



**DUBAI ISLAMIC BANK PAKISTAN  
LIMITED**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2009**

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## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

**Introduction**

We have reviewed the accompanying interim condensed balance sheet of **Dubai Islamic Bank Pakistan Limited (the Bank)** as at **30 June 2009** and the related interim condensed profit and loss account, interim condensed cash flow statement and interim condensed statement of changes in equity and explanatory notes (here-in-after referred to as "interim financial information") for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

KARACHI: 24 August 2009


  
CHARTERED ACCOUNTANTS

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT 30 JUNE 2009**

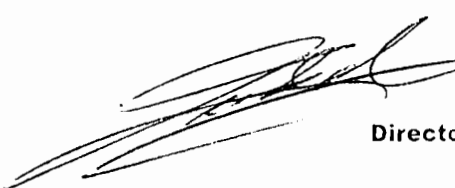
	Note	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
----- Rupees in '000 -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		2,132,041	2,691,572
Balances with other banks		3,738,526	3,273,878
Due from financial institutions		1,529,057	1,329,832
Investments	5	2,949,843	3,019,266
Financing	6	19,248,914	18,073,501
Operating fixed assets	7	1,904,087	2,010,889
Deferred tax assets	8	460,555	512,474
Other assets		<u>1,231,529</u>	<u>1,138,661</u>
		<u>33,194,552</u>	<u>32,050,073</u>
<b>LIABILITIES</b>			
Bills payable		328,896	283,188
Due to financial institutions		1,000,000	-
Deposits and other accounts	9	25,420,207	25,458,910
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		<u>1,266,595</u>	<u>1,241,848</u>
		<u>28,015,698</u>	<u>26,983,946</u>
<b>NET ASSETS</b>		<u>5,178,854</u>	<u>5,066,127</u>
<b>REPRESENTED BY</b>			
Share capital		6,017,780	6,017,780
Reserves		22,533	-
Accumulated loss		<u>(872,384)</u>	<u>(962,520)</u>
		5,167,929	5,055,260
Advance against future issue of share capital		18	18
Surplus on revaluation of assets – net of tax	10	<u>10,907</u>	<u>10,849</u>
		<u>5,178,854</u>	<u>5,066,127</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.


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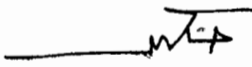
**President / Chief Executive**



**Director**



**Director**

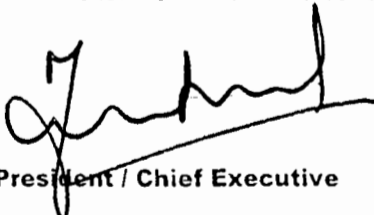


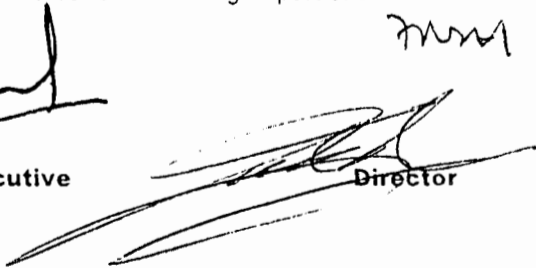
**Director**

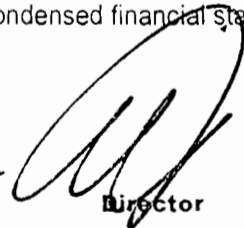
**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2009**

