ERNST & YOUNG

DUBAI ISLAMIC BANK PAKISTAN LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2010

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dubai Islamic Bank Pakistan Limited (the Bank)** as at **30 June 2010** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the six-months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

CHARTERED ACCOUNTANTS
Ernst & Young Ford Rhodes Sidat Hyder

KARACHI: 23 August 2010

DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
		------ Rupees in '000 ------	
ASSETS			
Cash and balances with treasury banks		3,347,514	2,932,264
Balances with other banks	5	4,679,300	2,430,437
Due from financial institutions	6	5,342,510	2,591,905
Investments	7	3,059,047	2,822,723
Financing	8	20,900,912	20,589,613
Operating fixed assets		1,678,657	1,727,298
Deferred tax assets		413,708	413,066
Other assets		1,524,270	1,861,588
		40,945,918	35,368,894
LIABILITIES			
Bills payable		962,016	279,493
Due to financial institutions		25,000	125,000
Deposits and other accounts	9	32,899,090	27,980,906
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		991,053	943,230
		34,877,159	29,328,629
NET ASSETS		6,068,759	6,040,265
REPRESENTED BY			
Share capital		6,776,030	6,776,030
Reserves		51,046	45,347
Accumulated loss		(758,335)	(781,130)
		6,068,741	6,040,247
Advance against future issue of share capital		18	18
Surplus / (Deficit) on revaluation of assets		-	-
		6,068,759	6,040,265

CONTINGENCIES AND COMMITMENTS 10

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

President / Chief Executive **Director** **Director** **Director**

DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2010

	Note	Quarter ended 30 June 2010	Half year ended 30 June 2010	Quarter ended 30 June 2009	Half year ended 30 June 2009
		Rupees in '000			
Profit / return earned on financings, investments and placements	11	1,023,410	1,997,065	897,747	1,794,657
Return on deposits and other dues expensed		544,191	1,036,210	433,113	893,232
Net spread earned		479,219	960,855	464,634	901,425
Provision against non-performing financing		(36,222)	(71,785)	(55,622)	(72,464)
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		-	-	-	-
		(36,222)	(71,785)	(55,622)	(72,464)
Net spread after provisions		442,997	889,070	409,012	828,961
OTHER INCOME					
Fee, commission and brokerage income		61,959	144,029	102,732	147,979
Dividend income		-	-	-	-
Income from dealing in foreign currencies		35,962	61,619	28,461	37,065
Gain on sale of securities		2,161	2,661	-	-
Other income		-	200	-	3,492
Total other income		100,082	208,509	131,193	188,536
		543,079	1,097,579	540,205	1,017,497
OTHER EXPENSES					
Administrative expenses		577,667	1,048,679	440,065	839,145
Other provisions / write offs		-	(2,251)	-	-
Other charges		1,143	1,243	3,561	3,859
Total other expenses		578,810	1,047,671	443,626	843,004
		(35,731)	49,908	96,579	174,473
Extra ordinary / unusual items		-	-	-	-
(LOSS) / PROFIT BEFORE TAXATION		(35,731)	49,908	96,579	174,473
Taxation – Current		(16,646)	(22,061)	(9,918)	(9,916)
– Prior years		-	-	-	-
– Deferred		26,741	647	(25,740)	(51,880)
		10,095	(21,414)	(35,658)	(61,796)
(LOSS) / PROFIT AFTER TAXATION		(25,636)	28,494	60,921	112,677
Accumulated loss brought forward		(681,653)	(735,783)	(910,774)	(962,530)
Accumulated loss carried forward		(707,289)	(707,289)	(849,853)	(849,853)
Basic and diluted (loss) / earning per share - Rupee		(0.04)	0.04	0.10	0.19

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

President / Chief Executive **Director** **Director** **Director**

DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED 30 JUNE 2010

	Quarter ended 30 June 2010	Half year ended 30 June 2010	Quarter ended 30 June 2009	Half year ended 30 June 2009
	Rupees in 000			
(Loss) / Profit for the period	(25,636)	28,494	50,923	112,669
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(25,636)	28,494	50,923	112,669

