

**CONDENSED INTERIM  
FINANCIAL STATEMENT  
FOR THE PERIOD ENDED  
SEPTEMBER 30, 2010**



**بنك دبي الإسلامي**  
**Dubai Islamic Bank**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2010**

	Note	September 30, 2010 (Un-Audited)	December 31, 2009 (Audited)
----- Rupees in '000 -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		3,169,768	2,932,264
Balances with other banks		3,679,954	2,430,437
Due from financial institutions		5,857,647	2,591,905
Investments	5	3,000,542	2,822,723
Financing	6	21,153,203	20,589,613
Operating fixed assets		1,638,278	1,727,298
Deferred tax assets		439,114	413,066
Other assets		1,485,227	1,861,588
		<u>40,423,733</u>	<u>35,368,894</u>
<b>LIABILITIES</b>			
Bills payable		1,108,243	279,493
Due to financial institutions		680,000	125,000
Deposits and other accounts	7	31,562,403	27,980,906
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,019,264	943,230
		<u>34,369,910</u>	<u>29,328,629</u>
<b>NET ASSETS</b>		<u>6,053,823</u>	<u>6,040,265</u>
<b>REPRESENTED BY</b>			
Share capital		6,776,030	6,776,030
Reserves		48,059	45,347
Accumulated loss		(770,284)	(781,130)
		<u>6,053,805</u>	<u>6,040,247</u>
Advance against future issue of share capital		18	18
Surplus / (Deficit) on revaluation of assets		-	-
		<u>6,053,823</u>	<u>6,040,265</u>

**CONTINGENCIES AND COMMITMENTS**


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The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

  
**President / Chief Executive**

  
**Director**

  
**Director**

  
**Director**

**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2010**

	Quarter ended September 30, 2010	Nine months ended September 30, 2010	Quarter ended September 30, 2009	Nine months ended September 30, 2009
----- Rupees in '000 -----				
Profit / return earned on financings, investments and placements	1,021,708	3,018,774	904,175	2,698,831
Return on deposits and other dues expensed	531,928	1,568,139	457,661	1,350,914
Net spread earned	489,780	1,450,635	446,514	1,347,917
Provision against non-performing financing	(83,491)	(155,277)	(55,958)	(128,422)
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
Net spread after provisions	406,289	1,295,358	390,556	1,219,495
<b>OTHER INCOME</b>				
Fee, commission and brokerage income	41,661	185,690	59,553	207,532
Dividend income	-	-	-	-
Income from dealing in foreign currencies	32,988	94,607	60,687	97,752
Gain on sale of securities	-	2,661	-	-
Other income	(18)	182	1	3,493
Total other income	74,631	283,140	120,241	308,777
	480,920	1,578,498	510,797	1,528,272
<b>OTHER EXPENSES</b>				
Administrative expenses	507,415	1,556,093	397,111	1,236,254
Other provisions / write offs	3,484	1,233	-	-
Other charges	(600)	644	7,332	11,191
Total other expenses	510,299	1,557,970	404,443	1,247,445
Extra ordinary / unusual items	-	-	-	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	(29,379)	20,528	106,354	280,827
Taxation – Current	(10,963)	(33,019)	(5,122)	(15,038)
– Prior years	-	-	-	-
– Deferred	25,407	26,049	(17,943)	(69,831)
<b>(LOSS) / PROFIT AFTER TAXATION</b>	(14,935)	13,558	83,289	195,958
Accumulated loss brought forward	(707,290)	(735,783)	(849,851)	(962,520)
Accumulated loss carried forward	(722,225)	(722,225)	(766,562)	(766,562)
Basic and diluted (loss) / earning per share - Rupee	(0.02)	0.02	0.14	0.33

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**President / Chief Executive**

  
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**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2010**


	Quarter ended September 30, 2010	Nine months ended September 30, 2010	Quarter ended September 30, 2009	Nine months ended September 30, 2009
----- Rupees in '000 -----				
(Loss) / Profit for the period	(14,935)	13,558	83,289	195,958
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(14,935)</b>	<b>13,558</b>	<b>83,289</b>	<b>195,958</b>

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**President / Chief Executive**

  
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**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010**

