

**Dubai Islamic Bank
Pakistan Limited**

Condensed Interim Financial Information
for the period ended September 30, 2019

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Financial Position
As at September 30, 2019

		September 30,	December 31,
		2019	2018
		(Un-audited)	(Audited)
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	16,173,659	17,752,920
Balances with other banks	7	5,773,474	1,241,840
Due from financial institutions	8	3,700,000	4,000,000
Investments	9	48,977,491	45,850,970
Islamic financing and related assets - net	10	165,465,184	153,306,380
Fixed assets	11	3,871,356	1,381,172
Intangible assets	12	211,228	169,752
Deferred tax assets	13	202,261	460,313
Other assets	14	6,775,101	7,659,406
		251,149,754	231,822,753
LIABILITIES			
Bills payable	15	2,201,215	2,811,457
Due to financial institutions	16	8,723,841	12,670,525
Deposits and other accounts	17	203,080,597	182,186,634
Subordinated sukuk	18	7,120,000	7,120,000
Deferred tax liabilities		-	-
Other liabilities	19	10,437,403	10,283,963
		231,563,056	215,072,579
NET ASSETS		19,586,698	16,750,174
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		1,687,147	1,226,954
Deficit on revaluation of investments	20	(285,107)	(820,667)
Unappropriated profit		6,532,370	4,691,599
		19,586,698	16,750,174
CONTINGENCIES AND COMMITMENTS		21	

The annexed notes 1 to 38 form an integral part of this condensed interim financial information.

President & CEO

Chief Financial Officer

Director

Director

Director

Dubai Islamic Bank Pakistan Limited
Condensed Interim Profit and Loss Account (Un-Audited)
For the quarter and nine months period ended September 30, 2019

		Quarter ended September 30, 2019	Nine months period ended September 30, 2019	Quarter ended September 30, 2018	Nine months period ended September 30, 2018
				----- Restated -----	
Note		Rupees in '000			
	22	7,039,886	18,721,316	3,971,991	10,395,212
	23	(4,546,123)	(11,307,580)	(1,930,996)	(4,510,431)
		2,493,763	7,413,736	2,040,995	5,884,781
OTHER INCOME					
	24	389,840	1,241,351	415,989	1,237,016
		-	-	-	-
		182,102	573,666	143,174	389,846
	25	322,456	322,727	-	-
	26	117	1,097	335	2,490
		894,515	2,138,841	559,498	1,629,352
		3,388,278	9,552,577	2,600,493	7,514,133
OTHER EXPENSES					
	27	(1,696,187)	(4,883,324)	(1,493,806)	(4,411,597)
		(28,305)	(84,928)	(20,321)	(61,997)
	28	(85,174)	(88,981)	(24)	(225)
		(1,809,666)	(5,057,233)	(1,514,151)	(4,473,819)
		1,578,612	4,495,344	1,086,342	3,040,314
	29	(179,479)	(503,388)	(23,304)	(2,461)
		1,399,133	3,991,956	1,063,038	3,037,853
	30	(562,924)	(1,690,992)	(411,906)	(1,184,841)
		836,209	2,300,964	651,132	1,853,012
PROFIT BEFORE TAXATION					
		836,209	2,300,964	651,132	1,853,012
PROFIT AFTER TAXATION					
Basic & diluted earnings per share					
	31	0.71	1.97	0.56	1.59

The annexed notes 1 to 38 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 and nine months period ended September 30, 2019

	Quarter ended September 30, 2019	Nine months period ended September 30, 2019	Quarter ended September 30, 2018	Nine months period ended September 30, 2018
	----- Rupees in '000 -----			
Profit after taxation for the period	836,209	2,300,964	651,132	1,853,012
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Decrease / (increase) in deficit on revaluation of investments - net of tax	123,346	535,560	(192,588)	(731,219)
Total comprehensive income	959,555	2,836,524	458,544	1,121,793

The annexed notes 1 to 38 form an integral part of this condensed interim financial information.

President & CEO

Chief Financial Officer

Director

Director

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Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the nine months period ended September 30, 2019

	Share capital	Statutory reserve	Deficit on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
Balance as at January 01, 2018 - Restated	11,652,288	725,101	(142,265)	2,677,047	14,912,171
Total Comprehensive income for the period					
Profit after taxation for the nine months period ended September 30, 2018	-	-	-	1,853,012	1,853,012
Other comprehensive income for the nine months period ended September 30, 2018 - net of tax	-	-	(731,219)	-	(731,219)
	-	-	(731,219)	1,853,012	1,121,793
Transfer to statutory reserve	-	370,602	-	(370,602)	-
Balance as at September 30, 2018 - Restated	11,652,288	1,095,703	(873,484)	4,159,457	16,033,964
Total Comprehensive income for the period					
Profit after taxation for the quarter ended December 31, 2018	-	-	-	656,253	656,253
Other comprehensive income for the quarter ended December 31, 2018 - net of tax	-	-	52,817	7,140	59,957
	-	-	52,817	663,393	716,210
Transfer to statutory reserve	-	131,251	-	(131,251)	-
Balance as at December 31, 2018	11,652,288	1,226,954	(820,667)	4,691,599	16,750,174
Total Comprehensive income for the period					
Profit after taxation for the nine months period ended September 30, 2019	-	-	-	2,300,964	2,300,964
Other comprehensive income for the nine months period ended September 30, 2019 - net of tax	-	-	535,560	-	535,560
	-	-	535,560	2,300,964	2,836,524
Transfer to statutory reserve	-	460,193	-	(460,193)	-
Balance as at September 30, 2019	11,652,288	1,687,147	(285,107)	6,532,370	19,586,698

The annexed notes 1 to 38 form an integral part of this condensed interim financial information.

President & CEO

Chief Financial Officer

Director

Director

Director

Dubai Islamic Bank Pakistan Limited
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months period ended September 30, 2019

	Nine months period ended September 30, 2019	Nine months period ended September 30, 2018
Note	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,991,956	3,037,853
Adjustments:		
Depreciation	27 240,443	237,453
Depreciation on right-of-use assets	27 490,375	-
Amortisation	27 44,832	56,000
Gain on securities	25 (322,727)	-
Gain on sale of fixed assets	26 (1,097)	(2,434)
Provisions and write offs - net	29 503,388	2,461
Finance cost on Ijarah (lease) liabilities	23 252,383	-
	<u>1,207,597</u>	<u>293,480</u>
	5,199,553	3,331,333
(Increase) / decrease in operating assets		
Due from financial institutions	300,000	(3,339,728)
Islamic financing and related assets	(12,654,806)	(29,680,672)
Others assets	(1,965,291)	(1,548,104)
	<u>(14,320,097)</u>	<u>(34,568,504)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(610,242)	(1,436,872)
Due to financial institutions	(3,940,909)	1,902,715
Deposits and other accounts	20,893,963	38,016,020
Other liabilities (excluding current taxation)	248,700	1,249,020
	<u>16,591,512</u>	<u>39,730,883</u>
	7,470,968	8,493,712
Income taxes paid	(1,605,123)	(1,100,676)
Net cash flow generated from operating activities	<u>5,865,845</u>	<u>7,393,036</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(1,987,242)	(5,445,614)
Payment of Ijarah (lease) liabilities against right-of-use assets	(698,750)	-
Investments in fixed assets	(161,886)	(130,362)
Proceeds from sale of fixed assets	26,489	5,699
Investments in intangible assets	(86,308)	(8,892)
Net cash flow used in investing activities	<u>(2,907,697)</u>	<u>(5,579,169)</u>
Increase in cash and cash equivalents	2,958,148	1,813,867
Cash and cash equivalents at beginning of the period	18,988,985	11,597,265
Cash and cash equivalents at end of the period	32 <u>21,947,133</u>	<u>13,411,132</u>

