
**CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE NINE
MONTHS PERIOD ENDED
SEPTEMBER 30, 2017**

DIRECTORS REPORT TO THE MEMBERS

On behalf of the Board of Directors' of Dubai Islamic Bank Pakistan Limited (DIBPL), I am pleased to present the un-audited condensed interim statement of financial information for the period ended September 30, 2017.

ECONOMIC SCENARIO

The underlying macro-economic indicators remained largely stable, albeit within heightened political noise surrounding the market sentiment. The inflation expectations in the current period continue to remain within the target. Pakistan's GDP growth for FY-17 is provisionally estimated at a 10-year high of 5.3%, reflecting the country's improving economic trajectory with the target for next year at 6%. During FY-17, the Country's headline inflation has softened at 3.9% year-on-year basis as compared to 3.2% year-on-year basis in the previous corresponding period mainly on the back of favorable supply conditions while the Country's foreign exchange reserves stood at USD 20.22 billion. The domestic demand is set to gain further traction as evidenced in the current growth in the real sector, credit to private sector and imports due to a range of factors including low cost of inputs, upbeat economic sentiments and China-Pakistan Economic Corridor (CPEC) related investments. The expansion in economic activity has also translated into significant increase in imports, which along with lack of any sustained improvement in exports and a small decline in remittance has turned the overall balance of payments into deficit during the period resulting in pressure on exchange reserves and USD-PKR exchange rate.

As far as the money markets are concerned, market liquidity was able to accommodate strong credit demand from the private sector. In fact, increased economic activity, considerable increase in bank deposits, and low interest rates translated into private sector credit flows in FY17 reaching a decade high of Rs.748 billion as compared with Rs.446 billion in FY16. Demand for consumer financing, especially for auto and personal loans, also gathered pace during FY17 and these trends are set to continue in FY18. The SBP has maintained its policy rate at 5.75% since May 2016 based on strong likelihood of continued growth, contained inflation and external account challenges.

FINANCIAL HIGHLIGHTS

-----Rs. in millions -----

Statement of Financial Position	September 30, 2017	December 31, 2016	Growth
Investments	35,110	27,212	29%
Islamic financing and related assets	119,181	93,911	27%
Deposits and other accounts	145,769	129,265	13%
Total assets	177,792	152,133	17%
Net equity	14,611	12,107	21%
Number of branches	200	200	-

Profit and Loss Account	September 30, 2017	September 30, 2016	Growth
Profit before tax	1,820	1,158	57%
Profit after tax	1,122	724	55%
Earnings per share (Rs.)	0.99	1.04	-4%

Registered Office: رجسٹرڈ آفس:
Hassan Chambers, DC-7, Block-7, کھکشان، بلاک 7، ڈی سی 7، حسن چیمبرز،
Kehkashan Clifton, Karachi. کلٹن، کراچی، پاکستان
PABX: (+9221) 35360039 (+9221) 35360039 بی آے بی ایکس

KEY ACHIEVEMENTS

By the Grace of Allah, DIBPL has maintained its growth momentum during the period ended September 30, 2017. The Bank has increased its balance sheet footing by growing its investments and commercial & consumer financing portfolio. On the liability side the focus remains on increasing low cost deposits. The Country's banking industry spreads has remained under pressure due to competitive market conditions and SBP's record-low level policy rate of 5.75%. Despite the challenging conditions, DIBPL attained a growth of 55% in profit after tax for the period. The major contributors were net spread earned, which grew by 25% while fee and commission income increased by 18%, over the corresponding period. This has been achieved through strong growth in commercial & consumer financing portfolio yielding higher returns, and further strengthening of non-funded income streams from trade finance, foreign exchange and corporate advisory services.

During the period, the Bank has announced the successful issuance of its rated, unsecured, subordinated and privately placed tier-II Sukuk. The bank has received an overwhelming response from the market and timely approval from State Bank of Pakistan which resulted in closure of this transaction within a record time. The PKR 4 Billion Sukuk issue was oversubscribed by 1.7 times the issue size reflecting strong demand and confidence by the investors in one of the leading global brands in Islamic Banking. This Sukuk issuance will provide the much needed impetus to the bank to maintain its growth trajectory. The Sukuk has a 10 year tenor and carries expected profit rate of 0.50% over 6 Month KIBOR.


FUTURE OUTLOOK

The economy has performed well on many fronts in the last fiscal year. Islamic Banking is also growing at a rapid pace and we are thankful to SBP and other regulators for the support given in developing the Islamic Banking industry. DIBPL will continue to play its role in growth of Islamic Banking by offering Sharia compliant products and services in line with customer needs through leveraging its IT platform and quality human resource.

CREDIT RATING

Considering the sound performance indicators of the Bank, the JCR-VIS Credit Rating Company Limited has upgraded the Bank's medium to long-term rating to 'AA-' (AA minus) from 'A+' (A-Plus) and the short term rating as 'A-1' (A one) while the outlook has been assigned as "Stable". The JCR-VIS Credit Rating Company Limited has also assigned Tier II Sukuk rating of "A+" (Single A Plus) with Stable outlook.

ACKNOWLEDGEMENT

The Board would like to place on record its sincere thanks and appreciation to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance and cooperation extended to the Bank. At the same time, the Board would also like to express its sincere gratitude to our Customers, Stakeholders, Sharia Board, Sukuk investors, Government of Pakistan and other business partners for their continued support and trust. 

