,205	**454,854,470,357**
Other Liabilities	15	**61,220,775,105**	**57,977,628,430**
Deferred tax Liabilities	16	**-**	**37,087,626**
AIBL Mudaraba Bond	17	**11,398,000,000**	**14,000,000,000**
Total Liabilities		**616,273,052,729**	**589,454,533,890**
Capital/Share Holders Equity			
Paid up Capital	18	11,516,917,130	11,516,917,130
Statutory Reserve	19	11,516,917,130	11,238,492,510
Asset revaluation Reserve	20.a	1,084,174,318	1,084,174,318
Foreign Currency Translation Reserve	20.b	-	2,080,247
Retained Earnings	21	98,192,233	11,501,281
Total Share holders equity		**24,216,200,811**	**23,853,165,486**
Total Liability and Share holders equity		**640,489,253,539**	**613,307,699,376**
Net assets value per share (NAV)	42	**21.03**	**20.71**
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptance and endorsement		47,729,656,103	65,507,108,327
Letters of Guarantee	22	19,320,242,578	16,501,446,000
Letters of Credit		58,954,383,314	57,081,681,230
Bills for Collection		39,668,557,000	43,012,066,290
Other Contingent Liabilities		-	-
Total		**165,672,838,995**	**182,102,301,846**
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		**165,672,838,995**	**182,102,301,846**

Accompanying notes form an integral part of these financial statements.

Managing Director | Director | Director | Chairman

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822

DVC : 2604300822AS929914

Place: Dhaka, Bangladesh
Date : 30-April-2026

PROFIT OR LOSS ACCOUNTS

For the year ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Investment Income	23	41,402,521,711	42,038,251,080
Profit paid on Deposits & Placements from Other Banks	24	(35,335,070,113)	(29,573,862,026)
Net Investment Income		**6,067,451,598**	**12,464,389,054**
Income from Investment in Shares /Securities	25	3,875,571,760	2,718,977,082
Commission, Exchange and Brokerage	26	4,118,482,325	4,263,791,337
Other Operating Income	27	1,003,107,009	1,125,118,846
		8,997,161,094	**8,107,887,265**
Total operating income		**15,064,612,692**	**20,572,276,319**
Salaries and allowances & contribution to P.F	28	7,190,577,956	7,855,533,266
Directors fees & expenses	29	5,729,459	11,505,382
Shariah Supervisory Committee's fees & expenses	30	253,639	526,355
Rent, taxes, insurance and lighting etc.	31	503,445,493	486,888,090
Postage, telegram, telephone and stamp etc.	32	140,108,238	148,083,756
Legal charges		50,028,124	25,099,962
Auditors' fee		6,072,066	2,035,500
Salary & Allowances to the Managing Director		21,424,646	25,332,000
Depreciation and repairs to the Bank's properties	33	1,067,688,679	1,071,217,692
Stationery, Printing and Advertisement etc.	34	291,326,195	284,982,064
Other expenses	35	2,287,217,251	2,166,788,698
Total operating expenses		**11,563,871,746**	**12,077,992,765**
Profit/(Loss) before Tax & provision		**3,500,740,946**	**8,494,283,554**
Provision against Investments & Contingent Liabilities	36	2,234,000,000	3,734,066,075
Provision for diminution in value of investment		176,586,529	176,394,157
Other Provision		8,500,000	505,963,773
Total provision		**2,419,086,529**	**4,416,424,005**
Profit/(Loss) before Tax		**1,081,654,417**	**4,077,859,549**
Current tax	15.1	290,000,000	3,336,767,557
Deferred tax	16	(73,461,155)	(3,150,137)
Provision for Taxation		**216,538,845**	**3,333,617,420**
Net Profit/(Loss) after tax		**865,115,572**	**744,242,129**
Appropriation			
Statutory Reserve		278,424,620	270,000,000
Profit paid on aibl mudaraba perpetual bond		500,000,000	464,000,000
General Reserve (1 % Start-Up Fund)		-	7,442,421
		778,424,620	**741,442,421**
Retained Earnings		**86,690,952**	**2,799,707**
Earning per Ordinary share (EPS)	41	**0.75**	**0.65**

Accompanying notes form an integral part of these financial statements.

Managing Director | Director | Director | Chairman

K.M. Alam & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-023

Kazi Ahmmed Monowar FCA
Engagement Partner
ICAB Enrolment number- 822

DVC : 2604300822AS929914

Place: Dhaka, Bangladesh
Date : 30-April-2026

Note: The published Annual Financial Statements 2025 is available at the Website of the Bank. The address of the Website www.aibl.com.bd

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সর্বদাই শরীয়াহ্

Al-Arafah Islami Bank PLC

Head Office: 63 Purana Paltan, Dhaka-1000

FINANCIAL STATEMENTS 2025 (AUDITED)

CASH FLOW STATEMENT

For the year ended December 31, 2025

Particulars	Notes	2025 Taka	2024 Taka
Cash flows from operating activities			
Investment income receipt in Cash		44,975,740,263	43,993,584,401
Profit paid on deposits and borrowings		(34,755,514,123)	(28,243,949,416)
Dividend recieved		27,138,296	45,216,830
Fees & Commission received in cash		4,118,482,325	4,263,791,337
Recoveries from write off investments		191,155,746	320,676,379
Cash payments to employees		(7,212,002,602)	(7,890,489,945)
Cash payments to suppliers		(291,326,195)	(284,982,064)
Received from other operating activities (item-wise)		1,003,107,009	1,125,118,846
Paid for other operating activities (item-wise)	37	(3,535,044,046)	(2,290,349,320)
Advance income tax paid		(2,628,321,160)	(3,380,294,798)
Operating profit before changes in operating assets and liabilities		**1,893,415,511**	**7,658,322,250**
Changing in Operating assets & liabilities			
(Increase)/Decrease of trading securities		424,421,697	(397,108,230)
(Increase)/Decrease/(Decrease) of placement to other banks		350,000,000	1,300,000,000
(Increase)/Decrease of Investment and advances to customers (other than Banks)		(9,139,146,084)	(35,311,586,348)
(Increase)/Decrease of other assets (item-wise)	38	(7,752,988,669)	4,303,486,334
Increase/ (Decrease) of placement from other banks and financial institution		(5,198,468,058)	6,539,510,086
Increase/(Decrease) of Deposits from customers (other than Banks)		30,833,543,060	33,029,972,589
Increase/(Decrease) of Other liabilities account of customers		-	-
Increase/(Decrease) of Trading liabilities (item-wise)	39	2,027,268,921	(870,441,059)
Cash receipt from operating activities		**11,544,630,866**	**8,593,833,371**
A. Net Cash from operating activities		**13,438,046,378**	**16,252,155,621**
Cash flows from investing activities:			
Purchase of property, plant and equipment		(1,248,907,971)	(1,468,474,082)
Sales proceeds of Fixed assets		995,550	5,080,532
Purchase-sale of subsidiary		-	-
B. Net cash flows from investing activities		**(1,247,912,421)**	**(1,463,393,550)**
Cash flows from financing activities			
Increase/(Decrease) in Exchange Equalization Account		(2,080,247)	2,080,247
Issue of AIBL Subordinate Bond / Perpetual Bond		(2,602,000,000)	(2,000,000,000)
Increase in Share Capital		-	548,424,620
Dividend paid		-	(1,096,849,251)
C. Net cash flows from financing activities		**(2,604,080,247)**	**(2,546,344,384)**
D. Net increase in cash and cash equivalent (A+B+C)		**9,586,053,710**	**12,242,417,688**
E. Effects of exchange rate changes on cash and cash-equivalents		**-**	**-**
F. Net increase in cash and cash equivalent (D+E)		**9,586,053,710**	**12,242,417,688**
G. Cash & Cash Equivalents at the beginning of the year		**80326783658**	**68,084,365,970**
H. Cash & Cash Equivalents at the end of the year	40	**89912837368**	**80,326,783,658**
Net Operating Cash Flow per Share (NOCFPS)	43	**11.67**	**21.29**

Managing Director | Director | Director | Chairman

Notes to the Financial Statements

As at and for the year ended December 31, 2025

1. The Bank and its activities

1.1 Al-Arafah Islami Bank was established in 1995 under the Companies Act, 1994 as a Banking Company with Liability by shares. It is an interest free Shariah Bank of Bangladesh rendering all types of commercial banking services under the regulation of Bank Companies Act, 1991 (as amended up to date) . 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 Islamic Scholars and reputed Bankers. The Bank went for public issue of share in the year 1998 and its share are listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). Presently the bank has 226 Branches and 2 (two) Subsidiary Companies.

The principal activities of the Bank are to provide a comprehensive range of financial services including commercial banking, consumer banking, trade finance and other related custody and clearing services to the customers following the provisions of Bank Companies Act, 1991 (as amended 2018), Bangladesh Bank's directives and the principles of Islamic Shariah.

1.2 Subsidiaries of the Bank
Al-Arafah Islami Bank PLC has two subsidiary companies. The financial statements of these subsidiary companies are included in the consolidated financial statements according to IFRS-10.

1.2.1 AIB PLC Capital Market Services Limited
Al-Arafah Islami Bank PLC. owned 60.50% shares of AIB PLC Capital Market Services Ltd. a subsidiary company of Al-Arafah Islami Bank. AIB PLC Capital Market Services Ltd. was incorporated in Bangladesh on 20 September, 2010 as a Public Company. The principal activities of subsidiary company is to provide quality services to the prospective institutional and individual investors in the capital market. The main activities and functions of the company include;

i. Share trading in Dhaka Stock Market and Chittagong Stock Market.
ii. Provide Margin facilities to the clients.
iii. Full service depository participant of Central Depository of Bangladesh Ltd.

Copy of the audited financial statement is attached Appendix A

1.2.2 AIB PLC Capital Management Limited
Al-Arafah Islami Bank PLC. owned 98% shares of AIB PLC Capital Management Limited, a subsidiary company of Al-Arafah Islami Bank Limited. AIB PLC Capital Management Limited was incorporated under the Companies Act (Act XVIII) of 1994 as a Private Limited Company by shares on 25th October, 2011. The company was entitled to commence the business also from 25th October, 2011 with a view to run and manage the operations of Merchant Banking Services with an authorized Capital of BDT 2 billion and paid up capital of BDT 500 million. It aims to be one of the leading Merchant Banks of the country by rendering quality Merchant Banking Services with a high level of professional expertise and integrity.

Copy of the audited financial statement is attached in Appendix B

2. Basis of preparation and significant accounting policies

2.1 Preparation of financial statements
The consolidated financial statements of the group and the financial statements of the bank have been prepared on a going concern basis under the historical cost convention and on International Financial Reporting Standard and International Accounting Standard 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 up to date), in particular Banking Regulation and Policy Department (BRPD) Circular No.15 (09 November, 2009) other Bangladesh Bank circulars, the Companies Act 1994, the Securities and Exchange Rules 2020, Dhaka and Chittagong Stock Exchange Listing Regulations, other laws and rules applicable in International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). where relevant to the Bank to the extent that these do not contradict with the applicable statutory provisions and standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

2.1.1 Going Concern Disclosure
The bank decided to address the non-performing investments for sustainability, which is high compared to the previous year. For addressing high non-performing investments, the required provision is high, as well as the Bank's Capital to Risk Weighted Asset Ratio (CRAR) stood at 10.72% against the regulatory requirement of 12.50%.

In spite of some constraints, the Bank management has prioritized maintaining adequate provisions to enhance the institution's financial stability. Significant efforts have already been made in this regard. For the remaining portion of the provision, the bank has obtained deferral approval through letter no. BSD-12/57/2026-396, dated: 28/04/2026. Furthermore, the bank has developed a plan to establish a specialized recovery department staffed with sufficient personnel to focus on recovering non-performing investments

The bank has adequate resources to continue its operation for the foreseeable future. The current investment facilities and adequate resources of the bank provide sufficient funds to meet the present requirements of its existing businesses and operations to continue.

2.2 Statement of compliance with applicable laws, regulations and standards
Although the operations of the Bank are in strict compliance with the rules of Islamic Shariah, the financial statements have been prepared in accordance with the Bank Companies Act 1991 (as amended 2018), in particular Banking Regulation and Policy Department (BRPD) Circular No.15 (09 November, 2009) other Bangladesh Bank circulars, the Companies Act 1994, the Securities and Exchange Rules 2020, Dhaka and Chittagong Stock Exchange Listing Regulations, other laws and rules applicable in International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) where relevant to the Bank to the extent that these do not contradict with the applicable statutory provisions and standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020. The consolidated and separate financial statements of the Group and the bank have been prepared in accordance with the IFRS adopted by FRC and in addition to this, the bank also complied with the requirements of the following laws and regulations from various government bodies:

i) The Banking Companies Act, 1991 (as amended up to date);
ii) The Companies Act, 1994;
iii) Circulars, Rules and Regulations issued by Bangladesh Bank (BB) time to time;
iv) Bangladesh Securities and Exchange Ordinance,1969; Bangladesh Securities and Exchange Rules 2020; Bangladesh Securities and Exchange Act, 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and amendments thereon;
v) The Income Tax Act, 2023;
vi) The Value Added Tax and Supplementary Duty Act, 2012, The Value Added Tax Rules, 2016 and amendments thereon;
vii) Dhaka Stock Exchange PLC. (DSE), Chittagong Stock Exchange PLC. (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations;
viii) Financial Reporting Act, 2015 and
ix) Other applicable laws and regulations.

In case any requirement of the Banking Companies Act, 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Banking Companies Act, 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank have departed from those which are the requirements of IFRSs and IASs in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

Notes to the Financial Statements

i) Presentation of Financial Statements
IFRS/IAS: As per IAS 1: Presentation of Financial Statements, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e., balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) is prescribed in the "First Schedule" of Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD circular no. 15 dated 09 November 2009 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Name of the Financial Statements
IFRS/IAS: As per IAS 1, complete set of financial statements consists statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes comprising a summary of significant accounting policies and other explanatory information.