The annexed notes 1 to 38 form an integral part of this condensed interim financial information.

President & CEO

Chief Financial Officer

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 nine months period ended September 30, 2019

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 (Previously 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, Consumer Islamic banking activities and investing activities.
- 1.3** VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited) on June 28, 2019 has upgraded the Bank's long-term rating as 'AA' (Double A) and the short term rating as 'A-1+' (A-One Plus) with stable outlook.
- 1.4** The Bank is operating through 200 branches as at September 30, 2019 (December 31, 2018: 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 PJSC, UAE (the Holding Company).

2. BASIS OF PRESENTATION

- 2.1** The Bank provides Islamic financing and makes investments mainly through Murabaha, Musharaka, Running Musharaka, Shirkatulmilk, Istisna cum Wakala, Wakala Istithmar, export refinance under Islamic export refinance scheme and long term financing facility under Islamic long term financing facility of the SBP and other Islamic modes as briefly explained in the annual financial statements for the year ended December 31, 2018. 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 Board / Resident Shari'a Board Member.

2.2 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
- Directives issued by the SBP and the SECP.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IAS 34 or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 5 dated March 22, 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". This condensed interim financial information does not include all the disclosures required for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2018.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

2.3.1 The SBP through BPRD Circular Letter No. 5 dated March 22, 2019 prescribed a new format for condensed interim financial information of banks which are applicable for quarterly / half yearly periods beginning on or after January 1, 2019. Accordingly, this condensed interim financial information is prepared in accordance with the new format. The changes impacting (other than certain presentation changes) this condensed interim financial information include:

- Inclusion of surplus / deficit on revaluation of investments as part of equity (previously shown below equity).
- Foreign currency swap costs have been grossed up from income from dealing in foreign currencies and included in profit / return expensed (note 23).
- Other reversal of provisions / write offs have now been combined under provisions & write off - net (note 29).

2.3.2 During the current period, the SBP vide BPRD Circular Letter No. 08 of 2019 has adopted IFRS 16, "Leases". The impacts of adopting IFRS 16 are detailed in note 4.1 of these condensed interim financial information.

2.3.3 There are certain other new standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2019 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim financial information.

2.4 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective

The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standard, Interpretation or Amendment	Effective date
IFRS 3 - Definition of a Business (Amendments)	Accounting period beginning on or after January 01, 2020
IFRS 9 – Financial Instruments: Classification and Measurement	Accounting period ending on or after June 30, 2019

The SECP vide its press release dated February 15, 2019 has deferred the applicability of IFRS 9 for the reporting periods ending on or after June 30, 2019. However, the SBP has clarified that IFRS 9 is not applicable on financial information of the Bank for period ended June 30, 2019. Further, the Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non-performing financing, the implementation of IFRS 9 may require changes in the regulatory regime. Therefore, the Bank expects that the SBP would issue suitable guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan.

There are certain other standards, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have any material impact on the Bank's condensed interim financial information in the period of their initial application.

3. BASIS OF MEASUREMENT

3.1 Accounting convention

This condensed interim financial information have been prepared under the historical cost convention, except that certain investments, foreign currency balances and commitments in respect of certain foreign exchange contracts have been marked to market and carried at fair value.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgments

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the annual financial statements for the year ended December 31, 2018.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2018, except as detailed in note 4.1:

4.1 IFRS 16 - Leases

The Bank has adopted IFRS 16, "Leases" based on the SBP BPRD Circular Letter No. 08 of 2019.

The Bank has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising therefrom are therefore recognized in the opening condensed interim statement of financial position on January 01, 2019.

On adoption of IFRS 16, the Bank recognized lease liabilities in relation to leases, which had previously been classified as 'operating leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 01, 2019. The weighted average incremental borrowing rate of the Bank applied to lease liabilities on January 1, 2019 was 13.36%.

The remeasurements of the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

(Rupees in '000)

The total lease liability recognised as at January 01, 2019, of which:

Current lease liabilities	782,921
Non-current lease liabilities	1,956,502
	<u>2,739,423</u>

The right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed interim statement of financial position as at December 31, 2018.

The recognised right-of-use assets are of the following type:

	September 30, 2019	January 01, 2019
	----- (Rupees in '000) -----	
Right-of-use assets - building on leasehold land	<u>2,594,133</u>	<u>3,084,508</u>

The effect of this change in accounting policy is as follows:

	September 30, 2019 ----- (Rupees in '000) -----	January 01, 2019 ----- (Rupees in '000) -----
Impact on Condensed Interim Statement of Financial Position		
Increase in fixed assets - right-of-use assets	2,594,133	3,084,508
Decrease in other assets - advances, deposits, advance rent and other prepayments	(430,920)	(345,085)
(Increase) / decrease in other liabilities:		
- Ijarah (lease) liabilities against right-of-use assets	(2,293,056)	(2,739,423)
- Current taxation	49,626	-
- Workers Welfare Fund	2,597	-
Decrease in net assets	(77,620)	-
		Nine months period ended September 30, 2019 (Rupees in '000)
Impact on Condensed Interim Profit and Loss account		
Increase in Profit / return expensed - Finance cost on Ijarah (lease) liabilities		(252,383)
(Increase) / decrease in operating expenses:		
- Depreciation on right-of-use assets		(490,375)
- Rent expense		612,915
Decrease in Workers Welfare Fund		2,597
Decrease in profit before tax		(127,246)
Decrease in taxation expense		49,626
Decrease in profit after tax		(77,620)
		---- (Rupees) ----
Decrease in earnings per share - basic & diluted		(0.07)

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements for the year ended December 31, 2018.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		2,599,175	2,629,526
- foreign currencies		830,525	816,475
		<u>3,429,700</u>	<u>3,446,001</u>
With State Bank of Pakistan in			
- local currency current accounts	6.1	7,662,797	10,938,070
- foreign currency current accounts		864,534	3,423
- foreign currency deposit accounts			
- Cash reserve account	6.2	1,681,006	1,305,371
- Special cash reserve account	6.2	2,017,098	1,566,348
		<u>3,698,104</u>	<u>2,871,719</u>
With National Bank of Pakistan in			
- local currency current accounts		518,524	493,707
		<u>16,173,659</u>	<u>17,752,920</u>

