

DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED JUNE 30, 2014



A. F. FERGUSON & CO.

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dubai Islamic Bank Pakistan Limited** as at June 30, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed 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 condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2014.

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 condensed interim financial information as at and for the half year ended June 30, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: August 28, 2014

Karachi

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DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2014


	Note	June 30, 2014 Un-Audited ----- Rupees in '000 -----	December 31, 2013 Audited
ASSETS			
Cash and balances with treasury banks	10	9,441,554	5,291,178
Balances with other banks	11	1,072,102	1,840,378
Due from financial institutions		10,736,212	9,740,822
Investments	12	26,820,096	25,044,279
Islamic financing and related assets - net	13	41,898,834	35,540,386
Operating fixed assets	14	1,393,571	1,454,910
Deferred tax assets	15	1,893	234,187
Other assets - net		1,164,733	1,110,472
		<u>92,528,995</u>	<u>80,256,612</u>
LIABILITIES			
Bills payable		2,984,464	1,208,862
Due to financial institutions		1,440,000	2,938,000
Deposits and other accounts	16	75,877,856	67,639,224
Sub-ordinated loans	17	3,062,943	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,676,717	1,508,093
		<u>85,041,980</u>	<u>73,294,179</u>
NET ASSETS		<u>7,487,015</u>	<u>6,962,433</u>
REPRESENTED BY			
Share capital		6,976,030	6,976,030
Advance against future issue of share capital		18	18
Reserves		27,372	27,372
Unappropriated profit / (accumulated loss)		368,371	(73,788)
		<u>7,371,791</u>	<u>6,929,632</u>
Surplus on revaluation of assets - net of tax		115,224	32,801
		<u>7,487,015</u>	<u>6,962,433</u>

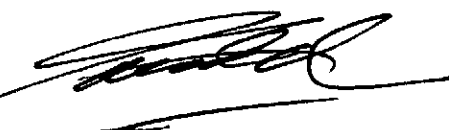
CONTINGENCIES AND COMMITMENTS

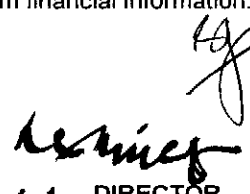
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The annexed notes 1 to 24 form an integral part of this condensed interim financial information.


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 CHAIRMAN

 PRESIDENT / CHIEF EXECUTIVE

 DIRECTOR

 DIRECTOR



DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2014

Note	Quarter ended June 30, 2014	Half year ended June 30, 2014	Quarter ended June 30, 2013	Half year ended June 30, 2013
----- Rupees in '000 -----				
Profit / return earned	1,939,864	3,677,055	1,434,364	2,759,884
Profit / return expensed	886,357	1,707,971	650,532	1,292,207
Net spread earned	<u>1,053,507</u>	<u>1,969,084</u>	<u>783,832</u>	<u>1,467,677</u>
Provision against non-performing Islamic financing and related assets - net	13.6 96,398	96,977	44,293	106,489
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
	<u>96,398</u>	<u>96,977</u>	<u>44,293</u>	<u>106,489</u>
Net spread earned after provisions	957,109	1,872,107	739,539	1,361,188
OTHER INCOME				
Fee, commission and brokerage income	225,929	404,933	167,298	286,836
Dividend income	-	-	-	-
Income from dealing in foreign currencies	39,691	93,701	24,236	41,822
Gain on sale of securities	69,911	156,575	13,893	26,908
Unrealised gain on revaluation of investments classified as held for trading	-	-	-	-
Other income	22	(117)	(18)	493
Total other income	<u>335,553</u>	<u>655,092</u>	<u>205,409</u>	<u>356,059</u>
	1,292,662	2,527,199	944,948	1,717,247
OTHER EXPENSES				
Administrative expenses	973,734	1,838,302	810,785	1,554,801
Other provisions / write offs	-	-	1,540	1,540
Other charges	8,098	15,504	1,460	2,026
Total other expenses	<u>981,832</u>	<u>1,853,806</u>	<u>813,785</u>	<u>1,558,367</u>
	310,830	673,393	131,163	158,880
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	<u>310,830</u>	<u>673,393</u>	<u>131,163</u>	<u>158,880</u>
Taxation - Current	22,754	43,321	23,779	31,159
- Prior period	-	-	-	-
- Deferred	73,942	187,913	20,461	23,087
	<u>96,696</u>	<u>231,234</u>	<u>44,240</u>	<u>54,246</u>
PROFIT AFTER TAXATION	<u>214,134</u>	<u>442,159</u>	<u>86,923</u>	<u>104,634</u>
Basic earnings per share - Rupee	19 <u>0.31</u>	<u>0.63</u>	<u>0.12</u>	<u>0.15</u>
Diluted earnings per share - Rupee	19 <u>0.31</u>	<u>0.63</u>	<u>0.12</u>	<u>0.15</u>