Bangladesh Bank: The forms of financial statements and directives for preparation thereof of the Islamic banking companies in Bangladesh are guided by BRPD circular no. 15 dated 09 November 2009 Bangladesh Bank. BRPD circular no. 15 states the statement of financial position as balance sheet and statement of profit or loss and other comprehensive income as profit and loss account.

iii) Investments in Shares and Securities
IFRS/IAS: As per requirements of IFRS 9: Financial Instruments, classification and measurement of investments in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics.

Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, 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 investments; otherwise, investments are recognized at cost.

iv) Revaluation Gains/Losses on Government Securities
IFRS/IAS: As per requirement of IFRS 9, where securities will fall under the category of fair value through profit or loss and other comprehensive income any change in fair value of the asset is recognized through profit or loss and other comprehensive income. Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit or loss and other comprehensive income. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit or loss and other comprehensive income.

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 recognized 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. HTM securities which have not matured as at the balance sheet date are amortized at the year end, and gains or losses on amortization are recognized in other reserve as a part of equity.

v) Provision on Investments and Off-balance Sheet Items
IFRS/IAS: As per IFRS 9, an entity shall recognize an impairment allowance on investments (loans) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investments (loans) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 months' expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular no. 14 (23 September 2012), BRPD Circular No.-15 (23 September 2012), BRPD Circular No.-03 (21 April 2019), BRPD Circular No.-17 (28 September 2020), BRPD Circular Letter No.-56 (10 December 2020), BRPD Circulars No.-3 (31 January 2021), BRPD Circulars No.-5 (24 March 2021), BRPD Circular Letter No.-51 (29 December 2021), BRPD Circular Letter No.-53 (30 December 2021), BRPD Circular No.-16 (18 July 2022), BRPD Circular Letter No.-33 (03 August 2022), BRPD Circular No.-51 (18 December 2022), BRPD Circular No.-14 (22 June 2022), BRPD Circular Letter No.-03 (02 February 2023), BRPD Circular No.-11 (20 June 2023), BRPD Circular No.-09 (08 April 2024), BRPD Circular No.-16 (21 July 2020), BRPD Circular No.-01 (20 February 2018), BRPD Circular No.-12 (20 August 2017), BRPD Circular Letter No.-52 (20 Oct 2020), a general provision at 0.25% to 2% 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 except (a) short-term agricultural and micro-credits where 5% for sub-standard and doubtful loans and 100% for bad & loss loans; and (b) cottage micro and small credits where 5% for sub-standard, 20% for doubtful and 100% for bad & loss loans depending on the duration of overdue. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 13 dated 18 October 2018, a general provision at 0.50% to 1% is required to be provided for all off-balance sheet exposures except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively. Such provision policies are not specifically in line with those prescribed by IFRS 9.

vi) Recognition of Investment Income in Suspense
IFRS/IAS: Investments (loans) to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently becomes credit-impaired, the entity shall apply the effective interest rate to the amortized cost of the investment (loan).

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once an investment (loan) is classified, investment income on such investment is not allowed to be recognized as income, rather the corresponding amount needs to be credited to an investment income in suspense account, which is presented as liability in the balance sheet.

vii) Other Comprehensive Income
IFRS/IAS: As per IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank 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.

viii) Financial Instruments - Presentation and Disclosure
In several cases, Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 cannot be made in the financial statements.

ix) Financial Guarantees
IFRS/IAS: As per IFRS 9, financial guarantees are contracts that require the issuer 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 original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

x) Cash and Cash Equivalents
IFRS/IAS: Cash and cash equivalent items should be reported as cash items as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: Some cash and cash equivalent items such as 'Placement with other banks', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Placement with other banks is presented on the balance sheet, and treasury bills, prize bonds are shown in investments.

xi) Non-Banking Assets
IFRS/IAS: No indication of non-banking assets is found in any IFRSs.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, there must exist a face item named Non- Banking Asset.

xii) Cash Flow Statement
IFRS/IAS: 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.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 and BRPD circular no. 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

Investment in Bangladesh govt. Islamic investment bonds have been reported under cash and cash equivalent in The Cash Flow Statement though such investments do not qualify cash and cash equivalent as per definition of IAS-7.

xiii) Balance with Bangladesh Bank (Cash Reserve Requirement)
IFRS/IAS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of Intangible Asset
IFRS/IAS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 15 dated 09 November 2009.

xv) Off-balance Sheet Items
IFRS/IAS: There is no concept of off-balance sheet items in any IFRS; 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. 15 dated 09 November 2009, off-balance sheet items (e.g., letter of credit, letter of guarantee, etc.) must be disclosed separately on the face of the balance sheet.

xvi) Disclosure of Appropriation of Profit
IFRS/IAS: There is no requirement to show appropriation of profit in the face of statement of profit or loss and other comprehensive income.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Investments Net off Provision
IFRS/IAS: Investments/loans and advances should be presented net off provision.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, provisions on investments/loans and advances are presented separately as liability and cannot be net off against investments/loans and advances.

xviii) Recovery of Written off Investments/Loans
IFRS/IAS: As per IAS 1, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by any IFRSs. Again, recovery of written off investments/loans should be recognized in statement of profit or loss and other comprehensive income as per IFRS 15: Revenue from Contracts with Customers.

Bangladesh Bank: As per BRPD circular no. 15 dated 09 November 2009, recoveries of amount previously written off should be adjusted with the specific provision for investments/loans and advances.

xix) Revenue
As per IFRS 15, revenue should be recognized on accrual basis, but due to the unique nature of Islamic Banks, income from investment under Murabaha, Bi-Muazzal, HPSM, Ijarah, Bi-Salam, Quard, IDBP and FDBP modes is accounted for on realization basis as per AAOIFI and Bangladesh Bank guidelines.

xx) Recognition of Investment in suspense
IFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in statement of profit or loss and other comprehensive income 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 recognized 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.

xxi) Balance with Bangladesh Bank: (Cash Reserve Requirement)
IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

Departure from BSEC Directive to comply with the rules and regulations of Bangladesh Bank:

As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, unclaimed dividend is required to be presented as a separate line item in the statement of financial position but the financial statements of the Bank are prepared as per the "First Schedule" and Section 38 of the Banking Companies Act, 1991 (as amended up to date) and BRPD Circular No. 15 dated 09 November 2009.

2.3 Basis of Consolidation
"A separate set of records for consolidating the Statements of Affairs and Income & Expenditure Statements of the branches are maintained at the Head Office of the Bank in Dhaka from which the financial statements are drawn up.

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities."

The consolidated financial statements incorporate the financial statements of Al-Arafah Islami Bank PLC and the financial statements of subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the bank is eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there are no evidence of impairment.

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, placement with other banks, etc. are on the basis of their maturity term;
ii) Investments are on the basis of their respective maturity;
iii) Fixed assets are on the basis of their useful lives;
iv) Other assets are on the basis of their realization / amortization;
v) Borrowing from other Banks, financial institutions and agents, etc. are as per their maturity / repayment terms;
vi) Provisions and other liabilities are on the basis of their repayment / adjustments schedule.

2.5 Use of estimation and judgment
The preparation of financial statements requires the bank to make certain estimates and to form judgments about the application of accounting policies which may affect the reported amount of assets, liabilities, income and expenses. The most significant areas of estimates and judgments have been made on provision for Investments.

2.6 Reporting period
The financial statements cover particular calendar year from January 01, 2025 to December 31, 2025.

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

2.8 Assets and basis of their valuation
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.

2.8.1 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 Investment in subsidiaries
The bank has made investment in subsidiary company named AIB PLC Capital Market Service Ltd Tk. 242.00 crore holding 60.50% shares. The rest of 39.50% shares are held by others and another subsidiary Company named AIB PLC Capital Management Limited Tk 49.00 crore holding 98% shares.

2.8.3 Fixed assets Accounting & Depreciation and Intangible Assets Accounting & Amortization Policy.
Board of Directors of Al- Arafah Islami Bank PLC in its 226th meeting held on 11 July, 2012 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 IAS-16 " Property, Plant and Equipment". Acquisition cost of an asset comprises the purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.
ii) Land was recognized at cost at the time of acquisition and subsequently measured at revalued amounts which was the market value at the time of revaluation done on 31st January 2020 by a independent professional valuer on 31st December 2020, any surplus on revaluation was shown as equity component until the disposal/de-recognition of asset. The property is located within:
a) Holding No 63, Purana Paltan Dist. : Dhaka, P. S Motijheel, Sub-registry office : Sutrapur, Dhaka collectorate Touzi # 141-B-1, Mouza : Sabek Shahar Dhaka, Sheet # 22, Ward # 03, Sabek Khatian # 6947, 6947 [KA], 6947[Jha], Sabek Dag # 97, 100,101,102 and 110, SA Mouza : Ramna, Sheet # 10, SA Khatian # 362, SA Dag # 1979,1980,1981,2025,1997,1998 and 1979/2039, RS Mouza : Motijheel, RS Khatian # 420, RS Dag # 1314 and 1322, D.P Khatian # 619, D.P Dag # 812 and 804.Mutation Khatian 362/3 and Dag # 1979 and 1980. The area of land measuring about 27.10 Decimal.
b) Holding No 63/1/A, Purana Palton, Dist.: Dhaka, P.S Motijheel,Subregistry office: Sutrapur ,Dhaka Collectorate Touzi # 141-B-1, under Mouza: Sabek-Sahar Dhaka then Ramna, Hal-Motijheel, J-L#S.A-04, R.S & City Jarip - 06, Sheet # 22,Ward # 03, Khatian-C.S-6947 (Jha), SA-362, R.S-428, Dhaka City Jarip-103,449, Namjari-542, 362/3/1, Jote-543,687& 437,Dag # C.S-100,101, S.A 1979, 1980, 1981,1997,2025,1979/2039,R.S-1315,1322,1316/1360,1323/1359, Dhaka City Jarip-808,809,811. Deed # 3825 &300, dated: 22.08.2010 & 01.02.2012. The area of land measuring about (11.40+11.60) 23.00 Decimal.
c) Total land measuring 30.36 katha, cost price was Tk. 453,255,000. The land was revalued at tk. 5.00 crore per katha and total land valuation amount was Tk. 1,518,000,000. Total asset revaluation gains was amounting to Tk. 1,129,348,248.
Depreciation of an item of fixed assets and amortization on intangible assets is charged on the basis of estimated useful lives as mentioned in revised fixed asset policy of the bank on monthly basis following straight-line method. The depreciation/amortization method used should reflect the pattern in which the asset's economic benefits are consumed by the enterprise. The depreciation charge for each period should be recognized as an expense unless it is included in the carrying amount of another asset.

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

Name of Assets	Rate of Depreciation/ amortization	Estimated useful 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

iv) Depreciation is charged on the addition of fixed assets and intangible assets are amortized from the date of use.
v) Maintenance and repair costs are charged to profit and loss account as and when incurred.

vi) Presentation of intangible asset
IFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

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

2.8.4 IFRS 16: Leases
AL-Arafah Islami Bank Limited applied IFRS 16: Leases for the first time with the date of initial application of 1 January 2020, using modified retrospective approach where the Bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

According to IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Note: The published Annual Financial Statements 2025 is available at the Website of the Bank. The address of the Website www.aibl.com.bd

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সর্বদাই শরীয়াহ্

Al-Arafah Islami Bank PLC

Head Office: 63 Purana Paltan, Dhaka-1000

FINANCIAL STATEMENTS 2025 (AUDITED)

Notes to the Financial Statements

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.
Upon lease commencement, the Bank recognizes a right-of-use asset and a lease liability. The right-of use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.
The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit and loss account on a straight-line basis over the lease term.
On the balance sheet, right-of-use assets have been included in fixed assets including premises.

2.8.5 Other assets
Other assets include all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

2.8.6 Reconciliation of inter bank/branch books of accounts
Books of accounts in regard to Inter-branches are reconciled and there are no material differences, which may affect the financial statements significantly. Unrecognized entries in case of inter-branch transactions as on the reporting date are not mentionable due to the time gap before finalizing the same.

2.9 Share Capital
Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.10 Statutory reserve
Bank Companies Act, 1991 requires the Bank to transfer 20% of its current year's profit before tax to reserve until such reserve along with share premium equals to its paid up capital.

2.11 Revaluation reserve
When an asset's carrying amount is increased as a result of revaluation, the surplus amount should be credited directly to equity under the heading of revaluation surplus/reserve as per IAS-16: "Property, Plant and Equipment". The bank first revalued its land in December 2004, December 2012 and again in December 2020 which is absolutely owned by the bank and the surplus amount transferred to revaluation reserve. (Annexure-A)

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

2.13 Basis for valuation of liabilities and provisions

2.13.1 Provisions on Investment
As per As per BRPD circular no. 14 (23 September 2012), BRPD Circular No.-15 (23 September 2012), BRPD Circular No.-03 (21 April 2019), BRPD Circular No.-17 (28 September 2020), BRPD Circular Letter No.-56 (10 December 2020), BRPD Circulars No.-3 (31 January 2021), BRPD Circulars No.-5 (24 March 2021), BRPD Circular Letter No.-51 (29 December 2021), BRPD Circular Letter No.-53 (30 December 2021), BRPD Circular No.-16 (18 July 2022), BRPD Circular Letter No.-33 (03 August 2022), BRPD Circular No.-51 (18 December 2022), BRPD Circular No.-14 (22 June 2022), BRPD Circular Letter No.-03 (02 February 2023), BRPD Circular No.-11 (20 June 2023), BRPD Circular No.-09 (08 April 2024), BRPD Circular No.-16 (21 July 2020), BRPD Circular No.-01 (20 February 2018), BRPD Circular No.-12 (20 August 2017), BRPD Circular Letter No.-52 (20 Oct 2020), a general provision at 0.5% to 2% under different categories of unclassified investments (good/standard investments) has to be maintained regardless of objective evidence of impairment. The provision rates are given below:

Particulars	Rate
General provision on unclassified general loans and advances / investments	1%
General provision on unclassified small enterprise financing	0.50%
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	0.5% to 5%
General provision on special mention account	0.5% to 5%
Specific provision on substandard loans and advances / investments	20%
Specific provision on doubtful loans and advances / investments	50%
Specific provision on bad / loss loans and advances / investments	100%
General provision for COVID 19	1.5% & 2%
Start-up Fund on Net Profit	1%

2.13.2 Provision for off balance sheet exposures
BRPD circular no.10 (18 September, 2007) requires a general provision for off balance sheet exposure is to be calculated at 1% (2007:0.50%) on all off balance sheet exposures as defined in BRPD Circular No.10 (24 November, 2002). Accordingly we have recognized a provision of 1% on the following off balance sheet items:

1. Letter of Guarantee
2. Letter of Credit
3. Acceptance and endorsements
4. Other Contingent Liabilities

iv) Off-balance sheet items
IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items 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.

vii) 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.

viii) Provision on balance with other banks and financial institutions (Nostro Accounts)
Provision for unsettled transaction on nostro accounts made are reviewed at each balance sheet date by management and certified by our external auditor in accordance with Bangladesh Bank Foreign Exchange Policy Department (FEPD) Circular Letter No. 677 (13 September, 2005)

vii) Provision for taxation
Current tax
Provision for current income tax has been made @37.50% for Income from Business, @20% for Cash Dividend & @15% for Capital Gain on share as prescribed in the Finance Act 2023 and Income Tax Act, 2023 of the profit made by the bank considering taxable add-back of income and disallowance of expenditure in compliance with IAS-12 " Income Taxes". Tax return for the income year 2023 (Assessment year 2024-2025 has been filed but assessment is to be done by the tax authority.