	September 30, 2010	September 30, 2009
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,528	280,827
Adjustments:		
Depreciation	156,295	170,376
Amortization	54,233	48,397
Amortization of deferred costs	30,759	30,759
Provision against non-performing financing	155,277	128,422
Provision against other assets	1,233	-
Gain on sale of securities	(2,661)	-
Gain on sale of fixed assets	(169)	-
	394,967	377,954
	415,495	658,781
<b>(Increase) / decrease in operating assets</b>		
Due from financial institutions	(3,265,742)	(1,213)
Financing	(718,867)	(2,074,148)
Other assets	327,437	(274,683)
	(3,657,172)	(2,350,044)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	828,750	77,085
Due to financial institutions	555,000	250,000
Deposits and other accounts	3,581,497	(7,760)
Other liabilities	76,035	41,848
	5,041,282	361,173
	1,799,605	(1,330,090)
Income tax paid	(15,686)	(4,075)
Net cash generated from / (used in) operating activities	1,783,919	(1,334,165)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (investments in) / proceeds from available-for-sale securities	(175,159)	124,681
Investments in operating fixed assets	(123,464)	(96,278)
Sale proceeds from disposal of operating fixed assets	1,725	-
Net cash (used in) / generated from investing activities	(296,898)	28,403
<b>Increase / (Decrease) in cash and cash equivalents</b>	1,487,021	(1,305,762)
Cash and cash equivalents at beginning of the period	5,362,701	5,965,450
Cash and cash equivalents at end of the period	6,849,722	4,659,688

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

  
**President / Chief Executive**

  
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**DUBAI ISLAMIC BANK PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010**

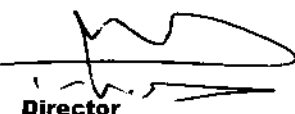
	Share capital	Statutory reserve	Accumulated Loss	Total
	----- Rupees in '000 -----			
<b>Balance as at January 01, 2009</b>	<b>6,017,780</b>	-	<b>(962,520)</b>	<b>5,055,260</b>
Profit after taxation for the period ended September 30, 2009	-	-	195,958	195,958
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended September 30, 2009	-	-	195,958	195,958
Transfer to Statutory reserve	-	39,192	(39,192)	-
<b>Balance as at September 30, 2009</b>	<b>6,017,780</b>	<b>39,192</b>	<b>(805,754)</b>	<b>5,251,218</b>
Profit after taxation for the period ended December 31, 2009	-	-	30,779	30,779
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended December 31, 2009	-	-	30,779	30,779
Issue of right shares during the period	758,250	-	-	758,250
Transfer to Statutory reserves	-	6,155	(6,155)	-
<b>Balance as at December 31, 2009</b>	<b>6,776,030</b>	<b>45,347</b>	<b>(781,130)</b>	<b>6,040,247</b>
Profit after taxation for the period ended September 30, 2010	-	-	13,558	13,558
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended September 30, 2010	-	-	13,558	13,558
Transfer to Statutory reserve	-	2,712	(2,712)	-
<b>Balance as at September 30, 2010</b>	<b>6,776,030</b>	<b>48,059</b>	<b>(770,284)</b>	<b>6,053,805</b>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.

  
**President / Chief Executive**

  
**Director**

  
**Director**

  
**Director**

#### 4. ACCOUNTING POLICIES

- 4.1 The accounting policies adopted in preparation of these condensed interim financial statements and the significant judgements made are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2009.

#### 5. INVESTMENTS

Note	September 30, 2010 (Un-Audited)			December 31, 2009 (Audited)		
	Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
	----- (Rupees in '000) -----					
<b>Available-for-sale securities</b>						
Sukuk Certificates- at cost	3,005,542	-	3,005,542	2,822,723	-	2,822,723
Surplus on revaluation of available-for-sale securities	-	-	-	-	-	-
<b>Total investments</b>	<b>3,005,542</b>	<b>-</b>	<b>3,005,542</b>	<b>2,822,723</b>	<b>-</b>	<b>2,822,723</b>

