

**Dubai Islamic Bank
Pakistan Limited**

Condensed Interim Financial Information
for the quarter ended March 31, 2018

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Financial Position
As at March 31, 2018

	<i>Note</i>	March 31, 2018 (Un-audited) ----- Rupees in '000 -----	December 31, 2017 (Audited)
ASSETS			
Cash and balances with treasury banks	7	11,529,783	10,423,998
Balances with other banks	8	850,647	1,173,267
Due from financial institutions	9	8,858,973	4,860,272
Investments	10	41,197,604	41,474,123
Islamic financing and related assets - net	11	131,831,840	119,522,264
Operating fixed assets	12	1,658,637	1,703,784
Deferred tax assets	13	230,308	71,759
Other assets		3,621,682	3,042,056
		199,779,474	182,271,523
LIABILITIES			
Bills payable		4,039,827	3,677,900
Due to financial institutions		8,275,994	5,255,642
Deposits and other accounts	14	162,702,188	149,295,457
Sub-ordinated Sukuk	15	4,000,000	4,000,000
Deferred tax liabilities		-	-
Other liabilities		5,653,467	5,130,353
		184,671,476	167,359,352
NET ASSETS		15,107,998	14,912,171
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		837,404	725,101
Unappropriated profit		3,126,258	2,677,047
		15,615,950	15,054,436
Deficit on revaluation of investments - net of tax		(507,952)	(142,265)
		15,107,998	14,912,171

CONTINGENCIES AND COMMITMENTS

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

Dubai Islamic Bank Pakistan Limited
Condensed Interim Profit and Loss Account (Un-Audited)
For the quarter ended March 31, 2018

	<i>Note</i>	March 31, 2018	March 31, 2017
		----- Rupees in '000 -----	
Profit / return earned		3,021,450	2,431,888
Profit / return expensed		(1,186,829)	(891,491)
Net profit / return		1,834,621	1,540,397
Reversal of provision / (provision) against non-performing Islamic financing and related assets - net	11.12	1,421	(60,524)
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		1,421	(60,524)
Net spread earned after provisions		1,836,042	1,479,873
OTHER INCOME			
Fee, commission and brokerage income		396,944	404,893
Dividend income		-	-
Income / (loss) from dealing in foreign currencies		88,496	(12,575)
Gain on sale of securities		-	-
Other income		118	-
Total other income		485,558	392,318
		2,321,600	1,872,191
OTHER EXPENSES			
Administrative expenses		(1,440,068)	(1,426,963)
Other provisions / write offs		-	-
Other charges		(17,652)	(10,163)
Total other expenses		(1,457,720)	(1,437,126)
		863,880	435,065
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		863,880	435,065
Taxation			
- Current		(264,006)	(119,988)
- Deferred		(38,360)	(32,736)
		(302,366)	(152,724)
PROFIT AFTER TAXATION		561,514	282,341
		----- Rupees -----	
Basic & diluted earnings per share	17	0.48	0.27

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

Dubai Islamic Bank Pakistan Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter ended March 31, 2018

	March 31, 2018	March 31, 2017
	----- Rupees in '000 -----	
Profit after taxation for the period	561,514	282,341
Comprehensive income transferred to equity	<u>561,514</u>	<u>282,341</u>
Components of comprehensive income not reflected in equity:		
(Deficit) / surplus on revaluation of investments	(562,596)	74,291
Related deferred tax asset / (liability)	<u>196,909</u>	<u>(26,001)</u>
	<u>(365,687)</u>	<u>48,290</u>

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

CHAIRMAN PRESIDENT / CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the quarter ended March 31, 2018

