

**Dubai Islamic Bank
Pakistan Limited**

Condensed Interim Financial Information
for the quarter ended March 31, 2020

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Financial Position
As at March 31, 2020

	<i>Note</i>	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	18,841,982	19,417,428
Balances with other banks	7	823,380	1,246,953
Due from financial institutions	8	9,521,952	5,590,405
Investments	9	53,516,477	49,157,269
Islamic financing and related assets - net	10	181,954,931	177,921,837
Fixed assets	11	4,178,608	4,288,414
Intangible assets	12	222,836	204,062
Other assets	13	11,394,842	6,812,250
		280,455,008	264,638,618
LIABILITIES			
Bills payable	14	2,136,969	2,972,307
Due to financial institutions	15	8,902,201	9,813,903
Deposits and other accounts	16	226,370,392	209,952,073
Subordinated sukuk	17	7,120,000	7,120,000
Deferred tax liabilities	18	35,785	750,167
Other liabilities	19	14,149,767	11,867,534
		258,715,114	242,475,984
NET ASSETS		21,739,894	22,162,634
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		2,071,061	1,896,073
(Deficit) / surplus on revaluation of investments	20	(32,454)	1,265,224
Unappropriated profit		8,048,999	7,349,049
		21,739,894	22,162,634
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 ended March 31, 2020

	<i>Note</i>	March 31, 2020	March 31, 2019 (Restated)
		----- Rupees in '000 -----	
Profit / return earned	22	7,706,098	5,339,325
Profit / return expensed	23	(4,786,131)	(3,053,930)
Net Profit / return		2,919,967	2,285,395
OTHER INCOME			
Fee and commission income	24	374,728	423,868
Dividend income		-	-
Foreign Exchange income		155,703	117,445
Gain on securities	25	-	271
Other income	26	274	82
Total other income		530,705	541,666
Total income		3,450,672	2,827,061
OTHER EXPENSES			
Operating expenses	27	(1,875,827)	(1,523,298)
Workers Welfare Fund		(30,267)	(23,478)
Other charges	28	(42)	(3,495)
Total other expenses		(1,906,136)	(1,550,271)
Profit before provisions		1,544,536	1,276,790
Provisions and write offs - net	29	(107,870)	(200,532)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		1,436,666	1,076,258
Taxation	30	(561,728)	(519,962)
PROFIT AFTER TAXATION		874,938	556,296
----- Rupees -----			
Basic & diluted earnings per share	31	0.75	0.48

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 Statement of Comprehensive Income (Un-Audited)

For the quarter ended March 31, 2020

	March 31, 2020	March 31, 2019 (Restated)
	----- Rupees in '000 -----	
Profit after taxation for the period	874,938	556,296
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of investments - net of tax	(1,297,678)	327,111
Total comprehensive income	<u>(422,740)</u>	<u>883,407</u>

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 Statement of Changes in Equity (Un-Audited)
For the quarter ended March 31, 2020

	Share capital	Statutory reserve	(Deficit) / surplus on revaluation of investments Rupees in '000	Unappropriated profit	Total
Balance as at January 01, 2019	11,652,288	1,226,954	(820,667)	4,691,599	16,750,174
Total Comprehensive income for the quarter					
Profit after taxation for the quarter ended March 31, 2019	-	-	-	556,296	556,296
Other comprehensive income for the quarter ended March 31, 2019 - net of tax	-	-	327,111	-	327,111
	-	-	327,111	556,296	883,407
Transfer to statutory reserve	-	111,259	-	(111,259)	-
Balance as at March 31, 2019 - Restated (Note 3.2.1)	11,652,288	1,338,213	(493,556)	5,136,636	17,633,581
Total Comprehensive income for the nine months period ended					
Profit after taxation for the nine months period ended December 31, 2019	-	-	-	2,789,301	2,789,301
Other comprehensive income for the nine months period ended December 31, 2019 - net of tax	-	-	1,758,780	(19,028)	1,739,752
	-	-	1,758,780	2,770,273	4,529,053
Transfer to statutory reserve	-	557,860	-	(557,860)	-
Balance as at December 31, 2019	11,652,288	1,896,073	1,265,224	7,349,049	22,162,634
Total Comprehensive income for the quarter					
Profit after taxation for the quarter ended March 31, 2020	-	-	-	874,938	874,938
Other comprehensive income for the quarter ended March 31, 2020 - net of tax	-	-	(1,297,678)	-	(1,297,678)
	-	-	(1,297,678)	874,938	(422,740)
Transfer to statutory reserve	-	174,988	-	(174,988)	-
Balance as at March 31, 2020	<u>11,652,288</u>	<u>2,071,061</u>	<u>(32,454)</u>	<u>8,048,999</u>	<u>21,739,894</u>

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 quarter ended March 31, 2020

