


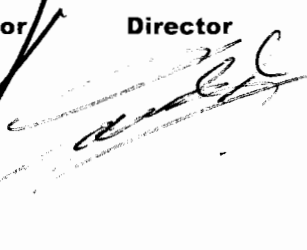


**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT MARCH 31, 2009**

	Note	March 31, 2009 (Unaudited) ----- Rupees in '000 -----	December 31, 2008 (Audited)
<b>ASSETS</b>			
Cash and balances with treasury banks		2,247,818	2,691,572
Balances with other banks		1,950,059	3,273,878
Due from financial institutions		-	1,329,832
Investments	5	3,004,972	3,019,266
Financing	6	18,104,907	18,073,501
Operating fixed assets		1,984,834	2,010,889
Deferred tax assets		486,311	512,474
Other assets		1,589,813	1,138,661
		<u>29,368,714</u>	<u>32,050,073</u>
<b>LIABILITIES</b>			
Bills payable		205,199	283,188
Due to financial institutions		-	-
Deposits and other accounts	7	22,759,866	25,458,910
Sub-ordinated financing		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,285,747	1,241,848
		<u>24,250,812</u>	<u>26,983,946</u>
<b>NET ASSETS</b>		<u>5,117,902</u>	<u>5,066,127</u>
<b>REPRESENTED BY</b>			
Share capital		6,017,780	6,017,780
Reserves		-	-
Accumulated loss		(910,774)	(962,520)
		<u>5,107,006</u>	<u>5,055,260</u>
Advance against future issue of share capital		18	18
Surplus on revaluation of assets	8	10,878	10,849
		<u>5,117,902</u>	<u>5,066,127</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

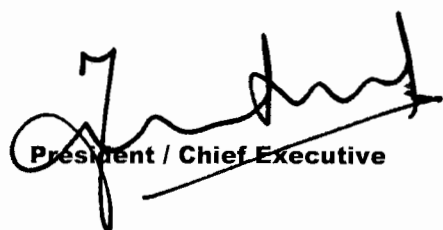
  
**President / Chief Executive**

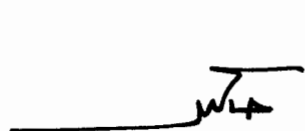
 **Director**       **Director**       **Director**


**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED MARCH 31, 2009**  
**(UNAUDITED)**


	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
	----- Rupees in '000 -----	
Profit / return on financing, investments and placements earned	896,910	515,636
Return on deposits and other dues expensed	460,139	233,863
Net spread earned	436,771	281,773
Provision against non-performing financing	(16,842)	(57,460)
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
Net spread after provisions	419,929	224,313
<b>OTHER INCOME</b>		
Fee, commission and brokerage income	37,236	28,572
Dividend Income	-	-
Income from dealing in foreign currencies	16,614	17,387
Gain on sale of securities	-	2,000
Unrealized gain / (loss) on revaluation of investments classified as held for trading	-	-
Other income	3,492	76
Total other income	57,342	48,035
	477,271	272,348
<b>OTHER EXPENSES</b>		
Administrative expenses	399,078	442,004
Other provisions / write offs	-	-
Other charges	299	22
Total other expenses	399,377	442,026
Extra ordinary / unusual items	-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	77,894	(169,678)
Taxation – Current	-	(2,816)
– Prior years	-	-
– Deferred	(26,148)	51,381
<b>PROFIT / (LOSS) AFTER TAXATION</b>	51,746	(121,113)
Accumulated loss brought forward	(962,520)	(780,698)
Accumulated loss carried forward	(910,774)	(901,811)
Basic earnings / (loss) per share – Rupee	0.09	(0.24)
Diluted earnings / (loss) per share – Rupee	0.09	(0.24)

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

  
President / Chief Executive

 Director

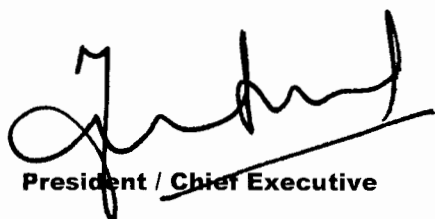
 Director

 Director

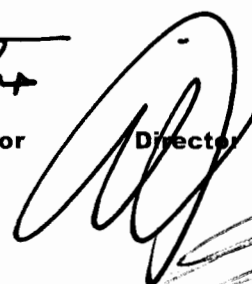
**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED MARCH 31, 2009**  
**(UNAUDITED)**