For and on behalf of the Board


Junaid Ahmed
Chief Executive Officer

Dated: 05 OCT 2017

Registered Office: رجسٹرڈ آفس: حسن چیمبر بلاک 7، کھکشان، کراچی، پاکستان
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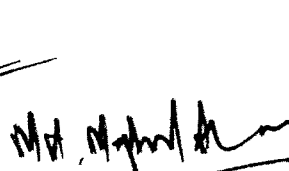
Dubai Islamic Bank Pakistan Limited
 Condensed Interim Statement of Financial Position
 As at September 30, 2017


	Note	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	7	10,742,712	14,159,277
Balances with other banks	8	1,268,136	543,363
Due from financial institutions	9	6,358,490	12,536,061
Investments	10	35,110,071	27,211,659
Islamic financing and related assets	11	119,180,938	93,910,902
Operating fixed assets	12	1,698,813	1,870,060
Deferred tax assets		-	-
Other assets		3,432,591	1,902,077
		<u>177,791,751</u>	<u>152,133,399</u>
LIABILITIES			
Bills payable		2,833,845	2,218,979
Due to financial institutions		5,496,611	5,670,091
Deposits and other accounts	13	145,768,617	129,264,513
Sub-ordinated Sukuk	14	4,000,000	-
Deferred tax liabilities	15	14,055	16,784
Other liabilities		5,067,166	2,855,697
		<u>163,180,294</u>	<u>140,026,064</u>
NET ASSETS			
		<u>14,611,457</u>	<u>12,107,335</u>
REPRESENTED BY			
Share capital		11,652,288	10,225,567
Reserves		628,995	404,694
Unappropriated profit		2,310,083	1,416,263
		<u>14,591,366</u>	<u>12,046,524</u>
Surplus on revaluation of investments - net of tax		20,091	60,811
		<u>14,611,457</u>	<u>12,107,335</u>
CONTINGENCIES AND COMMITMENTS			
	16		

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.


 CHAIRMAN


 PRESIDENT / CHIEF EXECUTIVE


 DIRECTOR


 DIRECTOR


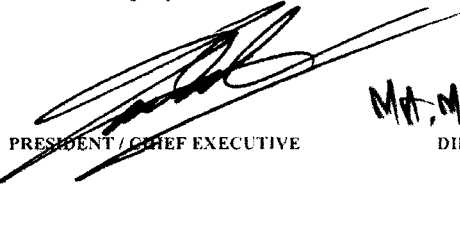



Dubai Islamic Bank Pakistan Limited
 Condensed Interim Profit and Loss Account (Un-Audited)
 For the quarter and nine months period ended September 30, 2017

Note	Quarter ended Sep 30, 2017	Nine months period ended Sep 30, 2017	Quarter ended Sep 30, 2016	Nine months period ended Sep 30, 2016
----- Rupees in '000 -----				
Profit / return earned	2,887,761	7,894,716	2,323,150	7,127,026
Profit / return expensed	(1,161,130)	(3,064,708)	(1,005,240)	(3,266,973)
Net spread earned	1,726,631	4,830,008	1,317,910	3,860,053
(Provision) / reversal of provision against non-performing Islamic financing and related assets - net	11.2 (31,102)	(85,504)	26,140	13,207
Provision for diminution in the value of investments	(30,256)	(30,256)	(16,846)	(16,846)
Bad debts written off directly	-	-	-	-
Net spread earned after provisions	1,665,273	4,714,248	1,327,204	3,856,414
OTHER INCOME				
Fee, commission and brokerage income	397,462	1,246,794	297,519	1,060,382
Dividend income	-	-	-	-
Income / (loss) from dealing in foreign currencies	40,869	58,274	(24,465)	(13,422)
Gain on sale of securities	57,831	77,714	136,065	163,201
Unrealized loss on revaluation of investments classified as held-for-trading	-	-	(1)	(1)
Other income	59	155	633	41,571
Total other income	496,221	1,382,937	409,751	1,251,731
	2,161,494	6,097,185	1,736,955	5,108,145
OTHER EXPENSES				
Administrative expenses	(1,410,855)	(4,241,432)	(1,303,215)	(3,926,307)
Other provisions / write offs	1,066	1,066	-	-
Other charges	(15,063)	(37,165)	(8,647)	(23,873)
Total other expenses	(1,424,852)	(4,277,531)	(1,311,862)	(3,950,180)
	736,642	1,819,654	425,093	1,157,965
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	736,642	1,819,654	425,093	1,157,965
Taxation				
- Current	(272,587)	(617,694)	(149,197)	(403,595)
- Prior years	-	(61,255)	-	(27,412)
- Deferred	14,749	(19,198)	-	(2,757)
	(257,838)	(698,147)	(149,197)	(433,764)
PROFIT AFTER TAXATION	478,804	1,121,507	275,896	724,201

----- Rupees -----

Basic & diluted earnings per share 17 0.41 0.99 0.40 1.04

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

 CHAIRMAN
 PRESIDENT / CHIEF EXECUTIVE
 DIRECTOR
 DIRECTOR


Dubai Islamic Bank Pakistan Limited
 Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the quarter and nine months period ended September 30, 2017

	Quarter ended Sep 30, 2017	Nine months period ended Sep 30, 2017	Quarter ended 30, 2016	Nine months period ended 30, 2016
----- Rupees in '000 -----				
Profit after taxation for the period	478,804	1,121,507	275,896	724,201
Comprehensive income transferred to equity	<u>478,804</u>	<u>1,121,507</u>	<u>275,896</u>	<u>724,201</u>
Components of comprehensive income not reflected in equity:				
(Deficit) / surplus on revaluation of investments	(55,788)	(62,647)	(159,774)	4,374
Related deferred tax asset / (liability)	19,526	21,927	55,921	(1,531)
	<u>(36,262)</u>	<u>(40,720)</u>	<u>(103,853)</u>	<u>2,843</u>