The annexed notes 1 to 24 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 HALF YEAR ENDED JUNE 30, 2014

	Quarter ended June 30, 2014	Half year ended June 30, 2014	Quarter ended June 30, 2013	Half year ended June 30, 2013
----- Rupees in '000 -----				
Profit after taxation for the period	214,134	442,159	86,923	104,634
Comprehensive income transferred to equity	214,134	442,159	86,923	104,634
Components of comprehensive income not reflected in equity :				
(Deficit) / Surplus on revaluation of available for sale investments - net of tax	(50,921)	82,423	(164,117)	(237,425)
Total comprehensive Income for the period	<u>163,213</u>	<u>524,582</u>	<u>(77,194)</u>	<u>(132,791)</u>

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

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CHAIRMAN

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PRESIDENT / CHIEF EXECUTIVE

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DIRECTOR

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DUBAI ISLAMIC BANK PAKISTAN LIMITED
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2014

	Note	June 30, 2014	June 30, 2013
----- Rupees in '000 -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		673,393	158,880
Adjustments			
Depreciation		119,076	112,586
Amortisation		41,773	41,669
Provision against non-performing Islamic financing and related assets - net	13.6	96,977	106,489
Other provisions / write offs		-	1,540
Gain on sale of securities		(156,575)	(26,908)
Charge for defined benefit plan		16,380	-
Liabilities no longer required written back		-	(56)
Loss / (gain) on sale of operating fixed assets		119	(437)
		<u>117,750</u>	<u>234,883</u>
		791,143	393,763
(Increase) / decrease in operating assets			
Due from financial institutions		(995,390)	2,706,534
Islamic financing and related assets		(6,455,425)	(4,924,269)
Other assets (excluding advance taxation)		(53,105)	(212,531)
		<u>(7,503,920)</u>	<u>(2,430,266)</u>
Increase / (decrease) in operating liabilities			
Bills payable		1,775,602	388,303
Due to financial institutions		(1,498,000)	1,250,000
Deposits and other accounts		8,238,632	4,695,673
Other liabilities (excluding current taxation)		168,624	81,925
		<u>8,684,858</u>	<u>6,415,901</u>
		1,972,081	4,379,398
Payment against defined benefit plan		(16,380)	-
Income tax paid		(44,478)	(17,218)
Net cash generated from operating activities		<u>1,911,223</u>	<u>4,362,180</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(1,492,437)	(8,829,136)
Investments in operating fixed assets		(100,011)	(37,516)
Proceeds realised on disposal of operating fixed assets		382	2,130
Net cash used in investing activities		<u>(1,592,066)</u>	<u>(8,864,522)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Sub-ordinated loans		3,062,943	-
Net cash generated from financing activities		<u>3,062,943</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period		7,131,556	9,856,404
Cash and cash equivalents at end of the period	20	<u>10,513,656</u>	<u>5,354,062</u>

The annexed notes 1 to 24 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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2014

	Share capital	Advance against Future issue of share capital	Statutory Reserves	Accumulated losses	Total
Rupees in '000					
Balance as at January 01, 2013	6,976,030	18	69,140	(251,808)	6,793,380
Transfer from Statutory reserves	-	-	(69,140)	69,140	-
Profit after taxation for the half year ended June 30, 2013 transferred from Statement of Comprehensive Income	-	-	-	104,634	104,634
Balance as at June 30, 2013	6,976,030	18	-	(78,034)	6,898,014
Profit after taxation for the half year ended December 31, 2013 transferred from Statement of Comprehensive Income	-	-	-	32,226	32,226
Transfer to Statutory reserves	-	-	27,372	(27,372)	-
Remeasurements of the net defined benefit liability / asset - net of tax	-	-	-	(608)	(608)
Balance as at December 31, 2013	6,976,030	18	27,372	(73,788)	6,929,632
Profit after taxation for the half year ended June 30, 2014 transferred from Statement of Comprehensive Income	-	-	-	442,159	442,159
Balance as at June 30, 2014	6,976,030	18	27,372	368,371	7,371,791