Deferred tax
The bank recognized deferred tax in accordance with the provision of IAS-12. Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. A temporary difference is the difference between the tax base of an assets or liability and its carrying amount/reported amount in the financial statement.
Deferred tax assets or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax assets/expenses does not create a legal liability/recoverability to and from the income tax authority. The detail calculation of differed tax for the year ended 31 December 2025, has given below:

Particulars	As Per Books of Account			As Per Tax			Deferred Tax
Iteams giving rise temporary Diference	Carring Amount	Assets not Depreciable	Net Carring Amount	Tax Base	Temporary Difference Taxable /(Deductible)	Tax Rate	Liability / (Assets)
1. Fixed Assets	5,930,656,786	2,854,059,214	3,076,597,572	3,173,593,651	(96,996,079)	37.50%	(36,373,530)
2. Specific Provision for bad and debt not allowed for Tax Credit				-	-	37.50%	-
Net deferred tax liability (asset)							(36,373,530)

Deferred tax Liability Expenses

Balance as on 1st January 2025	37,087,625
Provision required as on December 31, 2025	(73,461,155)
Balance as on December 31, 2025	(36,373,530)
Deferred tax Income	(73,461,155)
Deferred tax Assets (Income)	-
Provision required as on December 31, 2025	(73,461,155)

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

x) 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.

xi) Other provision and accrued expenses
In compliance with IAS-37, provision and accrued expenses are recognized in the financial statements when the bank has legal or constructive obligation as a result of past event, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.14 Revenue recognition

2.14.1 Profit on Investment

a) Income from investments has been accounted for on accrual basis except investment under Musharaka. Income in case of Musharaka is accounted for on realization basis.
b) Profit/rent/compensation accrued on classified investment are suspended and accounted for as per Circulars issued by the Bangladesh Bank. Moreover, incomes which are irregular (doubtful) as per Shariah are also not included in the distributable income of the Bank. Bank charges compensation on unclassified overdue Bai-Murabaha and Bai-Muazzal investment. Such compensation is not permissible by Shariah to take into regular income of the bank. Therefore, the amount of compensation treated as a component of provision against bad & doubtful investment. Interest received due to legal obligation is also not taken into regular income of the bank.
c) Profit on investment is calculated on daily product basis and charged on yearly basis.

2.14.2 Fees and commission income
Fees and commission income are recognized when earned. Commission charged on customer on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.14.3 Dividend Income
Dividend Income from investment is recognized 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 recognized 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, 2025 are translated into Taka currencies at the prevailing selling and buying rates of the concerned foreign currencies.
iii) Gains and losses of translation are dealt with through exchange account.

2.18 Basic Earning per share
This has been calculated by dividing the basic earning attributable to ordinary shareholders of the bank by the weighted average number of ordinary shares outstanding during the year as per IAS-33. Diluted earning per share is required to be calculated for the year when there is scope for dilution during the period under review.

Notes to the Financial Statements

2.19 Related Party transactions
Related party transaction is a transfer of resources, services, or obligation between related parties regardless of whether price is charged as per IAS 24. (Annexure-C)

2.20 Events after reporting period
All the material events after the reporting period have been considered; appropriate adjustments and disclosures have been made in the financial statements.

2.21 Financial instruments – presentation and disclosure
In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

2.21.1 Financial guarantees
IFRS: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized 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 recognized for the guarantee except the cash margin.

2.21.2 Approval of the financial statements
Financial Statements were approved by the Board of Directors on 457th meeting held on 30 April 2026 has approved the audited financial statements for the year ended 31 December 2025.The Board has not recommended any dividend for the year ended 31 December 2025 as per Bangladesh Bank letter no. BSD-12/57/2026-396, dated: 28/04/2026.

2.22 General
i)The financial statements have been prepared in accordance with the formats prescribed under the Banking Companies Act, 1991 (as amended 2018 & up to date) 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 PLC is defined as the possibility of losses, financial or otherwise. The risk management of the Bank covers 7 (seven) Core Risk Areas of banking i.e. Credit risk management, foreign exchange risk management, Assets Liability Management, prevention of money laundering and establishment of internal control and compliance and information & communication technology. The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under :

i)Credit Risk Management
Credit risk is one of the major risks faced by the bank. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, bank's credit risk management activities have been designed to address all these issues. The bank has an investment (Credit) risk management committee at head office. The committee reviews the investment risk issues on monthly basis. The bank has segregated the investment approval, investment administration, investment recovery and legal authority. The bank has segregated duties of the officers/executives involved in credit related activities. A separate business development (marketing) department has been established at head office, which is entrusted with the duties of maintaining effective relationship with the customer, marketing of credit products, exploring new business opportunities etc. In the branches of the bank separate officials are engaged as relationship manager, documentation officer, verification officer, disbursement officer and recovery officer. Their jobs have been allocated and responsibilities have been defined.

Investment (Credit) Risk Grading Manual
The bank has implemented the Investment (Credit) Risk Grading Manual (IRGM) since April 1, 2006 which was made mandatory by Bangladesh Bank vide BRPD Circular No. 18 of December 11, 2005. Investment Officials of the bank have been trained on IRGM. Investment Risk Grading is incorporated in the investment presentation form for all the cases.

ii) Foreign Exchange Risk Management
Foreign exchange risk is defined as the potential change in earnings arising due to change in market prices. As per foreign exchange risk management guideline, bank has established a separate treasury department at head office. Under the treasury department, foreign exchange front office, foreign exchange back office and local money market have been physically demarcated. 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 help the bank management to safeguard the bank's resources, produce reliable financial and managerial report, and comply with laws and regulations.
AIB PLC 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 a Senior Vice President. The ICC division has been segregated to three departments which are audit & inspection department, audit monitoring department and regulatory compliance department. AIB PLC 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 carry out regular audit and surprise/special inspection of the branches to mitigate operational risk and restrain the possibility of circumvention or overriding the control procedure.
ICC division submits parallel comprehensive internal audit report to the managing director and to the audit committee. Within 02 (two) months after receiving the audit report, audit monitoring department completes the compliance report and submits the report to the audit committee for their review. The committee reviews the system of internal control and the audit process for compliance with rules, regulation and code of conduct, financial reporting process, and also suggests actions to remedy the lapses/irregularities. By this time the ICC division has introduced concurrent audit, surprise inspection, auto information system, Quarterly Audited System, and mandatory leave policy to boost up the functions of internal control and compliance.

v) Prevention of money laundering
Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk the bank has a Central Compliance Unit (CCU) at head office. The unit reviews the anti money laundering activities of the bank on regular basis.
The bank has a designated Chief Anti Money Laundering Compliance Officers (CAMLCO) at head office and Branch Anti Money Laundering Compliance Officers (BAMLCO) at branches. The compliance officers review the Suspicious Transaction Report (STR) and records them properly. Manuals have been established for the prevention of money laundering and transaction profile has been introduced. Officers and executives of all categories receive regular training for developing awareness and skill for identifying suspicious activities. The bank submits the STR, CTR and other periodical reports to Bangladesh Bank on time. No suspicious money laundering issue has been occurred during the year under audit.

vi) Guideline on information & Communication Technology:
Technology is the process by which humans modify nature to meet their needs and wants. The term Information Technology (IT) means computers, auxiliary equipment, software, hardware and similar procedures, services and related resources. Information Technology (IT) developed in a rapidly changing global environment, and challenges us to courageous initiatives to address a host of vital skilled human resources. To overcome the challenges the bank has a IT policy.
The IT policy of the bank includes the purchase policy, hardware policy, software development policy, banking application usage policy, security policy, disaster recovery policy etc. The bank is now implementing its on line banking project complying the IT policy.

a) Internal Audit
"As per Internal Control & Compliance (ICC) Risk Management Guideline of Bangladesh Bank, a 'Risk Based Audit Plan'' is to prepared for each calendar year for smooth conducting of Audit & Inspection of all the branches and departments & divisions of Head Office of the bank. Besides the Yearly Auditing, Internal Audit Department Conducts Special Audit, Quarterly Foreign Exchange & Investment Audit, Surprise Audit etc.

- To prevent incidence of errors and their recurrences, more emphasis are given on spot rectification of irregularities/lapses while auditing/inspecting of the branches.
- For Audit purpose, branches have been segregated into 05 risk categories (Extremely High, Very High, High, Medium & low risk).
- The regular Audit & Inspection Teams also conduct Core Risks System Audit during their regular Audit & Inspections."

During the year 1st January to 31 December, 2025 Audit and Inspection department of ICCD, detected some incidents/irregularities as fraud-forgeries relating to cash misappropriation and investment disbursement in 02 branches of the Bank, which were 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 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 was made as on the effective date viz. January 01, 2015.

3. CCompliance status on Bangladesh Accounting Standards (IAS) and Bangladesh Financial Reporting Standards (IFRS)
The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, the bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

Name of the IAS	IAS No.	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Statement of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investments in Associates & Joint Ventures	28	N/A
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS No.	Status
Financial Instruments: Disclosures	7	Applied
Financial Instruments: Recognition and Measurement	9	Applied
Consolidated Financial Statements	10	Applied
Disclosure of interest in other entities	12	Applied
Fair value Measurement	13	Applied
Revenue from contracts with customers	15	Applied
Leases	16	Applied

4 Audit Committee:
An Audit Committee was constituted by the Board of Directors of the bank in its 95th meeting held on 24th March, 2003 as per BRPD Circular No. 12 dated 23th December, 2002 and subsequently reconstituted by the Board of Directors in its 404th Meeting held on 15 September, 2024 as per BRPD Circular No. 11 Dated 27.10.2013 as under:

SL	Name	Status with Committee	Educational Qualification
1	Janab Mohammad Asraful Hassan, FCA	Chairman	BBA (Hons), MBA in Accounting and Information Systems, University of Dhaka. FCA in ICAB.
2	Janab Prof. Dr. Mohammed Abu Eusuf	Member	BSS (Hons), MSS in Economics, JahangirNagar University. MA, Netherlands. PhD, UK.

During the year 2025 the audit committee of the bank conducted 9 (Nine) meetings in which among others, the following issues were discussed:-

i) Reviewing the inspection report of different branches of AIB PLC 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 AIB PLC conducted by Bangladesh Bank and status of compliance thereof.
iii) Reviewing the financial statements of the bank for the year ended 31 December, 2025.

5.a Workers' Profit Participation Fund (WPPF)
As per Bangladesh Labor Act, 2006 as amended in 2013 all companies fall within the scope of WPPF (which includes Bank) are required to provide 5% of its profit before charging such expense to their eligible employees within the stipulated time. The Bank obtained opinion from its legal advisor regarding this issue which stated that the Bank is not required to make provision for WPPF as the provision of Bangladesh Labor Act 2006 as amended contradicts with that of the Bank Company Act 1991(as amended up to date). As such consistent with widely accepted industry practice as well lawyer opinion the Bank did not make any provision during the year for WPPF.

Note	Particulars	2025 Taka	2024 Taka
5.	**Cash**		
a)	**Cash in hand**		
	In local currency	5,562,522,951	5,776,417,551
	In Foreign currency (Note 5.a.i)	29,970,816	28,137,400
		5,592,493,767	**5,804,554,951**

a.i) **In Foreign currency:**

Currency Name	Amount in FC	Ex. Rate	Amount in BDT.	Amount in BDT.
US Dollar	245,010.00	122.3249	29,970,816	27,968,420
REYAL			-	168,980
			29,970,816	**28,137,400**

b)	**Balance with Bangladesh Bank**		
	In local currency	21,137,994,738	25,287,205,494
	In Foreign currency	718,132,616	1,784,167,390
		21,856,127,354	**27,071,372,884**
c)	**Balance with Sonali Bank PLC.**		
	In local currency	1,234,112,765	1,412,099,741
	In Foreign currency	-	-
		1,234,112,765	**1,412,099,741**
	Balance With Bangladesh Bank and its Agents Banks (including foreign currencies)	**23,090,240,119**	**28,483,472,625**

d) **Cash Reserve Requirements (CRR) and Statutory Liquidity Requirements (SLR):**
Cash Reserve Requirements (CRR)and Statutory Liquidity Requirements (SLR)have been calculated and maintained in accordance with Section 25 & 33 of Bank Companies Act.1991 as amended, the Instruction of Bangladesh Bank Order 1972, Article 36, clause (1) & as per Bangladesh Bank Circular No: MPD/03 Dated: 09.04.2020

e) **Cash Reserve Requirements (CRR):**
The Cash Reserve Requirement (CRR)of the Bank was 4.00% of average total demand and time liabilities on bi-weekly basis with a provision of minimum3.00% on daily basis as per Bangladesh Bank MPD Circular No. 01 dated 04 March 2025. The cash reserve maintained by the Bank was in excess of the statutory requirement throughout the year.