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CHAIRMAN



PRESIDENT / CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

Dubai Islamic Bank Pakistan Limited
 Condensed Interim Statement of Changes in Equity (Un-Audited)
 For the nine months period ended September 30, 2017

	Share capital	Advance against share subscription	Statutory reserve	Unappropriated profit	Total
Rupees in '000					
Balance as at January 01, 2016	6,976,030	18	233,586	753,135	7,962,769
Profit after taxation for the nine months period ended September 30, 2016	-	-	-	724,201	724,201
Transfer to statutory reserve	-	-	144,840	(144,840)	-
Balance as at September 30, 2016	6,976,030	18	378,426	1,332,496	8,686,970
Total comprehensive income for the period					
Profit after taxation for the quarter ended December 31, 2016	-	-	-	131,339	131,339
Remeasurements of defined benefit plan - net of tax	-	-	-	(14,299)	(14,299)
Transaction with owners recognised directly in equity					
Conversion of subordinated loan	-	3,249,519	-	-	3,249,519
Issuance of shares at par	3,249,537	(3,249,537)	-	-	-
Transaction costs on issuance of shares	-	-	-	(7,005)	(7,005)
	3,249,537	(18)	-	(7,005)	3,242,514
Transfer to statutory reserve	-	-	26,268	(26,268)	-
Balance as at December 31, 2016	10,225,567	-	404,694	1,416,263	12,046,524
Total comprehensive income for the period					
Profit after taxation for the nine months period ended September 30, 2017	-	-	-	1,121,507	1,121,507
Transaction with owners recognised directly in equity					
Advance against further issuance of share capital	-	1,426,721	-	-	1,426,721
Issuance of shares at par	1,426,721	(1,426,721)	-	-	-
Transaction costs on issuance of shares	-	-	-	(3,386)	(3,386)
	1,426,721	-	-	(3,386)	1,423,335
Transfer to statutory reserve	-	-	224,301	(224,301)	-
Balance as at September 30, 2017	11,652,288	-	628,995	2,310,083	14,591,366

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CHAIRMAN

PRESIDENT / CHIEF EXECUTIVE

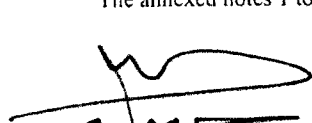
DIRECTOR

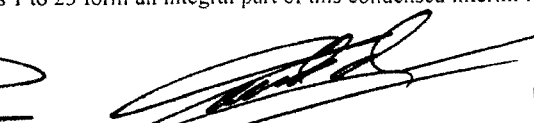
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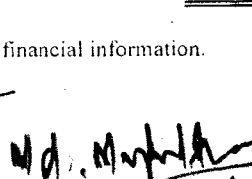
Dubai Islamic Bank Pakistan Limited
 Condensed Interim Cash Flow Statement (Un-Audited)
 For the nine months period ended September 30, 2017

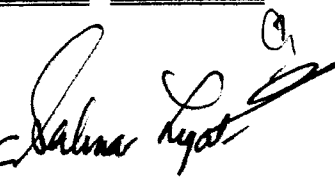
	September 30, 2017	September 30, 2016
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,819,654	1,157,965
Adjustments for:		
Depreciation	238,226	227,462
Amortisation	107,318	73,905
Provision / (reversal of provision) against non-performing Islamic financing and related assets - net	85,504	(13,207)
Provision for diminution in the value of investments	30,256	16,846
Gain on sale of securities	(77,714)	(163,201)
Unrealized loss on revaluation of investment classified as held-for-trading	-	1
Gain on sale of operating fixed assets	(147)	(41,063)
Reversal of other provisions	(1,066)	-
	<u>382,377</u>	<u>100,743</u>
	2,202,031	1,258,708
(Increase) / decrease in operating assets		
Due from financial institutions	6,177,571	(11,625,862)
Islamic financing and related assets	(25,355,540)	15,360,572
Others assets (excluding advance taxation)	(1,532,835)	(563,789)
	<u>(20,710,804)</u>	<u>3,170,921</u>
Increase / (decrease) in operating liabilities		
Bills payable	614,866	196,295
Due to financial institutions	(172,358)	1,020,924
Deposits and other accounts	16,504,104	(7,478,284)
Other liabilities (excluding current taxation)	2,230,722	522,701
	<u>19,177,334</u>	<u>(5,738,364)</u>
	668,561	(1,308,735)
Income taxes paid	(698,202)	(353,333)
Net cash generated used in operating activities	<u>(29,641)</u>	<u>(1,662,068)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in securities	(7,913,601)	(1,956,811)
Investments in operating fixed assets	(176,210)	(432,165)
Proceeds from sale of operating fixed assets	2,060	92,474
Net cash used in investing activities	<u>(8,087,751)</u>	<u>(2,296,502)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of sub-ordinated sukuk	4,000,000	-
Issuance of share capital	1,426,721	-
Effect of exchange difference on translation of foreign currency sub-ordinated loan	-	(3,708)
Net cash generated from / (used in) financing activities	<u>5,426,721</u>	<u>(3,708)</u>
Decrease in cash and cash equivalents	<u>(2,690,671)</u>	<u>(3,962,278)</u>
Cash and cash equivalents at beginning of the period	14,701,519	18,053,033
Cash and cash equivalents at end of the period	<u>12,010,848</u>	<u>14,090,755</u>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.