	Share capital	Advance against share subscription	Statutory reserve	Unappropriated profit	Total
	Rupees in '000				
Balance as at January 01, 2017	10,225,567	-	404,694	1,416,263	12,046,524
Total comprehensive income for the quarter					
Profit after taxation for the quarter ended March 31, 2017	-	-	-	282,341	282,341
Transaction with owners recognised directly in equity					
Advance against further issuance of share capital	-	1,426,721	-	-	1,426,721
Issuance of right shares at par	1,426,721	(1,426,721)	-	-	-
Transaction costs on issuance of right shares	-	-	-	(3,386)	(3,386)
	1,426,721	-	-	(3,386)	1,423,335
Transfer to statutory reserve	-	-	56,468	(56,468)	-
Balance as at March 31, 2017	11,652,288	-	461,162	1,638,750	13,752,200
Total comprehensive income for the period					
Profit after taxation for the nine months ended December 31, 2017	-	-	-	1,319,695	1,319,695
Remeasurements of defined benefit plan - net of tax	-	-	-	(17,459)	(17,459)
Transfer to statutory reserve	-	-	263,939	(263,939)	-
Balance as at December 31, 2017	11,652,288	-	725,101	2,677,047	15,054,436
Total comprehensive income for the quarter					
Profit after taxation for the quarter ended March 31, 2018	-	-	-	561,514	561,514
Transaction with owners recognised directly in equity					
Transfer to statutory reserve	-	-	112,303	(112,303)	-
Balance as at March 31, 2018	11,652,288	-	837,404	3,126,258	15,615,950

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

CHAIRMAN PRESIDENT / CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

Dubai Islamic Bank Pakistan Limited
Condensed Interim Cash Flow Statement (Un-Audited)
For the quarter ended March 31, 2018

	Note	March 31, 2018	March 31, 2017
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		863,880	435,065
Adjustments for:			
Depreciation		79,893	81,031
Amortisation		19,012	30,237
(Reversal of provision) / provision against non-performing Islamic financing and related assets - net	11.12	(1,421)	60,524
(Gain) / loss on sale of operating fixed assets		(78)	80
		97,406	171,872
		961,286	606,937
(Increase) / decrease in operating assets			
Due from financial institutions		(3,998,701)	3,464,958
Islamic financing and related assets		(12,308,155)	(16,718,042)
Others assets		(579,626)	(756,533)
		(16,886,482)	(14,009,617)
Increase in operating liabilities			
Bills payable		361,927	138,420
Due to financial institutions		3,019,113	1,210,751
Deposits and other accounts		13,406,731	7,776,472
Other liabilities (excluding current taxation)		440,968	920,306
		17,228,739	10,045,949
		1,303,543	(3,356,731)
Income taxes paid		(181,860)	(141,012)
Net cash generated from / (used in) operating activities		1,121,683	(3,497,743)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities		(286,077)	(1,296,185)
Investments in operating fixed assets		(53,786)	(92,694)
Proceeds from sale of operating fixed assets		106	779
Net cash used in investing activities		(339,757)	(1,388,100)
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of share capital		-	1,426,721
Net cash generated from financing activities		-	1,426,721
Increase / (decrease) in cash and cash equivalents		781,926	(3,459,122)
Cash and cash equivalents at beginning of the period		11,597,265	14,550,683
Cash and cash equivalents at end of the period	18	12,379,191	11,091,561

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

CHAIRMAN PRESIDENT / CHIEF EXECUTIVE DIRECTOR DIRECTOR CHIEF FINANCIAL OFFICER

Dubai Islamic Bank Pakistan Limited

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

For the quarter ended March 31, 2018

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 Act, 2017 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 Islamic banking and investing activities.
- 1.3** JCR-VIS Credit Rating Company Limited on May 17, 2017 determined the Bank's medium to long-term rating as 'AA-' (AA minus) and the short term rating as 'A-1' (A one) while the outlook has been assigned as "Stable".
- 1.4** The Bank is operating through 200 branches as at March 31, 2018 (December 31, 2017: 200 branches). The registered office of the Bank is situated at Hassan Chambers, DC-7, Block-7 Kehkashan, Clifton, Karachi. The Bank is a wholly owned subsidiary of Dubai Islamic Bank P.J.S.C, UAE (the Holding Company).