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

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CHAIRMAN

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PRESIDENT / CHIEF EXECUTIVE

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DIRECTOR

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DUBAI ISLAMIC BANK PAKISTAN LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2014

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.
- 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. 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 banking activities and investing activities.
- 1.3 Based on the financial statements of the Bank for the year ended December 31, 2013, JCR-VIS Credit Rating Company Limited determined the Bank's medium to long-term rating as 'A+' (A plus) and the short term rating as 'A-1' (A one) while the outlook has been maintained as "Stable".
- 1.4 The Bank is operating through 126 branches as at June 30, 2014 (December 2013: 125 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 PJSC, UAE (the Holding Company).
- 1.5 The State Bank of Pakistan (SBP) vide circular no.7 dated April 15, 2009 has set the Minimum Capital Requirement (MCR) for banks upto Rs 10 billion to be achieved in a phased manner by December 31, 2013. As per this circular, MCR (free of losses) and Capital Adequacy Ratio (CAR) requirements as of December 31, 2013 was Rs 10 billion and 10% respectively.

In the year 2010, the Bank was granted exemption from meeting the MCR for a period of two years i.e. December 31, 2010 and December 31, 2011 subject to compliance of certain conditions as mentioned in SBP letter dated February 2, 2011. In addition, the Bank was also required to submit a capital enhancement plan to SBP which was duly submitted after the approval of the Board of Directors of the Bank. In response, SBP vide its letter dated May 31, 2011 stated that it may offer the Bank extension till December 31, 2012 subject to firm commitment from the sponsors to enhance capital as per the following schedule:

- The Bank will raise its paid up capital (free of losses) to Rs 6.4 billion by December 31, 2011;
- The paid up capital (free of losses) will be raised to Rs 7.5 billion by December 31, 2012; and
- The paid up capital (free of losses) will be raised to Rs 10 billion by December 31, 2013.

The SBP vide its letter no. BPRD/BA & CP/623/019653/2013 dated December 28, 2013 has allowed the Bank to raise FCY sub-ordinated debt of US\$ 32 million from sponsors and place the same in non-remunerative deposit account with SBP. The funds placed as non-remunerative deposit with SBP will be considered for CAR / MCR purposes subject to certain terms and conditions.

During the half year ended June 30, 2014, an amount of US\$ 31 million (equivalent to Rs 3.273 billion) in respect of FCY subordinated debt from the sponsors was received on January 10, 2014 and has been placed in non-remunerative deposit account with SBP. The paid up capital of the Bank (free of losses) as at June 30, 2014 amounted to Rs 6.976 billion and the revalued amount of subordinated debt amounted to Rs 3.063 billion.

The deposit of USD with SBP in lieu of paid up capital is a short term arrangement and the bank is required to comply with the MCR (free of losses) of Rs. 10 billion by December 31, 2016. The Bank is also required to initiate the process of share issuance for meeting any shortfall in the MCR of Rs 10 billion in the first half of 2016.

2 BASIS OF PRESENTATION

The Bank finances mainly through Murabaha, Musharaka, Musharaka cum Ijara, Shirkatulmilk, Istisna cum Wakala, Wakala Isthimar, Service Ijarah and other Islamic modes. The transactions of purchases, sales and leases executed under these arrangements are not reflected in this condensed interim financial information 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 Advisor / Shari'a Executive Committee.

3 STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Ordinance, 1984, the requirements of Companies Ordinance 1984, the provisions and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of provisions and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, IFAS notified under the Companies Ordinance, 1984 and the directives issued by the SECP and SBP differ with the requirements of IFRS, the provisions and directives issued under the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962, IFAS notified under the Companies Ordinance, 1984 and the requirements of the directives issued by the SECP and SBP prevail.

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.3 The SBP through BSD Circular 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised) 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on revaluation of Available-For-Sale Securities (AFS) only may be included in the 'Statement of Comprehensive Income' but will continue to be shown separately in the Statement of Financial Position below equity. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.

3.4 IFRS 8 'Operating Segments' is effective for the Bank's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their condensed interim financial information in line with the format prescribed under BSD Circular 4 dated February 17, 2006. The management of the Bank believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in this condensed interim financial information is based on the requirements laid down by the SBP.