##### 5.1 Available-for-sale securities

Name of the investee company	September 30, 2010	December 31, 2009	Face value	September 30, 2010		December 31, 2009	
	(Unaudited)	(Audited)		(Unaudited)	(Audited)		
	Number of Certificates			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	335,365	Unrated	335,498	Unrated
WAPDA Second Sukuk Certificates	91,075	96,075	5,000	455,375	Unrated	480,375	Unrated
Sitara Chemical Industries Limited	9,294	14,870	5,000	46,469	Unrated	74,350	Unrated
Engro Corporation Limited (Formerly Engro Chemicals Pakistan Limited) 1 <sup>st</sup> issue	60,000	60,000	5,000	300,000	Unrated	300,000	Unrated
Engro Corporation Limited (Formerly Engro Chemicals Pakistan Limited) 2 <sup>nd</sup> issue	75,000	-	5,000	375,000	Unrated	-	Unrated
Sui Southern Gas Company Limited	82,508	123,762	3,333	275,000	Unrated	412,500	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	19,000	5,000	95,000	Unrated	95,000	Unrated
Quetta Textile Mills Limited	38,667	40,000	5,000	193,333	BBB+	200,000	BBB+
				<u>3,000,542</u>		<u>2,822,723</u>	
					Note		
					September 30, 2010 (Unaudited)	December 31, 2009 (Audited)	
					----- Rupees in '000 -----		

#### 6. FINANCING

Financing in Pakistan		
- Murabaha	2,163,779	2,430,861
- Musharaka cum Ijara – Housing	5,574,324	5,514,369
- Musharaka cum Ijara – Autos	5,588,287	5,095,718
- Ijara Muntahiya Bil Tamleek – Autos	184,428	216,259
- Musharaka cum Ijara – Others	975,529	1,315,603
- Export Refinance under Islamic Scheme	880,000	-
- Wakala Istithmar – Pre manufacturing	74,480	104,359
- Wakala Istithmar – Post manufacturing	-	3,410
- Shirkatulmilk	1,340,719	1,241,136
- Service Ijara	700,000	700,000
- Musharaka	403,792	1,431,250
- Istisna cum Wakala	3,795,121	2,908,627
<b>Financing – gross</b>	<b>21,680,459</b>	<b>20,961,592</b>
Less: Provision for non-performing financing	6.2 (527,256)	(371,979)
<b>Financing – net of provisions</b>	<b>21,153,203</b>	<b>20,589,613</b>

- 6.1 Financing include Rs. 1,875.114 million (31 December 2009: Rs. 719.088 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Substandard	1,163,206	-	1,163,206	69,487	69,487
Doubtful	175,842	-	175,842	39,945	39,945
Loss	536,066	-	536,066	355,067	355,067
	<b>1,875,114</b>	<b>-</b>	<b>1,875,114</b>	<b>464,499</b>	<b>464,499</b>

- 6.2 Particulars of provision against non-performing financing:

	September 30, 2010 (Unaudited)			December 31, 2009 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
Opening balance	307,445	64,534	371,979	126,209	130,634	256,843
Charge for the period / year	216,853	667	217,520	308,371	14,982	323,353
Reversals for the period / year	(59,799)	(2,444)	(62,243)	(127,135)	(81,082)	(208,217)
	157,054	(1,777)	155,277	181,236	(66,100)	115,136
Closing balance	<b>464,499</b>	<b>62,757</b>	<b>527,256</b>	<b>307,445</b>	<b>64,534</b>	<b>371,979</b>

- 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. During the previous year, the SBP through its letter No. BPRD/BLRD-03/2009/6877 dated October 15, 2009 has granted exemption from general reserve requirement for the auto finance portfolio.

- 6.2.2 Particulars of provision against non-performing financing:

	September 30, 2010 (Unaudited)			December 31, 2009 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
In local currency	464,499	62,757	527,256	307,445	64,534	371,979
In foreign currency	-	-	-	-	-	-
	<b>464,499</b>	<b>62,757</b>	<b>527,256</b>	<b>307,445</b>	<b>64,534</b>	<b>371,979</b>

September 30,      December 31,  
2010                      2009  
(Unaudited)              (Audited)  
----- Rupees in '000 -----

## 7. DEPOSITS AND OTHER ACCOUNTS

### Customers

Fixed deposits	15,626,660	15,566,897
Savings deposits	10,054,692	7,338,714
Current accounts – non-remunerative	5,601,757	4,694,637
Margin accounts – non-remunerative	1,299	256
	<b>31,284,408</b>	<b>27,600,504</b>

### Financial Institutions

Remunerative deposits	233,280	367,189
Non-remunerative deposits	44,715	13,213
	<b>277,995</b>	<b>380,402</b>
	<b>31,562,403</b>	<b>27,980,906</b>