- 6.1** The local currency current account is maintained with the SBP as per the requirements of Section 22 of the Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in the current account opened with the SBP at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by SBP.
- 6.2** As per BSD Circular No. 15 dated June 21, 2008, cash reserve of 5% and special cash reserve of 6% are required to be maintained with SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). These accounts are non-remunerative in nature.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
- in current accounts		563,516	589,720
- in deposit account		10	10
		<u>563,526</u>	<u>589,730</u>
Outside Pakistan			
- in current accounts	7.1	5,209,948	652,110
		<u>5,773,474</u>	<u>1,241,840</u>

- 7.1** This includes an amount of Rs. 95.89 million (December 31, 2018: Rs.43.13 million) deposited with the holding company.

		September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
	Note	----- (Rupees in '000) -----	
8. DUE FROM FINANCIAL INSTITUTIONS			
Musharaka	8.1	<u>3,700,000</u>	<u>4,000,000</u>

- 8.1** These carry expected profit rates of 11.25% to 13.25% (December 31, 2018: 9.5%) per annum and are due to mature latest by November 04, 2019 (December 31, 2018: January 02, 2019).

9. INVESTMENTS

		September 30, 2019 (Un-audited)				December 31, 2018 (Audited)			
9.1	Investments by types:	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value
	Note	(Rupees in '000) -----							
Available-for-sale securities									
	Federal Government debt securities	30,847,081	-	(194,593)	30,652,488	21,606,259	-	135,693	21,741,952
	Non-Government debt securities	2,645,257	(77,881)	10,974	2,578,350	3,717,332	(70,495)	19,073	3,665,910
	Foreign debt securities	12,001,660	-	(255,007)	11,746,653	17,860,438	-	(1,417,330)	16,443,108
		45,493,998	(77,881)	(438,626)	44,977,491	43,184,029	(70,495)	(1,262,564)	41,850,970
Held-to-maturity securities									
	Federal Government debt securities	4,000,000	-	-	4,000,000	4,000,000	-	-	4,000,000
		49,493,998	(77,881)	(438,626)	48,977,491	47,184,029	(70,495)	(1,262,564)	45,850,970

9.2 Provision for diminution in value of investments	Note	September 30, 2019 (Un-audited) ----- (Rupees in '000) -----	December 31, 2018 (Audited)
Opening balance		70,495	47,102
Charge for the period / year	29	7,386	23,393
Closing balance	9.2.1	77,881	70,495

9.2.1 This represent sukuk of Quetta Textile Mills Limited amounting to Rs. 89.32 million (December 31, 2018: Rs. 89.32 million) which have been placed under non-performing status. The forced sale value (FSV) benefit of the collateral held in respect of this sukuk is Rs. 11.44 million (December 31, 2018: Rs. 18.82 million). Therefore, provision for diminution has been made in respect of the same. Profit accrued on this sukuk has been suspended. The additional profit arising from availing the FSV benefit - net of tax as at September 30, 2019 amounting to Rs. 6.98 million (December 31, 2018: Rs. 11.48 million) is not available for distribution as either cash or stock dividend.

9.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
	*NPI	Provision	*NPI	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	89,316	77,881	89,316	70,495
	89,316	77,881	89,316	70,495
Overseas	-	-	-	-
Total	89,316	77,881	89,316	70,495

* NPI stands for non-performing investments.

9.3 The market value of securities classified as held-to-maturity as at September 30, 2019 amounted to Rs. 3,883 million (December 31, 2018: Rs. 3,928 million).

10. ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non-Performing		Total	
		September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
		2019	2018	2019	2018	2019	2018
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees in '000) -----							
Murabaha	10.1	30,073,121	30,777,169	617,504	197,450	30,690,625	30,974,619
Musawamah	10.2	2,195,113	1,680,357	75,893	38,472	2,271,006	1,718,829
Tijarah cum wakala	10.3	6,044,841	5,233,529	-	-	6,044,841	5,233,529
Istisna cum Wakala	10.4	9,743,775	10,576,752	647,157	649,773	10,390,932	11,226,525
Salam	10.5	488,871	289,498	-	-	488,871	289,498
Islamic Export Refinance Scheme - SBP	10.6	6,214,562	6,483,750	-	-	6,214,562	6,483,750
Advance against Islamic Long Term							
Financing Facility - SBP		684,966	-	-	-	684,966	-
Wakala Istithmar – Local		15,564,905	12,739,704	27,433	27,433	15,592,338	12,767,137
Wakala Istithmar – Pre manufacturing		1,584,345	1,723,368	99,000	99,000	1,683,345	1,822,368
Wakala Istithmar – Post manufacturing		177,342	16,930	10,741	9,539	188,083	26,469
Running Musharaka financing		19,042,275	10,480,970	-	-	19,042,275	10,480,970
Shirkatulmilk - Housing	10.7	9,529,930	9,706,066	413,355	289,404	9,943,285	9,995,470
Shirkatulmilk - Autos	10.8	17,624,813	18,331,125	311,609	298,290	17,936,422	18,629,415
Shirkatulmilk - Fleet financing	10.9	7,759,496	7,833,852	206,283	146,139	7,965,779	7,979,991
Shirkatulmilk Financing - Others		15,173,220	17,501,522	1,893,406	1,137,555	17,066,626	18,639,077
Diminishing Musharaka - Others		19,926,767	17,307,175	-	-	19,926,767	17,307,175
Staff financing		1,935,950	1,842,761	51,156	45,440	1,987,106	1,888,201
Islamic financing and related assets (gross)		163,764,292	152,524,528	4,353,537	2,938,495	168,117,829	155,463,023
Provision against Islamic financing and related assets							
Specific	10.11	-	-	(2,538,712)	(2,056,910)	(2,538,712)	(2,056,910)
General		(113,933)	(99,733)	-	-	(113,933)	(99,733)
		(113,933)	(99,733)	(2,538,712)	(2,056,910)	(2,652,645)	(2,156,643)
Islamic financing and related assets							
- net of provision		163,650,359	152,424,795	1,814,825	881,585	165,465,184	153,306,380