3.5 Other standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning after January 1, 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has no material impact on this condensed interim financial information except for disclosure relating to deposits as disclosed in note 16.1 to this condensed interim financial information.

3.6 New standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2014 but are considered not to be relevant or do not have any material effect on the Bank's operations and are therefore not detailed in this condensed interim financial information.

4 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain investments, foreign currency balances, and commitments in respect of certain foreign exchange contracts are marked to market and are carried at fair value. Further, staff retirement benefits have been carried at present values determined under International Accounting Standard 19, "Employee Benefits"

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5 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6 ROUNDING OFF

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

7 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, 2013.

8 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, 2013.

9 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2013.

	June 30, 2014	December 31, 2013
Note	(Un-Audited)	(Audited)
	-----Rupees in '000-----	
10 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
- local currency	1,127,627	1,108,709
- foreign currency	498,656	549,842
	<u>1,626,283</u>	<u>1,658,551</u>
With the State Bank of Pakistan in		
- local currency current account	3,130,274	2,131,864
- foreign currency current account	24,031	3,432
- foreign currency capital account	17 3,062,943	-
- foreign currency deposit accounts		
Cash Reserves Account	445,658	452,685
Special Cash Reserve Account	534,770	543,201
	<u>980,428</u>	<u>995,886</u>
With National Bank of Pakistan in		
- local currency current account	617,595	501,445
	<u>9,441,554</u>	<u>5,291,178</u>
11 BALANCES WITH OTHER BANKS		
In Pakistan		
- in current accounts	5,256	3,404
- in deposit accounts	19,150	44,790
	<u>24,406</u>	<u>48,194</u>
Outside Pakistan		
- in current accounts	1,047,696	1,792,184
- in deposit accounts	-	-
	<u>1,047,696</u>	<u>1,792,184</u>
	<u>1,072,102</u>	<u>1,840,378</u>

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12 INVESTMENTS

12.1 Investments by type

	June 30, 2014			December 31, 2013		
	(Un-Audited)			(Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
----- Rupees in '000 -----						
Held for trading securities						
Ijarah Sukuk Bonds	2,185,000	-	2,185,000	-	-	-
	2,185,000	-	2,185,000	-	-	-
Available for sale securities						
GOP Ijarah Sukuk	19,531,832	-	19,531,832	18,062,874	-	18,062,874
WAPDA Sukuk	1,102,400	-	1,102,400	1,140,348	-	1,140,348
Other Sukuk	3,823,596	-	3,823,596	5,790,594	-	5,790,594
	24,457,828	-	24,457,828	24,993,816	-	24,993,816
Total investments at cost	26,642,828	-	26,642,828	24,993,816	-	24,993,816
Less: Provision for diminution in value of investments	-	-	-	-	-	-
Investments - net of provisions	26,642,828	-	26,642,828	24,993,816	-	24,993,816
Surplus on revaluation of available-for-sale securities	177,268	-	177,268	50,463	-	50,463
Total investments at market value	26,820,096	-	26,820,096	25,044,279	-	25,044,279

Note	June 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
----- Rupees in '000 -----		

13 ISLAMIC FINANCING AND RELATED ASSETS

In Pakistan

-Murabaha	13.1	8,281,911	7,182,260
-Musharaka cum Ijara – Housing		5,419,344	5,054,607
-Musharaka cum Ijara - Autos	13.2	7,673,562	7,137,338
-Ijara Muntahiya Bil Tamleek – Autos		269,635	242,860
-Musharaka cum Ijara – Other		538,299	554,704
-Export Refinance under Islamic Scheme - SBP		1,390,000	1,961,521
-Wakala Istithmar – Pre manufacturing		2,109,679	2,256,917
-Wakala Istithmar – Post manufacturing		788,518	554,120
-Shirkatulmilk		5,945,324	3,679,553
-Service Ijarah and related assets		875,000	996,000
-Musharaka		2,213,559	1,359,953
-Musawama	13.3	466	-
-Istisna cum Wakala	13.4	7,709,037	5,779,076

Islamic financing and related assets – gross

43,214,334 36,758,909

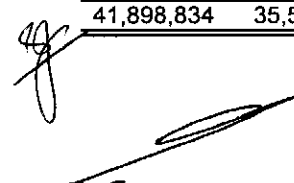
Less: Provision against non-performing Islamic financing and related assets

13.5 & 13.6 (1,315,500) (1,218,523)