Required Reserve (DBO 4.00 % of Average Demand and Time Liabilities)	19,119,192,000	17,798,936,000
Actual reserve held with Bangladesh Bank	21,466,614,000	24,273,402,000
Surplus/(Deficit)	**2,347,422,000**	**6,474,466,000**
Statutory Liquidity Requirements (SLR)		
Required Reserve(DBO 5.50 % of Average Demand and Time Liabilities)	26,300,531,000	24,519,999,000
Actual reserve held	29,934,847,000	27,226,150,000
Surplus/(Deficit)	**3,634,316,000**	**2,706,151,000**
5.A	**Consolidated Cash in hand:**	
	Al-Arafah Islami Bank PLC.	5,592,493,767	5,804,554,951
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	2,870,659
		5,592,493,767	**5,807,425,610**
6.	**Balance with other Banks and Financial Institutions**		
a)	In Bangladesh:		
	Islami Bank Bangladesh PLC.	1,677,160	2,356,615
	Dutch Bangla Bank PLC.	2,113,788	124,938
	National Bank PLC.	44,745	65,435
	Agrani Bank PLC.	26,890,927	36,548,110
	Dhaka Bank PLC.	1,641,532	10,653,027
	Prime Bank PLC.	396,169	361,169
	Social Islami Bank PLC.	4,423	162,619
	Shahjalal Islami Bank PLC.	10,146,797	9,847,598
	EXIM Bank PLC.	1,057	10,429
	ICB Islamic Bank PLC.	161,877,924	161,928,154
	Jamuna Bank PLC.	3,071,211	7,952,980
	The City Bank PLC.	4,787,822	16,677,540
	Southeast Bank PLC.	746,169	2,635,091
	AB Bank PLC.	91,116	18,720,786
	Mercantile Bank PLC.	19,817,945	1,220,902
	Bank Alfalah PLC.	1,725	886,846
	Standard Bank PLC	970,138,536	-
	Rajshahi Krishi Unnayan Bank	2,121,582	500,500,475
		1,205,570,626	**770,652,712**

b. Outside Bangladesh (NOSTRO A/C)

Name of bank	Currency Name	Amount in Foreign Currency	Conversion rate per unit F.C	Amount In BDT.	Amount In BDT.
Habib Bank American Bank, New York	USD	200,622	122.2954	24,535,208	(34,435,603)
ICICI Bank Limited, Hongkong	USD	164,413	122.2954	20,106,906	75,292,216
Mashreque Bank PSC, New York	USD	1,289,589	122.2954	157,710,853	56,735,908
Citibank N.A., New York, USA	USD	391,808	122.2954	47,916,290	(20,198,671)
Standard Chartered Bank Ltd. New York	USD	1,249,529	122.2954	152,811,644	(11,397,429)
Commerzbank AG, Frankfurt EURO	EURO	1,188,305	143.9661	171,075,589	8,382,550
Sonali Bank Ltd. London, USD	USD	178,679	122.2954	21,851,632	11,154,382
Zhejiang Chouzhou Comm. Bank, USD	USD	171,515	122.2954	20,975,498	2,398,020
Ab Bank Ltd. Mumbai	USD	70,671	122.2954	8,642,715	1,455,911
Axis Bank Ltd. Kolkata	ACUD	-	0.0000	-	30,156,545
Bank Of Bhutan, Bhutan	USD	28,238	122.2954	3,453,351	14,758,250
ICICI Bank Limited, Mumbai	USD	173,363	122.2954	21,201,473	5,000,032
Sonali Bank Ltd. Kolkata	USD	52,103	122.2954	6,371,905	37,534,402
Standard Chartered Bank Ltd. Karachi	USD	132,757	122.2954	16,235,614	9,398,928
Standard Chartered Bank Ltd. Mumbai	USD	62,040	122.2954	7,587,207	29,723,303
Habib Metropolitan Bank Ltd. Karachi	USD	129,946	122.2954	15,891,826	15,319,948
Kumari Bank Ltd. Nepal	USD	100,132	122.2954	12,245,683	5,761,200
Punjab National Bank, Kolkata	USD	116,866	122.2954	14,292,185	12,457,918
Punjab National Bank	ACUD	7,812	143.9661	1,124,699	-
Al Raji Banking & Inv Corp, KSA	SAR	113,297	32.6052	3,694,073	21,584,709
Emirates NBD, Riyadh, KSA	SAR	590,435	32.6052	19,251,239	6,090,652
Riyad Bank, KSA	SAR	155,622	32.6052	5,074,086	14,410,759
Standard Chartered Bank Ltd. Japan	JPY	663,154	0.7825	518,918	734,819
Standard Chartered Bank Ltd. London	GBP	133,457	165.1110	22,035,263	41,360,770
Commerzbank AG, Frankfurt GBP	GBP	45,488	165.1110	7,510,582	21,848,567
Commerzbank AG, Frankfurt USD	USD	1,108,155	122.2954	135,522,233	13,106,350
Standard Chartered Bank Ltd. Frankfurt	EURO	145,437	143.9661	20,937,944	320,762,944
Intesa Sanpaolo SPA, Italy	EURO	415,028	143.9661	59,750,019	52,185,895
Punjab National Bank, Kolkata, Acue	ACUE	-	0.0000	-	977,312
Shanghai Pudong Development Bank, China	CNY	278,080	17.4638	4,856,339	101,280,394
Habib Bank AG, Zurich	CHF	-	0.0000	-	10,045,974
Abu Dhabi Commercial Bank PJSC, UAE	AED	328,231	33.2949	10,928,429	41,643,046
Zhejiang Chouzhou Comm. Bank. CNY	CNY	207,609	17.4638	3,625,649	13,885,843
Standard Chartered Bank Ltd. Singapore	SGD	14,050	95.0827	1,335,949	9,215,296
Standard Chartered Bank Ltd. Singapore	AUD	239,753	82.0113	19,662,445	-
Standard Chartered Bank Ltd. Singapore	CAD	250,916	89.3189	22,411,513	-
Axis Bank Ltd. Mumbai	USD	16,265	122.2954	1,989,163	-
Mashreque Bank PSC, Mumbai	USD	123,093	122.2954	15,053,732	26,817,232
Sub-Total: (Previous year's figure restated)				**1,078,187,856**	**945,448,370**
Grand-Total (A+B):				**2,283,758,482**	**1,716,101,082**

Note: The published Annual Financial Statements 2025 is available at the Website of the Bank. The address of the Website www.aibl.com.bd

আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সর্বদাই শরীয়াহ্

Al-Arafah Islami Bank PLC

Head Office: 63 Purana Paltan, Dhaka-1000

FINANCIAL STATEMENTS 2025 (AUDITED)

Notes to the Financial Statements

		2025 Taka	2024 Taka
6.A.	**Consolidated Balance with other Banks and financial institutions**		
	a) In Bangladesh:		
	Al-Arafah Islami Bank Ltd. [Note-6.a]	1,205,570,626	770,652,712
	AIBL Capital Market Services Ltd.	285,611,688	209,261,006
	AIBL Capital Management Ltd.	4,751,650	-
		1,495,933,964	**979,913,718**
	Less: Inter-Company Adjustment	(289,979,980)	(209,261,006)
		1,205,953,984	**770,652,712**
	b. Outside Bangladesh (AIB PLC)	1,078,187,856	945,448,370
	Total: (Previous year's figure restated)	**2,284,141,840**	**1,716,101,082**
6.A.i	**Maturity - wise Groupings (Inside & Outside Bangladesh)**		
	Payable on Demand		
	Up to 1 (one) month	1,535,244,918	1,082,700,000
	Over 1 (one) Month but not more than 3 (three) Months	499,626,192	546,802,164
	Over 3 (three) Months but not more than 1 (one) year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	249,270,730	86,598,918
		2,284,141,840	**1,716,101,082**
7.	**Placement with Banks & Other Financial institutions**		
	Islami Bank Bangladesh PLC.	-	2,000,000,000
	First Security Islami Bank PLC.	1,000,000,000	1,000,000,000
	Global Islami Bank PLC.	450,000,000	450,000,000
	Islamic Finance and Investment PLC.	500,000,000	550,000,000
	Union Bank PLC.	2,500,000,000	2,500,000,000
	Mercantile Bank PLC.	200,000,000	-
	NCC Bank PLC.	1,500,000,000	-
	Social Islami Bank PLC.	450,000,000	450,000,000
		6,600,000,000	**6,950,000,000**

Note: Placement with Union Bank in mode of MTDR for BDT 100 crore is kept as lien with the same Bank against investment facilities of our subsidiary AIBL Capital Market Services Ltd.

7.A	Al-Arafah Islami Bank Ltd.	6,600,000,000	6,950,000,000
	AIBL Capital Market Services Ltd.	-	-
		6,600,000,000	**6,950,000,000**
8.	**Investment in Shares & Securities**		
	Bangladesh Govt. Islamic Bond (BGIIB) (8.a)	23,000,000,000	19,500,000,000
	Bangladesh Government Investment Sukuk (BGIS) (8.a)	28,096,470,000	16,472,780,000
	Investment In Islamic Refinance Fund (8.a)	-	500,000,000
	Bangladesh Govt. Shariah (AIB PLC) special bond power 10 yrs	230,414,000	230,414,000
	Bangladesh Govt. Shariah (AIB PLC) special bond fertilizer 10 yrs	7,619,461,000	7,619,461,000
	Investment in Share and Securities (8.b)	12,184,486,285	12,608,907,981
		71,130,831,285	**56,931,562,981**
	Investments in Share & Securities		
8.a	**Government Securities**	**58,946,345,000**	**44,322,655,000**
	Bangladesh Govt. Islamic Bond (BGIIB) (8.a)	23,000,000,000	19,500,000,000
	Bangladesh Government Investment Sukuk (BGIS) (8.a)	28,096,470,000	16,472,780,000
	Bangladesh Govt. Shariah (AIB PLC) special bond power 10 yrs	230,414,000	230,414,000
	Bangladesh Govt. Shariah (AIB PLC) special bond fertilizer 10 yrs	7,619,461,000	7,619,461,000
	Investment In Islamic Refinance Fund (8.a)	-	500,000,000
8.b	**Investment In shares (Quoted and Unquoted)**		
	Quoted: Private (8.b)	1,418,594,729	1,443,016,425
	Unquoted: Private (8.b)	10,765,891,556	11,165,891,556
		12,184,486,285	**12,608,907,981**
8.b.1	**Cost price of share as on 31 December 2025 as follows**		
	A. Quoted shares in (Schedule of Shares and Securities are given Annexure B)		
	DAFODILCOM	398,980,623	398,980,623
	PADMAOIL	395,722	395,722
	JAMUNAOIL	230,796,024	230,796,024
	PRIMELIFE	114,905,548	114,905,548
	BBSCABLES	7,740,115	7,740,115
	SINOBANGLA	7,445,152	31,866,848
	PREMIERCEM	32,357,061	32,357,061
	UNIONINS	1,485,527	1,485,527
	BEXIMCO	15,099,579	15,099,579
	BSC	4,274,995	4,274,995
	EHL	6,014,454	6,014,454
	ITC	4,305,621	4,305,621
	TITASGAS	77,147,434	77,147,434
	UNIQUEHRL	46,874,069	46,874,069
	SPCL	35,433,157	35,433,157
	ACIFORMULA	2,828,826	2,828,826
	ACMELAB	4,351,600	4,351,600
	BSCCL	12,078,337	12,078,337
	LHBL	5,487,803	5,487,803
	NAHEEACP	1,451,039	1,451,039
	RUNNERAUTO	2,296,135	2,296,135
	IBNSINA	8,305,539	8,305,539
	LINDBD	18,286,086	18,286,086
	KDSALTD	28,667,990	28,667,990
	DELTALIFE	12,465,436	12,465,436
	ANWARGALV	11,985,211	11,985,211
	CONFIDCEM	2,977,804	2,977,804
	NAVANAPHA	4,495,615	4,495,615
	RENATA	826,361	826,361
	CONTININS	1,561,770	1,561,770
	AAMRANET	4,982,862	4,982,862
	NHFIL	12,803,440	12,803,440
	RAKCERAMIC	6,234,602	6,234,602
	MEGHNACEM	9,204,502	9,204,502
	POWERGRID	12,210,798	12,210,798
	BEXGSUKUK	101,837,894	101,837,894
	AIBL 1st Islamic Mutual Fund	170,000,000	170,000,000
		1,418,594,729	**1,443,016,425**
	B. Unquoted shares in		
	Swift Share	23,268,161	23,268,161
	Central Depository Bangladesh Limited	3,138,890	3,138,890
	Investment in Union Bank Mudaraba Sub-Ordinated Bond	200,000,000	200,000,000
	Investment in SIBL Perpetual Bond	1,000,000,000	1,000,000,000
	Investment in IBBL Second Mudaraba Perpetual Bond	2,000,000,000	2,000,000,000
	Investment in SIBL 4th Sub-Ordinated Bond	2,000,000,000	2,000,000,000
	Investment in IBBL 4th Sub-Ordinated Bond	1,600,000,000	2,000,000,000
	Investment for Subsidiary Companies	2,910,000,000	2,910,000,000
	Investment in SBL Perpetual Bond	1,000,000,000	1,000,000,000
	Investment in Millennium Information Solution Limited	29,484,505	29,484,505
		10,765,891,556	**11,165,891,556**
	Total: (A+B)	**12,184,486,285**	**12,608,907,981**
8.A	**Consolidated Investment in Shares & Securities**		
	Al-Arafah Islami Bank PLC.	71,130,831,285	56,931,562,981
	AIBL Capital Market Services Ltd. **8.A.i**	10,825,353,920	10,957,943,438
	AIBL Capital Management Ltd. **8.A.i**	522,779,368	511,551,848
		82,478,964,572	**68,401,058,267**
	Less: Intercompany Adjustment	**2,917,900,000**	-
	Total: (Previous year's figure restated)	**79,561,064,572**	**68,401,058,267**
8.A.i	**Investment in Shares & Others**		
	Al-Arafah Islami Bank PLC	12,184,486,285	12,608,907,981
	AIBL Capital Market Services Ltd.	10,825,353,920	10,957,943,438
	AIBL Capital Management Ltd.	522,779,368	511,551,848
		23,532,619,572	**24,078,403,267**
	Less: Intercompany Adjustment	**2,917,900,000**	-
		20,614,719,572	**24,078,403,267**
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	22,965,715,000	1,498,900,000
	Over 1 year but not more than 5 years	24,955,600,000	10,311,900,250
	More than 5 years	31,639,749,572	56,590,258,017
		79,561,064,572	**68,401,058,267**
9.	**Investments**		
	a) **General Investment**		
	i. **In Bangladesh:**		
	Murabaha Investment	124,710,498,857	116,692,052,508
	Bai-Muazzal Investment	177,875,495,537	175,268,099,245
	Hire Purchase Investment	159,672,314,656	155,714,991,984
	Quard	3,918,373,100	2,809,917,300
	Other Investment	6,265,476,052	6,200,685,070
	Investment through OBU	629,967,789	745,111,003
		473,072,125,991	**457,430,857,110**
	ii. **Out side Bangladesh:**	-	-
		473,072,125,991	**457,430,857,110**
	Less: Unearned profit on Investment	12,354,576,355	12,587,065,936
		460,717,549,635	**444,843,791,174**
	b) Bill Purchased & Discounted		
	Payable in Bangladesh	30,099,880,366	30,489,709,398
	Payable out side Bangladesh	2,024,057,079	1,800,628,651
	Investment through OBU	10,766,153,437	7,710,233,951
		42,890,090,882	**40,000,571,999**
	Less: Balance with OBU	**(2,387,944,113)**	-
		40,502,146,769	**40,000,571,999**
	Total: (Previous Year's Figure Restated)	**501,219,696,404**	**484,844,363,173**
	c) **Maturity grouping of Investment Including bills purchased and discounted**		
	Up to 1 (one) month	79,249,016,155	77,749,288,353
	Over 1 (one) month but not more than 3 (three) months	149,810,705,776	142,676,500,000
	Over 3 (three) months but not more than 1 (one) year	153,064,860,410	150,994,944,955
	Over 1 (one) year but not more than 5 years	86,487,165,825	82,368,520,000
	Over 5 years	32,607,948,239	31,055,109,866
		501,219,696,404	**484,844,363,174**
	d) **An analysis to disclose following Significant concentration:**		
	i. Investment to Directors and others	-	-
	ii. Investment to Managing Director and Chief 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	220,752,400,000	212,257,200,000
	iv. Investments to customers for more than 10% of Bank's Total Capital		
	Number of clients	43	38
	Amount of outstanding Investment	220,752,400,000	212,257,200,000
	Amount of Classified Investment	88,522,035,000	74,055,365,000