2 BASIS OF PRESENTATION

- 2.1** The Bank provides Islamic financing and makes investments mainly through Murabaha, Musharaka, Running Musharaka, Musharaka cum Ijara, Shirkatulmilk, Istisna cum Wakala, Wakala Istithmar, Service Ijarah and Export Refinance under Islamic Export Refinance Scheme of State Bank of Pakistan (SBP) and other Islamic modes. The transactions of purchases, sales and leases executed under these arrangements are not reflected in these 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 Board / Resident Shari'a Board Member.
- 2.2** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2017. Furthermore, SBP has also notified a new format of financial statements vide its BPRD circular No. 2 of 2018 which would be effective from accounting year ending December 31, 2018.

3 STATEMENT OF COMPLIANCE

- 3.1** This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting 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 by the SECP, provisions of the Companies Act, 2017, the Banking Companies Ordinance, 1962, and the directives issued by the SECP and the SBP. Wherever the requirements of the provisions of the Companies Act, 2017, the Banking Companies Ordinance, 1962, the IFASs issued by the SECP and the directives issued by the SECP and the SBP differ from the requirements of IFRS, the provisions of the Companies Act, 2017 and the Banking Companies Ordinance, 1962, IFASs notified by the SECP, and the directives issued by the SECP and the SBP shall prevail.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2017.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2017.

6 FINANCIAL RISK MANAGEMENT

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2017.

	March 31, 2018 (Un-audited)	December 31, 2017 (Audited)
	---- Rupees in '000 ----	
	<i>Note</i>	
7 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
- local currency	2,059,820	2,338,026
- foreign currencies	769,647	653,361
	<u>2,829,467</u>	<u>2,991,387</u>
With the State Bank of Pakistan in		
- local currency current account	5,664,385	4,678,341
- foreign currency current account	8,179	7,936
Cash reserve account	1,195,482	1,040,737
Special cash reserve account	1,434,613	1,248,918
	<u>2,630,095</u>	<u>2,289,655</u>
With National Bank of Pakistan in		
- local currency current accounts	397,657	456,679
	<u>11,529,783</u>	<u>10,423,998</u>
8 BALANCES WITH OTHER BANKS		
In Pakistan		
- in current accounts	400,036	499,396
- in deposit accounts	10	-
	<u>400,046</u>	<u>499,396</u>
Outside Pakistan		
- in current accounts	450,601	673,871
- in deposit accounts	-	-
	<u>450,601</u>	<u>673,871</u>
	<u>850,647</u>	<u>1,173,267</u>
9 DUE FROM FINANCIAL INSTITUTIONS		
Commodity Murabaha	9.1 5,858,973	2,860,272
Musharakah	9.2 3,000,000	2,000,000
	<u>8,858,973</u>	<u>4,860,272</u>
9.1	This represent amounts due from financial institutions at expected profit rates ranging from 5.51% to 6.25% per annum (December 31, 2017: 5.85% to 6.25% per annum) with maturities latest by April 13, 2018 (December 31, 2017: January 18, 2018).	
9.2	These carry expected profit rate ranging from 6.05% to 6.20% (December 31, 2017: 5.85%) per annum and are due to mature latest by April 20, 2018 (December 31, 2017: January 04, 2018).	

10 INVESTMENTS

10.1 Investments by types

Investments by types	Note	March 31, 2018			December 31, 2017		
		(Un-audited)			(Audited)		
		Held by the Bank	Given as collateral	Total	Held by the Bank	Given as collateral	Total
		Rupees in '000					
Held-to-maturity securities							
GOP Ijarah sukuk		4,000,000	-	4,000,000	4,000,000	-	4,000,000
Available-for-sale securities							
GOP Ijarah sukuk		12,102,123	-	12,102,123	12,103,089	-	12,103,089
Other sukuk certificates		11,024,420	-	11,024,420	11,379,280	-	11,379,280
Global sukuk certificates		14,899,628	-	14,899,628	14,257,725	-	14,257,725
Investments at cost		42,026,171	-	42,026,171	41,740,094	-	41,740,094
Less: Provision for diminution in the value of investments	10.2	(47,102)	-	(47,102)	(47,102)	-	(47,102)
Investments (net of provisions)		41,979,069	-	41,979,069	41,692,992	-	41,692,992
Deficit on revaluation of available-for-sale securities		(781,465)	-	(781,465)	(218,869)	-	(218,869)
Total investments		41,197,604	-	41,197,604	41,474,123	-	41,474,123