	Note	Quarter ended 30 June 2009	Half year ended 30 June 2009	Quarter ended 30 June 2008	Half year ended 30 June 2008
----- Rupees in '000 -----					
Profit / return on financing, investments and placements earned	12	897,747	1,794,657	627,200	1,142,836
Return on deposits and other dues expensed		433,113	893,252	302,760	536,623
Net spread earned		464,634	901,405	324,440	606,213
Provision against non-performing financing		(55,622)	(72,464)	(51,180)	(108,640)
Provision for diminution in the value of Investments		-	-	-	-
Bad debts written off directly		-	-	-	-
Net spread after provisions		409,012	828,941	273,260	497,573
<b>OTHER INCOME</b>					
Fee, commission and brokerage income		110,742	147,979	37,744	66,316
Dividend income		-	-	-	-
Income from dealing in foreign currencies		20,451	37,065	61,583	78,970
Gain on sale of securities		-	-	4,624	6,624
Unrealized gain / (loss) on revaluation of investments classified as held for trading		-	-	-	-
Other income		-	3,492	9	85
Total other income		131,193	188,536	103,960	151,995
		540,205	1,017,477	377,220	649,568
<b>OTHER EXPENSES</b>					
Administrative expenses		440,065	839,145	444,888	886,892
Other provisions / write offs		-	-	-	-
Other charges		3,561	3,859	30	52
Total other expenses		443,626	843,004	444,918	886,944
Extra ordinary / unusual items		96,579	174,473	(67,698)	(237,376)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		96,579	174,473	(67,698)	(237,376)
Taxation – Current		(9,916)	(9,916)	(3,705)	(6,521)
– Prior years		-	-	-	-
– Deferred		(25,740)	(51,888)	37,206	88,587
<b>PROFIT / (LOSS) AFTER TAXATION</b>		60,923	112,669	(34,197)	(155,310)
Accumulated loss brought forward		(910,774)	(962,520)	(901,811)	(780,698)
Accumulated loss carried forward		(849,851)	(849,851)	(936,008)	(936,008)
Basic earning / (loss) per share	(Re.)	0.10	0.19	(0.07)	(0.30)
Diluted earning / (loss) per share	(Re.)	0.10	0.19	(0.07)	(0.30)

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.

  
**President / Chief Executive**

  
**Director**

  
**Director**

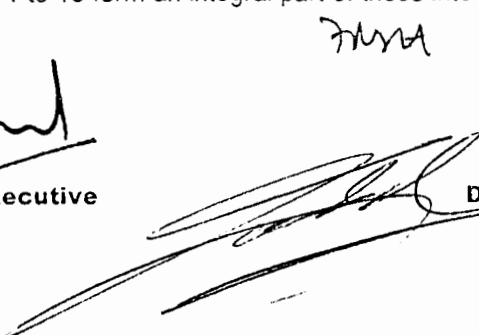
  
**Director**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 30 JUNE 2009**

	30 June 2009	30 June 2008
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	174,473	(237,376)
Adjustments:		
Depreciation	139,529	115,829
Amortization	52,780	23,356
Provision against non-performing financing	72,464	108,640
Gain on sale of fixed assets	-	(85)
	264,773	247,740
	439,246	10,364
(Increase) / decrease in operating assets		
Due from financial institutions	(199,225)	(1,195,000)
Financing	(1,247,877)	(5,293,250)
Others assets	(120,677)	355,607
	(1,567,779)	(6,132,643)
Increase / (decrease) in operating liabilities		
Bills payable	45,708	(116,324)
Due to financial institutions	1,000,000	(383)
Deposits and other accounts	(38,703)	5,974,852
Other liabilities	24,747	293,389
	1,031,752	6,151,534
	(96,781)	29,255
Income tax paid	(2,614)	(6,961)
Net cash flow (used in) / generated from operating activities	(99,395)	22,294
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available for sale securities	69,511	227,687
Investments in operating fixed assets	(67,763)	(208,342)
Sale proceeds of property and equipment disposed-off	2,764	13,477
Net cash flow from investing activities	4,512	32,822
(Decrease) / increase in cash and cash equivalents	(94,883)	55,116
Cash and cash equivalents at beginning of the period	5,965,450	3,403,309
Cash and cash equivalents at end of the period	5,870,567	3,458,425

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**President / Chief Executive**