	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	77,894	(169,678)
Adjustments:		
Depreciation	69,523	56,749
Amortization	26,355	11,563
Provision against non-performing financing – net of Reversal	16,842	57,460
Gain on sale of fixed assets	-	(76)
	112,720	125,696
	190,614	(43,982)
(Increase) / decrease in operating assets		
Due from financial institutions	1,329,832	(1,000,000)
Financing	(48,248)	(3,262,935)
Others assets	(460,168)	425,837
	821,416	(3,837,098)
Increase / (decrease) in operating liabilities		
Bills payable	(77,989)	(128,029)
Due to financial institutions	-	499,617
Deposits and other accounts	(2,699,044)	4,076,954
Other liabilities	43,899	182,370
	(2,733,134)	4,630,912
	(1,721,104)	749,832
Income tax paid	(1,237)	(3,033)
Net cash (used in) / flow from operating activities	(1,722,341)	746,799
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net proceeds from available-for-sale securities	14,338	128,394
Investments in operating fixed assets	(62,334)	(110,648)
Sale proceeds of property and equipment disposed-off	2,764	700
Net cash (used in) / flow from investing activities	(45,232)	18,446
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received against issue of right shares	-	-
Net cash flow from financing activities	-	-
(Decrease) / Increase in cash and cash equivalents	(1,767,573)	765,245
Cash and cash equivalents at beginning of the period	5,965,450	3,403,309
Cash and cash equivalents at end of the period	4,197,877	4,168,554

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

  
**President / Chief Executive**

  
**Director**


  
**Director**

  
**Director**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED MARCH 31, 2009**  
**(UNAUDITED)**

	Share capital	Accumulated loss	Total
	----- Rupees in '000 -----		
<b>Balance as at January 01, 2008</b>	5,126,230	(780,698)	4,345,532
Loss after taxation for the quarter ended March 31, 2008	-	(121,113)	(121,113)
<b>Balance as at March 31, 2008</b>	<b>5,126,230</b>	<b>(901,811)</b>	<b>4,224,419</b>
Issue of right shares during the period	891,550	-	891,550
Loss after taxation for the nine months period ended December 31, 2008	-	(60,709)	(60,709)
<b>Balance as at December 31, 2008</b>	<b>6,017,780</b>	<b>(962,520)</b>	<b>5,055,260</b>
Profit after taxation for the quarter ended March 31, 2009	-	51,746	51,746
<b>Balance as at March 31, 2009</b>	<b>6,017,780</b>	<b>(910,774)</b>	<b>5,107,006</b>

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

  
**President / Chief Executive**

  
**Director**

  
**Director**

  
**Director**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED MARCH 31, 2009**

**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 Islamic Shariah.
- 1.2 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 and commenced operations as a scheduled Islamic Commercial Bank with effect from March 28, 2006 on receiving certificate for commencement of business from the SBP.
- 1.3 The Bank was operating through 24 branches and 1 sub-branch as at March 31, 2009 (December 31, 2008: 23 branches and 2 sub-branches). The registered office of the Bank is situated at Hasan Chambers, DC-7, Block-7 Kehkashan, Clifton, Karachi.

**2. STATEMENT OF COMPLIANCE**

- 2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the SBP. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the SBP differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.
- 2.2 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS – 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirement of various circulars issued by SBP.
- 2.3 The disclosures made in these interim condensed financial statements have, however been limited based on the format prescribed by the SBP vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim 'Financial Reporting'. They do not include all of the information required for full annual financial statements, and these interim condensed financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2008.
- 2.4 The SBP vide IBD Circular No. 01, dated January 27, 2009 notified the implemented of "Islamic Financial Accounting Standard 2 – Ijara (IFAS-2)" w.e.f January 01, 2009. IFAS -2 requires that assets financed under Ijara arrangements should be recorded as fixed assets separate from the assets in the Bank's own use and these assets will be carried at cost less depreciation and impairment if any. The rentals from Ijara are to be recognized in the profit and loss account on a straight line basis over the term of the contract. However during the quarter ended March 31, 2009, the Bank has not disbursed any Ijara financing, and consequently the Bank does not have any pure Ijara transactions outstanding as at balance sheet date.

### 3. BASIS OF PRESENTATION

- 3.1 The Bank provides financing through Sharia compliant financial products. The transactions of purchases, sales and leases executed arising 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. However, Murabaha and Ijara transactions are accounted for under IFAS - 1 and IFAS - 2 respectively. Income, if any, received which does not comply with the principles of Sharia is recognized as charity payable if so directed by the Sharia Advisory / Sharia Supervisory Board.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparation of these interim condensed financial statements and the significant judgements made are consistent with those applied in the preparation of the financial statements of the Bank for the year ended December 31, 2008.