- 10.2** This represent sukuk of Quetta Textile Mills Limited amounting to Rs. 96.18 million which have been placed under non-performing status. The forced sale value (FSV) benefit of the collateral held in respect of these Sukuk is Rs. 49.08 million. Therefore, provision for diminution has been made in respect of the same. Profit accrued on these sukuk has been suspended. The additional profit arising from availing the FSV benefit - net of tax as at March 31, 2018 amounting to Rs. 31.9 million (December 31, 2017: Rs. 31.9 million) is not available for distribution as either cash or stock dividend to shareholders / bonus to employees.

	<i>Note</i>	March 31, 2018 (Un-audited)	December 31, 2017 (Audited)
		---- Rupees in '000 ----	
11 ISLAMIC FINANCING AND RELATED ASSETS - NET			
Murabaha	11.1	23,764,366	21,503,533
Tijarah cum wakala	11.2	3,649,680	3,105,982
Musawama	11.3	1,224,292	1,044,963
Istisna cum Wakala	11.4	9,325,583	8,025,033
Salam	11.5	2,919,921	1,100,337
Islamic Export Refinance Scheme - SBP	11.6	6,482,255	5,424,642
Running Musharaka financing		6,097,839	5,821,842
Wakala Istithmar financing – Pre manufacturing		11,996,247	9,607,202
Wakala Istithmar financing – Post manufacturing		93,673	1,929,362
Shirkatulmilk - Autos	11.7	24,624,558	22,889,379
Shirkatulmilk - Housing	11.8	9,318,719	9,107,624
Shirkatulmilk Others	11.9	18,133,613	18,290,081
Diminishing Musharaka financing - Autos		-	30,793
Diminishing Musharaka financing - Others		14,640,678	12,087,846
Staff financing		1,517,243	1,511,893
Islamic financing and related assets – gross		133,788,667	121,480,512
Less: Provision against non-performing Islamic financing & related assets	11.12	(1,956,827)	(1,958,248)
Islamic financing and related assets – net of provisions		131,831,840	119,522,264
11.1 Murabaha			
Financing		9,211,195	9,279,560
Inventory		14,241,625	635,323
Advance		311,546	11,588,650
		23,764,366	21,503,533
11.2 Tijarah cum wakala			
Financing		1,871,919	1,176,072
Inventory		1,777,761	1,929,910
		3,649,680	3,105,982

		March 31, 2018 (Un-audited) ---- Rupees in '000 ----	December 31, 2017 (Audited)
11.3	Musawama		
	Financing	1,196,144	1,017,693
	Advance	28,148	27,270
		<u>1,224,292</u>	<u>1,044,963</u>
11.4	Istisna cum Wakala		
	Financing	5,598,833	6,053,266
	Advance	3,726,750	1,971,767
		<u>9,325,583</u>	<u>8,025,033</u>
11.5	Salam		
	Financing	2,790,953	250,198
	Advance	128,968	850,139
		<u>2,919,921</u>	<u>1,100,337</u>
11.6	Islamic Export Refinance Scheme - SBP		
	Wakala Istithmar - Financing	2,716,855	2,319,242
	Running Musharaka - Financing	3,765,400	3,105,400
		<u>6,482,255</u>	<u>5,424,642</u>
11.7	Shirkatulmilk financing - Autos		
	Financing	22,270,262	20,615,624
	Advance	2,354,296	2,273,755
		<u>24,624,558</u>	<u>22,889,379</u>
11.8	Shirkatulmilk financing - Housing		
	Financing	9,257,169	9,035,189
	Advance	61,550	72,435
		<u>9,318,719</u>	<u>9,107,624</u>
11.9	Shirkatulmilk financing - Others		
	Financing	<u>18,133,613</u>	<u>18,290,081</u>
11.10	Particulars of Islamic financing and related assets - gross		
11.10.1	In local currency	132,813,343	121,108,442
	In foreign currencies	975,324	372,070
		<u>133,788,667</u>	<u>121,480,512</u>
11.10.2	Short term (for upto one year)	65,553,856	66,473,862
	Long term (for over one year)	68,234,811	55,006,650
		<u>133,788,667</u>	<u>121,480,512</u>