 CHAIRMAN


 PRESIDENT / CHIEF EXECUTIVE


 DIRECTOR


 DIRECTOR

Dubai Islamic Bank Pakistan Limited

Notes to and forming part of the Condensed Interim Financial Information (Un-Audited)

For the nine months period ended September 30, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1 Dubai Islamic Bank Pakistan Limited (the Bank) was incorporated in Pakistan as an unlisted public limited company on May 27, 2005 under the Companies Ordinance, 1984 to carry out the business of an Islamic Commercial Bank in accordance with the principles of Shari'a.

The State Bank of Pakistan (the SBP) granted a "Scheduled Islamic Commercial Bank" license to the Bank on November 26, 2005 and subsequently the Bank received the Certificate of Commencement of Business from the Securities and Exchange Commission of Pakistan (the SECP) on January 26, 2006. The Bank commenced its operations as a scheduled Islamic Commercial Bank with effect from March 28, 2006 on receiving certificate of commencement of business from the SBP. The Bank is principally engaged in Corporate, Commercial and Consumer Islamic banking and investing activities.

- 1.2 JCR-VIS Credit Rating Company Limited on May 17, 2017 determined the Bank's medium to long-term rating as 'AA-' (AA minus) and the short term rating as 'A-1' (A one) while the outlook has been assigned as "Stable".
- 1.3 The Bank is operating through 200 branches as at September 30, 2017 (December 31, 2016: 200 branches). The registered office of the Bank is situated at Hassan Chambers, DC-7, Block-7 Kehkashan, Clifton, Karachi. The Bank is a wholly owned subsidiary of Dubai Islamic Bank P.J.S.C. UAE (the Holding Company).

2 BASIS OF PRESENTATION

- 2.1 The Bank provides Islamic financing and makes investments mainly through Murabaha, Musharaka, Running Musharaka, Musharaka cum Ijara, Shirkatulmilk, Istisna cum Wakala, Wakala Istithmar, Service Ijarah and Export Refinance under Islamic Export Refinance Scheme of State Bank of Pakistan (SBP) and other Islamic modes. The transactions of purchases, sales and leases executed under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of rental / profit thereon. The income on such Islamic financing and related assets is recognised in accordance with the principles of Shari'a. However, income if any, received which does not comply with the principles of Shari'a is recognised as charity payable if so directed by the Shari'a Board / Resident Shari'a Board Member.
- 2.2 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2016.
- 2.3 This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

3 STATEMENT OF COMPLIANCE

- 3.1 This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, the provisions and directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where the requirements differ, the provisions of the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives shall prevail.
- 3.2 The Companies Ordinance, 1984 was repealed by enactment of the Companies Act, 2017 on 30 May 2017. Securities and Exchange Commission of Pakistan vide its Circular No.17 of 2017 and press release of 20 July 2017, has clarified that all those companies whose financial year, including quarterly and other interim period closes on or before 30 June 2017 can prepare financial statements in accordance with the provision of the repealed Companies Ordinance, 1984. The Companies Act 2017 requires enhanced disclosures and has also enhanced the definition of related parties.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2016.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2016.

6 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2016.

	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	---- Rupees in '000 ----	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
- local currency	2,073,002	1,825,449
- foreign currencies	600,464	666,844
	<u>2,673,466</u>	<u>2,492,293</u>
With the State Bank of Pakistan in		
- local currency current account	5,561,620	8,658,329
- foreign currency current account	5,351	22,637
- foreign currency deposit accounts		
Cash reserve account	934,507	805,984
Special cash reserve account	1,121,282	967,160
	<u>2,055,789</u>	<u>1,773,144</u>
With National Bank of Pakistan in		
- local currency current accounts	446,486	1,212,874
	<u>10,742,712</u>	<u>14,159,277</u>
8 BALANCES WITH OTHER BANKS		
In Pakistan		
- in current accounts	713,513	49,241
- in deposit accounts	10	49,938
	<u>713,523</u>	<u>99,179</u>
Outside Pakistan		
- in current accounts	554,613	444,184
- in deposit accounts	-	-
	<u>554,613</u>	<u>444,184</u>
	<u>1,268,136</u>	<u>543,363</u>
9 DUE FROM FINANCIAL INSTITUTIONS		
Commodity Murabaha	9 / <u>6,358,490</u>	<u>12,536,061</u>
9.1 This represent amounts due from financial institutions at expected profit rates ranging from 5.50% to 6.10% per annum (December 31, 2016: 5.75% to 6.25% per annum) with maturities latest by October 11, 2017 (December 31, 2016: January 30, 2017).		

10 INVESTMENTS

10.1 Investments by types

Note	September 30, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
	Rupees in '000					
Held-to-maturity securities						
	4,000,000	-	4,000,000	-	-	-
Available-for-sale securities						
	12,106,617	-	12,106,617	12,608,975	-	12,608,975
	10,647,832	-	10,647,832	8,416,929	-	8,416,929
	8,371,815	-	8,371,815	6,092,422	-	6,092,422
	-	-	-	16,623	-	16,623
Investments at cost	35,126,264	-	35,126,264	27,134,949	-	27,134,949
Less: Provision for diminution in the value of investments	10.2 (47,102)	-	(47,102)	(16,846)	-	(16,846)
Investments (net of provisions)	35,079,162	-	35,079,162	27,118,103	-	27,118,103
Surplus on revaluation of available-for-sale securities	30,909	-	30,909	93,556	-	93,556
Total investments	35,110,071	-	35,110,071	27,211,659	-	27,211,659

- 10.2 This represent Sukuk of Quetta Textile Mills Limited amounting to Rs. 96.178 million which have been placed under non-performing status, however the forced sale value of the collateral held in respect of these Sukuk is Rs. 49.076 million. The additional profit arising from availing the FSV benefit - net of tax at September 30, 2017 which is not available for distribution as either cash or stock dividend to shareholders and for staff bonus amounted to Rs. 31.90 million (December 31, 2016: Rs. 51.57 million).