Islamic financing and related assets – net of provisions

41,898,834 35,540,386

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	Note	June 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
-----Rupees in '000-----			
13.1 Murabaha			
Financing Advances		7,202,909	6,315,680
		1,079,002	866,580
		<u>8,281,911</u>	<u>7,182,260</u>
13.2 Musharaka cum Ijara			
Financing Advances		7,495,964	7,022,364
		177,598	114,974
		<u>7,673,562</u>	<u>7,137,338</u>
13.3 Musawama			
Financings Advances		191	-
		275	-
		<u>466</u>	<u>-</u>
13.4 Istisna cum Wakala			
Financing Advances		5,333,962	3,913,500
		2,375,075	1,865,576
		<u>7,709,037</u>	<u>5,779,076</u>

13.5 Islamic financing and related assets include Rs. 2,226.011 million (December 31, 2013: 2,602.630 million) which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2014 (Un-Audited)								
	Classified Islamic financing and related assets			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
-----Rupees in '000-----									
Substandard	161,350	-	161,350	35,255	-	35,255	35,255	-	35,255
Doubtful	215,452	-	215,452	62,934	-	62,934	62,934	-	62,934
Loss	1,849,209	-	1,849,209	1,158,085	-	1,158,085	1,158,085	-	1,158,085
	<u>2,226,011</u>	<u>-</u>	<u>2,226,011</u>	<u>1,256,274</u>	<u>-</u>	<u>1,256,274</u>	<u>1,256,274</u>	<u>-</u>	<u>1,256,274</u>

Category of classification	December 31, 2013 (Audited)								
	Classified Islamic financing and related assets			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
-----Rupees in '000-----									
Substandard	263,564	-	263,564	60,505	-	60,505	60,505	-	60,505
Doubtful	190,824	-	190,824	17,400	-	17,400	17,400	-	17,400
Loss	2,148,242	-	2,148,242	1,086,792	-	1,086,792	1,086,792	-	1,086,792
	<u>2,602,630</u>	<u>-</u>	<u>2,602,630</u>	<u>1,164,697</u>	<u>-</u>	<u>1,164,697</u>	<u>1,164,697</u>	<u>-</u>	<u>1,164,697</u>

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

	June 30, 2014 (Un-Audited)		
	Specific	General	Total
	----- Rupees in '000 -----		
Opening balance	1,164,697	53,826	1,218,523
Charge for the period	159,074	5,400	164,474
Reversals during the period	(67,497)	-	(67,497)
Net charge	91,577	5,400	96,977
Write off	-	-	-
Closing balance	<u>1,256,274</u>	<u>59,226</u>	<u>1,315,500</u>

	December 31, 2013 (Audited)		
	Specific	General	Total
	----- Rupees in '000 -----		
Opening balance	708,535	53,226	761,761
Charge for the period	556,405	600	557,005
Reversals during the period	(100,243)	-	(100,243)
Net charge	456,162	600	456,762
Write off	-	-	-
Closing balance	<u>1,164,697</u>	<u>53,826</u>	<u>1,218,523</u>

13.6.1 The Bank has availed benefit of forced sale values amounting to Rs. 510.652 million (December 31, 2013: Rs. 584.677 million) in determining the provisioning against non performing Islamic financings as at June 30, 2014.

13.6.2 The non performing financings include classified financings of Rs. 531.728 million disbursed to Agritech Limited. The required provision as at June 30, 2014 in accordance with the requirements of the Prudential Regulations of the State Bank of Pakistan against Agritech Limited amounted to Rs 531.728 million. However, the State Bank of Pakistan vide its letter no. BPRD / BRD - (Policy) / 2014-11546 dated June 27, 2014 has provided relaxation to the Bank, whereby the Bank is allowed to recognise provision in a phased manner against outstanding exposure and maintain at least 65%, 70%, 75%, 80%, 85%, 90%, and 100% of the required provision as at June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 respectively. Following the relaxation provided by the SBP, the Bank has recorded total provision of Rs. 345.623 million in respect of outstanding exposure of Agritech Limited.

13.7 General provisioning is held against consumer finance portfolio 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. Further, the SBP vide its letter no BPRD / BRD - 04 / DIB / 2013 / 1644 dated February 12, 2013 has committed that the exemption from general reserve requirement shall only be valid till classified Auto Financing portfolio of the Bank remains upto 5% of the gross Auto Financing portfolio of the bank i.e. if the classified Auto Financing portfolio increases beyond the 5% threshold, the exemption shall stand withdrawn from that point of time.