		September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
10.1	Murabaha		
	Financing	9,275,241	9,890,353
	Inventory	20,437,207	19,980,138
	Advance	978,177	1,104,128
		<u>30,690,625</u>	<u>30,974,619</u>
10.2	Musawamah		
	Financing	2,230,354	1,683,843
	Advance	40,652	34,986
		<u>2,271,006</u>	<u>1,718,829</u>
10.3	Tijarah cum wakala		
	Financing	5,508,700	4,996,704
	Inventory	536,141	236,825
		<u>6,044,841</u>	<u>5,233,529</u>
10.4	Istisna cum Wakala		
	Financing	8,205,945	10,150,038
	Advance	2,184,987	1,076,487
		<u>10,390,932</u>	<u>11,226,525</u>
10.5	Salam		
	Financing	439,137	289,498
	Advance	49,734	-
		<u>488,871</u>	<u>289,498</u>
10.6	Islamic Export Refinance Scheme - SBP		
	Istisna - Advance	313,000	56,000
	Running Musharaka - Financing	3,129,900	3,686,900
	Wakala Istithmar - Financing	2,771,662	2,740,850
		<u>6,214,562</u>	<u>6,483,750</u>

		September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
10.7 Shirkatulmilk - Housing			
Financing		9,912,285	9,904,350
Advance		31,000	91,120
		<u>9,943,285</u>	<u>9,995,470</u>
10.8 Shirkatulmilk - Autos			
Financing		17,552,534	18,057,537
Advance		383,888	571,878
		<u>17,936,422</u>	<u>18,629,415</u>
10.9 Shirkatulmilk - Fleet financing			
Financing		7,803,507	7,407,445
Advance		162,272	572,546
		<u>7,965,779</u>	<u>7,979,991</u>
10.10 Particulars of Islamic financing and related assets (gross)			
In local currency		167,545,333	155,419,905
In foreign currencies		572,496	43,118
		<u>168,117,829</u>	<u>155,463,023</u>
10.11	Islamic financing and related assets include Rs. 4,353.54 million (December 31, 2018: Rs. 2,938.495 million) which have been placed under non-performing status as detailed below:		

	September 30, 2019 (Un-audited)		December 31, 2018 (Audited)	
Category of Classification	Non-Performing	Provision	Non-Performing	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	117,168	-	19,704	-
Substandard	801,697	72,721	423,956	96,435
Doubtful	820,203	96,684	686,151	358,849
Loss	2,614,469	2,369,307	1,808,684	1,601,626
	<u>4,353,537</u>	<u>2,538,712</u>	<u>2,938,495</u>	<u>2,056,910</u>

10.11.1 Particulars of provision against Islamic financing and related assets:

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	2,056,910	99,733	2,156,643	1,881,404	76,844	1,958,248
Exchange adjustment	1,186	-	1,186	1,950	-	1,950
Charge for the period / year	546,268	14,200	560,468	291,555	22,889	314,444
Reversals during the period / year	(65,652)	-	(65,652)	(117,999)	-	(117,999)
Amounts written-off	-	-	-	-	-	-
Closing balance	<u>2,538,712</u>	<u>113,933</u>	<u>2,652,645</u>	<u>2,056,910</u>	<u>99,733</u>	<u>2,156,643</u>

10.11.1.1 As allowed by the SBP, the Bank has availed benefit of Forced Sale Value (FSV) amounting to Rs. 682.34 million (December 31, 2018: Rs. 280.12 million) in determining the provisioning against non performing Islamic financings as at September 30, 2019. The additional profit arising from availing the FSV benefit - net of tax as at September 30, 2019 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 416.23 million (December 31, 2018: Rs. 170.87 million).

10.11.1.2 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 Shirkatulmilk financing - 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 Shirkatulmilk financing - 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.

	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		--- (Rupees in '000) ---	
11. FIXED ASSETS			
Capital work-in-progress	11.1	2,471	18,237
Property and equipment	11.2	1,274,752	1,362,935
Right-of-use assets	4.1	2,594,133	-
		<u>3,871,356</u>	<u>1,381,172</u>
11.1 Capital work-in-progress			
Electrical, office and computer equipment		2,471	737
Vehicle		-	17,500
		<u>2,471</u>	<u>18,237</u>
11.2 Additions to Property and equipment (including transfer from CWIP)			
Furniture & fixtures		2,379	3,166
Electrical, office and computer equipment		117,327	103,947
Vehicles		44,107	4,521
Leasehold improvements		13,839	8,374
		<u>177,652</u>	<u>120,008</u>

		September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
12. INTANGIBLE ASSETS	Note		
Capital work-in-progress		56,286	65,903
Computer software		154,942	119,249
		<u>211,228</u>	<u>185,152</u>
Less: Provision against capital work-in-progress	12.1	-	(15,400)
		<u>211,228</u>	<u>169,752</u>
12.1 Provision against capital work-in-progress			
Opening balance		15,400	15,400
Amount written-off		(15,400)	-
Closing balance		<u>-</u>	<u>15,400</u>
12.2 Additions to intangible assets			
Directly purchased (including transfer in / from CWIP)		<u>80,526</u>	<u>8,892</u>

13. DEFERRED TAX ASSETS

Deductible temporary differences on:

Provision for diminution in the value of investments	-	-	-	-
Provision against non-performing Islamic financing and related assets	34,893	14,942	-	49,835
Provision against other assets (including capital work-in-progress)	6,273	(5,390)	-	883
Deficit on revaluation of investments	441,897	-	(288,378)	153,519
Deficit on defined benefit plan	13,257	-	-	13,257
	<u>496,320</u>	<u>9,552</u>	<u>(288,378)</u>	<u>217,494</u>

Taxable temporary differences on:

Accelerated tax depreciation and amortisation	(36,007)	20,774	-	(15,233)
	<u>460,313</u>	<u>30,326</u>	<u>(288,378)</u>	<u>202,261</u>

September 30, 2019 (Un-audited)

At Jan 1, 2019	Recognised in P&L	Recognised in OCI	At Sep 30, 2019
----- (Rupees in '000) -----			

December 31, 2018 (Audited)

At Jan 1, 2018	Recognised in P&L	Recognised in OCI	At Dec 31, 2018
----- (Rupees in '000) -----			

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	3,703	31,190	-	34,893
Provision against other assets (including capital work-in-progress)	6,273	-	-	6,273
Deficit on revaluation of investments	76,604	-	365,293	441,897
Deficit on defined benefit plan	17,101	-	(3,844)	13,257
	<u>120,167</u>	<u>14,704</u>	<u>361,449</u>	<u>496,320</u>

Taxable temporary differences on:

Accelerated tax depreciation and amortisation	(48,408)	12,401	-	(36,007)
	<u>71,759</u>	<u>27,105</u>	<u>361,449</u>	<u>460,313</u>