11 ISLAMIC FINANCING AND RELATED ASSETS

In Pakistan

Note	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	--- Rupees in '000 ---	
- Murabaha financing	11,374,962	8,308,279
- Advances against Murabaha	10,366,175	5,638,428
- Financing under Islamic Export Refinance - Murabaha	13,768	616,151
- Advances against Islamic Export Refinance - Murabaha	-	18,000
- Shirkatulmilk financing - Autos	18,876,070	15,999,653
- Advances against Shirkatulmilk - Autos	2,253,726	1,064,703
- Shirkatulmilk financing - Housing	8,882,277	7,279,425
- Advances against Shirkatulmilk - Housing	117,285	143,030
- Shirkatulmilk financing - Others	18,038,231	20,627,964
- Advances against Shirkatulmilk - Others	-	529,380
- Diminishing Musharaka - Others	11,543,795	6,928,401
- Diminishing Musharaka - Autos	34,270	44,687
- Wakala Istithmar - Pre manufacturing	11,783,131	10,335,916
- Wakala Istithmar - Post manufacturing	142,353	147,449
- Financing under Islamic Export Refinance - Wakala Istithmar	1,828,201	2,559,636
- Istisna cum Wakala financing	4,652,560	5,517,062
- Advances against Istisna cum Wakala	2,986,262	28,205
- Advances against Islamic Export Refinance - Istisna	-	129,500
- Running Musharaka financing	9,480,782	4,718,026
- Financing under Islamic Export Refinance - Running Musharaka	1,680,400	454,832
- Tijarah cum wakala financing	1,136,014	-
- Advances against Tijarah cum wakala	1,652,946	414,814
- Salam financing	1,790,103	1,656,000
- Advances against Salam financing	47,399	-
- Musawama financing	854,314	372,619
- Advance against Musawama	9,440	15,712
- Service Ijarah financing	-	718,750
- Staff financing	1,524,626	1,446,927
Islamic financing and related assets - gross	121,069,089	95,713,549
Less: Provision against non-performing Islamic financing & related assets	11.2 (1,888,151)	(1,802,647)
Islamic financing and related assets - net of provisions	119,180,938	93,910,902

- 11.1 Islamic financing and related assets include Rs. 2,333,243 million (December 31, 2016: Rs. 2,414,427 million) which have been placed under non-performing status as detailed below:

Category of classification	Classified Islamic financing and related assets			September 30, 2017 (Un-audited)			Provision held		
	Domestic	Overseas	Total	Provision required			Domestic	Overseas	Total
				Domestic	Overseas	Total			
----- Rupees in '000 -----									
Other Assets									
Especially									
Mentioned	12,439	-	12,439	-	-	-	-	-	-
Substandard	42,999	-	42,999	8,291	-	8,291	8,291	-	8,291
Doubtful	407,583	-	407,583	171,638	-	171,638	171,638	-	171,638
Loss	1,870,222	-	1,870,222	1,637,254	-	1,637,254	1,637,254	-	1,637,254
	<u>2,333,243</u>	<u>-</u>	<u>2,333,243</u>	<u>1,817,183</u>	<u>-</u>	<u>1,817,183</u>	<u>1,817,183</u>	<u>-</u>	<u>1,817,183</u>

Category of classification	Classified Islamic financing and related assets			December 31, 2016 (Audited)			Provision held		
	Domestic	Overseas	Total	Provision required			Domestic	Overseas	Total
				Domestic	Overseas	Total			
----- Rupees in '000 -----									
Other Assets									
Especially									
Mentioned	52,946	-	52,946	-	-	-	-	-	-
Substandard	429,743	-	429,743	150,504	-	150,504	150,504	-	150,504
Doubtful	37,795	-	37,795	1,854	-	1,854	1,854	-	1,854
Loss	1,893,943	-	1,893,943	1,563,970	-	1,563,970	1,563,970	-	1,563,970
	<u>2,414,427</u>	<u>-</u>	<u>2,414,427</u>	<u>1,716,328</u>	<u>-</u>	<u>1,716,328</u>	<u>1,716,328</u>	<u>-</u>	<u>1,716,328</u>

- 11.2 Particulars of provision against non-performing Islamic financing and related assets:

	September 30, 2017 (Un-audited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	1,716,328	86,319	1,802,647	1,609,478	87,859	1,697,337
Charge for the period / year	152,136	(15,351)	136,785	269,814	-	269,814
Reversals during the period / year	(51,281)	-	(51,281)	(156,540)	(1,540)	(158,080)
	100,855	(15,351)	85,504	113,274	(1,540)	111,734
Amount written-off	-	-	-	(6,424)	-	(6,424)
Closing balance	<u>1,817,183</u>	<u>70,968</u>	<u>1,888,151</u>	<u>1,716,328</u>	<u>86,319</u>	<u>1,802,647</u>

As allowed by the SBP, the Bank has availed the benefit of Foreed Sale Values (FSV) amounting to Rs. 267.581 million (December 31, 2016: Rs. 329.763 million) in determining the provisioning requirement against non-performing Islamic financing as at September 30, 2017. The additional profit arising from availing the FSV benefit - net of tax at September 30, 2017 which is not available for distribution as either cash or stock dividend to shareholders and for staff bonus amounted to Rs. 173.928 million (December 31, 2016: Rs. 214.347 million).