	Note	March 31, 2020	March 31, 2019 (Restated)
----- Rupees in '000 -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,436,666	1,076,258
Adjustments for:			
Depreciation	27	77,076	79,396
Depreciation on right-of-use assets	27	175,511	163,458
Amortisation	27	13,166	17,703
Gain on securities	25	-	(271)
Finance cost on Ijarah (lease) liabilities	23	89,097	89,815
Gain on sale of fixed assets	26	(274)	(82)
Provisions and write offs - net	29	107,870	200,532
		462,446	550,551
		1,899,112	1,626,809
Increase in operating assets			
Due from financial institutions		(3,931,547)	(5,718,778)
Islamic financing and related assets		(4,140,964)	(5,383,449)
Others assets		(2,124,215)	(1,004,896)
		(10,196,726)	(12,107,123)
Increase / (decrease) in operating liabilities			
Bills payable		(835,338)	679,125
Due to financial institutions		(911,771)	7,800,666
Deposits and other accounts		16,418,319	15,658,823
Other liabilities (excluding current taxation)		(162,612)	611,212
		14,508,598	24,749,826
		6,210,984	14,269,511
Income taxes paid		(473,881)	(452,498)
Net cash flow generated from operating activities		5,737,103	13,817,013
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(6,355,636)	(9,472,189)
Payment of Ijarah (lease) liabilities against right-of-use assets		(206,108)	(310,666)
Investments in fixed assets		(143,057)	(37,410)
Proceeds from sale of fixed assets		550	92
Investments in intangible assets		(31,940)	(10,841)
Net cash flow used in investing activities		(6,736,191)	(9,831,014)
Increase in cash and cash equivalents			
		(999,088)	3,985,999
Cash and cash equivalents at beginning of the period		20,664,381	18,988,985
Cash and cash equivalents at end of the period	32	19,665,293	22,974,984

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

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

For the quarter ended March 31, 2020

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 Islamic 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, investing and retail banking activities.
- 1.3 VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited) on June 28, 2019 has upgraded the Bank's medium to 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 235 branches (including 25 sub-branches) as at March 31, 2020 (December 31, 2019: 235 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 and export refinance under Islamic export refinance scheme of SBP and other Islamic modes as briefly explained in the annual financial statements for the year ended December 31, 2019. 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.

3. STATEMENT OF COMPLIANCE

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

- International Accounting Standards (IAS) 34, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as 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; and
- 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, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

3.2 Significant accounting policies

The significant 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, 2019.

3.2.1 Adoption of IFRS 16 - Leases

During the year 2019, the SBP vide BPRD Circular Letter No. 08 dated April 30, 2019/ and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019 has directed all Islaimc Banks to apply IFRS 16 - 'Leases' and accordingly the Bank has implemented the standard from June 2019 onwards with effect from January 01, 2019. As a result, all corresponding figures have been re-stated, wherever necessary, to facilitate comparisons.

3.2.2 Amendments to approved accounting standards that are effective in the current period

There are certain other new and amendment to standards that became effective during the period (enumerated in note 2.3 to the annual financial statements of the Bank for the year 2019). However, such standards did not have any significant effect on this condensed interim financial information.

3.2.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

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. With regards to IFRS 9 implementation, the SBP vide its BPRD Circular No.04 of 2019 dated October 23, 2019 has notified January 01, 2021 as the effective date.

4. BASIS OF MEASUREMENT

4.1 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.

4.2 Functional and presentation currency

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

4.3 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, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2019. These risk management policies continue to remain robust and the Bank is fully aware of the risk associated with COVID-19 and on an ongoing basis conducting assessment of its portfolio and its operations to ensure the risk are minimized.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 425 basis points to 9 percent and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent; (ii) increasing the regulatory limit on extension of credit to SMEs from Rs 125 million to Rs 180 million; (iii) relaxing the debt burden ratio for consumer financing from 50 percent to 60 percent; (iv) allowing banks to defer clients' payment of principal on financing obligations by one year; (v) relaxing regulatory criteria for restructured/rescheduled financing for borrowers who require relief beyond the extension of principal repayment for one year; (vi) Relaxing credit requirements for exporters and importers; and (vii) Refinance schemes to support employment to prevent layoff of workers, and health sector to combat COVID-19 pandemic.

		March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		2,938,744	2,614,985
- foreign currencies		953,195	875,744
		<u>3,891,939</u>	<u>3,490,729</u>
With State Bank of Pakistan in			
- local currency current accounts	6.1	10,867,799	11,957,210
- foreign currency current accounts		24,082	6,824
- foreign currency deposit accounts			
- Cash reserve account	6.2	1,692,126	1,502,099
- Special cash reserve account	6.2	2,030,434	1,802,411
		<u>3,722,560</u>	<u>3,304,510</u>
With National Bank of Pakistan in			
- local currency current accounts		335,602	658,155
		<u>18,841,982</u>	<u>19,417,428</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 5% of its demand and time liabilities in Pakistan.
- 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.