### 7.1 Particulars of deposits

In local currency	27,078,916	24,412,035
In foreign currencies	4,483,487	3,568,871
	<b>31,562,403</b>	<b>27,980,906</b>



September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
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----- Rupees in '000 -----

## 8. CONTINGENCIES AND COMMITMENTS

### 8.1 Transaction-related contingent liabilities

Contingent liabilities in respect of performance bonds, bid bonds, warranties given favoring

- Government	401,017	108,661
- Banking companies and other financial institutions	34,617	40,682
- Others	1,503,494	1,705,974
	<u>1,939,128</u>	<u>1,855,317</u>

### 8.2 Trade-related contingent liabilities

Import Letters of Credit

1,355,901	4,660,390
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### 8.3 Commitments in respect of forward exchange promises to Purchase

1,201,581	664,504
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Sale

1,18,6747	663,522
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### 8.4 Commitments for the acquisition of operating fixed assets

2,316	6,184
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### 8.5 Commitments for financing facilities

9,105,000	9,980,961
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## 9. RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise group companies, directors and their close family members, employee benefits plan, 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:

September 30, 2010 (Un-Audited)	December 31, 2009 (Audited)
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----- (Rupees '000) -----

### Key management personnel

#### Financing

At beginning of the period / year	10,309	10,487
Disbursements	5,000	-
Payments	(219)	(178)
At the end of the period / year	<u>15,090</u>	<u>10,309</u>

#### Deposits

At beginning of the period / year	24,076	19,286
Deposits	126,337	133,668
Withdrawals	(130,345)	(128,878)
At the end of the period / year	<u>20,068</u>	<u>24,076</u>

### Directors

#### Financing

At beginning of the period / year	13,682	13,829
Payments	(182)	(147)
At the end of the period / year	<u>13,500</u>	<u>13,682</u>

	September 30, 2010 (Un-Audited) ----- (Rupees '000) -----	December 31, 2009 (Audited)
<b>Deposits</b>		
At beginning of the period / year	313	624
Deposits	5,569	13,900
Withdrawals	(5,877)	(14,211)
At the end of the period / year	<u>5</u>	<u>313</u>

**Holding company**

**Placements**

At beginning of the period / year	421,208	-
Placements	5,773,598	18,336,041
Payments	(3,173,574)	(17,914,833)
At the end of the period / year	<u>3,021,232</u>	<u>421,208</u>

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

	September 30, 2010 (Un-Audited) ----- (Rupees '000) -----	December 31, 2009 (Audited)
<b>Deposits</b>		
At beginning of the period / year	13,213	26,735
Deposits	327,703	341,693
Withdrawals	(296,201)	(355,215)
At the end of the period / year	<u>44,715</u>	<u>13,213</u>
<b>Balance held abroad</b>		
At beginning of the period / year	430,075	495,609
Deposits	39,318,300	39,694,889
Withdrawals	(39,264,388)	(39,760,423)
At the end of the period / year	<u>483,987</u>	<u>430,075</u>

Other receivable	<u>24,107</u>	<u>1,206</u>
Issue of right shares	<u>-</u>	<u>758,250</u>

**Group Companies**

Other receivables	<u>4,786</u>	<u>21,499</u>
	September 30, 2010 (Un-Audited) ----- (Rupees '000) -----	September 30, 2009 (Un-Audited)
Profit earned on financing to key management personnel	<u>1,374</u>	<u>1,322</u>
Return on deposits to key management personnel	<u>281</u>	<u>263</u>
Profit earned on financing to directors	<u>1,372</u>	<u>1,388</u>
Return on deposits to directors	<u>2</u>	<u>1</u>
Profit earned on placements with holding company	<u>24,608</u>	<u>1,194</u>

September 30, 2010 (Un-Audited)	September 30, 2009 (Un-Audited)
----- (Rupees '000) -----	

**Employee benefit plans**

Contribution to employees gratuity fund	15,794	15,213
Contribution to employees provident fund	24,059	22,838

**10. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on 21/10/2010

**11. GENERAL**

11.1 Figures of condensed interim profit and loss account for the quarters ended September 30, 2010 and September 30, 2009 have not been subjected to a limited scope review by the auditors.

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

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 **President / Chief Executive**

 **Director**

 **Director**