	Name of Clients	Funded	Non-Funded	2025	2024
1	City Group	660.38	62.96	723.34	1,056.01
2	Thermax Group	443.25	63.05	506.30	470.06
3	Majumder Traders	291.37	16.39	307.76	-
4	Abul Khair Steel Industries Ltd.	354.53	380.54	735.07	740.00
5	AIBL Capital Market Services Ltd.	413.67	40.00	453.67	439.57
6	Noapara Traders	60.49	510.07	570.56	348.67
7	Techno Electricals ltd	306.04	222.83	528.87	492.61
8	Badsha Group	193.95	267.91	461.86	532.90
9	Masihata Sweaters Ltd.	684.22	166.82	851.04	806.13
10	Tafrid Cotton Mills Ltd.	395.86	4.16	400.02	-
11	Sheikh Brother & its Sister Concern	306.93	311.03	617.96	855.55
12	NICE Denim Mills Ltd.	285.53	335.22	620.75	782.60
13	Momtex	516.62	13.94	530.56	510.98
14	Kabir Steel Re-rolling Mills	602.26	-	602.26	827.70
15	IBN Sina	83.56	170.05	253.61	520.62
16	Aman Group	433.84	246.52	680.36	681.12
17	Nitol Motors Ltd.	287.60	-	287.60	-
18	Creative paper Mills	315.95	48.60	364.55	479.00
19	Biswas Poultry & Fish Feeds Ltd.	611.87	112.60	724.47	202.93
20	PRAN-RFL Group	122.02	143.40	265.42	-
21	M S Dyeing, Printing & Finishing Ltd.	536.71	284.40	821.11	950.65
22	Mahmud Fabrics And Finishing Ltd.	886.68	-	886.68	911.38
23	S Suhi industrial Park Ltd	922.35	19.39	941.74	931.28
24	H.R. Re-Rolling Mills	324.48	145.57	470.05	434.65
25	Healthcare pharmaceuticals Ltd.	434.34	27.94	462.28	546.00
26	Nassa Taipei Denim & Textile Ltd	644.55	0.07	644.62	567.97
27	Bashundhara Group	770.57	-	770.57	680.60
28	Formula One	206.03	66.01	272.04	280.01
29	Esquire Knit Composite & Esquire Dyeing Industries Ltd.	352.54	255.79	608.33	505.98
30	GMS Trims Ltd., GMS Composite Knitting Ltd	210.31	134.22	344.53	496.24
31	Unique Hotel & Resorts Ltd.	330.18	-	330.18	-
32	N. Mohammad Group	256.60	107.51	364.11	344.75
33	Mondal Group	238.66	206.23	444.89	494.86
34	Fakir Knit Wear Ltd.	189.08	154.28	343.36	394.43
35	H.R Textile Mills Ltd.	295.55	167.43	462.98	501.31
36	Crown Cement, GPH Ispat & Molla Salt	298.81	54.00	352.81	471.68
37	Z & Z Intimates Ltd.	282.43	52.92	335.35	369.80
38	Ifad Group	416.64	47.15	463.79	427.62
39	Ibrahim Knit Garments Pvt. Ltd.	263.83	152.12	415.95	381.14
40	Woodland Plywood and Particle Board Mills Ltd., H & S Glassware Ltd.	512.03	47.47	559.50	407.23
41	Premier Steel Re-Rolling Mills Pvt. Ltd.	587.83	2.00	589.83	550.00
42	Bonafide Composite Textile Mills Ltd.	214.49	97.57	312.06	348.82
43	Interoff Apparels Ltd	228.01	47.88	275.89	286.20
				22,075.24	**21,225.72**

	v) **Industry/Sector wise Investments**		
	Agriculture	8,225,034,043	8,097,815,971
	Manufacturing Industries**[Note: V-1]**	261,027,770,947	253,919,923,504
	Agro Based Industries	47,215,643,028	44,093,822,533
	Service Industries	67,904,943,621	66,745,701,327
	Trading	88,161,861,737	88,240,333,760
	Financial Companies	7,997,085,311	8,961,698,249
	Individuals	15,717,090,338	14,111,213,580
	Others	4,970,267,380	4,805,575,233
		501,219,696,404	**488,976,084,156**
	Less: Unearned profit on Investment	12,354,576,355	12,587,065,936
		488,865,120,049	**476,389,018,219**
v.1	**Clarification of Manufacturing Industries:**		
	RMG	82,713,531,777	83,786,439,321
	Textiles	32,664,961,875	33,720,983,616
	Spinning Mills	27,566,185,821	32,044,024,639
	Pharmaceutical Industries	15,640,481,595	14,714,493,985
	Chemical Fertilizer etc.	1,885,720,339	1,929,752,857
	Cement	973,563,834	171,883,083
	Ceramic	2,455,721,221	2,452,521,063
	Ship Building Industry & Ship Breaking	3,059,625,946	2,667,056,037
	Steel & Engineering Industry	41,099,936,087	33,174,607,773
	Assembling Industry	8,282,724,247	7,001,829,929
	Jute	4,422,078,741	4,298,118,432
	Rubber & Plastic	6,638,848,147	7,328,766,465
	Paper & Paper Products	5,704,594,957	5,694,487,692
	Packaging Industries	3,935,610,332	3,684,236,478
	Wood Products	4,735,837,870	4,639,828,461
	Bricks & Sand	2,926,589,121	3,169,869,696
	Glass & Glassware	3,683,668,217	1,969,780,191
	Leather	3,792,079,457	3,384,161,872
	Electrical & Electronic Goods MFG	4,950,736,650	4,221,170,383
	Battery Manufacturing	2,008,383,213	2,027,873,203
	Other Manufacturing	1,886,891,499	1,838,038,330
		261,027,770,947	**253,919,923,504**

Notes to the Financial Statements

vi) **Geographical Location -wise Investment**

	Urban:	Rural:		
Dhaka	369,573,495,769	17,371,870,931	386,945,366,700	380,269,641,801
Chittagong	52,893,111,340	11,918,993,409	64,812,104,749	57,263,933,000
Sylhet	2,930,880,502	510,631,110	3,441,511,611	3,161,432,000
Rajshahi	9,202,357,970	3,672,857,388	12,875,215,358	12,108,262,354
Mymensingh	2,384,421,893	264,892,508	2,649,314,401	2,535,590,000
Khulna	18,661,334,605	3,600,173,753	22,261,508,358	22,520,108,000
Rangpur	6,363,550,331	1,384,075,867	7,747,626,198	7,187,786,000
Barisal	3,208,710,338	624,737,932	3,833,448,270	3,929,331,000
			504,566,095,646	**488,976,084,155**
Less: Unearned profit on Investment			12,354,576,355	12,587,065,936
			492,211,519,290	**476,389,018,219**

e)	**Classification of Investment including bills purchased and discounted:**		
	Unclassified	**416,044,061,000**	**414,920,719,155**
	Standard including (Staff investment)	372,428,100,000	405,222,057,155
	Special Mention Accounts (SMA)	43,615,961,000	9,698,662,000
	Classified	**88,522,035,000**	**74,055,365,000**
	Sub Standard	6,933,504,000	14,054,663,000
	Doubtful	9,904,858,000	5,532,428,000
	Bad / Loss	71,683,673,000	54,468,274,000
		504,566,096,000	**488,976,084,155**
	Less: Unearned profit on Investment	12,354,576,355	12,587,065,936
		492,211,519,645	**476,389,018,219**
f)	**Required Provision on Investment & Off -balance sheet exposures**		
	Unclassified		
	General provision on unclassified Investment	3,340,627,000	2,841,954,000
	General provision on small enterprise Investment	153,242,000	327,643,000
	General provision on Housing financing Investment	51,016,000	22,103,000
	General provision on consumer financing Investment	84,589,000	99,335,000
	General provision on Micro Investment	39,764,000	79,761,000
	General provision on special mention Investment	2,165,774,000	103,624,000
	General provision on bad/loss Investment	-	1,280,000
		5,835,012,000	**3,475,700,000**
	Classified		
	Specific provision on substandard Investment	966,871,000	742,000,000
	Specific provision on doubtful Investment	2,916,207,000	379,000,000
	Specific provision on bad/loss Investment	58,860,500,000	55,950,763,000
	Unclassified	**62,743,578,000**	**57,071,763,000**
	General provision on Off-balance sheet	1,260,300,000	1,398,900,000
		69,838,890,000	**61,946,363,000**
g)	**Provision made on Investment & Off-balance sheet exposures**		
	Unclassified		
	General provision on unclassified Investment	3,353,915,000	2,841,954,000
	General provision on small enterprise Investment	153,242,000	327,643,000
	General provision on Housing financing Investment	51,016,000	22,103,000
	General provision on consumer financing Investment	84,589,000	99,335,000
	General provision on Micro Investment	39,764,000	79,761,000
	General provision on special mention Investment	2,165,774,000	103,624,000
	General provision on BHS/MHS/SDS	-	1,280,000
		5,848,300,000	**3,475,700,000**
	Classified		
	Specific provision on substandard Investment	966,871,000	742,000,000
	Specific provision on doubtful Investment	2,916,207,000	379,000,000
	Specific provision on bad/loss Investment	8,861,432,257	16,560,700,000
		12,744,510,257	**17,681,700,000**
	General provision on Off-balance sheet	1,260,300,000	1,398,900,000
	Total Provision Maintained	**19,853,110,257**	**22,556,300,000**
	Total required Provision as per BSD-12 (BB) & External Auditor	**69,838,890,000**	**61,946,363,000**
	Provision Excess/(Shortfall)	**(49,985,779,743)**	**(39,390,063,000)**

Bank Supervision Department(BSD)-12 as well as External Auditors of the Bank have calculated Tk. 6,983.89Crore as total required provision against Investment of the Banks. Among which Tk 1,985.31crore is kept as provision on Investment. Rest of the Provision Tk. 4,998.58(6,983.89-1,985.31) crore will be kept later as per approval of the Bank Supervision Department (BSD)-12 through ref: BSD-12/57/2026-396,dated: 28/04/2026.Although, the Bank has to be maintained Taka 5,306.68crore as deferrel provision including Other Assets, Non-Banking Assets, Gartuity and Placements with Other Banks.