June 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
----- Rupees in '000 -----	

14 OPERATING FIXED ASSETS

Capital work-in-progress - net	38,736	6,757
Property and equipment	1,117,056	1,173,303
Intangible assets	237,779	274,850
	<u>1,393,571</u>	<u>1,454,910</u>

	June 30, 2014	June 30, 2013
	(Un-Audited)	
	----- Rupees in '000 -----	
14.1 Additions to operating fixed assets		
Leasehold improvements	10,694	4,234
Furniture and fixtures	3,522	2,615
Electrical, office and computer equipment	31,689	12,396
Vehicles	17,426	3,023
Capital work-in-progress	31,979	3,151
14.2 Intangibles		
Software	4,701	12,097
14.3 Disposals and write offs of operating fixed assets - cost		
Electrical, office and computer equipment (WDV:Rs 0.501 million) June 30, 2013 (WDV:Rs 1.513 million)	1,386	4,665
Vehicles (WDV:Rs Nil) June 30, 2013 (WDV:Rs 0.180 million)	-	899
	June 30, 2014	December 31, 2013
	(Un-Audited) (Audited)	
	----- Rupees in '000 -----	
15 DEFERRED TAX ASSETS - NET		
Deferred tax debits arising due to:		
Available tax losses	-	12,006
Minimum tax	29,214	212,215
Provision against non-performing islamic financings	70,607	84,630
Others and related assets		-
Deferred tax credits arising due to:		
Accelerated tax depreciation on operating fixed assets	(35,884)	(57,002)
	<u>63,937</u>	<u>251,849</u>
Equity		
Surplus on revaluation of investments	(62,044)	(17,662)
	<u>1,893</u>	<u>234,187</u>
16 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	22,272,898	23,016,851
Savings deposits	24,978,590	21,498,013
Current accounts - non-remunerative	24,887,456	21,931,811
Margin accounts - non-remunerative	175,873	80,398
	<u>72,314,817</u>	<u>66,527,073</u>
Remunerative deposits	3,547,133	1,051,723
Non-remunerative deposits	15,906	60,428
	<u>75,877,856</u>	<u>67,639,224</u>

16.1 Deposits and other accounts include redeemable capital of Rs 50.799 billion (December 31, 2013: Rs 45.567 billion) and deposits on Qard basis of Rs 25.079 million (December 31, 2013: Rs 22.073). Remunerative deposits which are on Modaraba basis are considered as Redeemable capital and non-remunerative deposits are classified as being on Qard basis.

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17 SUB-ORDINATED LOAN

As referred in note 1.5 to this condensed interim financial information, the Bank has entered into sub-ordinated loan agreement with the sponsor. In terms of the said agreement, a sub-ordinated loan of USD \$ 31 million (equivalent to Rs 3.063 billion) has been provided to the Bank for meeting the shortfall in minimum capital requirement (free of losses) of Rs 10 billion as required by the State Bank of Pakistan (SBP). The amount so required has been placed by the Bank with SBP in a non remunerative account. The loan stands subordinated to all other creditors, depositors and third party obligations of the Bank. The subordinated loan is a short term arrangement, i.e. for a period of three years expiring on December 31, 2016. The Bank is also required to initiate the process of share issuance for meeting any shortfall in the MCR of Rs. 10 billion in the 1st half of 2016.

	June 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
	----- Rupees in '000 -----	
18 CONTINGENCIES AND COMMITMENTS		
18.1 Transactions-related contingent liabilities		
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favoring		
- Government	496,041	474,750
- Banking companies and other financial institutions	36,910	31,815
- Others	1,352,770	1,531,397
	<u>1,885,721</u>	<u>2,037,962</u>
18.2 Trade-related contingent liabilities		
Import Letters of Credit	<u>4,543,395</u>	<u>4,468,071</u>
18.3 Commitments in respect of forward exchange promises to		
Purchase	<u>4,834,249</u>	<u>4,029,920</u>
Sell	<u>3,636,009</u>	<u>4,908,501</u>
18.4 Commitments for the acquisition of operating fixed assets	<u>100,546</u>	<u>88,364</u>