		March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- in local currency current accounts		264,365	773,233
- in foreign currency current account		241	448
- in local currency deposit account		10	10
		<u>264,616</u>	<u>773,691</u>
Outside Pakistan			
- in foreign currencies current accounts	7.1	558,764	473,262
		<u>823,380</u>	<u>1,246,953</u>

- 7.1** This includes an amount of Rs. 48.48 million (December 31, 2019: Rs.36.61 million) deposited with the holding company.

		March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
8 DUE FROM FINANCIAL INSTITUTIONS			
Bai Muajjal receivable from Scheduled Banks - secured	8.1	9,521,952	3,590,405
Musharaka - unsecured		-	2,000,000
		<u>9,521,952</u>	<u>5,590,405</u>

- 8.1** These carry expected profit rates ranging from 10.55% to 12% (December 31, 2019: 12.25%) per annum and are due to mature latest by April 03, 2020 (December 31, 2019: January 23, 2020).

9 INVESTMENTS

9.1	Investments by types:	Note	March 31, 2020 (Un-audited)				December 31, 2019 (Audited)			
			Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value
----- (Rupees in '000) -----										
Available-for-sale securities										
	Federal Government securities		9,898,236	-	-	9,898,236	9,898,236	-	(98,982)	9,799,254
	Non-Government debt securities		22,519,619	(77,881)	1,782,284	24,224,022	22,639,475	(77,881)	2,208,716	24,770,310
	Foreign securities		17,226,432	-	(1,832,213)	15,394,219	10,750,940	-	(163,235)	10,587,705
			49,644,287	(77,881)	(49,929)	49,516,477	43,288,651	(77,881)	1,946,499	45,157,269
Held-to-maturity securities										
	Federal Government securities	9.3	4,000,000	-	-	4,000,000	4,000,000	-	-	4,000,000
	Total investments		53,644,287	(77,881)	(49,929)	53,516,477	47,288,651	(77,881)	1,946,499	49,157,269

								March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
								----- (Rupees in '000) -----	
								Note	
9.2 Provision for diminution in value of investments									
Opening balance									77,881
Charge for the period / year									-
Closing balance								9.2.1	77,881

9.2.1 This represent sukuk of Quetta Textile Mills Limited amounting to Rs. 89.32 million (December 31, 2019: 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, 2019: Rs. 11.44 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 March 31, 2020 amounting to Rs. 6.98 million (December 31, 2019: Rs. 6.98 million) is not available for distribution as either cash or stock dividend.

9.2.2 Particulars of provision against securities

Category of classification	March 31, 2020 (Un-audited)		December 31, 2019 (Audited)	
	*NPI	Provision	*NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	89,316	77,881	89,316	77,881
	89,316	77,881	89,316	77,881
Overseas	-	-	-	-
Total	89,316	77,881	89,316	77,881

* NPI stands for non-performing investments.

9.3 The market value of securities classified as held to maturity as at March 31, 2020 amounted to Rs. 4,000 million (December 31, 2019: Rs. 3,960 million).

10 ISLAMIC FINANCING AND RELATED ASSETS

	Note	Performing		Non-Performing		Total	
		March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
		2020	2019	2020	2019	2020	2019
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees in '000) -----							
Murabaha	10.1	20,330,714	24,946,574	1,631,823	523,325	21,962,537	25,469,899
Musawamah	10.2	2,425,217	2,340,333	102,657	87,295	2,527,874	2,427,628
Tijarah cum wakala	10.3	5,684,256	4,730,303	-	-	5,684,256	4,730,303
Istisna cum Wakala	10.4	13,209,542	11,462,103	754,987	546,980	13,964,529	12,009,083
Salam	10.5	3,015,979	1,438,986	-	-	3,015,979	1,438,986
Islamic Export Refinance Scheme - SBP	10.6	8,296,843	7,057,242	-	-	8,296,843	7,057,242
Islamic Long Term Financing Facility - SBP	10.7	1,159,064	938,963	-	-	1,159,064	938,963
Islamic Financing Facility for Renewable Energy - SBP	10.8	34,789	-	-	-	34,789	-
Wakala Istithmar		21,585,937	19,593,584	316,884	167,765	21,902,821	19,761,349
Running Musharaka financing		26,397,156	27,179,165	-	-	26,397,156	27,179,165
Shirkatulmilk - Housing	10.9	8,835,463	9,254,227	464,722	378,671	9,300,185	9,632,898
Shirkatulmilk - Autos	10.10	16,446,269	16,979,101	347,448	316,301	16,793,717	17,295,402
Shirkatulmilk - Fleet financing	10.11	7,060,708	7,649,095	317,632	182,486	7,378,340	7,831,581
Shirkatulmilk Financing - Others	10.12	15,250,665	14,958,776	1,998,175	2,207,427	17,248,840	17,166,203
Diminishing Musharaka - Others		27,216,319	25,771,325	32,730	76,930	27,249,049	25,848,255
Staff financing		1,960,639	1,953,559	57,846	52,984	2,018,485	2,006,543
Islamic financing and related assets (gross)		178,909,560	176,253,336	6,024,904	4,540,164	184,934,464	180,793,500
Provision against Islamic financing and related assets							
Specific	10.14	-	-	(2,798,775)	(2,738,605)	(2,798,775)	(2,738,605)
General		(180,758)	(133,058)	-	-	(180,758)	(133,058)
		(180,758)	(133,058)	(2,798,775)	(2,738,605)	(2,979,533)	(2,871,663)
Islamic financing and related assets - net of provision		178,728,802	176,120,278	3,226,129	1,801,559	181,954,931	177,921,837