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements

President / Chief Executive **Director** **Director** **Director**

DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2010

	30 June 2010	30 June 2009
	------- Rupees in '000 -------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	49,908	174,473
Adjustments		
Depreciation	104,094	139,529
Amortization	55,519	52,780
Provision against non-performing financing	71,785	72,464
Reversal of provision against other assets	(2,251)	-
Gain on sale of securities	(2,661)	-
Gain on sale of fixed assets	(195)	-
	226,291	264,773
	276,199	439,246
(Increase) / decrease in operating assets		
Due from financial institutions	(2,750,605)	(199,225)
Financing	(383,084)	(1,247,877)
Other assets	308,409	(120,677)
	(2,825,280)	(1,567,779)
Increase / (decrease) in operating liabilities		
Bills payable	682,623	45,708
Due to financial institutions	(100,000)	1,000,000
Deposits and other accounts	4,918,184	(38,703)
Other liabilities	47,822	24,747
	5,548,529	1,031,752
	2,999,448	(96,781)
Income tax paid	(12,055)	(2,614)
Net cash generated from / (used in) operating activities	2,987,393	(99,395)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(233,664)	69,511
Investments in operating fixed assets	(90,386)	(67,763)
Sale proceeds from disposal of operating fixed assets	770	2,764
Net cash (used in) / generated from investing activities	(323,280)	4,512
Increase / (Decrease) in cash and cash equivalents	2,664,113	(94,883)
Cash and cash equivalents at beginning of the period	5,362,701	5,965,450
Cash and cash equivalents at end of the period	8,026,814	5,870,567

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

President / Chief Executive **Director** **Director** **Director**

DUBAI ISLAMIC BANK PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2010

	Share capital	Statutory reserve	Accumulated Loss	Total
	Rupees in '000			
Balance as at 01 January 2009	**6,017,780**	-	**(962,620)**	**5,055,260**
Profit after taxation for the period ended 30 June 2009	-	-	112,669	112,669
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended 30 June 2009	-	-	112,669	112,669
Transfer to Statutory reserve	-	22,533	(22,533)	-
Balance as at 30 June 2009	**6,017,780**	**22,533**	**(872,384)**	**5,167,929**
Profit after taxation for the period ended 31 December 2009	-	-	114,068	114,068
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended 31 December 2009	-	-	114,068	114,068
Issue of right shares during the period	758,250	-	-	758,250
Transfer to Statutory reserves	-	22,814	(22,814)	-
Balance as at 31 December 2009	**6,776,030**	**45,347**	**(781,130)**	**6,040,247**
Profit after taxation for the period ended 30 June 2010	-	-	28,494	28,494
Other comprehensive income	-	-	-	-
Total comprehensive income for the period ended 30 June 2010	-	-	28,494	28,494
Transfer to Statutory reserve	-	5,699	(5,699)	-
Balance as at 30 June 2010	**6,776,030**	**51,046**	**(758,335)**	**6,068,741**

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements

President / Chief Executive **Director** **Director** **Director**

DUBAI ISLAMIC BANK PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 30 JUNE 2010

1. STATUS AND NATURE OF BUSINESS

1.1 Dubai Islamic Bank Pakistan Limited (the Bank) was incorporated in Pakistan as an unlisted public limited company on 27 May 2005 under the Companies Ordinance, 1984 to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah.

1.2 The State Bank of Pakistan (the SBP) granted a "Scheduled Islamic Commercial Bank" license to the Bank on 26 November 2005 and subsequently the Bank received the Certificate of Commencement of Business from the Securities and Exchange Commission of Pakistan (the SECP) on 26 January 2006 and commenced operations as a scheduled Islamic Commercial Bank with effect from 28 March 2006 on receiving certificate for commencement of business from the SBP.

1.3 The Bank was operating through 36 branches as at 30 June 2010 (31 December 2009: 35 branches and 1 sub-branch). The registered office of the Bank is situated at Hasan Chambers, DC-7, Block-7 Kehkashan, Clifton, Karachi.

1.4 During the period, the Bank has increased its authorized share capital from Rs. 8 billion (800,000,000 ordinary shares of Rs. 10/- each) to Rs. 12 billion (1,200,000,000 ordinary shares of Rs. 10/- each) as approved by the shareholders in the annual general meeting held on March 26, 2010.

2. BASIS OF PRESENTATION

2.1 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and have been prepared in accordance with the requirements of the SBP.

2.2 The Bank provides financing through Shariah compliant financial products. The transactions of purchases, sales and leases executed arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of rental / profit thereon. However, Murabaha transactions are accounted for under the Islamic Financial Accounting Standard – 1. Income, if any, received which does not comply with the principles of Shariah is segregated and recognized as charity payable if so directed by the Sharia Advisory / Sharia Supervisory Board.

3. STATEMENT OF COMPLIANCE

3.1 These condensed interim financial statements of the Bank for the six months period ended June 30, 2010 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the SECP and the SBP. In case where requirements differ, the provisions of the Companies Ordinance 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

3.2 The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, IFRS - 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirement of various circulars issued by the SBP.