  
**Director**

  
**Director**

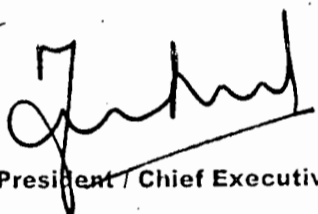
  
**Director**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 30 JUNE 2009**

	Share capital	Statutory reserve	Accumulated Loss	Total
	----- Rupees in '000 -----			
Balance as at 01 January 2008	5,126,230	-	(780,698)	4,345,532
Loss after taxation for the period ended 30 June 2008	-	-	(155,310)	(155,310)
<b>Balance as at 30 June 2008</b>	<b>5,126,230</b>	<b>-</b>	<b>(936,008)</b>	<b>4,190,222</b>
Issue of right shares during the period	891,550	-	-	891,550
Loss after taxation for the period ended 31 December 2008	-	-	(26,512)	(26,512)
<b>Balance as at 01 January 2009</b>	<b>6,017,780</b>	<b>-</b>	<b>(962,520)</b>	<b>5,055,260</b>
Profit after taxation for the period ended 30 June 2009	-	-	112,669	112,669
Transfer to Statutory reserve	-	22,533	(22,533)	-
<b>Balance as at 30 June 2009</b>	<b>6,017,780</b>	<b>22,533</b>	<b>(872,384)</b>	<b>5,167,929</b>

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.

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**President / Chief Executive**

  
**Director**

  
**Director**

  
**Director**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 30 JUNE 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 27 May 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 26 November 2005 and subsequently the Bank received the Certificate of Commencement of Business from the Securities and Exchange Commission of Pakistan (the SECP) on 26 January 2006 and commenced operations as a scheduled Islamic Commercial Bank with effect from 28 March 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 30 June 2009 (31 December 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 interim condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or regulations / directives issued by the SECP and the SBP differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives shall prevail.
- 2.2 The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, IFRS - 7 "Financial Instruments: Disclosure" 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 the SBP.
- 2.3 The disclosures made in these interim condensed financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these interim condensed financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2008.

**3. BASIS OF PRESENTATION**

- 3.1 These interim condensed financial statements are unaudited but subject to limited scope review by the auditors and have been prepared in accordance with the requirements of State Bank of Pakistan.
- 3.2 The Bank provides financing through Shariah 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 transactions are accounted for under the Islamic Financial Accounting Standard – 1. Income, if any, received which does not comply with the principles of Shariah is segregated and recognized as charity payable if so directed by the Sharia Advisory / Sharia Supervisory Board.

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#### 4. ACCOUNTING POLICIES

- 4.1 The accounting policies adopted in preparation of these interim condensed financial statements and the significant judgements made except for those disclosed in note 7.1.1 of these financial statements, are consistent with those applied in the preparation of the financial statements of the Bank for the year ended 31 December 2008.
- 4.2 During the period, SBP vide IBD circular No. 1 dated 27 January 2009 has implemented "Islamic Financial Accounting standard 2 – Ijarah (IFAS-2)" which deals with the accounting for Ijarah financing contracts undertaken by the Bank. The standard is applicable prospectively to Ijarah contracts entered into on or after 01 January 2009. As a result of application of the standard, the assets financed under the Ijarah arrangements will be recorded as assets separate from the assets in the Bank's own use and will be carried at cost less depreciation and impairment if any. The rentals from Ijarah shall be recognized in the profit and loss account on a straight line basis over the term of the contract. The Bank presently does not have any pure Ijarah transaction and accordingly it does not affect the interim condensed financial statements for the period ending 30 June 2009.
- 4.3 In addition to above, following new / revised standards, amendments and interpretations to accounting standards became effective during the period:

IAS 1 - Presentation of Financial Statements (Revised)

IAS 23 - Borrowing Costs (Revised)

IAS 32 - Financial Instruments: Presentation - Amendments regarding Puttable Financial Instruments