- 11.11** Islamic financing and related assets include Rs. 2,372.400 million (December 31, 2017: Rs. 2,307.854 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2018 (Un-audited)								
	Classified Islamic financing and related assets			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
----- Rupees in '000 -----									
Other Assets									
Especially									
Mentioned	52,395	-	52,395	-	-	-	-	-	-
Substandard	136,031	-	136,031	32,297	-	32,297	32,297	-	32,297
Doubtful	16,050	-	16,050	668	-	668	668	-	668
Loss	2,167,924	-	2,167,924	1,841,239	-	1,841,239	1,841,239	-	1,841,239
	2,372,400	-	2,372,400	1,874,204	-	1,874,204	1,874,204	-	1,874,204

Category of classification	December 31, 2017 (Audited)								
	Classified Islamic financing and related assets			Provision required			Provision held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
----- Rupees in '000 -----									
Other Assets									
Especially									
Mentioned	49,835	-	49,835	-	-	-	-	-	-
Substandard	35,926	-	35,926	7,340	-	7,340	7,340	-	7,340
Doubtful	395,205	-	395,205	255,304	-	255,304	255,304	-	255,304
Loss	1,826,888	-	1,826,888	1,618,760	-	1,618,760	1,618,760	-	1,618,760
	2,307,854	-	2,307,854	1,881,404	-	1,881,404	1,881,404	-	1,881,404

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

	March 31, 2018 (Un-audited)			December 31, 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	1,881,404	76,844	1,958,248	1,716,328	86,319	1,802,647
Charge for the period / year	47,967	5,779	53,746	235,024	-	235,024
Reversals during the period / year	(55,167)	-	(55,167)	(69,948)	(9,475)	(79,423)
	(7,200)	5,779	(1,421)	165,076	(9,475)	155,601
Amount written-off	-	-	-	-	-	-
Closing balance	1,874,204	82,623	1,956,827	1,881,404	76,844	1,958,248

As allowed by the SBP, the Bank has availed the benefit of Forced Sale Values (FSV) amounting to Rs. 247.875 million (December 31, 2017: Rs. 231.352 million) in determining the provisioning requirement against non-performing Islamic financing as at March 31, 2018. The additional profit arising from availing the FSV benefit - net of tax at March 31, 2018 which is not available for distribution as either cash or stock dividend to shareholders and for staff bonus amounted to Rs. 161.119 million (December 31, 2017: Rs. 150.379 million).

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

	March 31, 2018 (Un-audited)	December 31, 2017 (Audited)
----- Rupees in '000 -----		
12 OPERATING FIXED ASSETS		
Capital work-in-progress - net	22,861	14,182
Property and equipment	1,464,595	1,499,409
Intangible assets	171,181	190,193
	1,658,637	1,703,784
12.1 Additions to Fixed Assets	45,107	335,119
Disposal of Fixed Assets at cost	374	5,025