		September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
14. OTHER ASSETS	Note		
Profit / return accrued in local currency - net		4,455,269	2,016,364
Profit / return accrued in foreign currencies - net		186,637	137,800
Advances, deposits, advance rent and other prepayments		852,840	1,114,221
Unrealized gain on forward foreign exchange contracts		87,620	757,969
Acceptances		919,335	3,423,846
Commission receivable		153,048	120,098
Defined benefit plan		-	10,984
Others		122,876	80,648
		<u>6,777,625</u>	<u>7,661,930</u>
Less: Provision held against other assets	14.1	<u>(2,524)</u>	<u>(2,524)</u>
		<u>6,775,101</u>	<u>7,659,406</u>
14.1 Provision held against other assets			
Others - Trackers		<u>2,524</u>	<u>2,524</u>
15. BILLS PAYABLE			
In Pakistan		2,192,361	2,799,251
Outside Pakistan		8,854	12,206
		<u>2,201,215</u>	<u>2,811,457</u>
16. DUE TO FINANCIAL INSTITUTIONS			
Secured			
Musharaka from the State Bank of Pakistan			
- under Islamic Export Refinance Scheme	16.1	5,886,162	6,389,750
- under Islamic Long Term Finance Facility	16.2	587,679	-
Unsecured			
Musharka	16.3	1,000,000	3,275,000
Wakala	16.4	1,250,000	3,000,000
Overdrawn nostros		-	5,775
		<u>8,723,841</u>	<u>12,670,525</u>
16.1	These Musharka are on a profit and loss sharing basis having maturity between October 14, 2019 to March 25, 2020 (December 31, 2018: January 01, 2019 to June 24, 2019) and are secured against demand promissory notes executed in favor of the SBP. A limit of Rs. 6,550 million (December 31, 2018: Rs. 6,550 million) has been allocated to the Bank by SBP under Islamic Export Refinance Scheme.		
16.2	These Musharka are on a profit and loss sharing basis having maturity between February 21, 2024 to July 10, 2026 (December 31, 2018: Nil) and are secured against demand promissory notes executed in favor of the SBP. A limit of Rs. 3,000 million (December 31, 2018: Nil) has been allocated to the Bank by SBP under Islamic Long Term Finance Facility.		
16.3	These carry expected profit rates of 12.50% (December 31, 2018: 9.25% to 9.6%) per annum and are due to mature latest by October 01, 2019 (December 31, 2018: January 10, 2019).		
16.4	These carry expected profit rates of 11% (December 31, 2018: 9.90% to 10.70%) per annum and is due to mature latest by October 01, 2019 (December 31, 2018: February 13, 2019).		
16.6 Particulars of due to financial institutions with respect to currencies		September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
In local currency		8,723,841	12,664,750
In foreign currencies		-	5,775
		<u>8,723,841</u>	<u>12,670,525</u>

17. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2019 (Un-audited)			December 31, 2018 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	36,855,329	13,662,064	50,517,393	40,186,572	10,919,720	51,106,292
Savings deposits	64,028,551	10,423,315	74,451,866	55,818,854	8,232,595	64,051,449
Term deposits	41,582,198	7,310,259	48,892,457	40,738,315	6,743,377	47,481,692
Others	5,551,840	-	5,551,840	3,316,505	-	3,316,505
	148,017,918	31,395,638	179,413,556	140,060,246	25,895,692	165,955,938
Financial institutions						
Current deposits	333,810	21,447	355,257	423,584	16,801	440,385
Savings deposits	18,575,034	-	18,575,034	12,007,261	-	12,007,261
Term deposits	4,736,750	-	4,736,750	3,743,050	-	3,743,050
Others	-	-	-	40,000	-	40,000
	23,645,594	21,447	23,667,041	16,213,895	16,801	16,230,696
	171,663,512	31,417,085	203,080,597	156,274,141	25,912,493	182,186,634

18. SUBORDINATED SUKUK

	Note	September 30, 2019 (Un-audited)	December 31, 2018 (Audited)
		(Rupees in '000)	
Additional Tier I Sukuk	18.1	3,120,000	3,120,000
Tier II Sukuk	18.2	4,000,000	4,000,000
		7,120,000	7,120,000

- 18.1** In December 2018, the Bank issued regulatory Shari'a compliant perpetual, unsecured, subordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs. 3,120 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of sukuk is as follows:

Credit rating	A+ (Single A-Plus) by VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company)
Tenor	Perpetual
Profit payment frequency	Monthly in arrears
Redemption	Perpetual
Expected periodic profit amount (Mudaraba profit amount)	The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank under the SBP guidelines of pool management. Last announced profit rate on the Sukuk is 14.70% per annum.
Call option	The Bank may call Additional Tier I Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss absorbency	The Additional Tier I Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Additional Tier I Sukuk, if such payment will result in a shortfall in the Issuer's minimum capital or capital adequacy ratio requirement.

- 18.2** In July 2017, the Bank issued regulatory Shariah compliant unsecured, subordinated privately placed Tier II Sukuk based on Mudaraba of Rs. 4,000 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of sukuk is as follows:

Credit rating	AA- (Double A-Minus) by VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company)
Tenor	10 years from the issue date
Profit payment frequency	Semi-annually in arrears
Redemption	On the tenth anniversary from the issue date of sukuk
Expected periodic profit amount (Mudaraba profit amount)	The Mudaraba Profit is in accordance with the agreed profit sharing ratios / weightages assigned by the bank from time-to-time coinciding with the relevant profit distribution frequency for the relevant profit distribution period. Last announced profit rate on the sukuk is 13.65% per annum.
Call option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk, if such payment will result in a shortfall in the Issuer's minimum capital or capital adequacy ratio requirement.

	September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
19. OTHER LIABILITIES	Note	
Profit / return payable in local currency	1,794,557	1,296,837
Profit / return payable in foreign currencies	25,989	35,891
Deferred profit murabaha / musawamah income in local currency	2,074,568	2,119,367
Deferred profit murabaha / musawamah income in foreign currencies	3,159	1,579
Accrued expenses	638,283	553,049
Advance from financing customers	922,115	877,280
Unrealized loss on forward foreign exchange contracts	258,341	761,963
Acceptances	919,335	3,423,846
Current taxation (provisions less payments)	233,135	116,940
Security deposits against Islamic financing and related assets	37,265	51,748
Retention money	324	711
Payable to dealers, contractors, etc.	142,372	318,937
Ijarah (lease) liabilities	2,293,056	-
Charity payable	6,228	154
Workers Welfare Fund payable	259,818	174,890
Payable to Employees Old Age Benefit Institution (EOBI)	87,537	72,508
Others	741,321	478,263
	10,437,403	10,283,963

20. DEFICIT ON REVALUATION OF INVESTMENTS

(Deficit) / surplus on revaluation of Available-for-sale securities - net

Federal Government debt securities	9.1	(194,593)	135,693
Non-Government debt securities	9.1	10,974	19,073
Foreign debt securities	9.1	(255,007)	(1,417,330)
		(438,626)	(1,262,564)
Less: Related deferred tax asset		153,519	441,897
		(285,107)	(820,667)

21. CONTINGENCIES AND COMMITMENTS

Guarantees	21.1	12,552,680	11,093,915
Commitments	21.2	28,822,972	30,469,122
		41,375,652	41,563,037