IFRS-2 - Share-Based Payment – Vesting Conditions and Cancellations

IFRS 8 - Operating Segments

IFRIC 13 - Customer Loyalty Programs

IFRIC 15 - Agreements for the Construction of Real Estate

Adoption of these standards / amendments and interpretations did not affect the accounting policies of the Bank as disclosed in the annual financial statements for the year ended 31 December 2008. However, the revised IAS 1 was issued in September 2007 with subsequent amendments in November 2008 and was effective for financial years beginning on or after 1 January 2009. The standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions attributable to or with owners, with non-owner changes in equity presented as a single line as "other component of equity". In addition, the standard introduces a statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. Since the Bank has strictly followed the format of half-yearly financial statements prescribed by the SBP through the BSD Circular Letter No. 2 of 2004, therefore the above referred changes introduced through IAS 1 (Revised) have not been taken into consideration in the preparation of these half-yearly financial statements.

#### 5. INVESTMENTS

30 June 2009 (Un-Audited)			31 December 2008 (Audited)		
Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
------(Rupees in '000)-----					

##### 5.1 Investments by types

###### Available for sale securities

WAPDA Sukuk Certificates

Other Sukuk Certificates

Total investments at cost

815,962	-	815,962	816,050	-	816,050
2,117,102	-	2,117,102	2,186,525	-	2,186,525
2,933,064	-	2,933,064	3,002,575	-	3,002,575

Surplus on revaluation of

Available for sale securities

Total investments

16,779	-	16,779	16,691	-	16,691
2,949,843	-	2,949,843	3,019,266	-	3,019,266

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	Note	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
----- Rupees in '000 -----			
<b>5.2 Investments by segments</b>			
<b>SUKUK Certificates</b>			
WAPDA Sukuk Certificates		815,962	816,050
Other Sukuk Certificates		2,117,102	2,186,525
<b>Total investments at cost</b>	5.3	<b>2,933,064</b>	<b>3,002,575</b>
Surplus on revaluation of available for sale securities	10	16,779	16,691
<b>Total investments at market value</b>		<b>2,949,843</b>	<b>3,019,266</b>

**5.3 Available for sale securities**

Name of the investee company	30 June 2009 (Un-Audited)		31 December 2008 (Audited)		30 June 2009 (Un-Audited)		31 December 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	Cost (Rupees in '000)	Entity rating long term / short term
<b>Sukuk Certificates</b>								
WAPDA First Sukuk Certificates	67,000	67,000	5,000	335,587	Unrated	335,675	Unrated	
WAPDA Second Sukuk Certificates	96,075	96,075	5,000	480,375	Unrated	480,375	Unrated	
Sitara Chemical Industries Limited	18,587	22,305	5,000	92,935	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	151,265	165,000	3,333	504,167	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 (Private) 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	
				<b>2,933,064</b>		<b>3,002,575</b>		

**6. FINANCING**

## Financing in Pakistan

	Note	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
----- Rupees in '000 -----			
- Murabaha		2,633,084	2,559,791
- Musharaka cum Ijara – Housing		5,396,803	5,148,476
- Musharaka cum Ijara – Autos		4,986,747	4,653,991
- Ijara Muntahiya Bil Tamleek – Autos		210,878	221,479
- Musharaka cum Ijara – Others		1,546,445	1,835,915
- Wakala Istithmar		225,342	232,023
- Shirkatulmilk		1,312,014	376,389
- Musharaka		1,095,000	1,183,750
- Istisna cum Wakala		2,103,856	1,996,850
- Financing against bills - Wakala Istithmar		68,052	121,680
<b>Financing – gross</b>		<b>19,578,221</b>	<b>18,330,344</b>
Less: Provision for non-performing financing	6.2	(329,307)	(256,843)
<b>Financing – net of provisions</b>		<b>19,248,914</b>	<b>18,073,501</b>

6.1 Financing include Rs. 413.243 million (31 December 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	122,003	-	122,003	20,039	20,039
Doubtful	147,552	-	147,552	37,302	37,302
Loss	143,688	-	143,688	134,303	134,303
	<b>413,243</b>	<b>-</b>	<b>413,243</b>	<b>191,644</b>	<b>191,644</b>