		March 31, 2018 (Un-audited)	December 31, 2017 (Audited)
		---- Rupees in '000 ----	
13	DEFERRED TAX ASSET		
	Deductible temporary differences on:		
	Provision for diminution in the value of investments	16,486	16,486
	Provision against non-performing Islamic financing and related assets	12,405	3,703
	Provision against other assets	6,273	6,273
	Deficit on revaluation of investments	273,513	76,604
	Deficit on defined benefit plan	17,101	17,101
		325,778	120,167
	Taxable temporary differences on:		
	Accelerated tax depreciation and amortisation	(95,470)	(48,408)
		<u>230,308</u>	<u>71,759</u>
14	DEPOSITS AND OTHER ACCOUNTS		
	Customers		
	Fixed deposits	47,219,227	40,412,007
	Savings deposits	55,199,734	48,943,369
	Current accounts - non-remunerative	47,119,485	45,940,983
	Margin accounts - non-remunerative	902,029	1,477,875
		<u>150,440,475</u>	<u>136,774,234</u>
	Financial Institutions		
	Remunerative deposits	11,931,419	12,152,412
	Non-remunerative deposits	330,294	368,811
		<u>162,702,188</u>	<u>149,295,457</u>
15	SUB-ORDINATED DEBT		
	In 2017, the Bank issued regulatory Shariah compliant rated, unsecured, subordinated and privately placed Tier II Sukuk of Rs. 4,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The JCR-VIS Credit Rating Company Limited has assigned Tier II Sukuk rating of "A+" (Single A Plus) with stable outlook. The tenor of the sukuk is ten years from the issue date.		
		March 31, 2018 (Un-audited)	December 31, 2017 (Audited)
		---- Rupees in '000 ----	
16	CONTINGENCIES AND COMMITMENTS		
16.1	Transactions-related contingent liabilities		
	Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring		
	- Government	6,508,199	5,604,476
	- Banking companies and other financial institutions	1,291,033	1,313,220
	- Others	2,383,076	3,056,515
		<u>10,182,308</u>	<u>9,974,211</u>
16.2	Trade-related contingent liabilities		
	Import Letters of Credit	16,386,955	21,587,436
	Acceptances	3,935,256	2,722,358
		<u>20,322,211</u>	<u>24,309,794</u>
16.3	Commitments in respect of forward exchange contracts		
	Purchase	14,578,428	12,172,781
	Sale	10,470,902	9,659,679
16.4	Commitments in respect of financing facilities	<u>374,181</u>	<u>1,524,915</u>
16.5	Commitments for the acquisition of operating fixed assets	<u>64,308</u>	<u>82,815</u>
16.6	Tax authorities have raised a demand of Rs. 18.725 million regarding tax not deducted by the Bank on profit accrued on balances of certain customers. The Bank has filed an appeal with the Appellate Tribunal Inland Revenue, and is confident that the matter will be decided in favour of the Bank.		

	March 31, 2018 (Un-audited) ---- Rupees in '000 ----	March 31, 2017
17 BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation	561,514	282,341
	----- Number of shares '000 ---	
Weighted average number of ordinary shares	1,165,229	1,059,017
	----- Rupees -----	
Earning per share - basic and diluted	0.48	0.27

17.1 There were no convertible / dilutive potential ordinary shares as at March 31, 2018 and March 31, 2017.

	March 31, 2018 (Un-audited) ---- Rupees in '000 ----	March 31, 2017
18 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	11,529,783	10,213,466
Balances with other banks	850,647	878,095
Overdrawn nostro	(1,239)	-
	12,379,191	11,091,561

19 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	March 31, 2018 (Un-audited)				
	Trading & Sales	Retail Banking	Corporate & Commercial Banking	Others	Total
	----- Rupees in '000 -----				
External revenue					
Net Profit Earned	402,683	184,090	1,130,677	117,171	1,834,621
Fee, commission, brokerage and other income	(1,006)	300,969	185,595	-	485,558
Intersegment revenue	(294,938)	1,034,651	(622,542)	(117,171)	-
Total revenue	106,739	1,519,710	693,730	-	2,320,179
Depreciation and amortisation	(2,099)	(81,222)	(15,584)	-	(98,905)
Impairment of financing assets	-	20,063	(18,642)	-	1,421
Other expenses	(35,045)	(1,000,220)	(323,550)	-	(1,358,815)
Total expenses	(37,144)	(1,061,379)	(357,776)	-	(1,456,299)
Reportable segment profit	69,595	458,331	335,954	-	863,880
Tax expense	(24,359)	(160,420)	(117,587)	-	(302,366)
Segment assets (Gross)	37,656,713	46,503,829	96,477,783	21,163,002	201,801,327
Segment liabilities	2,023,702	113,110,637	59,883,671	9,653,466	184,671,476
Segment average return on net assets	5.11%	10.55%	7.28%	5.16%	
Segment cost of funds	6.07%	2.56%	3.45%	6.71%	