		September 30, 2019 (Un-audited) --- (Rupees in '000) ---	December 31, 2018 (Audited)
Note			
21.1	Guarantees		
	Financial guarantees	3,540,220	7,327,883
	Performance guarantees	8,573,248	3,737,662
	Other guarantees	439,212	28,370
		<u>12,552,680</u>	<u>11,093,915</u>
21.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	Import letters of credit	17,257,331	18,874,140
	Commitments in respect of:		
	- Forward foreign exchange contracts - net	21.2.1 8,835,237	3,723,053
	- Islamic financing and related assets	2,621,826	3,083,701
	- Operating lease	21.2.2 -	4,654,873
	Commitments for acquisition of:		
	- Fixed assets	27,298	60,000
	- Intangible assets	81,280	73,355
		<u>28,822,972</u>	<u>30,469,122</u>
21.2.1	Commitments in respect of forward foreign exchange contracts - net		
	Purchase	21,442,389	13,226,270
	Sale	12,607,152	9,503,217
		<u>8,835,237</u>	<u>3,723,053</u>
21.2.2	Commitments in respect of operating leases	4.1	
	Not later than one year	-	809,033
	Later than one year but not later than 5 years	-	2,977,030
	Later than 5 years	-	868,810
		<u>-</u>	<u>4,654,873</u>

		Nine months period ended September 30, 2019	Nine months period ended September 30, 2018
		(Un-audited)	
Note		Rupees in '000	
22.	PROFIT / RETURN EARNED		
	On Islamic financing and related assets to customers	14,918,883	8,306,655
	On investments	3,082,128	1,760,349
	On placements with financial institutions	720,305	328,208
		<u>18,721,316</u>	<u>10,395,212</u>
23.	PROFIT / RETURN EXPENSED		
	Deposits and other accounts	9,153,738	4,075,146
	Subordinated sukuk	661,503	208,008
	Due to financial institutions	552,424	144,245
	Finance cost on Ijarah (lease) liabilities	252,383	-
	Cost of foreign currency swaps	687,532	83,032
		<u>11,307,580</u>	<u>4,510,431</u>
24.	FEE & COMMISSION INCOME		
	Consumer finance related fees	480,744	518,899
	Credit related fees	79,264	49,833
	Investment banking fees	58,802	89,240
	Branch banking customer fees	79,502	73,424
	Card related fees	159,023	189,242
	Commission on trade	154,958	143,270
	Commission on guarantees	46,670	38,847
	Commission on cash management	37,466	33,397
	Commission on remittances including home remittances	12,246	19,231
	Commission on bancassurance	48,634	22,776
	Rebate income	81,659	57,154
	Others	2,383	1,703
		<u>1,241,351</u>	<u>1,237,016</u>
25.	GAIN ON SECURITIES		
	Realised		
	- Federal Government debt securities	271	-
	- Foreign debit securities	322,456	-
		<u>322,727</u>	<u>-</u>
26.	OTHER INCOME		
	Gain on sale of fixed assets - net	1,097	2,434
	Others	-	56
		<u>1,097</u>	<u>2,490</u>

		Nine months period ended September 30, 2019	Nine months period ended September 30, 2018
		(Un-audited)	
Note		----- Rupees in '000 -----	
27. OPERATING EXPENSES			
	Total compensation expense	2,143,025	1,929,648
	Property expense		
	Rent	-	567,076
	Takaful charges	1,108	1,096
	Utilities cost	217,198	193,857
	Security	118,541	121,102
	Repair & maintenance (including janitorial charges)	67,823	53,318
	Depreciation	72,043	68,547
4.1	Depreciation on right-of-use assets	490,375	-
		967,088	1,004,996
	Information technology expenses		
	Software maintenance	175,457	136,026
	Hardware maintenance	60,063	63,601
	Depreciation	72,819	73,272
	Amortisation	44,832	56,000
	Networking and connectivity charges	80,796	61,793
	Outsourced services cost	19,896	16,320
	Takaful charges	888	805
	Others	941	406
		455,692	408,223
	Other operating expenses		
	Directors' fee and allowances	5,329	4,820
	Fees and allowances to Shari'a Board members	2,306	1,745
	Legal and professional charges	21,757	18,470
	Outsourced services cost	66,771	52,628
	Travelling and conveyance	33,945	22,800
	NIFT clearing charges	22,998	20,582
	Depreciation	95,581	95,634
	Training and development	4,709	3,319
	Postage and courier charges	24,257	22,920
	Communications	114,681	113,286
	Stationary and printing	62,746	55,328
	Marketing, advertising and publicity	71,421	38,893
	Auditors' remuneration	5,400	5,400
	Brokerage, commission and bank charges	205,436	210,549
	Tracker related charges	130,084	122,461
	Cash transportation charges	73,752	67,737
	Repair and maintenance	62,532	36,915
	Subscription fees	14,361	10,695
	Takaful charges	28,364	26,852
	Deposit premium cost	90,202	26,716
	Others	180,887	110,980
		1,317,519	1,068,730
		4,883,324	4,411,597

		Nine months period ended September 30, 2019	Nine months period ended September 30, 2018
		(Un-audited)	
Note		----- Rupees in '000 -----	
28. OTHER CHARGES			
		88,981	206
Penalties imposed by State Bank of Pakistan		-	19
Penalties imposed by Sindh Board of Revenue		88,981	225
29. PROVISIONS & WRITE OFFS - NET			
Provision / (reversal of provision) against Islamic financing and related assets - net	10.11.1	496,002	(20,932)
Provision for diminution in the value of investments	9.2	7,386	23,393
		503,388	2,461
30. TAXATION			
Current		1,622,951	1,220,649
Prior years	30.1	98,367	-
Deferred		(30,326)	(35,808)
		1,690,992	1,184,841
30.1	The Finance Supplementary (Second Amendment) Act, 2019 has reversed the phase-wise reduction in rate of super tax for banking companies from 4% to 3% and further levied an additional super tax charge at 4% for tax year 2018 (accounting year 2017), which was previously not chargeable resulting in additional super tax charge of Rs. 98.37 million in the current period. The aggregate super tax charged for the period ended September 30, 2019 is Rs. 264.83 million.		
		Nine months period ended September 30, 2019	Nine months period ended September 30, 2018
		(Un-audited)	
Note		----- Rupees in '000 -----	
31. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		2,300,964	1,853,012
		----- (Number) -----	
Weighted average number of ordinary shares		1,165,228,776	1,165,228,776
		----- Rupees -----	
Earning per share - basic and diluted		1.97	1.59
		----- Rupees in '000 -----	
32. CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	6	16,173,659	12,423,782
Balance with other banks	7	5,773,474	987,350
		21,947,133	13,411,132