## 6.2 Particulars of provision against non-performing financing:

	30 June 2009 (Un-Audited)			31 December 2008 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance	126,209	130,634	256,843	14,856	85,910	100,766
Charge for the period / year	135,555	7,029	142,584	159,529	44,724	204,253
Reversals for the period / year	(70,120)	-	(70,120)	(48,176)	-	(48,176)
	65,435	7,029	72,464	111,353	44,724	156,077
Closing balance	191,644	137,663	329,307	126,209	130,634	256,843

6.2.1 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.

## 6.2.2 Particulars of provision against non-performing financing:

	30 June 2009 (Un-Audited)			31 December 2008 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
In local currency	191,644	137,663	329,307	126,209	130,634	256,843
In foreign currency	-	-	-	-	-	-
	191,644	137,663	329,307	126,209	130,634	256,843

## 7. OPERATING FIXED ASSETS

## 7.1 Property and equipment

	Note	30 June 2009 (Un-Audited)		31 December 2008 (Audited)	
		Additions	Deletions / Transfers	Additions	Deletions / transfers
		--- Rupees in '000 ---			
Leasehold Land		47,932	-	-	-
Furniture and fixture		540	-	44,469	-
Vehicles		-	(4,504)	1,641	(108,720)
Electrical, office and computer equipment	7.1.1	11,757	(197)	351,638	(83)
Leasehold improvements		9,126	-	231,152	-
		69,355	(4,701)	628,900	(108,803)

7.1.1 During the period, effective from 01 January 2009 the useful lives of the mobile phones were reviewed which resulted in the revision of depreciation rates from 20% to 33.33%. In the opinion of the management, the revision would result in a more accurate reflection of depreciation charge over the useful lives of the related asset. The charge has been accounted for as change in accounting estimate in accordance with the requirements of International Accounting Standards (IAS) – 8 "Accounting Policies, Changes in Accounting Estimates and Errors" whereby the effect of these changes are recognized prospectively.

Had the Bank not made the above referred change in accounting estimate, profit before tax for the period would have been higher by Rs. 0.108 million and the carrying value of operating fixed assets would have been higher by Rs. 0.108 million.

	30 June 2009 (Un-Audited)		31 December 2008 (Audited)	
	Additions	Deletions / Transfers	Additions	Deletions / transfers
	--- Rupees in '000 ---			
7.2 Capital work-in-progress	934	(4,270)	157,514	(436,573)

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	30 June 2009 (Un-Audited)		31 December 2008 (Audited)	
	Additions	Deletions / Transfers	Additions	Deletions / transfers
	--- Rupees in `000 ---		--- Rupees in `000 ---	
7.3 Intangible assets	1,744	-	524,207	-

#### 8. DEFERRED TAX ASSETS

During the period, amendments were brought in the Income Tax Ordinance, 2001 through the Finance Act 2009 regarding tax allowability of provision against non-performing financing and off balance sheet exposures applicable from tax year 2010 (accounting year 31 December 2009) and onwards. The said amendments made in the tax law do not explicitly provide for a transitional mechanism with regard to the provision for non-performing financing made prior to the applicability of the above amendments. However, the Bank upon the opinion of its tax advisor and in the view of the Circular no. 07/2009 dated 28 July 2009 of ICAP on the subject matter is confident about the allowability of such provisions relating to prior periods which approximate to Rs. 50.084 million. Hence the tax impact of the same amounting to Rs. 17.529 million has been carried forward and treated as addition to deferred tax assets as reported in these interim condensed financial statements.