		March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
--- (Rupees in '000) ---			
10.1 Murabaha			
Financing		7,231,312	8,678,014
Inventory		14,127,743	16,082,423
Advance		603,482	709,462
		21,962,537	25,469,899
10.2 Musawamah			
Financing		2,525,959	2,374,564
Advance		1,915	53,064
		2,527,874	2,427,628
10.3 Tijarah cum wakala			
Financing		4,926,188	3,780,540
Inventory		758,068	949,763
		5,684,256	4,730,303
10.4 Istisna cum Wakala			
Financing		10,607,812	8,144,766
Advance		3,356,717	3,864,317
		13,964,529	12,009,083

	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	--- (Rupees in '000) ---	
10.5 Salam		
Financing	2,913,847	288,986
Advance	102,132	1,150,000
	<u>3,015,979</u>	<u>1,438,986</u>
10.6 Islamic Export Refinance Scheme - SBP		
Istisna - Advance	13,700	363,000
Istisna - Financing	730,000	-
Murabaha - Advance	30,000	-
Murabaha - Financing	50,000	-
Running Musharaka - Financing	3,719,900	3,429,900
Wakala Istithmar - Financing	3,753,243	3,264,342
	<u>8,296,843</u>	<u>7,057,242</u>
10.7 Islamic Long Term Financing Facility - SBP		
Financing	1,137,499	938,963
Advance	21,565	-
	<u>1,159,064</u>	<u>938,963</u>
10.8 Islamic Financing Facility for Renewable Energy - SBP		
Advance	<u>34,789</u>	<u>-</u>
10.9 Shirkatulmilk - Housing		
Financing	9,298,085	9,578,338
Advance	2,100	54,560
	<u>9,300,185</u>	<u>9,632,898</u>
10.10 Shirkatulmilk - Autos		
Financing	16,417,665	16,943,616
Advance	376,052	351,786
	<u>16,793,717</u>	<u>17,295,402</u>
10.11 Shirkatulmilk - Fleet financing		
Financing	7,254,479	7,628,398
Advance	123,861	203,183
	<u>7,378,340</u>	<u>7,831,581</u>
10.12 Shirkatulmilk - Others		
Financing	<u>17,248,840</u>	<u>17,166,203</u>
10.13 Particulars of Islamic financing and related assets (gross)		
In local currency	183,326,464	179,838,524
In foreign currencies	1,608,000	954,976
	<u>184,934,464</u>	<u>180,793,500</u>

10.14 Islamic financing and related assets include Rs. 6,024.904 million (December 31, 2019: Rs. 4,540.164 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Non-Performing	Provision	Non-Performing	Provision
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	120,897	-	53,990	-
Substandard	284,243	30,754	467,090	57,317
Doubtful	1,045,793	127,674	856,995	80,302
Loss	4,573,971	2,640,347	3,162,089	2,600,986
	<u>6,024,904</u>	<u>2,798,775</u>	<u>4,540,164</u>	<u>2,738,605</u>

10.15 Particulars of provision against Islamic financing and related assets:

	March 31, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	2,738,605	133,058	2,871,663	2,056,910	99,733	2,156,643
Charge for the period / year	121,101	47,700	168,801	766,561	33,325	799,886
Reversals during the period / year	(60,931)	-	(60,931)	(84,866)	-	(84,866)
	60,170	47,700	107,870	681,695	33,325	715,020
Amounts written-off	-	-	-	-	-	-
Closing balance	2,798,775	180,758	2,979,533	2,738,605	133,058	2,871,663

10.15.1 As allowed by the SBP, the Bank has availed benefit of Forced Sale Value (FSV) amounting to Rs.2,363 million (December 31, 2019: Rs. 961.903 million) in determining the provisioning against non performing Islamic financings as at March 31, 2020. The additional profit arising from availing the FSV benefit - net of tax as at March 31, 2020 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 1,536 million (December 31, 2019: Rs. 625.237 million).