h)	**Particulars of Investments**		
i)	Investments considered good in respect of which the bank is fully secured	301,598,297,294	312,815,435,911
ii)	Investments considered good in respect of which the Bank holds debtors' personal security	184,446,076,827	184,554,428,523
iii)	Investments considered good and secured by personal security of one or more persons in addition to personal security of debtors	-	-
iv)	Investment adversely classified; provision not maintained there against;	49,985,779,743	39,390,063,000
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;	27,462,950	27,462,950
vii)	Maximum total amount of Investments including temporary Investments made at any time during the year to directors or managers or officers of the banking companies or any of them either agents severally or jointly with any other persons;	-	-
viii)	Maximum total amount of Investment including temporary Investment granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-
ix)	Due from banking companies;	-	-
x)	Amount of Classified Investment on which profit has not been charge, are mentioned as follows;		
	a) An amount of Bad Investment on which profit has not been charged	71,683,673,000	54,468,274,000
	i) Decrease/Increase in provision (Specific)	(4,937,189,743)	3,548,682,000
	ii) Amount of Investment written off;	13,289,517,000	8,231,970,000
	iii) Amount realized against Investment previously written off;	191,155,746	320,676,379
	b) Amount of provision kept against Investment classified as "bad/loss" on the date of preparing the balance sheet ;	8,861,432,257	16,560,700,000
	c) Profit creditable to the profit suspense/Compensation A/c;		
xi)	i) Cumulative amount of the written of Investment;	15,658,961,000	10,410,294,000
	ii) Amount written off during the current year;	5,248,667,000	649,142,000
	iii) The amount of written off Investment for which lawsuit has been field;	13,289,517,000	8,231,970,000
9.A.	**Investments**		
	Al-Arafah Islami Bank PLC.	501,219,696,404	484,844,363,173
	AIBL Capital Market Services Ltd.	-	570,952,323
	AIBL Capital Management Ltd.	-	21,314,870
		501,219,696,404	**485,436,630,366**
	Less : Inter company Adjustment	3,397,900,000	3,397,899,998
	Total: (Previous year's figure restated)	**497,821,796,404**	**482,038,730,368**
9.A.i	**Maturity grouping of Investment Including bills purchased and discounted**		
	Payable on Demand	-	-
	Up to 1 (one) month	79,249,016,155	77,749,288,353
	Over 1 (one) month but not more than 3 (three) months	149,810,705,776	142,676,500,000
	Over 3 (three) months but not more than 1 (one) year	149,666,960,410	147,597,044,957
	Over 1 year but not more than 5 years	86,487,165,825	82,368,520,000
	Over 5 years	32,607,948,239	31,647,377,058
		497,821,796,404	**482,038,730,368**
10.	**Fixed Assets**		
	Tangible Assets		
	Land	1,519,150,690	1,519,150,690
	Building	1,221,316,331	1,221,316,331
	Furniture (Wood)	1,675,598,609	1,606,561,168
	Furniture (Steel)	255,135,843	247,152,732
	Computer	441,309,525	426,203,225
	Computer (Accessories)	195,545,675	188,279,465
	Motor Car	248,274,621	238,304,298
	Machine equipment & appliance	1,714,044,580	1,666,132,655
	Online Hardware (IT)	1,425,328,063	1,264,533,065
	Interior Decoration	192,032,737	182,116,168
	Right of use Assets as per IFRS-16*	3,020,563,720	2,402,163,720
	Books & Library	9,846,414	9,664,835
		11,918,146,806	**10,971,578,352**
	Intangible Assets		
	Online Software (IT)	1,341,571,396	1,044,949,003
	Total	**13,259,718,203**	**12,016,527,355**
	Less: Accumulated Depreciation & Amortization	7,329,061,417	6,442,467,855
		5,930,656,786	**5,574,059,500**
	Schedule of Fixed Assets are given in Annexure - A.		
10.A.	**Consolidated Fixed Assets (Written Down Value):**		
	Al-Arafah Islami Bank PLC.	5,930,656,786	5,574,059,500
	AIBL Capital Market Services Ltd.	700,384	1,153,847
	AIBL Capital Management Ltd.	23,157	217,096
		5,931,380,327	**5,575,430,442**
11.	**Other Assets**		
	Acquiring settlement	4,832,614,254	569,903,792
	Cash Incentive from B. Bank (F. Remittance)	800,074,301	280,000,000
	Suspense Account	10,828,275	32,279,819
	Stock of stationary	256,430,600	285,233,815
	Stamp in hand	14,842,138	13,669,687
	Security Deposit	5,167,181	5,179,947
	Advance Rent	289,601,426	399,612,039
	Parking for RTGS outgoing	1,102,984	92,845,710
	P.R (BB) against stimulus fund	46,488,083	3,894,128
	Advance Income Tax & TDS [Note	13,561,018,885	17,364,969,955
	Protested bill	509,594,594	43,613,309
	Prepaid expenses	23,743,399	14,693,564
	Balance with CMSL for portfolio	1,008,878,185	980,523,543
	Parking for overdue claims (IBW)	-	4,461,181
	Accrued income	2,949,825,633	2,647,472,425
	SCB MC settlement a/c (local)	13,412,581	35,005,477
	Remittance adjustment A/c	80,001,000	-
	Clearing adjustment	111,468,820	141,576,453
	Dividend receivable	23,961,631	27,031,317
	Revaluation adjustment A/c	8,190	-
	Other Assets from OBU (Accrued Income)	27,832,309	23,934,974
	Due from off-shore Banking Unit	11,149,890,631	8,261,642,760
	Deferred Tax Asset	36,373,530	-
	Islamic Wallet Pre fund	500,000	-
	IW Cash in & Cash Out Pre fund & RTGS Settlement Account	124,771	-
		35,753,783,400	**31,227,543,896**
	Less: Balance with OBU for elimination investment with OBU	11,149,890,631	8,261,642,760
	Total: (Previous year's figure restated):	**24,603,892,769**	**22,965,901,136**
11.1	**Classification of other Assets under the following categories**		
i)	Investment in shares of subsidiary companies;		
	In Bangladesh		
ii)	Stationery, Stamps, Printing materials etc.	271,272,738	298,903,502
iii)	Advance rent and advertisement;	289,601,426	399,612,039
iv)	Profit accrued on Investment but not collected, commission &	2,949,825,633	2,647,472,425
v)	Security deposit	5,167,181	5,179,947
vi)	Preliminary, formation and organization expenses, renovation	23,743,399	14,693,564
vii)	Acquiring Settlement	4,832,614,254	569,903,792
viii)	Suspense account	10,828,275	32,279,819
ix)	Cash incentive from B. Bank (F. Remittance)	800,074,301	280,000,000
x)	Protested Bills	509,594,594	43,613,309
xi)	P.R. (BB) against stimulus fund	46,488,083	3,894,128
xii)	Membership Cost	-	4,461,181
xiii)	IW Cash-in & Cash-out Prefund (DFS)	124,771	100,000
xiv)	Parking for RTGS outgoing USD	1,102,984	-
xv)	Others *	25,949,139,923	18,641,852,456
		35,689,577,562	**22,941,966,162**
xvi)	**Others**		
	Parking for RTGS outgoing USD	800,686	(57,755,290)
	Clearing adjustment A/c	111,468,820	141,576,453
	Advance Income Tax & TDS	13,561,018,885	17,364,969,955
	SCB MC settlement A/c (local)	13,412,581	35,005,477
	Balance with CMSL for portfolio account	1,008,878,185	980,523,543
	Dividend receivable	23,961,631	-
	Revaluation adjustment a/c	8,190	-
	Due from off-shore Banking unit	11,149,890,631	-
	Islamic Wallet Pre fund	500,000	500,000
	Remittance adjustment a/c	80,001,000	150,001,000
		25,949,940,609	**18,641,852,456**
11.2	**Advance Income Tax & TDS**		
	Beginning of the year	17,364,969,954	15,948,992,836
	Advance tax paid during the year	2,226,368,159	3,070,178,452
	Tax deducted at Source during the year	401,953,001	310,116,346
	Settlement for previous year (2018-2020)	(6,432,272,230)	(1,964,317,679)
	Advance income tax at the end of the year	**13,561,018,884**	**17,364,969,954**
11.A.	**Consolidated Other Assets**		
	Al-Arafah Islami Bank PLC.	24,603,892,769	22,965,901,136
	AIBL Capital Market Services Ltd.	725,549,874	447,120,746
	AIBL Capital Management Ltd.	14,537,390	30,908,494
		25,343,980,033	**23,443,930,376**
	Inter-Company Adjustment	(1,006,040,865)	(3,890,523,543)
		24,337,939,523	**19,553,406,833**
12.	**Non-Banking Assets**	**37,683,927**	**37,683,927**
13.	**Placement from Banks & Other Financial Institutions**		
	Bangladesh Government Islamic Investment Bond (BGIIB) from BB (Note 13.i)	10,000,000,000	19,500,000,000
	FC Refinance from Bangladesh Bank (Note 13.ii)	47,386,879,419	43,085,347,478
	Fund from Treasury Division, AIBL -OBU	11,149,890,631	8,261,642,760
		68,536,770,050	**70,846,990,238**
	Less: Fund from Treasury Division, AIBL- OBU	11,149,890,631	8,261,642,760
		57,386,879,419	**62,585,347,478**

13.i The Bank has taken finance from Islami Investment Bond (Islami Bond) at banks' own mudaraba savings rate (i.e.. as on 31st December 2025 MTDR provisionalrate) for 180 days tenure which introduced by the Government for islami banks and financial institutes in December 2004 through Bangladesh Bank. The borrowing has been secured by MTDR, Accepted bills and Demand Promissory Note.

Name of the Bank	Mature Date	Nature	Amount	Amount
In Bangladesh				
Placement from Bangladesh Bank	07.02.2026	D.P Note	1,000,000,000	2,500,000,000
Placement from Bangladesh Bank	09.02.2026	D.P Note	3,000,000,000	2,000,000,000
Placement from Bangladesh Bank	11.02.2026	D.P Note	1,000,000,000	500,000,000
Placement from Bangladesh Bank	16.02.2026	D.P Note	2,500,000,000	1,000,000,000
Placement from Bangladesh Bank	10.03.2026	D.P Note	1,000,000,000	500,000,000
Placement from Bangladesh Bank	29.03.2026	D.P Note	1,500,000,000	1,000,000,000
Placement from Bangladesh Bank		D.P Note		3,500,000,000
Placement from Bangladesh Bank		D.P Note		1,000,000,000
Placement from Bangladesh Bank		D.P Note		500,000,000
Placement from Bangladesh Bank		D.P Note		2,500,000,000
Placement from Bangladesh Bank		D.P Note		500,000,000

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আল-আরাফাহ্ ইসলামী ব্যাংক পিএলসি
Al-Arafah Islami Bank PLC
সর্বদাই শরীয়াহ্

Al-Arafah Islami Bank PLC

Head Office: 63 Purana Paltan, Dhaka-1000

FINANCIAL STATEMENTS 2025 (AUDITED)

Notes to the Financial Statements

16.	**Deferred Tax Assets**		
	Opening balance	(37,087,625)	40,237,761
	Add: Addition for the year	73,461,155	(3,150,135)
	Total Deferred Tax Assets	**36,373,530**	**37,087,626**
17.	**AIBL Mudaraba Bond**		
	AIBL Mudaraba Bond	6,398,000,000	9,000,000,000
	Perpetual bond	5,000,000,000	5,000,000,000
		11,398,000,000	**14,000,000,000**
18. a)	**Authorized 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	11,516,917,130	2,819,339,680
	Issued for other than Cash (Bonus Share)	-	8,697,577,450
		11,516,917,130	**11,516,917,130**

c) **Issued and paid up Capital of the Bank is 1,151,691,713 nos. of shares of Tk. 10 each as follows**

Description	2025 No. of Shares	2024 No. of Shares	2025 Total Taka	2024 Total Taka
Sponsors / Promoters	173,994,649	173,994,649	1,739,946,490	1,739,946,490
Institution	298,751,650	297,454,991	2,987,516,500	2,974,549,910
General Public	678,945,414	680,242,073	6,789,454,140	6,802,420,730
Total	**1,151,691,713**	**1,151,691,713**	**11,516,917,130**	**11,516,917,130**

d) **Break-up of Shares Classification of shareholders by holding as on 31-12-2025**

Range of Holding			Number of Shareholders	No. of Shares	No. of Shares
Less	than	50,000	14729	40,768,267	42,698,480
50,001	to	100,000	145	10,072,989	10,245,911
100,001	to	200,000	100	13,838,133	15,063,069
200,001	to	300,000	27	6,623,029	7,284,103
300,001	to	400,000	35	12,246,236	13,274,722
400,001	to	500,000	16	7,414,440	7,479,312
500,001	to	1,000,000	30	21,311,867	23,094,398
1,000,001	to	10,000,000	69	208,102,086	183,142,141
10,000,001	to	20,000,000	32	831,314,666	849,409,577
		Total	**15183**	**1,151,691,713**	**1,151,691,713**

e)	**Minimum Capital Requirement Capital Adequacy Ratio**		
1	**Tier-I (Core Capital)**		
	Paid-up Capital	11,516,917,130	11,516,917,130
	Statutory Reserve	11,516,917,130	11,238,492,510
	Retained Earnings	98,192,233	11,501,282
	Less : Regulatory Adjustment (Goodwill and all other Intangible Assets)	(618,205,942)	(446,763,939)
		22,513,820,551	**22,320,146,983**
2	**Additional Tier-I Capital**	5,000,000,000	5,000,000,000
	Total Tier-1 Capital	**27,513,820,551**	**27,320,146,983**
	3.Tier- II (Supplementary Capital)		
	General Provision	7,523,786,859	4,874,600,000
	AIBL Mudaraba Bond	6,398,000,000	9,000,000,000
	As per Basel iii excess amount over maximum limit of T-2	-	(428,094,341)
	Maximum Limit of tier-2 Capital (considering para 3.2 (v) including foot note no. of Guidelines)	**13,921,786,859**	**13,446,505,659**
3	**Tier- III**		
	A. Total Eligible Capital (1+2)	**41,435,607,410**	**40,766,652,642**
	B. Total Risk weighted Assets (a+b+c)	**386,640,514,003**	**336,162,641,471**
	a. Credit Risk	**356,211,509,462**	**307,448,436,262**
	i. Balance sheet Exposure	338,589,382,162	288,278,106,262
	ii. Off-balance sheet Exposure	17,622,127,300	19,170,330,000
	b. Market Risk (From WS-3)	3,748,411,473	1,749,358,203
	c. Operational Risk (From WS-4)	26,680,593,068	26,964,847,006
	C. Capital Adequacy Ratio (CAR) (A / B)	**10.72%**	**12.13%**
	D. Core Capital to RWA	7.12%	8.13%
	E. Supplementary Capital to RWA	3.60%	4.00%
	F. Minimum Capital Requirement (MCR) 10.00% of RWA	38,664,051,400	33,616,264,147
	G. Capital surplus on risk weighted assets based (A-F)	**2,771,556,010**	**7,150,388,495**
	H. Required Capital with Conservation Buffer @ 12.50% on RWA	48,330,064,250	42,020,330,184
	I. Excess Over Capital with Conservation Buffer (A-H)	**(6,894,456,840)**	**(1,253,677,542)**
18.A	**Non-Controlling Interest**		
	Opening balance	1,683,640,721	1,673,925,487
	Add: Non-Controlling Interest in Profit for the year	620,099	9,715,234
		1,684,260,820	**1,683,640,721**
19.	**Statutory Reserve**		
	Opening balance beginning of the year	11,238,492,510	10,968,492,510
	Add. Reserve @ 20% (on pre-tax profit)	278,424,620	270,000,000
	Balance at the end of the year.	**11,516,917,130**	**11,238,492,510**

At least 20% of net profit before tax is to be transferred to statutory reserve account each year until the cumulative balance equal to the amount of paid up capital account as per Section 24 of the Bank Company Act 1991 as amended. Thus, the Bank kept 100% of its Paid up capital as Statutory Reserve this year.