	Note	30 June	31 December
		2009 (Un-Audited)	2008 (Audited)
		----- Rupees in `000 -----	
<b>9. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		11,940,454	12,859,402
Savings deposits		7,308,356	5,741,548
Current accounts – non-remunerative		4,276,818	4,110,266
Margin accounts – non-remunerative		572	69,795
		<u>23,526,200</u>	<u>22,781,011</u>
<b>Financial Institutions</b>			
Remunerative deposits		1,888,714	2,651,164
Non-remunerative deposits	9.2	5,293	26,735
		<u>1,894,007</u>	<u>2,677,899</u>
		<u>25,420,207</u>	<u>25,458,910</u>

#### 9.1 Particulars of deposits

In local currency	22,950,116	23,048,992
In foreign currencies	2,470,091	2,409,918
	<u>25,420,207</u>	<u>25,458,910</u>

9.2 This represents deposit from holding company.

#### 10. SURPLUS ON REVALUATION OF ASSETS

##### Surplus on revaluation of available for sale securities

Sukuk certificates	16,779	16,691
Less : Deferred tax liability	(5,872)	(5,842)
	<u>10,907</u>	<u>10,849</u>

*MMA*

	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
	----- Rupees in '000 -----	
<b>11. CONTINGENCIES AND COMMITMENTS</b>		
<b>11.1 Transaction-related contingent liabilities</b>		
Contingent liabilities in respect of performance bonds, bid bonds, warranties given favoring		
- Government	406,616	100,053
- Banking companies and other financial institutions	41,949	40,312
- Others	1,442,163	1,295,520
	<u>1,890,728</u>	<u>1,435,885</u>
<b>11.2 Trade-related contingent liabilities</b>		
Import Letters of Credit	4,698,995	5,974,907
<b>11.3 Commitments in respect of forward exchange promises to</b>		
Purchase	2,470,917	3,304,298
Sale	2,463,667	3,306,309
<b>11.4 Commitments for the acquisition of operating fixed</b>		
assets	-	2,063
<b>11.5 Commitments for financing facilities</b>	70,000	842,000

**12. PROFIT / RETURN ON FINANCING, INVESTMENTS  
AND PLACEMENTS EARNED**

	30 June 2009 (Un-Audited)	30 June 2008 (Un-Audited)
	----- (Rupees '000) -----	
On financing to:		
- Customers	1,505,637	936,984
On investments in available for sale securities	220,150	146,755
On deposits / placements with financial institutions	68,870	59,097
	<u>1,794,657</u>	<u>1,142,836</u>

**13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

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

	Half-year ended 30 June 2009 (Un-Audited)				
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Others
	-----Rupees in '000 -----				
Total income	83,307	185,222	898,993	793,026	22,645
Total expenses	2,243	50,432	1,570,140	182,343	3,561
Net income (loss)	81,064	134,790	(671,147)	610,683	19,084
Segment assets (gross)	-	3,597,950	9,549,952	10,562,327	9,484,323
Segment non performing Financing	-	-	333,623	79,620	-
Segment provision required	-	-	284,616	44,690	-
Segment liabilities	-	1,000,000	25,746,339	-	1,269,359
Segment return on net assets (ROA) (%)	-	11.17%	19.39%	14.92%	3.55%
Segment cost of funds (%)	-	11.82%	7.47%	-	-

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Half-year ended 30 June 2008 (Un-Audited)

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Others
-----Rupees in '000 -----					
Total income	84,939	136,415	567,834	492,969	12,674
Total expenses	-	42,948	1,265,661	223,598	-
Net income (loss)	84,939	93,467	(697,827)	269,369	12,674
Segment assets (gross)	2,746,400	4,653,425	7,872,007	8,008,476	4,233,624
Segment non performing Financing	-	-	63,853	-	-
Segment provision required	-	-	35,590	-	-
Segment liabilities	-	-	20,594,122	1,495,188	1,015,130
Segment return on net assets (ROA) (%)	10.63%	6.79%	15.84%	10.68%	-
Segment cost of funds (%)	-	9.89%	5.40%	7.42%	-