	March 31, 2017 (Un-audited)				
	Trading & Sales	Retail Banking	Corporate & Commercial Banking	Others	Total
	----- Rupees in '000 -----				
External revenue					
Net Profit earned	300,917	94,161	1,015,392	129,927	1,540,397
Fee, commission, brokerage and other income	50,102	200,488	141,728	-	392,318
Intersegment revenue	(223,195)	986,270	(634,515)	(128,560)	-
Total revenue	127,824	1,280,919	522,605	1,367	1,932,715
Depreciation and amortisation	(5,286)	(87,630)	(18,352)	-	(111,268)
Impairment of financing assets	-	(8,953)	(50,150)	(1,421)	(60,524)
Other expenses	(115,851)	(930,430)	(279,577)	-	(1,325,858)
Total expenses	(121,137)	(1,027,013)	(348,079)	(1,421)	(1,497,650)
Reportable segment profit	6,687	253,906	174,526	(54)	435,065
Tax expense	(2,347)	(89,115)	(61,281)	19	(152,724)
Segment assets (Gross)	26,189,944	36,612,727	83,274,626	19,796,124	165,873,421
Segment liabilities	1,884,460	105,010,067	40,105,678	3,112,907	150,113,112
Segment average return on net assets	4.23%	10.57%	7.01%	3.71%	
Segment cost of funds	5.37%	2.35%	3.26%	-	

20 RELATED PARTY TRANSACTIONS

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

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

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

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

	March 31, 2018 (Un-audited)						December 31, 2017 (Audited)					
	Associated companies	Holding Company	Directors	Key management personnel	Others	Total	Associated companies	Holding Company	Directors	Key management personnel	Others	Total
	Rupees in '000											
Balances with other banks												
As at January 1	-	140,148	-	-	-	140,148	-	53,113	-	-	-	53,113
Deposited during the period / year	-	13,523,668	-	-	-	13,523,668	-	61,267,830	-	-	-	61,267,830
Withdrawals during the period / year	-	(13,623,764)	-	-	-	(13,623,764)	-	(61,180,796)	-	-	-	(61,180,796)
Closing balance	-	40,052	-	-	-	40,052	-	140,147	-	-	-	140,147
Investments												
As at January 1	-	-	-	-	1,031,293	1,031,293	-	-	-	-	1,588,330	1,588,330
Investments made during the period / year	-	-	-	-	-	-	-	-	-	-	660,913	660,913
Investments redeemed during the period / year	-	-	-	-	-	-	-	-	-	-	(1,217,950)	(1,217,950)
Others	-	-	-	-	46,063	46,063	-	-	-	-	-	-
Closing balance	-	-	-	-	1,077,356	1,077,356	-	-	-	-	1,031,293	1,031,293
Islamic financing and related assets												
As at January 1	-	-	-	98,552	-	98,552	-	-	-	141,721	-	141,721
Disbursed during the period / year	-	-	-	11,403	-	11,403	-	-	-	27,847	-	27,847
Payments during the period / year	-	-	-	(10,952)	-	(10,952)	-	-	-	(52,416)	-	(52,416)
Adjustments *	-	-	-	2,564	-	2,564	-	-	-	(18,600)	-	(18,600)
Closing balance	-	-	-	101,567	-	101,567	-	-	-	98,552	-	98,552
Deposits and other accounts												
As at January 1	-	32,058	7,198	115,570	861,297	1,016,123	-	29,362	6,214	46,818	756,622	839,016
Received during the period / year	-	344,463	5,111	138,646	66,695	554,915	-	1,815,991	172,020	600,310	248,198	2,836,519
Withdrawals during the period / year	-	(338,950)	(4,586)	(110,781)	(32,704)	(487,020)	-	(1,813,295)	(171,036)	(510,806)	(143,523)	(2,638,660)
Adjustments *	-	-	-	4,445	-	4,445	-	-	-	(20,752)	-	(20,752)
Closing balance	-	37,571	7,724	147,880	895,288	1,088,462	-	32,058	7,198	115,570	861,297	1,016,123
Other receivables												
As at January 1	-	1,864	-	-	-	1,864	-	4,719	-	-	-	4,719
Accruals during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Payments received the period / year	-	-	-	-	-	-	-	(2,855)	-	-	-	(2,855)
Closing balance	-	1,864	-	-	-	1,864	-	1,864	-	-	-	1,864