10.15.2 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	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
		--- (Rupees in '000) ---	
11 FIXED ASSETS			
Capital work-in-progress	11.1	28,421	78,326
Property and equipment		1,359,847	1,244,237
Right-of-use assets		2,790,340	2,965,851
		<u>4,178,608</u>	<u>4,288,414</u>
11.1 Capital work-in-progress			
Civil works		16,012	38,485
Equipment		12,409	39,841
		<u>28,421</u>	<u>78,326</u>
11.2 Additions to Property and Equipment (Including transfer from CWIP)			
Furniture and fixtures		19,367	712
Electrical, office and computer equipment		120,157	19,573
Leasehold improvements		53,438	2,037
		<u>192,962</u>	<u>22,322</u>

	<i>Note</i>	March 31, 2020 (Un-audited) --- (Rupees in '000) ---	December 31, 2019 (Audited)
12 INTANGIBLE ASSETS			
Capital work-in-progress	<i>12.1</i>	59,600	54,767
Computer software		163,236	149,295
		222,836	204,062
12.1 Capital work-in-progress			
Advance to suppliers		59,600	54,767
		March 31, 2020 (Un-audited) --- (Rupees in '000) ---	March 31, 2019 (Un-audited)
12.2 Additions to intangible assets			
Directly purchased		27,107	3,921
		March 31, 2020 (Un-audited) --- (Rupees in '000) ---	December 31, 2019 (Audited)
13 OTHER ASSETS			
Profit / return accrued in local currency - net		5,236,566	3,993,851
Profit / return accrued in foreign currencies - net		233,635	74,051
Advances, deposits, advance rent and other prepayments		879,542	635,908
Mark to market gain on forward foreign exchange contracts		664,652	87,102
Acceptances		4,177,302	1,718,925
Commission receivable		121,175	178,978
Others		83,716	125,181
		11,396,588	6,813,996
Less: Provision held against other assets	<i>13.1</i>	(1,746)	(1,746)
		11,394,842	6,812,250
13.1 Provision held against other assets			
Others - Trackers		1,746	1,746
		March 31, 2020 (Un-audited) --- (Rupees in '000) ---	December 31, 2019 (Audited)
14 BILLS PAYABLE			
In Pakistan		2,127,455	2,963,411
Outside Pakistan		9,514	8,896
		2,136,969	2,972,307

		March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
		--- (Rupees in '000) ---	
15 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Musharaka from the State Bank of Pakistan (SBP)			
- under Islamic Export Refinance Scheme	15.1	7,729,843	6,897,280
Investment from State Bank of Pakistan (SBP)			
- under Islamic Long Term Finance Facility	15.2	1,137,500	916,623
- under Islamic Finance Facility For Renewable Energy	15.3	34,789	-
Unsecured			
Musharka borrowings		-	1,500,000
Wakala borrowings		-	500,000
Overdrawn nostro		69	-
		<u>8,902,201</u>	<u>9,813,903</u>

- 15.1** These Musharaka are on a profit and loss sharing basis having maturity between April 06, 2020 to September 26, 2020 (December 31, 2019: January 07, 2020 to June 23, 2020) and are secured against demand promissory notes executed in favor of the SBP. A limit of Rs. 9,778 million (December 31, 2019: Rs. 8,107 million) has been allocated to the Bank by SBP under Islamic Export Refinance Scheme.
- 15.2** These are on a profit and loss sharing basis having maturity between January 20, 2024 to December 08, 2026 (December 31, 2019: February 02, 2024 to December 08, 2026) and are secured against demand promissory notes executed in favor of the SBP. A limit of Rs. 4,831 million (December 31, 2019: 2,471 million) has been allocated to the Bank by SBP under Islamic Long Term Finance Facility.
- 15.3** These are on a profit and loss sharing basis having maturity between February 11, 2030 to February 15, 2030 (December 31, 2019: Nil) and are secured against demand promissory notes executed in favor of the SBP. A limit of Rs. 5,416 million (December 31, 2019: Nil) has been allocated to the Bank by SBP under Islamic Financing Facility For Renewable Energy.

	March 31, 2020 (Un-audited)	December 31, 2019 (Audited)
	--- (Rupees in '000) ---	
15.4 Particulars of due to financial institutions with respect to currencies		
In local currency	8,902,132	9,813,903
In foreign currency	69	-
	<u>8,902,201</u>	<u>9,813,903</u>