#### 14. 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:

	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
----- (Rupees '000) -----		
<b>Key management personnel</b>		
<b>Financing</b>		
At beginning of the period / year	10,487	7,938
Disbursements	-	10,775
Repayments	(91)	(8,226)
At the end of the period / year	10,396	10,487
<b>Deposits</b>		
At beginning of the period / year	19,286	18,816
Deposits	87,009	186,359
Withdrawals	(83,152)	(185,889)
At the end of the period / year	23,143	19,286
<b>Directors</b>		
<b>Financing</b>		
At beginning of the period / year	13,829	16,124
Repayments	(80)	(2,295)
At the end of the period / year	13,749	13,829
<b>Deposits</b>		
At beginning of the period / year	624	1,262
Deposits	11,532	22,304
Withdrawals	(12,098)	(22,942)
At the end of the period / year	58	624
<b>Holding company</b>		
<b>Placements</b>		
At beginning of the period / year	-	322,400
Placements	13,567,207	26,224,751
Repayments	(12,785,219)	(26,547,151)
At the end of the period / year	781,988	-

*Handwritten signature*

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

	30 June 2009 (Un-Audited) ----- (Rupees '000) -----	31 December 2008 (Audited) ----- (Rupees '000) -----
<b>Deposits</b>		
At beginning of the period / year	26,735	817
Deposits	163,243	468,162
Withdrawals	(184,685)	(442,244)
At the end of the period / year	<u>5,293</u>	<u>26,735</u>
<b>Balance held abroad</b>		
At beginning of the period / year	495,609	9,033
Deposits	23,407,557	70,453,831
Withdrawals	(22,780,155)	(69,967,255)
At the end of the period / year	<u>1,123,011</u>	<u>495,609</u>
Other payables	<u>447,285</u>	<u>447,936</u>
Issue of right shares	-	<u>891,550</u>
<b><u>Group Companies</u></b>		
Other receivables	<u>12,737</u>	<u>12,688</u>
	30 June 2009 (Un-Audited) ----- (Rupees '000) -----	30 June 2008
Profit earned on financing to key management personnel	<u>859</u>	<u>755</u>
Return on deposits to key management personnel	<u>180</u>	<u>242</u>
Profit earned on financing to directors	<u>931</u>	<u>633</u>
Return on deposits to directors	<u>1</u>	<u>-</u>
Profit earned on placements with holding company	<u>655</u>	<u>8,556</u>
Income earned from group companies	<u>-</u>	<u>780</u>
<b><u>Employee benefit plans</u></b>		
Contribution to employees gratuity fund	<u>9,642</u>	<u>7,797</u>
Contribution to employees provident fund	<u>15,449</u>	<u>16,036</u>

#### 15. DATE OF AUTHORISATION FOR ISSUE

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

*MND*

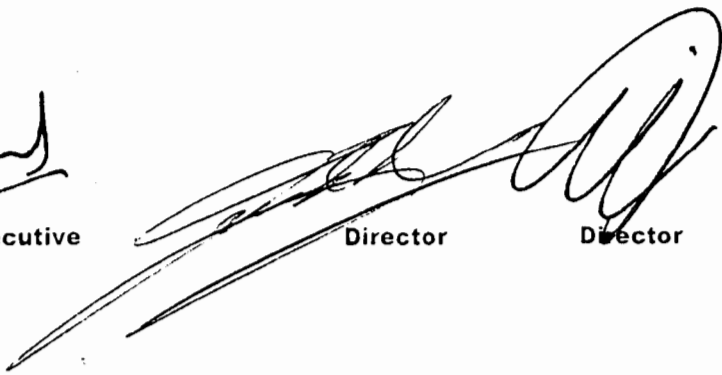
16. GENERAL

16.1 Figures of interim condensed profit and loss account for the quarters ended 30 June 2009 and 30 June 2008 have not been subjected to a limited scope review by the auditors.

16.2 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

*mm*

  
President / Chief Executive

  
Director

  
Director

  
Director