3.3 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2009.

4. ACCOUNTING POLICIES

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

4.2 In addition to the above, following new / revised standards, amendments and interpretations to accounting standards became effective:

- IFRS 2 - Share Based Payments : Amendments relating to Group Cash-settled Share-based Payment Transaction
- IFRS 3 - Business Combinations (Revised)
- IAS 27 - Consolidated and Separate Financial Statements (Amendments)
- IFRIC 17 - Distributions to Non-cash Assets to owners

Adoption of the above standards, amendments and interpretations did not affect the accounting policies of the Bank as disclosed in the annual financial statements for the year ended 31 December 2009

5. BALANCES WITH OTHER BANKS

	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
		Rupees in '000	
In Pakistan			
- on current accounts		**10,392**	5,684
- on deposit accounts		**10**	50,010
		10,402	55,694
Outside Pakistan			
- on current accounts	5.1	**1,676,079**	1,952,535
- on deposit accounts	5.2	**2,992,819**	421,206
		4,668,898	2,373,740
		4,679,300	2,430,437

5.1 Includes Rs 1,049.675 million (31 December 2009: 430.075 million) deposited with the holding company.

5.2 Represents deposits with the holding company under Wakala arrangements. Expected return on this arrangement is 1.42% per annum (31 December 2009: 1.5%).

6. DUE FROM FINANCIAL INSTITUTIONS

	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
		Rupees in '000	
Mudaraba placement		-	190,000
Commodity Murabaha	6.1	**5,342,510**	2,401,905
		5,342,510	2,591,905

6.1 The Bank has entered into Commodity Murabaha agreements under which the Bank purchases an underlying commodity from open market through an agent and sells it to a financial institution on credit with profit. The profit rate on the Commodity Murabaha ranges from 11.25% to 11.90% per annum (31 December 2009: 11.45% to 11.75%) and have a maturity ranging from 02 July 2010 to 26 July 2010.

7. INVESTMENTS

	Note	30 June 2010 (Un-Audited) Held by the Bank	Given as collateral	Total	31 December 2009 (Audited) Held by the Bank	Given as collateral	Total
		--	(Rupees in '000)	--			
Available-for sale securities							
Sukuk Certificates - at cost	7.1	3,059,047	-	3,059,047	2,822,723	-	2,822,723
Surplus on revaluation of available-for-sale securities		-	-	-	-	-	-
Total investments		3,059,047	-	3,059,047	2,822,723	-	2,822,723

7.1 Available-for-sale securities

Name of the investee company	30 June 2010 (Un-Audited)	31 December 2009 (Audited)	Face value	30 June 2010 (Un-Audited) Cost (Rupees in '000)	Entity rating long term / short term	31 December 2009 (Audited) Cost (Rupees in '000)	Entity rating long term / short term
	Number of Certificates						
Sukuk Certificates							
WAPDA First Sukuk Certificates	67,000	67,000	5,000	335,410	Unrated	235,498	Unrated
WAPDA Second Sukuk Certificates	91,075	96,075	5,000	455,375	Unrated	480,375	Unrated
Sitara Chemical Industries Limited	11,152	14,870	5,000	55,762	Unrated	74,350	Unrated
Engro Corporation Limited (Formerly Engro Chemicals Pakistan Limited) - 1st issue	60,000	60,000	5,000	300,000	Unrated	300,000	Unrated
Engro Corporation Limited (Formerly Engro Chemicals Pakistan Limited) - 2nd issue	75,000	-	5,000	375,000	Unrated		Unrated
Sui Southern Gas Company Limited	96,250	123,762	3,333	320,833	Unrated	412,500	Unrated
Karachi Shipyard and Engineering Works	185,000	185,000	5,000	925,000	Unrated	925,000	Unrated
K.S Sulemanji & Sons (Private) Limited	19,000	19,000	5,000	95,000	Unrated	95,000	Unrated
Quetta Textile Mills Limited	39,333	40,000	5,000	196,667	BBB+	200,000	BBB-
				3,059,047		2,822,723	