16 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	39,300,761	12,688,137	51,988,898	40,074,829	11,994,495	52,069,324
Savings deposits	77,070,640	9,177,491	86,248,131	64,831,358	6,610,954	71,442,312
Term deposits	41,569,943	11,793,754	53,363,697	46,860,066	11,225,086	58,085,152
Others	5,798,181	-	5,798,181	7,203,371	-	7,203,371
	163,739,525	33,659,382	197,398,907	158,969,624	29,830,535	188,800,159
Financial institutions						
Current deposits	410,427	6,307	416,734	479,337	14,087	493,424
Savings deposits	24,354,176	-	24,354,176	16,134,765	-	16,134,765
Term deposits	4,200,575	-	4,200,575	4,523,725	-	4,523,725
	28,965,178	6,307	28,971,485	21,137,827	14,087	21,151,914
	192,704,703	33,665,689	226,370,392	180,107,451	29,844,622	209,952,073

Note

March 31,
2020
(Un-audited)

December 31,
2019
(Audited)

---- (Rupees in '000) ----

17 SUBORDINATED SUKUK

Additional Tier I Sukuk	17.1	3,120,000	3,120,000
Tier II Sukuk	17.2	4,000,000	4,000,000
		7,120,000	7,120,000

- 17.1** 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 15.30% 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.

- 17.2** 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 14% 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.

18 DEFERRED TAX LIABILITIES

March 31, 2020 (Unaudited)			
At Jan 1, 2020	Recognised in P&L	Recognised in OCI	At Mar 31, 2020
----- (Rupees in '000) -----			
17,028	(8,165)	-	8,863
75,977	(7,467)	-	68,510
93,005	(15,632)	-	77,373
681,275	-	(698,750)	(17,475)
(611)	-	-	(611)
(23,502)	-	-	(23,502)
657,162	-	(698,750)	(41,588)
750,167	(15,632)	(698,750)	35,785

December 31,2019 (Audited)			
At Jan 1, 2019	Recognised in P&L	Recognised in OCI	At Dec 31, 2019
----- (Rupees in '000) -----			
36,007	(18,979)	-	17,028
(34,893)	110,870	-	75,977
(441,897)	-	1,123,172	681,275
(440,783)	91,891	1,123,172	774,280
-	-	-	-
(6,273)	5,662	-	(611)
(13,257)	-	(10,245)	(23,502)
(19,530)	5,662	(10,245)	(24,113)
(460,313)	97,553	1,112,927	750,167

19 OTHER LIABILITIES

March 31, 2020 (Un-audited) December 31, 2019 (Audited)
 --- (Rupees in '000) ---

Profit / return payable in local currency	2,228,367	2,113,271
Profit / return payable in foreign currencies	104,928	51,664
Deferred profit murabaha / musawamah income	1,903,347	1,972,074
Accrued expenses	636,705	723,721
Advance from financing customers	790,024	958,530
Mark to market loss on forward foreign exchange contracts	369,652	540,182
Acceptances	4,177,302	1,718,925
Current taxation (provisions less payments)	188,437	84,958
Security deposits against Islamic financing and related assets	81,664	38,872
Payable to dealers, contractors, etc.	113,970	175,114
Ijarah (lease) liabilities	2,587,609	2,704,620
Charity payable	34	891
Workers Welfare Fund payable	321,241	290,973
Payable to Employees Old Age Benefit Institution (EOBI)	97,657	92,509
Others	548,830	401,230
	14,149,767	11,867,534

		March 31, 2020 (Un-audited) --- (Rupees in '000) ---	December 31, 2019 (Audited)
20	(DEFICIT) / SURPLUS ON REVALUATION OF INVESTMENTS		
	(Deficit) / surplus on revaluation of Available-for-sale securities - net		
	Sukuk Certificates	(49,929)	1,946,499
	Less: Related deferred tax asset / (liability)	17,475	(681,275)
		<u>(32,454)</u>	<u>1,265,224</u>
21	CONTINGENCIES AND COMMITMENTS		
	Guarantees	21.1 16,157,167	14,823,737
	Commitments	21.2 38,648,433	45,469,480
		<u>54,805,600</u>	<u>60,293,217</u>
21.1	Guarantees		
	Financial guarantees	24,646	24,534
	Performance guarantees	4,473,868	4,080,568
	Other guarantees	11,658,653	10,718,635
		<u>16,157,167</u>	<u>14,823,737</u>
21.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	Import letters of credit	21,555,634	24,588,918
	Commitments in respect of:		
	- Forward foreign exchange contracts - net	21.2.1 9,486,410	14,540,146
	- Islamic financing and related assets	7,343,000	5,930,387
	Commitments for acquisition of:		
	- Fixed assets	158,964	283,704
	- Intangible assets	104,425	126,325
		<u>38,648,433</u>	<u>45,469,480</u>
21.2.1	Commitments in respect of forward foreign exchange contracts - net		
	Purchase	22,182,677	29,644,778
	Sale	12,696,267	15,104,632
		<u>9,486,410</u>	<u>14,540,146</u>