20.	**Revaluation Reserve**		
	Asset revaluation Reserve	1,084,174,318	1,084,174,318
	Less. Deferred tax liability on revaluation Reserve	-	-
	Add. Asset revaluation Reserve	-	-
20.a	**Total Asset revaluation Reserve**	**1,084,174,318**	**1,084,174,318**
20.b	**FC Revaluation Reserve**	-	2,080,247
		1,084,174,318	**1,086,254,565**
21.	**Retained Earnings**		
	Opening balance beginning of the year	11,501,281	1,653,975,457
	Less : Tax adjustment previous year	-	(10)
	Less : Cash Dividend	-	(1,096,849,251)
	Less : Bonus Share	-	(548,424,620)
	Add: Net Profit / (loss) after tax during the year	865,115,572	744,242,129
		876,616,853	**752,943,703**
	Less : transfer to Statutory Reserve	(278,424,620)	270,000,000
	Less : transfer to 1 % start-Up fund	-	7,442,421
	Less : Profit paid on aibl mudaraba perpetual bond	(500,000,000)	464,000,000
		98,192,233	**11,501,281**
21.A	**Consolidated Retained Earnings**		
	Opening balance beginning of the year	170,780,665	1,802,540,583
	Add: Net profit after tax during the year	853,734,963	754,956,375
	Add : AIT adjustment for CML (2012-2017)	7,506,946	-
	Add: Prior Year Adjustment (CMSL)	616,546	-
	Less: Prior Year Adjustment for Suspense Account (CML)	(1,371,629)	-
	Less: Stock dividend to equity holders of the bank		(548,424,620)
	Less: Cash dividend to equity holders of the bank	-	(1,096,849,251)
	Less: Transfer to statutory reserve	(278,424,620)	(270,000,000)
	Less : transfer to 1 % start-Up fund	-	(7,442,421)
	Less : Profit paid on aibl mudaraba perpetual bond	(500,000,000)	(464,000,000)
		252,842,871	**170,780,665**
22.	**Letter of Guarantee**		
a)	Claim against the bank which is not acknowledged as debt		
b)	Money for which is the bank is contingently liable in respect of guarantees given favoring		
	i. Directors	-	-
	ii. Government	-	-
	iii. Bank and other financial institution	-	-
	iv. Others	19,320,242,578	16,501,446,000
		19,320,242,578	**16,501,446,000**
23.	**Investment Income**		
i.	**Income from General Investments**		
	Murabaha	1,075,465,128	1,036,899,518
	Bai-Muazzal	14,218,351,854	14,232,641,087
	Hire-Purchase	14,194,684,857	14,643,412,964
	Others mode income	11,302,412,230	11,093,035,781
		40,790,914,069	**41,005,989,350**
ii.	Profit received from other Islamic Bank	611,607,643	1,032,261,730
	Total (i + ii)	**41,402,521,711**	**42,038,251,080**
23.A	**Consolidated Investment Income**		
	Al-Arafah Islami Bank PLC	41,402,521,711	42,038,251,080
	AIBL Capital Market Services Ltd.	264,272,489	283,167,289
	AIBL Capital Management Ltd.	1,379,402	1,216,166
		41,668,173,602	**42,322,634,535**
	Less : Inter company Adjustment	50,174,850	47,880,933
		41,617,998,752	**42,274,753,602**
24.	**Profit paid on Deposits & Placements from Other Banks**		
	Mudaraba Savings Deposit	1,299,391,009	1,712,512,980
	Mudaraba Short Term Deposit	1,353,528,833	1,630,030,860
	Mudaraba Term Deposit	24,073,470,414	19,553,410,107
	Mudaraba Special Deposit	5,546,916,424	2,981,706,709
	AIBL Mudaraba Subordinate debt.	854,521,866	979,190,684
	Mudaraba BD. Govt. Islamic Bond fund	2,132,990,724	2,622,141,671
	Profit Expenses of Lease Liabilities (as Per IFRS 16 Leases)	74,250,843	94,869,015
	Total: (Previous year's figure restated):	**35,335,070,113**	**29,573,862,026**
24.A.	**Consolidated Profit paid on Deposits & Placements from Other Banks**		
	Al-Arafah Islami Bank PLC.	35,335,070,113	29,573,862,026
	AIBL Capital Market Services Ltd.	219,661,048	192,612,922
		35,554,731,161	**29,766,474,948**
	Less : Inter company Adjustment	50,174,850	47,880,933
		35,504,556,311	**29,718,594,015**
25.	**Income from Investment in Share /Securities**		
	Dividend income (cash)	27,138,296	45,216,830
	Gain on sale of Shares/Securities	3,942,995	12,206,818
	Profit received from other Islamic Bond	3,844,490,469	2,661,553,434
		3,875,571,760	**2,718,977,082**
25.A.	**Income from Investment in Share /Securities**		
	Al-Arafah Islami Bank PLC.	3,875,571,760	2,718,977,082
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	882,995	4,830,153
		3,876,454,755	**2,723,807,235**
	Less : Inter company Adjustment	-	-
		3,876,454,755	**2,723,807,235**
26.	**Commission, Exchange & Brokerage Income**		
	Commission	2,473,097,620	2,546,519,187
	Exchange	1,645,384,705	1,717,272,150
	Brokerage commission	-	-
		4,118,482,325	**4,263,791,337**
26.A	**Consolidated Commission, Exchange & Brokerage Income**		
	Al-Arafah Islami Bank PLC.	4,118,482,325	4,263,791,337
	AIBL Capital Market Services Ltd.	77,254,614	116,308,725
	AIBL Capital Management Ltd.	1,449,533	4,585,407
		4,197,186,472	**4,384,685,469**
	Less : Inter company Adjustment	-	-
		4,197,186,472	**4,384,685,469**
27.	**Other Operating Income**		
	Processing fee on investment	105,557,471	108,992,296
	Supervision fee	68,140,417	214,755,207
	Service charge	56,899	4,570
	Capital gain or loss from fixed asset	995,550	4,729,694
	Passbook sales (GSIS)	107,390	123,466
	Account maintenance fee	193,239,339	186,668,295
	Transfer / redemption fee	394	80,000
	SMS Banking fees	244,258,389	241,525,992
	legal expenses recovered	1,077,633	39,861,892
	Printing & Stationary	1,800,074	1,720,662
	P & T charge recovered	37,959,238	1,435,569
	Application form sales (SEIS)	-	200
	Card income	284,657,529	271,605,204
	Misc. Income	65,256,688	53,615,800
		1,003,107,009	**1,125,118,846**
27.A.	**Other Operating Income**		
	Al-Arafah Islami Bank PLC.	1,003,107,009	1,125,118,846
	AIBL Capital Market Services Ltd.	8,551,449	(41,972,603)
	AIBL Capital Management Ltd.	269,918	-
		1,011,928,376	**1,083,146,243**
	Less : Inter company Adjustment	-	-
		1,011,928,376	**1,083,146,243**
28.	**Salaries, Allowances & Contribution to P.F**		
	Basic Pay	2,644,092,279	2,920,095,838
	House Rent Expenses	1,637,187,281	1,647,792,779
	House Maintenance	-	94,920
	Medical Expenses	839,730,823	836,283,338
	Bonus **(28.i)**	553,687,033	1,117,469,399
	Bank's Contribution to P.F	238,979,714	236,234,358
	Utility	1,372,276	2,426,878
	Conveyance Expenses	136,490,805	145,368,322
	LFA Allowance	120,146,426	114,394,663
	Lunch and Entertainment Allowance	850,091	1,025,217
	Leave Encashment Expenses	188,495,968	191,370,520
	Car Allowances	408,938,311	271,972,334
	Sales Commission	606,950	1,004,700
	Gratuity Expenses	420,000,000	370,000,000
	Total: (Previous year's figure restated):	**7,190,577,956**	**7,855,533,266**
28.i	**Bonus**		
	Incentive Bonus	-	586,152,785
	Bangla New Year	50,703,240	48,155,956
	Eid-ul-Fitre Bonus	251,475,939	241,931,232
	Eid-ul-Adha Bonus	251,507,854	241,229,426
		553,687,033	**1,117,469,399**
28.A.	**Salaries, Allowances & Contribution to P.F**		
	Al-Arafah Islami Bank PLC.	7,190,577,956	7,855,533,266
	AIBL Capital Market Services Ltd.	71,968,622	71,355,193
	AIBL Capital Management Ltd.	11,906,526	9,554,565
		7,274,453,104	**7,936,443,024**

