

Report of Shari'ah Board
(For the year ended 2019)

Dubai Islamic Bank Pakistan Limited



الحمد لله رب العالمين، والصلوة والسلام على خاتم الانبياء والمرسلين، وعلى آله واصحابه اجمعين، وبعد

By the Grace of Almighty Allah (S.W.T), Dubai Islamic Bank Pakistan Limited (DIBPL) has completed another year of successful operations and played its part well, for the growth of Islamic banking and finance industry.

During the year, DIBPL developed a number of Islamic banking products and executed multiple transactions after due approval from the Shari'ah Board (SB). The SB received queries and issues from different departments of the Bank and in response, issued appropriate pronouncements, instructions and guidelines thereon.

1. New Product Development and Review of Transactions:

The SB reviewed all transaction proposals submitted to it and provided guidance on the structures as well as the relevant transactional documentation. All the products, transactions and their documentation were duly approved by the SB. The Board also provided Shari'ah advice and fatwa on restructuring and documentation of various transactions.

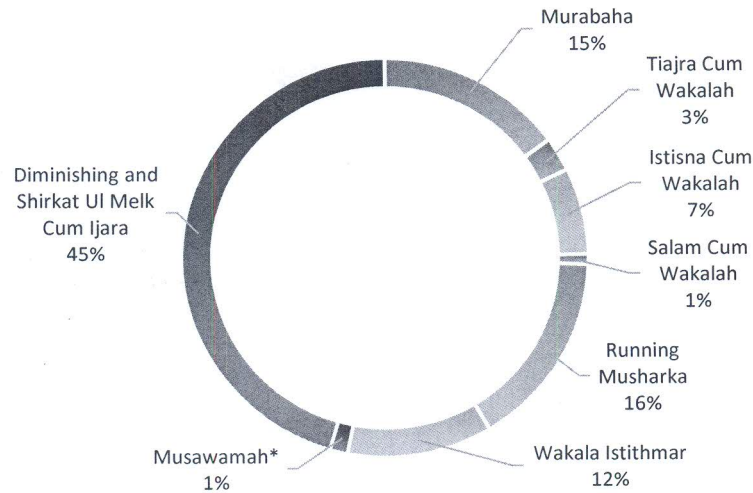
SB guided the business functions of the Bank on developing a number of new products. It also approved the new initiatives launched during the year that enabled the Bank to offer Shari'ah compliant products and services in line with the customers' needs in the market.

Policies and manuals submitted for Shari'ah approval were reviewed, amended and approved by the SB. Similarly, amendments proposed in the existing policies, product programs and other documentation of the Bank were reviewed and approved by the Shari'ah Board.

2. Financing Portfolio

DIBPL has a diversified Shari'ah compliant financing products portfolio including but not limited to Diminishing Musharaka, Running Musharka, Murabaha, Istisna cum Wakala, Shirkat-ul-melkcum Ijara, Wakala Istithmar, Salam cum Wakala and Tijarah cum Wakala etc.

Following is the mode wise breakup of the Bank's Financing portfolio as of 31-december-2019.



*Musawammah portfolio comprises of Personal finance and consumer durable finance.

3. Training & Development:

Shari'ah Compliance Department of the bank continues to facilitate Learning & Development function of HR department in providing learning opportunities to the employees of the bank on Islamic banking and finance.

However, it was observed that a significant number of employees did not attend any Shari'ah related training during the year 2019. Therefore, SB strongly recommends the bank to prepare a robust annual training plan which can effectively meet the capacity building requirement of DIBPL staff at all levels. Moreover, special training sessions for the key executives of the bank should also be arranged for further enhancing Shari'ah compliance environment within the bank.

SB appreciates the bank's commitment to maintain its collaboration(s) with renowned academic institution(s) for promoting Islamic Finance education especially with respect to AAOIFI Shari'ah Standards which is producing trained Islamic banking practitioners for the industry as a whole. In addition to that, SB also recommends the bank to enhance its collaborations with other educational institutes in order to meet their training & development requirements.

Nevertheless, considering the importance of Shari'ah non-compliance risk and regulatory focus on human resource capacity development, improvements are required to enhance the Islamic banking knowledge and awareness of our employees of the bank across network. Additionally, the bank should conduct awareness seminars / sessions for customers, business community and academia regarding Islamic Finance.