19 BASIC / DILUTED EARNINGS PER SHARE

	----- Un-Audited -----			
	Quarter ended June 30, 2014	Half year ended June 30, 2014	Quarter ended June 30, 2013	Half year ended June 30, 2013
	-----Rupees'000-----			
Profit after taxation	<u>214,134</u>	<u>442,159</u>	<u>86,923</u>	<u>104,634</u>
	-----Number of shares '000-----			
Weighted average number of ordinary shares	<u>697,603</u>	<u>697,603</u>	<u>697,603</u>	<u>697,603</u>
	-----Rupees'000-----			
Basic earnings per share	<u>0.31</u>	<u>0.63</u>	<u>0.12</u>	<u>0.15</u>
Diluted earnings per share	<u>0.31</u>	<u>0.63</u>	<u>0.12</u>	<u>0.15</u>

	June 30, 2014	June 30, 2013
	(Un-Audited)	
	----- Rupees in '000 -----	
20 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	9,441,554	4,892,414
Balances with other banks	1,072,102	461,648
	<u>10,513,656</u>	<u>5,354,062</u>

21 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Others	Total
	-----Rupees in '000 -----					
For the half year ended June 30, 2014						
Internal Income	-	(1,410,551)	2,184,912	(769,605)	(4,756)	-
Total income - net	27,838	1,721,064	1,178,931	1,398,055	6,259	4,332,147
Total expenses	(1,486)	(163,059)	(2,959,591)	(765,394)	(458)	(3,889,988)
Net Income / (Loss)	<u>26,352</u>	<u>147,454</u>	<u>404,252</u>	<u>(136,944)</u>	<u>1,045</u>	<u>442,159</u>
As at June 30, 2014						
Segment assets (Gross)	-	36,737,770	18,160,614	32,077,747	6,892,161	93,868,292
Segment non performing assets	-	-	1,262,305	958,678	28,825	2,249,808
Segment provision required	-	-	543,466	779,866	15,965	1,339,297
Segment liabilities	-	61,000	77,758,561	3,422,734	3,799,685	85,041,980
Segment return on net assets (ROA) (%)	<u>0%</u>	<u>9.13%</u>	<u>15.80%</u>	<u>10.17%</u>	<u>3.59%</u>	
Segment cost of funds (%)	<u>0%</u>	<u>8.02%</u>	<u>4.60%</u>	<u>5.95%</u>	<u>-</u>	
For the half year ended June 30, 2013						
Internal Income	-	(985,918)	1,590,588	(600,988)	(3,682)	-
Total income - net	30,152	1,185,967	1,062,088	833,816	3,920	3,115,943
Total expenses	-	(112,865)	(2,536,325)	(361,805)	(314)	(3,011,309)
Net Income / (Loss)	<u>30,152</u>	<u>87,184</u>	<u>116,351</u>	<u>(128,977)</u>	<u>(76)</u>	<u>104,634</u>
As at December 31, 2013						
Segment assets (Gross)	-	33,458,729	11,971,161	26,707,105	9,361,937	81,498,932
Segment non performing assets	-	-	1,069,245	1,530,531	26,651	2,626,427
Segment provision required	-	-	554,544	672,271	15,505	1,242,320
Segment liabilities	-	1,000,000	67,434,585	3,780,100	1,079,494	73,294,179
Segment return on net assets (ROA) (%)	<u>-</u>	<u>8.33%</u>	<u>16.15%</u>	<u>9.06%</u>	<u>3.87%</u>	<u>-</u>
Segment cost of funds (%)	<u>-</u>	<u>8.34%</u>	<u>4.36%</u>	<u>8.34%</u>	<u>-</u>	<u>-</u>

22 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, shareholders, directors, related group companies and associated undertakings, key management personnel including the Chief Executive Officer and Staff Retirement Funds.

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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 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.

	June 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
	----- Rupees in '000 -----	
Key management personnel		
Islamic financing and related assets		
At beginning of the period / year	88,562	96,730
Disbursements	65,755	22,581
Payments	(49,234)	(30,749)
At the end of the period / year	<u>105,083</u>	<u>88,562</u>
Deposits		
At beginning of the period / year	6,174	16,136
Deposits	107,886	121,134
Withdrawals	(84,203)	(131,096)
At the end of the period / year	<u>29,857</u>	<u>6,174</u>
Directors		
Deposits		
At beginning of the period / year	5,375	1,164
Deposits	26,516	13,552
Withdrawals	(20,701)	(9,341)
At the end of the period / year	<u>11,190</u>	<u>5,375</u>

- 22.1 The bank usually enters into transactions pertaining to sale and purchase of foreign currencies (in ready / spot / tom and forward markets) with Dubai Islamic Bank PJSC in the ordinary course of business.