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

September 30, 2019 (Un-audited)										
On-Balance sheet Financial Instruments	Carrying Value						Fair Value			
	Held to Maturity	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----									
Financial assets - measured at fair value										
Investments										
Federal Government debt securities	-	30,652,488	-	-	-	30,652,488	3,893,280	26,759,208	-	30,652,488
Non-Government debt securities	-	2,578,350	-	-	-	2,578,350	1,329,415	1,237,500	11,435	2,578,350
Foreign debt securities	-	11,746,653	-	-	-	11,746,653	11,746,653	-	-	11,746,653
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	87,620	-	87,620	-	87,620	-	87,620
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	16,173,659	-	16,173,659				
Balances with other banks	-	-	-	5,773,474	-	5,773,474				
Due from financial institution	-	-	-	3,700,000	-	3,700,000				
Investments	4,000,000	-	-	-	-	4,000,000				
Islamic financings and related assets - net	-	-	165,465,184	-	-	165,465,184				
Other asset	-	-	-	6,114,043	-	6,114,043				
	4,000,000	44,977,491	165,465,184	31,848,796	-	246,291,471				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	258,341	258,341	-	258,341	-	258,341
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	2,201,215	2,201,215				
Due to financial institutions	-	-	-	-	8,723,841	8,723,841				
Deposits and other accounts	-	-	-	-	203,080,597	203,080,597				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	7,696,562	7,696,562				
	7,120,000	-	-	-	221,960,556	229,080,556				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	8,835,237	-	8,835,237	-	8,664,516	-	8,664,516

December 31, 2018 (Audited)

On-Balance sheet Financial Instruments	Carrying Value						Fair Value			
	Held to Maturity	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets - measured at fair value										
Investments										
Federal Government debt securities	-	21,741,952	-	-	-	21,741,952	4,422,354	17,319,598	-	21,741,952
Non-Government debt securities	-	3,665,910	-	-	-	3,665,910	1,697,089	1,950,000	18,821	3,665,910
Foreign debt securities	-	16,443,108	-	-	-	16,443,108	16,443,108	-	-	16,443,108
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	757,969	-	757,969	-	757,969	-	757,969
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	17,752,920	-	17,752,920				
Balances with other banks	-	-	-	1,241,840	-	1,241,840				
Due from financial institution	-	-	-	4,000,000	-	4,000,000				
Investments	4,000,000	-	-	-	-	4,000,000				
Islamic financings and related assets - net	-	-	153,306,380	-	-	153,306,380				
Other asset	-	-	-	6,695,519	-	6,695,519				
	4,000,000	41,850,970	153,306,380	30,448,248	-	229,605,598				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	761,963	761,963	-	761,963	-	761,963
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	2,811,457	2,811,457				
Due to financial institutions	-	-	-	-	12,670,525	12,670,525				
Deposits and other accounts	-	-	-	-	182,186,634	182,186,634				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	9,897,164	9,897,164				
	7,120,000	-	-	-	208,327,743	215,447,743				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	3,723,053	-	3,723,053	-	3,719,059	-	3,719,059

There were no transfer of balances between fair value hierarchy levels during the period.

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).

34. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	September 30, 2019 (Un-audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Profit and loss account						
Net profit earned	5,227,876	1,566,379	(1,419,105)	1,588,564	450,022	7,413,736
Inter segment revenue - net	(4,953,481)	(108,317)	7,201,671	(1,678,165)	(461,708)	-
Other income	279,306	383,515	950,825	524,098	1,097	2,138,841
Total income	553,701	1,841,577	6,733,391	434,497	(10,589)	9,552,577
Segment direct expenses	(423,291)	(783,568)	(3,219,004)	(84,105)	-	(4,509,968)
Inter segment expense allocation	(67,311)	(63,657)	(384,328)	(31,969)	-	(547,265)
Total expenses	(490,602)	(847,225)	(3,603,332)	(116,074)	-	(5,057,233)
Provisions	(310,726)	(55,501)	(140,364)	(7,386)	10,589	(503,388)
Profit before tax	(247,627)	938,851	2,989,695	311,037	-	3,991,956
Statement of financial position						
Cash and bank balances	-	430,696	2,999,004	5,773,474	12,743,959	21,947,133
Due from financial institutions	-	-	-	3,700,000	-	3,700,000
Investments	-	-	-	36,097,912	12,879,579	48,977,491
Islamic financings and related assets - net	86,698,873	39,255,836	37,547,315	-	1,963,160	165,465,184
Others	3,190,227	2,822,029	3,860,352	859,398	327,940	11,059,946
Total Assets	89,889,100	42,508,561	44,406,671	46,430,784	27,914,638	251,149,754
Due to financial institutions	4,723,779	1,750,062	-	2,250,000	-	8,723,841
Deposits & other accounts	25,296,979	41,058,153	136,649,293	76,172	-	203,080,597
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	1,480,801	2,409,138	7,495,952	242,695	1,010,032	12,638,618
Total liabilities	31,501,559	45,217,353	144,145,245	2,568,867	8,130,032	231,563,056
Equity	-	-	-	(97,238)	19,683,936	19,586,698
Total equity and liabilities	31,501,559	45,217,353	144,145,245	2,471,629	27,813,968	251,149,754
Contingencies and commitments	17,075,021	14,806,964	658,430	8,835,237	-	41,375,652

	September 30, 2018 (Un-audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	----- (Rupees in '000) -----					
Profit and loss account						
Net profit earned	2,675,133	1,012,104	425,398	1,319,467	452,679	5,884,781
Inter segment revenue - net	(2,136,869)	71,160	3,592,950	(1,075,887)	(451,354)	-
Other income	310,500	318,862	913,532	86,458	-	1,629,352
Total income	848,764	1,402,126	4,931,880	330,038	1,325	7,514,133
Segment direct expenses	(281,764)	(678,272)	(2,943,832)	(86,781)	-	(3,990,649)
Inter segment expense allocation	(61,375)	(55,793)	(336,923)	(29,079)	-	(483,170)
Total expenses	(343,139)	(734,065)	(3,280,755)	(115,860)	-	(4,473,819)
Provisions	(61,300)	118,414	(34,857)	(23,393)	(1,325)	(2,461)
Profit before tax	444,325	786,475	1,616,268	190,785	-	3,037,853
	December 31, 2018 (Audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	----- (Rupees in '000) -----					
Statement of financial position						
Cash and bank balances	-	449,134	2,996,866	1,241,840	14,306,920	18,994,760
Due from financial institutions	-	-	-	4,000,000	-	4,000,000
Investments	-	-	-	27,531,372	18,319,598	45,850,970
Islamic financings and related assets - net	75,057,728	38,606,570	37,788,417	-	1,853,665	153,306,380
Others	2,701,998	2,789,644	2,312,801	1,474,360	391,840	9,670,643
Total Assets	77,759,726	41,845,348	43,098,084	34,247,572	34,872,023	231,822,753
Due to financial institutions	4,839,950	1,549,800	-	6,280,775	-	12,670,525
Deposits & other accounts	19,906,060	38,365,675	123,863,921	50,978	-	182,186,634
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	1,464,295	5,115,999	5,627,439	815,178	72,509	13,095,420
Total liabilities	26,210,305	45,031,474	129,491,360	7,146,931	7,192,509	215,072,579
Equity	-	-	-	(704,936)	17,455,110	16,750,174
Total equity and liabilities	26,210,305	45,031,474	129,491,360	6,441,995	24,647,619	231,822,753
Contingencies and commitments	16,283,663	17,714,584	3,837,744	3,727,046	-	41,563,037