- 11.2.1 General provisioning is held against consumer finance portfolio and small enterprise financings in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan except for Musharaka cum Ijara - Autos. The SBP vide its letter no BPRD / BLRD - 03 / 2009 / 6877 dated October 15, 2009 has allowed relaxation to the Bank from recognising general provision against Musharaka cum Ijara - Autos on the condition that the facility will be categorised as "Loss" on the 180th day from the date of default. In this regard, the SBP vide its letter no BPRD / BRD - 04 / DIB / 2013 / 1644 dated February 12, 2013 has decided that the exemption from general reserve requirement shall only be valid till classified Auto Financing portfolio of the Bank remains upto 5% i.e. if the classified Auto Financing portfolio increases beyond the 5% threshold, the exemption shall stand withdrawn from that point of time

	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
----- Rupees in '000 -----		
12 OPERATING FIXED ASSETS		
Capital work-in-progress - net	15,090	54,283
Property and equipment	1,464,390	1,590,828
Intangible assets	219,333	224,949
	<u>1,698,813</u>	<u>1,870,060</u>
12.1 Additions to Fixed Assets	<u>215,403</u>	<u>382,505</u>
Disposal of Fixed Assets at cost	5,182	71,088

	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	---- Rupees in '000 ----	
13 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	44,211,466	35,240,781
Savings deposits	56,108,769	50,042,301
Current accounts - non-remunerative	43,165,971	40,674,001
Margin accounts - non-remunerative	1,362,859	275,101
	<u>144,849,065</u>	<u>126,232,184</u>
Financial Institutions		
Remunerative deposits	792,394	2,916,170
Non-remunerative deposits	127,158	116,159
	<u>145,768,617</u>	<u>129,264,513</u>

14 SUB-ORDINATED SUKUK

During the period, the Bank issued regulatory Shariah compliant rated, unsecured, subordinated and privately placed Tier II Sukuk of Rs. 4,000 million (December 31, 2016: Nil) as instrument of redeemable capital under section 66 of the Companies Act, 2017. The JCR-VIS Credit Rating Company Limited has assigned Tier II Sukuk rating of "A+" (Single A Plus) with stable outlook. The tenor of the sukuk is ten years from the issue date.

	September 2017 (Un-audited)	December 31, 2016 (Audited)
	---- Rupees in '000 ----	
15 DEFERRED TAX LIABILITY - NET		
Deferred debits arising due to		
Provision for diminution in the value of investments	16,486	5,896
Provision against non-performing Islamic financing and related assets	3,983	53,682
Provision against other assets	6,273	6,647
Deficit on defined benefit plan	7,699	7,699
	<u>34,441</u>	<u>73,924</u>
Deferred (credits) arising due to		
Accelerated tax depreciation and amortization on operating fixed assets	(37,678)	(57,963)
Surplus on revaluation of investments	(10,818)	(32,745)
	<u>(48,496)</u>	<u>(90,708)</u>
	<u>(14,055)</u>	<u>(16,784)</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 Transactions-related contingent liabilities

Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring

- Governmenter
- Banking companies and other financial institutions
- Others

4,747,512	3,833,623
1,556,087	333,921
<u>3,281,464</u>	<u>1,812,141</u>
<u>9,585,063</u>	<u>5,979,685</u>

16.2 Trade-related contingent liabilities

Import Letters of Credit
Acceptances

14,530,670	13,502,085
<u>3,020,415</u>	<u>3,041,579</u>
<u>17,551,085</u>	<u>16,543,664</u>

16.3 Claims not acknowledged as debt

<u>10,000</u>	<u>10,000</u>
---------------	---------------

16.3.1 The Competition Commission of Pakistan vide its order dated June 28, 2012 had imposed a penalty of Rs 10 million on the Bank. The penalty was imposed upon CCPs contentions that the ATM Service Charges charged by 1-Link member banks was unfair. The Competition Appellate Tribunal decided the matter against CCP. Consequently, CCP has filed an appeal with the Supreme Court of Pakistan for imposing the order of penalty on every member bank of 1-Link. The management of the Bank is confident that the above matter will be decided in their favour and hence, no provision against any liability which may arise in this respect has been made in these condensed interim financial information.

	September 30, 2017 (Un-audited)	December 31, 2016 (Audited)
	---- Rupees in '000 ----	
16.4 Commitments in respect of forward exchange contracts		
Purchase	16,657,224	17,958,966
Sale	10,282,894	11,895,409
	<u>1,588,402</u>	<u>1,230,000</u>
16.5 Commitments in respect of financing facilities	<u>1,588,402</u>	<u>1,230,000</u>
16.6 Commitments for the acquisition of operating fixed assets	<u>53,719</u>	<u>86,885</u>

16.7 The impact of add backs by CIR amounts to Rs. 203.198 million which are pending before the relevant authorities and any additional levy / surcharge which may arise thereon. The Bank, after consulting with its tax advisor, is confident that these adjustments will also be decided in the Bank's favor in the higher appellate forums. Accordingly, no provision has been made in this condensed interim financial information.

16.8 Further, tax authorities have raised a demand of Rs. 18.725 million regarding tax not deducted by the Bank on profit accrued on balances of certain customers. The Bank has filed an appeal with the Appellate Tribunal Inland Revenue, and are confident that the matter will be decided in favour of the Bank.