	June 30, 2014 (Un-Audited)	December 31, 2013 (Audited)
	----- Rupees in '000 -----	
Deposits		
At beginning of the period / year	60,428	1,178
Deposits	687,854	941,864
Withdrawals	(735,515)	(882,614)
At the end of the period / year	<u>12,767</u>	<u>60,428</u>
Balance held abroad		
At beginning of the period / year	160,875	4,021,441
Deposits	31,063,450	31,699,556
Withdrawals	(31,198,227)	(35,560,122)
At the end of the period / year	<u>26,098</u>	<u>160,875</u>
Other payables	<u>33,583</u>	<u>10,600</u>
Other receivables	<u>10,688</u>	<u>9,324</u>

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	June 30, 2014	June 30, 2013
	(Un-Audited)	
	----- Rupees in '000 -----	
Purchase of foreign currency sukuk from holding company	690,298	3,986,380
Sale of foreign currency sukuk to holding company	2,309,406	768,431
Gain on sale of foreign currency sukuk to holding company	30,798	13,901
Fee charged by the holding company in respect of outsourcing arrangement	22,983	25,000
Directors		
Remuneration to directors	7,424	4,308
Return on deposits to directors	93	30
Key management personnel		
Profit earned on Islamic financing and related assets		
Key management personnel	1,720	966
Return on deposits to key management personnel	321	55
Remuneration to key management personnel	87,609	53,446
Employee benefit plans		
Contribution to employees gratuity fund	16,380	14,748
Sale of sukuk to employees gratuity fund	-	90,607
Gain on sale of sukuk to employees gratuity fund	-	608
Contribution to employees provident fund	20,571	18,493
Sale of sukuk to employees provident fund	-	211,418
Gain on sale of sukuk to employees provident fund	-	1,418

Forex transactions during the half year ended June 30, 2014 with Dubai Islamic Bank P.J.S.C

CURRENCY	-----2014-----			
	READY / SPOT / TOM		FORWARD	
	BUY	SELL	BUY	SELL
	----- (Currency in '000) -----			
AED	12,900	957,600	945,700	9,200
CHF	3,450	1,500	-	-
EUR	2,610	66,380	66,100	330
GBP	1,810	60,895	60,100	650
JPY	516,200	-	516	-
USD	454,992	19,050	4,032	448,352

Forex deals outstanding as at June 30, 2014 with Dubai Islamic Bank P.J.S.C

CURRENCY	-----2014-----			
	FORWARD			
	BUY		SELL	
	Currency in '000	Rupees in '000	Currency in '000	Rupees in '000
AED	46,500	1,260,931	-	-
EUR	3,000	405,248	-	-
GBP	2,800	471,193	-	-
USD	-	-	-	-

Forex transactions during the half year ended June 30, 2013 with Dubai Islamic Bank P.J.S.C

CURRENCY	-----2013-----			
	READY / SPOT / TOM		FORWARD	
	BUY	SELL	BUY	SELL
	----- (Currency in '000) -----			
AED	6,600	334,750	330,500	1,700
CHF	-	40	-	-
EUR	100	18,725	18,400	100
GBP	570	24,045	23,500	300
JPY	2,878	-	-	-
USD	157,113	2,830	1,054	150,389

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Forex deals outstanding as at year ended December 31, 2013 with Dubai Islamic Bank P.J.S.C

CURRENCY	2013			
	FORWARD			
	BUY		SELL	
	Currency in '000	Rupees in '000	Currency in '000	Rupees in '000
AED	36,000	1,033,560	-	-
EUR	2,600	377,371	-	-
GBP	2,500	435,951	-	-
USD	-	-	17,481	1,843,126

23 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on Aug 28, 2014 by the Board of Directors of the Bank.

24 GENERAL

- 24.1 Captions, as prescribed by BSD Circular Letter No. 2 dated May 12, 2004 issued by the SBP, in respect of which there are no amounts, have not been reproduced in this condensed interim financial information, except for captions of the statement of financial position and profit and loss account.

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CHAIRMAN

PRESIDENT / CHIEF EXECUTIVE

[Signature]

DIRECTOR

[Signature]

DIRECTOR