	March 31, 2018 (Un-audited)						March 31, 2017 (Un-audited)					
	Associated companies	Holding Company	Directors	Key management personnel	Others	Total	Associated companies	Holding Company	Directors	Key management personnel	Others	Total
	Rupees in '000											
Transactions during the period												
Fees to directors	-	-	1,546	-	-	1,546	-	-	3,850	-	-	3,850
Remuneration to key management personnel (including bonus)	-	-	-	95,908	-	95,908	-	-	-	78,549	-	78,549
Profit earned on investments	-	-	-	-	10,841	10,841	-	-	-	-	6,662	6,662
Profit earned on financings	-	-	-	1,025	-	1,025	-	-	-	1,561	-	1,561
Profit expensed on deposits	-	-	12	469	11,833	12,313	-	-	7	158	10,564	10,729
Purchase of global sukuk	-	-	-	-	-	-	-	1,389,531	-	-	-	1,389,531
Contribution made to gratuity fund	-	-	-	-	14,100	14,100	-	-	-	-	12,448	12,448
Contribution made to provident fund	-	-	-	-	20,440	20,440	-	-	-	-	18,848	18,848
Contingencies and commitments												
Foreign currency purchase contracts	-	19,802,032	-	-	-	19,802,032	-	20,607,309	-	-	-	20,607,309
Foreign currency sale contracts	-	19,740,310	-	-	-	19,740,310	-	19,688,780	-	-	-	19,688,780

* Primarily relates to those directors, associates and key management personnel who are no longer related parties or have become related parties of the Bank as at March 31, 2018.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

RECURRING FAIR VALUE MEASUREMENTS

On-Balance sheet Financial Instruments	March 31, 2018 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Financial assets - measured at fair value				
Investments				
GOP Ijara sukuk	-	11,897,591	-	11,897,591
Other sukuk certificates	5,248,130	5,812,500	49,077	11,109,707
Global sukuk	14,190,306	-	-	14,190,306
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	11,529,783
Balances with other banks	-	-	-	850,647
Due from financial institution	-	-	-	8,858,973
Investments	-	3,920,000	-	3,920,000
Islamic financings and related assets - net	-	-	-	131,831,840
Other asset	-	-	-	3,621,682
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	14,951,973	-	14,951,973
Forward sale of foreign exchange	-	10,863,013	-	10,863,013
	December 31, 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
GOP Ijara sukuk	-	12,117,727	-	12,117,727
Other sukuk certificates	2,746,554	8,600,000	49,077	11,395,631
Global sukuk	13,960,765	-	-	13,960,765
Financial assets - disclosed but not measured at fair value				
Cash and balances with treasury banks	-	-	-	10,423,998
Balances with other banks	-	-	-	1,173,267
Due from financial institution	-	-	-	4,860,272
Investments	-	3,997,600	-	3,997,600
Islamic financings and related assets - net	-	-	-	119,522,264
Other asset	-	-	-	2,943,931
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	12,602,954	-	12,602,954
Forward sale of foreign exchange	-	10,033,402	-	10,033,402

22 LIQUIDITY RISK

Bank calculates the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as per SBP Basel III Liquidity Standards issued under BPRD circular no 08 dated June 23, 2016. As of March 31, 2018, the Bank's LCR stood at 123.59% (December 31, 2017: 121.49%) and NSFR stood at 103.35% (December 31, 2017: 108.93%) against the SBP's minimum requirement of 90% and 100% respectively.

23 DATE OF AUTHORISATION FOR ISSUE

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

24 GENERAL

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

CHAIRMAN	PRESIDENT / CHIEF EXECUTIVE	DIRECTOR	DIRECTOR	CHIEF FINANCIAL OFFICER
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