	----- (Un-audited) -----			
	Quarter ended Sep 30, 2017	Nine months period ended Sep 30, 2017	Quarter ended Sep 30, 2016	Nine months period ended Sep 30, 2017
----- Rupees in '000 -----				
17 BASIC / DILUTED EARNINGS PER SHARE				
Profit after taxation	478,804	1,121,507	275,896	724,201
-----Number of shares '000-----				
Weighted average number of ordinary shares	1,130,214	1,130,214	697,603	697,603
----- Rupees -----				
Basic earning per share	0.42	0.99	0.40	1.04
Diluted earning per share	0.42	0.99	0.40	1.04

17.1 There were no convertible / dilutive potential ordinary shares as at September 30, 2017 and September 30, 2016.

	September 30, 2017	September 30, 2016
	(Un-audited)	
----- Rupees in '000 -----		
18 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	10,742,712	13,365,410
Balances with other banks	1,268,136	725,345
	<u>12,010,848</u>	<u>14,090,755</u>

19 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows.

	September 30, 2017 (Un-audited)					Total
	Corporate Banking	Trading & Sales	Retail Banking	Commercial Banking	Others	
----- Rupees in '000 -----						
External revenue						
Net Profit Earned	-	1,120,351	156,984	3,184,860	367,813	4,830,008
Fee, commission, brokerage and other income	77,400	167,705	747,408	390,424	-	1,382,937
Intersegment revenue	-	(855,935)	3,156,833	(1,937,478)	(363,420)	-
Total revenue	77,400	432,121	4,061,225	1,637,806	4,393	6,212,945
Depreciation and amortisation	(394)	(10,418)	(281,568)	(53,164)	-	(345,544)
Impairment of financing assets	-	-	(16,130)	(97,630)	(2,000)	(115,760)
Other expenses	(15,311)	(251,512)	(2,835,070)	(827,701)	(2,393)	(3,931,987)
Total expenses	(15,705)	(261,930)	(3,132,768)	(978,495)	(4,393)	(4,393,291)
Reportable segment profit	61,695	170,191	928,457	659,311	-	1,819,654
Tax expense	(23,671)	(65,297)	(356,221)	(252,958)	-	(698,147)
Segment assets (Gross)	-	31,340,051	41,695,234	86,855,333	19,854,310	179,744,928
Segment liabilities	-	2,237,754	110,787,933	41,073,386	9,081,221	163,180,294
Segment average return on net assets	-	4.86%	10.46%	7.08%	4.52%	
Segment cost of funds	-	5.40%	2.52%	3.31%	6.64%	

	September 30, 2016 (Un-audited)					Total
	Corporate Banking	Trading & Sales	Retail Banking	Commercial Banking	Others	
----- Rupees in '000 -----						
External revenue						
Net Profit earned	-	661,064	(443,083)	3,283,996	358,076	3,860,053
Fee, commission, brokerage and other income	57,286	273,299	630,996	249,248	40,902	1,251,731
Intersegment revenue	-	(418,982)	3,180,517	(2,343,912)	(417,623)	(0)
Total revenue	57,286	515,381	3,368,430	1,189,332	(18,645)	5,111,784
Depreciation and amortisation	(271)	(13,083)	(249,083)	(32,131)	(6,798)	(301,367)
Impairment of financing assets	-	-	37,615	(41,254)	-	(3,639)
Other expenses	(14,080)	(250,631)	(2,369,384)	(660,561)	(354,157)	(3,648,813)
Total expenses	(14,351)	(263,714)	(2,580,852)	(733,946)	(360,955)	(3,953,819)
Reportable segment profit	42,935	251,667	787,577	455,386	(379,600)	1,157,965
Tax expense	(16,083)	(94,272)	(295,020)	(170,584)	142,195	(433,764)
Segment assets (Gross)	-	38,413,460	36,979,260	71,537,248	6,950,618	153,880,586
Segment liabilities	-	7,591,000	99,853,947	29,141,584	6,871,378	143,457,909
Segment average return on net assets	-	4.26%	11.06%	7.00%	4.95%	
Segment cost of funds	-	6.23%	2.86%	3.58%	-	

20 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include a subsidiary company, associated companies with or without common directors, retirement benefit funds, directors, and key management personnel.

The Bank has related party relationship with Dubai Islamic Bank P.J.S.C, U.A.E, the holding company, directors, related group companies and associated undertakings, key management personnel and Staff Retirement

A number of banking transactions are entered into with related parties in the normal course of business. These include financing and deposit transactions. These transactions are executed substantially on the same terms including profit rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk. Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration and other benefits to the executives are determined in accordance with the terms of their appointment.

Usual transactions with related parties include deposits, financing, returns and provision of other banking services. Transactions with executives are undertaken at terms in accordance with employment agreements and service rules.

The details of transactions with related parties and balances with them are given below

	September 30, 2017 (Un-audited)					December 31, 2016 (Audited) - Restated				
	Associated companies	Holding Company	Directors	Key management personnel	Others**	Associated companies	Holding Company	Directors	Key management personnel	Others**
Rupees in '000										
Balances with other banks										
As at January 1	-	53,113	-	-	-	-	1,154,055	-	-	-
Deposited during the period / year	-	48,037,963	-	-	-	-	98,380,691	-	-	-
Withdrawals during the period / year	-	(47,976,756)	-	-	-	-	(99,481,633)	-	-	-
Closing balance	-	114,320	-	-	-	-	53,113	-	-	-
Investments										
As at January 1	1,588,330	-	-	-	-	526,993	-	-	-	-
Investments made during the period / year	660,913	-	-	-	-	2,954,239	-	-	-	-
Investments redeemed during the period / year	(1,263,453)	-	-	-	-	(1,892,962)	-	-	-	-
Closing balance	985,790	-	-	-	-	1,588,330	-	-	-	-
Islamic financing and related assets										
As at January 1	-	-	-	141,721	-	-	-	-	70,550	-
Disbursed during the period / year	-	-	-	16,570	-	-	-	-	(67,616)	-
Payments during the period / year	-	-	-	(26,861)	-	-	-	-	(12,311)	-
Adjustments *	-	-	-	(11,710)	-	-	-	-	(24,128)	-
Closing balance	-	-	-	119,720	-	-	-	-	141,721	-
Deposits and other accounts										
As at January 1	-	29,362	6,214	46,818	96,622	-	45,724	4,244	35,147	449,756
Received during the period / year	-	1,521,206	122,584	355,647	844,880	-	1,204,939	19,926	344,921	891,199
Withdrawals during the period / year	-	(1,508,328)	(120,773)	(273,834)	(104,808)	-	(1,221,301)	(17,956)	(339,628)	(1,244,333)
Adjustments *	-	-	-	(20,565)	-	-	-	-	6,378	-
Closing balance	-	42,240	8,025	108,066	836,704	-	29,362	6,214	46,818	96,622
Other receivables										
As at January 1	-	4,719	-	-	-	-	2,639	-	-	-
Accruals during the period / year	-	-	-	-	-	-	2,080	-	-	-
Payments received the period / year	-	(2,507)	-	-	-	-	-	-	-	-
Closing balance	-	2,212	-	-	-	-	4,719	-	-	-