Notes to the Financial Statements

29.	**Director Fees & Expenses**		
	i. Directors fees for attending Board/executive Committee/other committee meeting	2,962,600	4,293,200
	ii. TA/DA/ Hotel fare & Foreign Directors	2,766,859	7,212,182
		5,729,459	**11,505,382**
29.A.	**Consolidated Director Fees & Expenses**		
	Al-Arafah Islami Bank PLC.	5,729,459	11,505,382
	AIBL Capital Market Services Ltd.	2,620,833	-
	AIBL Capital Management Ltd.	129,840	-
		8,480,132	**11,505,382**
30.	**Shariah Supervisory Committee's Fees & Expenses**		
i.	Shariah fees for attending meeting	253,639	526,355
		253,639	**526,355**
31.	**Rent, Taxes, Insurance & Lighting**		
	Rent Office	598,065,018	
	Transfer to depreciation and profit expenses	590,411,785	7,653,233 / 16,870,915
	Lighting & Electricity		161,535,663 / 166,821,606
	Insurance		334,256,598 / 303,195,569
			503,445,493 / 486,888,090
31.A.	**Consolidated Rent, Taxes, Insurance & Electricity Bill**		
	Al-Arafah Islami Bank PLC.	503,445,493	486,888,090
	AIBL Capital Market Services Ltd.	18,878,685	17,978,657
	AIBL Capital Management Ltd.	2,242,980	2,105,897
		524,567,158	**506,972,644**
32.	**Postage, Telegram, Telephone & Stamp**		
	Air condition charge	1,340,488	-
	Postage	41,050,282	43,804,025
	Telephone (Office)	3,193,770	3,698,598
	Telephone (Mobile)	19,011,031	16,254,922
	SWIFT Charge	35,464,780	31,299,603
	Internet Charges	1,486,538	1,152,291
	Online Charge	38,561,349	51,874,317
		140,108,238	**148,083,756**
32.A.	**Consolidated Postage, Telegram, Telephone & Stamp**		
	Al-Arafah Islami Bank PLC.	140,108,238	148,083,756
	AIBL Capital Market Services Ltd.	79,518	86,670
	AIBL Capital Management Ltd.	62,779	56,312
		140,250,535	**148,226,738**
33.	**Depreciation Repairs to the Bank's property**		
	Repairs to the Bank's property		
	R.R. Furniture & Fixture (Wood)	3,980,183	4,125,473
	R.R. Furniture & Fixture (Steel)	3,718,844	4,824,205
	R.R. Computer	1,231,875	3,274,414
	Maintenance of Motor Car and other Vehicle	1,474,382	806,374
	R.R. Machine equipment & appliances	58,061,268	31,695,531
	Maintenance of Land & Building	30,635	243,274
	Maintenance of Rented Premises	3,398,879	-
	R.R. Computer Accessories	4,157,352	1,771,870
	R.R. Others	603,006	9,230,266
	Software Maintenance Fee	94,368,982	101,261,362
	Hardware Maintenance Fee	4,352,586	12,926,770
		175,377,992	**170,159,539**
	Depreciation to the Bank's property		
	Depr. Furniture (Wood)	137,218,737	130,190,234
	Depr. Furniture (Steel)	18,030,788	17,161,607
	Depr. Computer	39,218,699	39,984,356
	Depr. Motor Car	13,532,515	11,564,865
	Depr. Machine equip & Appliance	101,106,666	92,130,131
	Depr. Books & Library	176,857	72,834
	Depr. Land & Building	35,032,707	30,667,308
	Depr. Online Hardware	100,370,848	83,854,889
	Depr. Online Software	161,553,921	103,572,088
	Depr. Computer Accessories	15,698,164	16,216,768
	Right of use (ROU) Assets*	267,146,438	371633838
	Depr. Interior Decoration	3,224,348	4,009,235
		892,310,687	**901,058,153**
	Total Depreciation & Repairs to the Bank's property	**1,067,688,679**	**1,071,217,692**
33.A	**Depreciation Repairs to the Bank's property**		
	Al-Arafah Islami Bank Plc.	1,067,688,679	1,071,217,692
	AIBL Capital Market Services Ltd.	3,469,076	3,641,090
	AIBL Capital Management Ltd.	193,939	243,715
		1,071,351,694	**1,075,102,497**
34.	**Stationary, Printing & Advertisement**		
	Printing & Stationery	104,394,487	67,451,380
	Paper & Table Stationery	34,434,220	67,935,051
	Advertisement & Publicity Expenses	152,497,488	149,595,633
		291,326,195	**284,982,064**
34.A.	**Consolidated Stationary, Printing & Advertisement**		
	Al-Arafah Islami Bank Plc.	291,326,195	284,982,064
	AIBL Capital Market Services Ltd.	1,295,079	1,296,366
	AIBL Capital Management Ltd.	42,309	31,356
		292,663,583	**286,309,786**
35.	**Other expenses**		
	Local conveyance expenses	23,404,914	23,959,904
	Petroleum oil lubricant motors	20,569,315	49,100,640
	CNG motor car	1,077,377	1,608,136
	Entertainment expenses	31,883,706	44,354,946
	Travelling expenses	38,323,179	44,990,528
	Bank charge	230,255,624	289,309,526
	Wages	351,681,266	83,814,920
	Security guard service	-	252,411,982
	Subscription	17,802,934	19,615,772
	Liveries & Uniforms	800,250	821,980
	Petroleum oil & Lubricants	18,084,567	-
	Donations	84,250	584,665
	Wasa charge	10,142,242	9,711,400
	Gas charge	2,784,894	2,435,486
	Excise duty	224,360,700	1,739,500
	News paper journal & periodical	6,274,246	5,749,551
	Upkeep branches premises	7,440,893	7,140,555
	Washing charge	5,627,980	4,987,853
	Hill track allowance	2,993,312	2,937,115
	Computer Accessories	6,702,299	8,457,991
	Photocopy Machine Accessories	3,803,149	3,758,753
	Business development	47,740,378	78,046,560
	Closing expenses	21,073,030	18,143,750
	Holding tax of own premises	1,619,181	1,615,097
	Capital loss from sale of fixed assets	66,277	3,947,917
	Overtime expense	1,804,666	2,722,917
	Registration expenses	30,828,208	56,669,677
	Remittance expense	21,169,564	21,987,185
	AGM/EGM	46,000	934,954
	Crocarige	821,936	1,069,530
	Credit rating charge	1,253,750	838,800
	Tax token expenditure	516,358	693,039
	Misc. Expenses	6,215,842	5,830,945
	Data info service charge	7,383,322	9,490,889
	Training expenses	21,996,861	21,399,245
	Card expense	289,747,722	242,130,359
	IT Allowance	7,909,245	7,793,505
	Saturday working allowance (Overtime)	3,953,100	2,859,670
	Charge expenses	4,342,000	4,251,790
	Car Expenses	6,259,769	9,624,679
	Risk expenses	18,244,347	9,861,492
	Staff welfare	86,537,727	66,956,640
	Profit paid to Agent Float Sharing	660,460,703	711,113,283
	Account Opening Commission Through Agent Banking	13,139,500	11,381,512
	Exchange Loss	5,939,055	-
	Electronics & fittings item	9,164,237	9,913,675
	Honorarium	14,887,375	10,020,388
	Total: (Previous year's figure restated):	**2,287,217,251**	**2,166,788,698**
35.A.	**Consolidated Other expenses**		
	Al-Arafah Islami Bank Plc.	2,287,217,251	2,166,788,698
	AIBL Capital Market Services Ltd.	28,821,510	36,160,000
	AIBL Capital Management Ltd.	2,154,249	1,909,536
		2,318,193,010	**2,204,858,234**
36.	**Provision against Investments & Off-Balance sheet exposures**		
	On Classified Investment as per Bangladesh Bank Circular	-	3,547,038,075
	On Un-classified Investment as per Bangladesh Bank Circular	2,234,000,000	(8,252,000)
	On Off-balance sheet as per Bangladesh Bank Circular	-	195,280,000
		2,234,000,000	**3,734,066,075**
36.A.	**Provision against Investments & Off-Balance sheet exposures**		
	Al-Arafah Islami Bank Plc.	2,234,000,000	3,734,066,075
	AIBL Capital Market Services Ltd.	-	-
	AIBL Capital Management Ltd.	-	-
		2,234,000,000	**3,734,066,075**
37.	**Paid for other operating activities**		
	Directors fees & expenses	5,729,459	11,505,382
	Shariah Supervisory Committee's fees & expenses	253,639	526,355
	Rent, taxes, insurance and lighting etc.	503,445,493	486,888,090
	Postage, telegram, telephone and stamp etc.	140,108,238	148,083,756
	Legal charges	50,028,124	25,099,962
	Auditors' fee	6,072,066	2,035,500
	Repairs to the bank's properties	175,377,992	170,159,539
	Rent Adjustment against IFRS 16	590,411,785	-
	Other expenses	2,063,617,251	1,446,050,736
		(3,535,044,046)	**(2,290,349,320)**
37.A.	**Paid for other operating Activities**		
	Al-Arafah Islami Bank Plc.	(3,535,044,046)	(2,290,349,320)
	AIBL Capital Market Services Ltd.	(50,400,546)	(56,489,551)
	AIBL Capital Management Ltd.	(4,664,848)	(2,023,348)
		(3,590,109,440)	**(2,348,862,219)**
38.	**Increase/Decrease of other assets (item-wise)**		
	Acquiring settlement	(4,262,710,462)	(1,723,030,462)
	Cash incentive from B. Bank (F. Remittance)	(520,074,301)	(520,000,000)
	Suspense account		(7,162,257)
	Adjustment a/c debit balance	-	(7,647,738)
	Stock of stationary	28,803,215	152,959,821
	Stamp in hand	(1,172,451)	978,010
	security deposit	12,766	-
	Advance rent	110,010,613	23,372,822
	Parking for RTGS outgoing USD	91,742,726	460,951,203
	P.R (BB) against stimulus fund	(42,593,955)	3,827,564
	Advance Income Tax & TDS [Note 11.2]	(2,628,321,160)	(1,964,317,679)
	Protested bill	(465,981,285)	19,435,155
	Prepaid expenses	(9,049,835)	11,943,983
	Balance with CMSL for portfolio account	(28,354,642)	(490,169,924)
	Parking for overdue claims (IBW)	4,461,181	2,068,251
	SCB MC settlement a/c (local)	21,592,897	(3,304,189)
	Remittance adjustment a/c	(80,001,000)	(150,000,099)
	Clearing adjustment	30,107,633	(128,149,347)
	Dividend receivable	3,069,686	14,759,763
	Islamic Wallet Pre fund	(500,000)	-
	IW Cash in & Cash Out Pre fund & RTGS Settlement Account	(124,771)	-
	Other Assets-OBU	(3,897,334)	
	Revaluation adjustment a/c	(8,190)	(1,211)
		(7,752,988,669)	**(4,303,486,334)**
38.A	**Increase/Decrease of other assets (item-wise)**		
	Al-Arafah Islami Bank PLC.	(7,752,988,669)	4,303,486,334
	AIBL Capital Market Services Ltd.	(266,119,930)	-
	AIBL Capital Management Ltd.	16,371,104	-
	Inter company Adjustment	-	(781,155,610)
		(8,002,737,495)	**3,522,330,724**
39.	**Increase/Decrease of Trading liabilities (item-wise)**		
	Hajj foundation	-	62,206,173
	Provident fund	-	(1,500)
	Adjustment a/c credit balance	(3,663,876)	1,636,376
	Clearing adjustment	5,007,216	(2,017,007,549)
	CIB collection charge	8,466,235	6,213,176
	Risk fund for SHBIS	1,381,797	1,937,407
	Parking account	(657,460,872)	660,650,957
	Credit card payment (local)	(28,171,417)	323,229
	Supervision fees (SME)	14,444	(73,652)
	BB borrowing Settlements	(196,272,646)	116,267,793
	Electronic govt procurement	113,912	(89,017)
	Settlement NPSB (Issuing)	2,893,842,558	647,215,973
	Compensation receivable	-	56,519,683
	Parking For RTGS Incoming USD	37,275,942	-
	Employees' Cash Waqf Deposit Fund	3,897,400	-
	Other Liabilities-OBU	(34,033,246)	-
	Mastercard Settlement Account	(3,128,524)	(406,240,108)
		2,027,268,921	**(870,441,059)**
39.A	**Increase/Decrease of Trading liabilities (item-wise)**		
	Al-Arafah Islami Bank PLC.	2,027,268,921	(870,441,059)
	AIBL Capital Market Services Ltd.	(318,515,548)	-
	AIBL Capital Management Ltd.	(17,918,718)	-
	Inter company Adjustment	-	(8,739,676,438)
		1,690,834,655	**(9,610,117,497)**
40.	**Cash and Cash Equivalent at the end of the year**		
	Cash in hand	5,592,493,767	5,804,554,951
	Balance with Bangladesh Bank & Sonali Bank PLC.	23,090,240,119	28,483,472,625
	Balance with Other Banks	2,283,758,482	9,977,743,842
	Bangladesh Government Islamic Investment Bond	58,946,345,000	44,322,655,000
		89,912,837,368	**88,588,426,418**
40.A	**Consolidated Cash and Cash Equivalent at the end of the year**		
	Al-Arafah Islami Bank Plc.	89,912,837,368	88,588,426,418
	AIBL Capital Market Services Ltd.	383,358	-
	AIBL Capital Management Ltd.	-	2,870,659
		89,913,220,726	**88,591,297,077**
41.	**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:		
	Basic earning (Net profit after tax) for the year	865,115,572	744,242,128
	Number of ordinary shares outstanding as of the reporting date	1,151,691,713	1,151,691,713
	Earning per Share	**0.75**	**0.65**
41.A	**Consolidated Earnings Per Share (CEPS)**		
	Net profit after tax	853,734,963	754,956,375
	Number of ordinary shares outstanding as of the reporting date	1,151,691,713	1,151,691,713
	Consolidated earnings per share as per share (Previous year's figure restated)	**0.74**	**0.66**
42.	**Net Asset Value**		
	Net Assets Value (Consolidated)	24,370,851,449	24,012,444,870
	Net Assets Value (Bank's)	24,216,200,811	23,853,165,487
	No. of Outstanding Share	1,151,691,713	1,151,691,713
	Net Asset Value (NAV) per Share (Consolidated)	**21.16**	**20.85**
	Net Asset Value (NAV) per Share (Bank's)	**21.03**	**20.71**
43.	**Net Operating Cash Flows per share (NOCFPS);**		
	Net cash flows from operating activities (Consolidated)	13,437,043,165	24,512,876,325
	Net cash flows from operating activities (Banks)	13,438,046,378	24,513,798,381
	No. of outstanding share	1,151,691,713	1,151,691,713
	Net Operating Cash Flow per share (NOCFPS) (Consolidated)	**11.67**	**21.28**
	Net Operating Cash Flow per share (NOCFPS) (Bank's)	**11.67**	**14.11**

Schedule of Consolidated Fixed Assets

As at December 31, 2025

Annexure - A

SL. No.	Particulars	Cost / Revaluation: Balance at 1st January 2025	Revaluation	Addition during the year	Transfer/ Disposal during the year	Balance at 31-Dec 2025	Depreciation/Amortization: Balance at 1st January 2025	Charge for the year	Transfer/ Disposal during the year	Balance at 31-Dec 2025	Written Down Value as on 31-12-2025
A. Fixed Assets											
1	Land	389,802,443	-	-	-	389,802,443	-	-	-	-	389,802,443
2	Building	1,221,316,331	-	-	-	1,221,316,331	278,658,314	35,032,707	-	313,691,021	907,625,309
3	Furniture & Fixture (Wood)	1,609,910,726	-	69,718,656	681,215	1,678,948,167	829,128,119	137,218,737	681,215	965,665,641	713,282,526
4	Furniture & Fixture (Steel)	247,851,279	-	8,048,540	65,430	255,834,389	145,849,974	18,100,643	65,430	163,885,187	91,949,202
5	Computer	433,079,963	-	16,113,310	-	449,193,273	327,429,089	40,298,695	-	367,727,784	81,465,488
6	Computer Accessories	190,440,044	-	7,266,210		197,706,254	148,880,525	15,722,962	-	164,603,487	33,102,767
7	Motor Car	256,367,237	-	9,970,323	-	266,337,560	215,661,745	13,532,515	-	229,194,260	37,143,299
8	Machine Equipment & Appliance	1,679,058,607	-	53,137,302	4,954,100	1,727,241,809	1,379,187,666	101,215,632	4,954,100	1,475,449,198	251,792,611
9	Books & Library	9,664,835	-	194,319	12,740	9,846,414	9,224,801	176,857	12,740	9,388,918	457,496
10	Online Hardware	1,267,479,949	-	160,798,636	3,639	1,428,274,946	967,979,546	100,370,848	3,639	1,068,346,756	359,928,190
11	Interior Decoration	201,292,774	-	9,916,569		211,209,343	188,674,163	3,999,173	-	192,673,336	18,536,007
12	Right of use Assets (ROU)	2,402,163,720		618,400,000		3,020,563,720	1,418,508,758	267,146,438		1,685,655,196	1,334,908,524
Sub-Total		**9,908,427,906**	**-**	**953,563,865**	**5,717,124**	**10,856,274,647**	**5,909,182,702**	**732,815,207**	**5,717,124**	**6,636,280,785**	**4,219,993,863**
B. Intangible Assets											
13	Online Software	1,047,847,071	-	296,828,194	-	1,344,675,265	601,010,080	161,626,971	-	762,637,051	582,038,214
Sub-Total		**1,047,847,071**	**-**	**296,828,194**	**-**	**1,344,675,265**	**601,010,080**	**161,626,971**	**-**	**762,637,051**	**582,038,214**
**C. Revaluation of Property, Plant &