### 5. INVESTMENTS

	March 31, 2009 (Unaudited)			December 31, 2008 (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
	----- (Rupees in '000) -----					
<b>5.1 Investments by types</b>						
Available for sale securities						
Sukuk Certificates	2,988,237	-	2,988,237	3,002,575	-	3,002,575
Total investments at cost	2,988,237	-	2,988,237	3,002,575	-	3,002,575
Surplus on revaluation of						
Available-for-sale securities	16,735	-	16,735	16,691	-	16,691
Total investments at market value	3,004,972	-	3,004,972	3,019,266	-	3,019,266

	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
	----- Rupees in '000 -----	
<b>5.2 Investments by segments</b>		
<b>SUKUK Certificates</b>		
Sukuk Certificates	2,988,237	3,002,575
Total investments at cost	2,988,237	3,002,575
Surplus on revaluation of		
available for sale securities	16,735	16,691
Total investments at market value	3,004,972	3,019,266

### 5.3 Available for sale securities

Name of the investee company	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)		March 31, 2009 (Unaudited)	December 31, 2008 (Audited)		
	Number of Certificates	Face value		Cost (Rupees in '000)	Entity rating long term / short term	Cost (Rupees in '000)	Entity rating long term/ short term
<b>Sukuk Certificates</b>							
WAPDA First Sukuk Certificates	67,000	67,000	5,000	335,631	Unrated	335,675	Unrated
WAPDA Second Sukuk Certificates	96,075	96,075	5,000	480,375	Unrated	480,375	Unrated
Sitara Chemical Industries Limited	20,446	22,305	5,000	102,231	Unrated	111,525	Unrated
Engro Chemicals Pakistan Limited	60,000	60,000	5,000	300,000	Unrated	300,000	Unrated
Sui Southern Gas Company Limited	165,000	165,000	3,333	550,000	Unrated	550,000	Unrated
Karachi Shipyard and Engineering Works	185,000	185,000	5,000	925,000	Unrated	925,000	Unrated
K.S. Sulemanji & Sons (Pvt) Limited	19,000	20,000	5,000	95,000	Unrated	100,000	Unrated
Quatta Textile Mills Limited	40,000	40,000	5,000	200,000	Unrated	200,000	Unrated
				2,988,237		3,002,575	

	Note	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
		----- Rupees in '000 -----	
<b>6. FINANCING</b>			
Financing in Pakistan			
- Murabaha		<b>2,554,590</b>	2,559,791
- Musharaka cum Ijara – Housing		<b>5,222,373</b>	5,148,476
- Musharaka cum Ijara – Autos		<b>4,787,389</b>	4,653,991
- Ijara Muntahiya Bil Tamleek – Autos		<b>210,443</b>	221,479
- Musharaka cum Ijara – Others		<b>1,724,166</b>	1,835,915
- Wakala Istithmar		<b>148,436</b>	232,023
- Shirkatulmilk		<b>342,951</b>	376,389
- Musharaka		<b>1,139,375</b>	1,183,750
- Istisna cum Wakala		<b>2,237,938</b>	1,996,850
- Financing against bills - Wakala Istithmar		<b>10,931</b>	121,680
Financing – gross		<b>18,378,592</b>	18,330,344
Less: Provision for non-performing financing – specific	<b>6.1</b>	<b>(140,470)</b>	(126,209)
– general	<b>6.2</b>	<b>(133,215)</b>	(130,634)
		<b>(273,685)</b>	(256,843)
Financing – net of provisions		<b>18,104,907</b>	18,073,501

- 6.1 Financing include Rs. 334.551 million (December 31, 2008: Rs. 286.024 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
	------(Rupees in '000)-----				
Other Assets Especially Mentioned	-	-	-	-	-
Substandard	148,903	-	148,903	29,070	29,070
Doubtful	93,558	-	93,558	26,496	26,496
Loss	92,090	-	92,090	84,904	84,904
	334,551	-	334,551	140,470	140,470

- 6.2 The Bank has maintained a general reserve (provision) in accordance with the applicable requirements of the prudential regulations for consumer financing issued by the SBP and for potential losses on financing.