	Nine months period ended September 30, 2017 (Un-audited)					Nine months period ended September 30, 2016 (Un-Audited) - Restated				
	Associated companies	Holding Company	Directors	Key management personnel	Others**	Associated companies	Holding Company	Directors	Key management personnel	Others**
Rupees in '000										
Transactions during the period										
Fees to directors	-	-	10,914	-	-	-	-	9,509	-	-
Remuneration to key management personnel	-	-	-	148,053	-	-	-	-	162,490	-
Profit earned on investments	12,436	-	-	-	-	21,460	-	-	-	-
Profit earned on financings	-	-	-	4,184	-	-	-	-	4,116	-
Profit expensed on deposits	-	-	45	257	-	-	-	20	965	-
Purchase of global sukuk	-	9,783,363	-	-	-	-	2,531,281	-	-	-
Sale of global sukuk	-	7,377,604	-	-	-	-	7,093,759	-	-	-
Capital loss on sale of global sukuk	-	(6,353)	-	-	-	-	-	-	-	-
Contribution made to gratuity fund	-	-	-	-	37,343	-	-	-	-	31,698
Contribution made to provident fund	-	-	-	-	56,969	-	-	-	-	55,144
Contingencies and commitments										
Foreign currency purchase contracts	-	52,599,253	-	-	-	-	65,773,047	-	-	-
Foreign currency sale contracts	-	51,987,110	-	-	-	-	68,029,103	-	-	-

* Primarily relates to those directors, associates and key management personnel who are no longer related parties or have become related parties of the Bank as at September 30, 2017

** This represents balances and transactions of staff retirement benefit plan.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

RECURRING FAIR VALUE MEASUREMENTS

On-Balance sheet Financial Instruments	September 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
INVESTMENTS				
Available-for-sale securities				
GOP Ijara sukuk	-	12,124,996	-	12,124,996
Other sukuk certificates	-	10,704,930	-	10,704,930
Global sukuk certificates	8,280,143	-	-	8,280,143
Units of open-end mutual funds	-	-	-	-
	<u>8,280,143</u>	<u>22,829,926</u>	<u>-</u>	<u>31,110,069</u>

Off-Balance sheet Financial Instruments

Forward promise to purchase foreign currencies	-	16,571,902	-	16,571,902
Forward promise to sell foreign currencies	-	10,257,344	-	10,257,344

On-Balance sheet Financial Instruments	December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
INVESTMENTS				
Available-for-sale securities				
GOP Ijara sukuk	-	12,662,564	-	12,662,564
Other sukuk certificates	-	8,484,556	-	8,484,556
Global sukuk certificates	6,047,669	-	-	6,047,669
Units of open-end mutual funds	16,870	-	-	16,870
	<u>6,064,539</u>	<u>21,147,120</u>	<u>-</u>	<u>27,211,659</u>

Off-Balance sheet Financial Instruments

Forward promise to purchase foreign currencies	-	17,886,578	-	17,886,578
Forward promise to sell foreign currencies	-	11,858,008	-	11,858,008

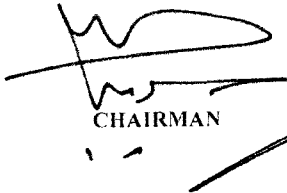
22 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 05 OCT 2017 by the Board of Directors of the Bank.

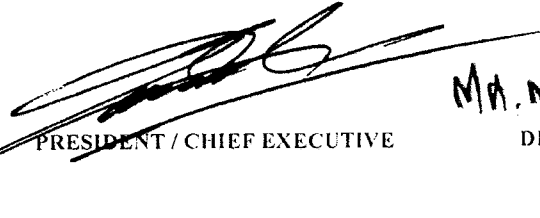
23 GENERAL

23.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

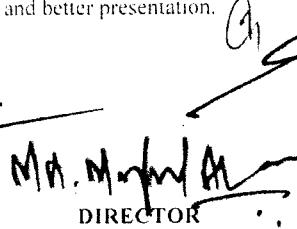
23.2 Comparative information has been re-classified, re-arranged or additionally incorporated in this condensed interim financial information, wherever necessary to facilitate comparison and better presentation.



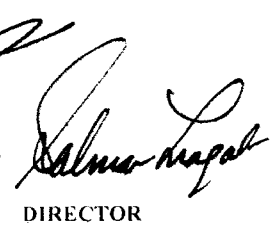
CHAIRMAN



PRESIDENT / CHIEF EXECUTIVE



MA. M. Iqbal
DIRECTOR



DIRECTOR