35. 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:

	September 30, 2019 (Un-audited)					December 31, 2018 (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,	-	43,126	-	-	-	43,126	-	140,147	-	-	-	140,147
Deposited during the period / year	-	76,035,188	-	-	-	76,035,188	-	39,615,427	-	-	-	39,615,427
Withdrawals during the period / year	-	(75,982,422)	-	-	-	(75,982,422)	-	(39,712,448)	-	-	-	(39,712,448)
Closing balance	-	95,892	-	-	-	95,892	-	43,126	-	-	-	43,126
Investments												
As at January 1,	1,290,092	-	-	-	-	1,290,092	1,031,293	-	-	-	-	1,031,293
Investments made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Investments redeemed during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Others	156,827	-	-	-	-	156,827	258,799	-	-	-	-	258,799
Closing balance	1,446,919	-	-	-	-	1,446,919	1,290,092	-	-	-	-	1,290,092
Islamic financing and related assets												
As at January 1,	-	-	-	184,341	-	184,341	-	-	-	98,552	-	98,552
Disbursed during the period / year	-	-	-	25,695	-	25,695	-	-	-	139,002	-	139,002
Payments during the period / year	-	-	-	(32,716)	-	(32,716)	-	-	-	(53,983)	-	(53,983)
Adjustments *	-	-	-	(2,064)	-	(2,064)	-	-	-	770	-	770
Closing balance	-	-	-	175,256	-	175,256	-	-	-	184,341	-	184,341

	September 30, 2019 (Un-audited)						December 31, 2018 (Audited)					
	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total
----- (Rupees in '000) -----												
Due to financial institutions												
As at January 1,	-	-	-	-	-	-	-	-	-	-	-	-
Borrowed during the period / year	-	15,618,330	-	-	-	15,618,330	-	-	-	-	-	-
Repaid during the period / year	-	(15,618,330)	-	-	-	(15,618,330)	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
As at January 1,	-	43,932	5,929	259,166	1,070,790	1,379,817	-	32,058	7,198	128,186	861,396	1,028,838
Received during the period / year	-	1,974,849	198,642	428,841	330,674	2,933,006	-	1,573,159	17,962	725,835	1,041,223	3,358,179
Withdrawals during the period / year	-	(1,959,934)	(196,589)	(610,717)	(126,429)	(2,893,669)	-	(1,561,285)	(19,231)	(601,154)	(831,829)	(3,013,499)
Adjustments *	-	-	-	(22,027)	-	(22,027)	-	-	-	6,299	-	6,299
Closing balance	-	58,847	7,982	55,263	1,275,035	1,397,127	-	43,932	5,929	259,166	1,070,790	1,379,817
----- (Rupees in '000) -----												
	September 30, 2019 (Un-audited)						September 30, 2018 (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	-	-	5,329	-	-	5,329	-	-	4,820	-	-	4,820
Remuneration to key management personnel (Including bonus)	-	-	-	246,253	-	246,253	-	-	-	203,643	-	203,643
Profit earned on investments	43,094	-	-	-	-	43,094	34,294	-	-	-	-	34,294
Profit earned on financings	-	-	-	9,062	-	9,062	-	-	-	3,536	-	3,536
Profit expensed on deposits	-	-	69	3,641	100,268	103,978	-	-	47	3,691	41,410	45,148
Profit expensed on due to Financial Institutions	-	340,339	-	-	-	340,339	-	-	-	-	-	-
Sale of global sukuk	-	8,365,568	-	-	-	8,365,568	-	-	-	-	-	-
Capital gain on sale of global sukuk	-	322,195	-	-	-	322,195	-	-	-	-	-	-
Contribution made to gratuity fund	-	-	-	-	40,116	40,116	-	-	-	-	43,100	43,100
Contribution made to provident fund	-	-	-	-	75,056	75,056	-	-	-	-	66,146	66,146
Contingencies and commitments												
Foreign currency purchase contracts	-	26,650,872	-	-	-	26,650,872	-	45,837,180	-	-	-	45,837,180
Foreign currency sale contracts	-	27,662,611	-	-	-	27,662,611	-	46,407,161	-	-	-	46,407,161

* 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 September 30, 2019.

** Represents Dubai Islamic Bank Pakistan Limited's Provident & Gratuity Funds.

September 30, December 31,
2019 2018
(Un-audited) (Audited)
----- Rupees in '000 -----

36. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital	<u>11,652,288</u>	<u>11,652,288</u>
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital	<u>19,389,257</u>	16,582,471
Eligible Additional Tier I (ADT I) Capital	<u>3,120,000</u>	3,120,000
Total Eligible Tier I Capital	<u>22,509,257</u>	19,702,471
Eligible Tier II Capital	<u>4,113,933</u>	4,099,733
Total Eligible Capital (Tier I + Tier II)	<u>26,623,190</u>	23,802,204

Risk Weighted Assets (RWAs):

Credit Risk	<u>152,801,948</u>	153,683,178
Market Risk	<u>1,092,170</u>	458,133
Operational Risk	<u>15,884,313</u>	15,884,313
Total RWAs	<u>169,778,431</u>	170,025,624

Common Equity Tier I Capital Adequacy Ratio

<u>11.42%</u>	<u>9.75%</u>
---------------	--------------

Tier I Capital Adequacy Ratio

<u>13.26%</u>	<u>11.59%</u>
---------------	---------------

Total Capital Adequacy Ratio

<u>15.68%</u>	<u>14.00%</u>
---------------	---------------

Leverage Ratio (LR):

Eligible Tier I Capital	<u>22,509,257</u>	19,702,471
Total Exposures	<u>311,541,821</u>	279,436,498
Leverage Ratio	<u>7.23%</u>	7.05%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u>56,836,950</u>	42,022,758
Total Net Cash Outflow	<u>28,651,137</u>	22,659,685
Liquidity Coverage Ratio	<u>198.38%</u>	185.45%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u>205,790,068</u>	181,481,846
Total Required Stable Funding	<u>184,699,218</u>	170,195,139
Net Stable Funding Ratio	<u>111.42%</u>	106.63%

37. DATE OF AUTHORISATION FOR ISSUE

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

38. GENERAL

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

President & CEO

Chief Financial Officer

Director

Director

Director