March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
----- Rupees in '000 -----	

## 7. DEPOSITS AND OTHER ACCOUNTS

### Customers

Fixed deposits	11,313,385	12,859,402
Savings deposits	6,156,254	5,741,548
Current accounts - non-remunerative	4,051,002	4,110,266
Margin accounts - non-remunerative	40,685	69,795
	21,561,326	22,781,011

### Financial Institutions

Remunerative deposits	1,190,110	2,651,164
Non-remunerative deposits	8,430	26,735
	1,198,540	2,677,899
	22,759,866	25,458,910

	March 31, 2009 (Unaudited)	December 31, 2008 (Audited)
	----- Rupees in '000 -----	
<b>7.1 Particulars of deposits</b>		
In local currency	20,293,107	23,048,992
In foreign currencies	2,466,759	2,409,918
	<u>22,759,866</u>	<u>25,458,910</u>

## 8. SURPLUS ON REVALUATION OF ASSETS

### Surplus on revaluation of available for sale securities

WAPDA Sukuk certificates	16,735	16,691
Less : Deferred tax liability	(5,857)	(5,842)
	<u>10,878</u>	<u>10,849</u>

## 9. CONTINGENCIES AND COMMITMENTS

### Transaction-related contingent liabilities

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

- Government	290,112	100,053
- Banking companies and other financial institutions	40,876	40,312
- Others	1,446,643	1,295,520
	<u>1,777,631</u>	<u>1,435,885</u>

### Trade-related contingent liabilities

Import Letters of Credit	4,930,090	5,974,907
--------------------------	-----------	-----------

### Commitments in respect of forward exchange promises to Purchase

	1,464,720	3,304,298
Sale	1,456,712	3,306,309

### Commitments for the acquisition of operating fixed assets

	1,551	2,063
--	-------	-------

### Commitments for acquisition of investments

	-	-
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### Commitments for unutilized financing facility

	792,000	842,000
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## 10. RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise group companies, directors and their close family members, staff retirement fund, executives and the holding company of the Bank i.e. Dubai Islamic Bank PJSC, UAE.

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 during the period are as follows:

March 31, 2009 (Unaudited) ----- (Rupees '000) -----	December 31, 2008 (Audited) -----
---	--

### Key management personnel

#### **Financing**

At beginning of the period / year	10,487	7,938
Disbursements	-	10,775
Repayments	(44)	(8,226)
At the end of the period / year	10,443	10,487

#### **Deposits**

At beginning of the period / year	19,286	18,816
Deposits	47,335	186,359
Withdrawals	(43,201)	(185,889)
At the end of the period / year	23,420	19,286

### Directors

#### **Financing**

At beginning of the period / year	13,829	16,124
Transferred from staff financing	-	-
Disbursement	-	-
Repayments	(47)	(2,295)
At the end of the period / year	13,782	13,829

#### **Deposits**

At beginning of the period / year	624	1,262
Deposits	4,946	22,304
Withdrawals	(5,543)	(22,942)
At the end of the period / year	27	624

### Holding company

#### **Placements**

At beginning of the period / year	-	322,400
Placements	6,921,034	26,224,751
Repayments	(6,518,468)	(26,547,151)
At the end of the period / year	402,566	-

These include placements made by the holding company under Wakala arrangement on behalf of the Bank.

#### **Deposits**

At beginning of the period / year	26,735	817
Deposits	74,900	468,162
Withdrawals	(93,205)	(442,244)
At the end of the period / year	8,430	26,735

#### **Balance held abroad**

At beginning of the period / year	495,609	9,033
Deposits	12,017,756	70,453,831
Withdrawals	(12,381,009)	(69,967,255)
At the end of the period / year	132,356	495,609

#### **Other payables**

447,557	447,936
---------	---------

#### **Issue of right shares**

-	891,550
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### Group Companies

#### **Other receivables**

12,968	12,688
--------	--------

	March 31, 2009 (Unaudited) ----- (Rupees '000) -----	March 31, 2008
Profit earned on financing to Key Management Personnel	<u>388</u>	<u>269</u>
Return on deposits to Key Management Personnel	<u>90</u>	<u>72</u>
Profit earned on financing to Directors	<u>466</u>	<u>142</u>
Profit earned on placements with Holding Company	<u>340</u>	<u>5,352</u>
Income earned from Group Companies	<u>-</u>	<u>780</u>
<b><u>Employee benefit plans</u></b>		
Contribution to Employees Gratuity Fund	<u>4,071</u>	<u>3,899</u>
Contribution to Employees Provident Fund	<u>7,866</u>	<u>7,428</u>

#### 11. DATE OF AUTHORISATION FOR ISSUE


These interim condensed financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Bank.


#### 12. GENERAL

The figures in the financial statements are rounded off to the nearest thousand of rupees.

  
President / Chief Executive

  
Director

  
Director

  
Director