8. FINANCING

	Note	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
		------ Rupees in '000	------
Financing in Pakistan			
- Murabaha		2,759,948	2,430,861
- Musharaka cum Ijara – Housing		5,539,136	5,514,369
- Musharaka cum Ijara – Autos		5,469,055	5,095,718
- Ijara Muntahiya Bil Tamleek – Autos		198,083	216,259
Musharaka cum Ijara – Others		1,067,374	1,315,603
- Export Refinance under Islamic Scheme		25,000	-
- Wakala Istithmar – Pre manufacturing		54,964	104,359
- Wakala Istithmar – Post manufacturing		25,309	3,410
- Shirkatulmilk		1,370,686	1,241,136
- Service Ijara		700,000	700,000
- Musharaka		408,167	1,431,250
- Istisna cum Wakala		3,726,954	2,908,627
Financing – gross		21,344,676	20,961,592
Less: Provision for non-performing financing	8.2	(443,764)	(371,979)
Financing – net of provisions		20,900,912	20,589,613

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8.1 Financing include Rs. 835.005 million (31 December 2009: Rs. 719.088 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
	(Rupees in '000)				
Substandard	224,597	-	224,597	41,175	41,175
Doubtful	160,429	-	160,429	30,057	30,057
Loss	449,979	-	449,979	309,185	309,185
	835,005	-	**835,005**	**380,417**	**380,417**

8.2 Particulars of provision against non-performing financing:

	30 June 2010 (Un-Audited)			31 December 2009 (Audited)		
	Specific	**General**	**Total**	**Specific**	**General**	**Total**
	(Rupees in '000)					
Opening balance	**307,445**	**64,534**	**371,979**	126,209	130,634	256,843
Charge for the period / year	**121,300**	**657**	**121,957**	308,371	14,982	323,353
Reversals for the period / year	**(48,328)**	**(1,844)**	**(50,172)**	(127,135)	(81,082)	(208,217)
	72,972	**(1,187)**	**71,785**	181,236	(66,100)	115,136
Closing balance	**380,417**	**63,347**	**443,764**	307,445	64,534	371,979

8.2.1 The Bank has maintained a general reserve (provision) in accordance with the applicable requirements of the prudential regulations for consumer financing issued by the SBP. During the previous year, the SBP through its letter No. BPRD/BLRD-03/2009/6577 dated October 15, 2009 has granted exemption from general reserve requirement for the auto finance portfolio.

8.2.2 Particulars of provision against non-performing financing:

	30 June 2010 (Un-Audited)			31 December 2009 (Audited)		
	Specific	**General**	**Total**	**Specific**	**General**	**Total**
	(Rupees in '000)					
In local currency	**380,417**	**63,347**	**443,764**	307,445	64,534	371,979
In foreign currency	-	-	-	-	-	-
	380,417	**63,347**	**443,764**	307,445	64,534	371,979

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	Rupees in '000	
9. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	**16,968,829**	15,566,897
Savings deposits	**9,728,594**	7,338,714
Current accounts – non-remunerative	**5,655,312**	4,694,637
Margin accounts – non-remunerative	**6,180**	256
	32,358,915	27,600,504
Financial Institutions		
Remunerative deposits	**530,736**	367,189
Non-remunerative deposits	**9,439**	13,213
	540,175	380,402
	32,899,090	27,980,906

9.1 Particulars of deposits

In local currency	**28,273,847**	24,412,035
In foreign currencies	**4,625,243**	3,568,871
	32,899,090	27,980,906

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	------ Rupees in '000 ------	

10. CONTINGENCIES AND COMMITMENTS

10.1 Transaction-related contingent liabilities

	30 June 2010	31 December 2009
Contingent liabilities in respect of performance bonds, bid bonds, warranties given favoring		
- Government	322,219	108,661
- Banking companies and other financial institutions	35,617	40,682
- Others	1,560,491	1,705,974
	1,918,327	1,855,317

10.2 Trade-related contingent liabilities

	30 June 2010	31 December 2009
Import Letters of Credit	661,350	4,650,390

10.3 Commitments in respect of forward exchange promises to

	30 June 2010	31 December 2009
Purchase	2,665,580	664,534
Sale	2,681,904	663,622

10.4 Commitments for the acquisition of operating fixed assets

	30 June 2010	31 December 2009
	2,022	6,184

10.5 Commitments for financing facilities

	30 June 2010	31 December 2009
	7,530,120	9,980,961

11. PROFIT / RETURN EARNED ON FINANCING, INVESTMENTS AND PLACEMENTS

	Half year ended (Un-Audited) 30 June 2010	30 June 2009
	---------- (Rupees '000) ----------	
On financing to:		
- Customers	1,624,893	1,505,637
On investments in available-for-sale securities	190,960	220,150
On deposits / placements with financial institutions	181,212	68,870
	1,997,065	1,794,657

12. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Half-year ended 30 June 2010 (Un-Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Others	Total
	---Rupees in '000---					
Internal income	-	(244,721)	829,614	(581,900)	(3,192)	-
Total income	45,742	318,821	964,864	874,094	12,053	2,266,574
Total expenses	(2,474)	(60,856)	(1,850,247)	(236,587)	(5,402)	(2,165,666)
Net income (loss)	43,268	13,244	(65,569)	55,507	3,450	49,908
Segment assets (gross)	-	13,736,788	10,914,649	12,366,905	4,671,340	41,389,682
Segment non performing Financing	-	-	642,490	178,715	13,800	835,005
Segment provision required (including general provision)	-	-	359,555	78,807	5,402	443,764
Segment liabilities	-	25,000	32,882,359	978,747	991,053	34,877,159
Segment return on net assets (RONA) (%)	-	10.83%	18.83%	13.93%	2.21%	-
Segment cost of funds (%)	-	11.62%	6.79%	5.85%	-	-

	Half-year ended 30 June 2009 (Un-Audited)					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Others	Total
	----------Rupees in '000 ----------					
Internal income	-	(62,503)	614,458	(484,710)	(67 245)	
Total income	83,307	185,222	898,993	793,026	22 645	1,983 193
Total expenses	(2,243)	(50,432)	(1,570,140)	(182,344)	(3,561)	(1,808,720)
Net income (loss)	81,064	72,287	(56,689)	125,972	(48,161)	174,473
Segment assets (gross)	-	3,597,950	9 834,568	10,607,017	9,484,323	33,523,858
Segment non performing Financing	-	-	333,623	79,620	-	413,243
Segment provision required (including general provision)		-	284,616	44,691	-	329,307
Segment liabilities	-	1,000,000	25,746 339	-	1,269,359	28,015,698
Segment return on net assets (ROA) (%)	-	11.17%	19.39%	14.92%	3.55%	-
Segment cost of funds (%)		11.82%	7.47%	-	-	-

13. RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise group companies, directors and their close family members, employee benefits plan, executives and the holding company of the Bank i.e. Dubai Islamic Bank PJSC, UAE.

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

The details of transactions with related parties during the period are as follows:

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	---------- (Rupees '000) ----------	
Key management personnel		
Financing		
At beginning of the period / year	**10,309**	10,487
Disbursements	**-**	-
Payments	**(98)**	(178)
At the end of the period / year	**10,211**	10,309
Deposits		
At beginning of the period / year	**24,076**	19,286
Deposits	**86,574**	133,668
Withdrawals	**(87,065)**	(128,878)
At the end of the period / year	**23,585**	24,076
Directors		
Financing		
At beginning of the period / year	**13,682**	13,829
Payments	**(144)**	(147)
At the end of the period / year	**13,538**	13,682
Deposits		
At beginning of the period / year	**313**	624
Deposits	**2,529**	13,900
Withdrawals	**(2,515)**	(14,211)
At the end of the period / year	**327**	313

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	---------- (Rupees '000) ----------	
Holding company		
Placements		
At beginning of the period / year	**421,208**	-
Placements	**4,843,273**	18,336,041
Payments	**(2,271,662)**	(17,914,833)
At the end of the period / year	**2,992,819**	421,208

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

	30 June 2010 (Un-Audited)	31 December 2009 (Audited)
	---------- (Rupees '000) ----------	
Deposits		
At beginning of the period / year	**13,213**	26,735
Deposits	**186,391**	341,693
Withdrawals	**(190,165)**	(355,215)
At the end of the period / year	**9,439**	13,213
Balance held abroad		
At beginning of the period / year	**430,075**	495,609
Deposits	**26,172,604**	39,694,889
Withdrawals	**(25,553,004)**	(39,760,423)
At the end of the period / year	**1,049,675**	430,075
Other receivable	**1,364**	1,206
Issue of right shares	**-**	758,250
Group Companies		
Other payables	**119**	-
Other receivables	-	21,499

	30 June 2010 (Un-Audited)	30 June 2009 (Un-Audited)
	---------- (Rupees '000) ----------	
Profit earned on financing to key management personnel	**814**	859
Return on deposits to key management personnel	**301**	180
Profit earned on financing to directors	**917**	931
Return on deposits to directors	**-**	1
Profit earned on placements with holding company	**15,104**	655
Remuneration to key management personnel	**79,674**	78,589
Employee benefit plans		
Contribution to employees gratuity fund	**10,530**	9,642
Contribution to employees provident fund	**16,235**	15,449

14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue by the Board of Directors of the Bank in their meeting held on 23-August-2010

15. GENERAL

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

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

President / Chief Executive **Director** **Director** **Director**