	March 31, 2020	March 31, 2019
	(Un-audited)	
	----- Rupees in '000 -----	
22 PROFIT / RETURN EARNED		
On Islamic financing and related assets to customers	6,147,316	4,279,579
On investments in available-for-sale securities	1,135,194	772,100
On investments in held-to-maturity securities	52,256	51,682
On deposits / placements with financial institutions	371,332	235,964
	<u>7,706,098</u>	<u>5,339,325</u>
23 PROFIT / RETURN EXPENSED		
Deposits and other accounts	4,178,174	2,637,518
Subordinated sukuk	258,131	200,915
Due to financial institutions	60,290	93,491
Finance cost on Ijarah (lease) liabilities	89,097	89,815
Cost of foreign currency swaps	200,439	32,191
	<u>4,786,131</u>	<u>3,053,930</u>
24 FEE & COMMISSION INCOME		
Consumer finance related fees	148,588	164,014
Credit related fees	45,772	12,545
Investment banking fees	3,500	30,417
Branch banking customer fees	19,215	26,007
Card related fees	48,589	56,013
Commission on trade	49,374	58,280
Commission on guarantees	18,130	17,482
Commission on cash management	9,354	10,953
Commission on remittances including home remittances	4,454	5,967
Commission on bancassurance	2,876	15,298
Rebate income	24,440	26,473
Others	436	419
	<u>374,728</u>	<u>423,868</u>
25 GAIN ON SECURITIES		
Realised		
- Federal Government debt securities	<u>-</u>	<u>271</u>
26 OTHER INCOME		
Gain on sale of fixed assets	<u>274</u>	<u>82</u>

27 OPERATING EXPENSES

March 31, March 31,
2020 2019
(Un-audited)
----- Rupees in '000 -----

Total compensation expense **738,795** **652,652**

Property expense

Utilities cost	100,095	63,368
Takaful charges	305	373
Security	57,428	39,409
Repair & maintenance (including janitorial charges)	31,483	17,762
Depreciation	23,688	23,078
Depreciation on right-of-use assets	175,511	163,458
	388,510	307,448

Information technology expenses

Software maintenance	74,918	48,589
Hardware maintenance	35,134	14,540
Depreciation	22,294	23,240
Amortisation	13,166	17,703
Networking and connectivity charges	31,679	25,642
Outsourced services cost	7,500	6,405
Takaful charges	272	268
Others	350	347
	185,313	136,734

Other operating expenses

Directors' fee and allowances	2,429	1,650
Fees and allowances to Shari'a Board members	3,682	5,392
Legal and professional charges	13,222	5,702
Outsourced services cost	24,534	19,656
Travelling and conveyance	15,657	13,528
NIFT clearing charges	8,932	7,473
Depreciation	31,094	33,078
Training and development	1,716	2,008
Postage and courier charges	8,760	8,367
Communications	54,429	31,613
Stationary and printing	33,695	19,617
Marketing, advertising and publicity	29,174	16,819
Auditors' remuneration	1,800	1,800
Brokerage, commission and bank charges	105,626	65,677
Tracker related charges	42,732	44,458
Cash transportation charges	27,356	25,522
Repair and maintenance	23,956	23,890
Subscription fees	5,168	3,822
Takaful charges	15,981	9,160
Deposit premium cost	30,067	26,716
Others	83,199	60,516
	563,209	426,464
	1,875,827	1,523,298

		March 31, 2020	March 31, 2019
	Note	(Un-audited)	
		----- Rupees in '000 -----	
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		<u>42</u>	<u>3,495</u>
29 PROVISIONS & WRITE OFFS - NET			
Provision against Islamic financing and related assets - net	10.15	<u>107,870</u>	<u>200,532</u>
30 TAXATION			
Current		577,360	427,934
Prior years		-	98,367
Deferred		<u>(15,632)</u>	<u>(6,339)</u>
		<u>561,728</u>	<u>519,962</u>
31 BASIC AND DILUTED EARNINGS PER SHARE			
		(Un-audited)	
		----- Rupees in '000 -----	
Profit after taxation for the period		<u>874,938</u>	<u>556,296</u>
		---- (Number) ----	
Weighted average number of ordinary shares		<u>1,165,228,776</u>	<u>1,165,228,776</u>
		---- (Rupees) ----	
Earning per share - basic and diluted		<u>0.75</u>	<u>0.48</u>
32 CASH AND CASH EQUIVALENTS			
		March 31, 2020	March 31, 2019
		(Un-audited)	
		----- Rupees in '000 -----	
Cash and balance with treasury banks	6	18,841,982	17,108,568
Balance with other banks	7	823,380	5,872,373
Overdrawn nostros	15	<u>(69)</u>	<u>(5,957)</u>
		<u>19,665,293</u>	<u>22,974,984</u>

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:

March 31, 2020 (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 securities	-	9,898,236	-	-	-	9,898,236	-	9,898,236	-	9,898,236
Non-Government debt securities	-	24,224,022	-	-	-	24,224,022	20,500,087	3,712,500	11,435	24,224,022
Foreign securities	-	15,394,219	-	-	-	15,394,219	15,394,219	-	-	15,394,219
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	664,652	-	664,652	-	664,652	-	664,652
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	18,841,982	-	18,841,982				
Balances with other banks	-	-	-	823,380	-	823,380				
Due from financial institution	-	-	-	9,521,952	-	9,521,952				
Investments	4,000,000	-	-	-	-	4,000,000				
Islamic financings and related assets - net	-	-	181,954,931	-	-	181,954,931				
Other asset	-	-	-	9,949,537	-	9,949,537				
	4,000,000	49,516,477	181,954,931	39,801,503	-	275,272,911				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	369,652	369,652	-	369,652	-	369,652
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	2,136,969	2,136,969				
Due to financial institutions	-	-	-	-	8,902,201	8,902,201				
Deposits and other accounts	-	-	-	-	226,370,392	226,370,392				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	11,228,863	11,228,863				
	7,120,000	-	-	-	249,008,077	256,128,077				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	9,486,410	-	9,486,410	-	9,781,410	-	9,781,410
December 31, 2019 (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 securities	-	9,799,254	-	-	-	9,799,254	-	9,799,254	-	9,799,254
Non-Government debt securities	-	24,770,310	-	-	-	24,770,310	21,046,375	3,712,500	11,435	24,770,310
Foreign securities	-	10,587,705	-	-	-	10,587,705	10,587,705	-	-	10,587,705
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	87,102	-	87,102	-	87,102	-	87,102
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	19,417,428	-	19,417,428				
Balances with other banks	-	-	-	1,246,953	-	1,246,953				
Due from financial institution	-	-	-	5,590,405	-	5,590,405				
Investments	4,000,000	-	-	-	-	4,000,000				
Islamic financings and related assets - net	-	-	177,921,837	-	-	177,921,837				
Other asset	-	-	-	6,098,972	-	6,098,972				
	4,000,000	45,157,269	177,921,837	32,440,860	-	259,519,966				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	540,182	540,182	-	540,182	-	540,182
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	2,972,307	2,972,307				
Due to financial institutions	-	-	-	-	9,813,903	9,813,903				
Deposits and other accounts	-	-	-	-	209,952,073	209,952,073				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	8,838,504	8,838,504				
	7,120,000	-	-	-	232,116,969	239,236,969				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	14,540,146	-	14,540,146	-	14,087,066	-	14,087,066

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

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

	March 31, 2020 (Un-audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Profit and Loss						
Net profit earned	2,271,233	418,585	(1,037,058)	1,331,009	(63,802)	2,919,967
Inter segment revenue - net	(2,034,945)	226,011	2,905,825	(1,162,386)	65,495	-
Other income	71,691	107,701	273,540	77,499	274	530,705
Total income	307,979	752,297	2,142,307	246,122	1,967	3,450,672
Segment direct expenses	(103,700)	(272,075)	(1,191,977)	(55,274)	-	(1,623,026)
Inter segment expense allocation	(25,644)	(34,855)	(211,612)	(10,999)	-	(283,110)
Total expenses	(129,344)	(306,930)	(1,403,589)	(66,273)	-	(1,906,136)
Provisions	(754)	(31,916)	(73,235)	-	(1,965)	(107,870)
Profit before tax	177,881	413,451	665,483	179,849	2	1,436,666
Balance Sheet						
Cash and bank balances	-	511,588	3,380,351	823,380	14,950,043	19,665,362
Due from financial institutions	-	-	-	-	9,521,952	9,521,952
Investments	-	-	-	39,633,492	13,882,985	53,516,477
Net inter segment lending	-	14,043,932	106,048,852	-	-	120,092,784
Islamic financings and related assets						-
- performing	101,571,766	40,465,994	34,911,161	-	1,960,639	178,909,560
- non-performing - net	1,919,546	856,882	245,579	-	23,364	3,045,371
Others	6,409,479	4,036,060	3,080,179	1,943,803	326,765	15,796,286
Total Assets	109,900,791	59,914,456	147,666,122	42,400,675	40,665,748	400,547,792
Due to financial institutions	5,323,323	3,578,878	-	-	-	8,902,201
Deposits & other accounts	33,441,894	51,869,528	140,967,990	90,980	-	226,370,392
Net inter segment borrowing	66,649,338	-	-	41,804,129	11,639,317	120,092,784
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	4,486,236	4,466,049	6,698,133	538,020	134,083	16,322,521
Total liabilities	109,900,791	59,914,455	147,666,123	42,433,129	18,893,400	378,807,898
Equity	-	-	-	(32,454)	21,772,348	21,739,894
Total Equity and liabilities	109,900,791	59,914,455	147,666,123	42,400,675	40,665,748	400,547,792
Contingencies and Commitments	20,293,555	21,314,856	3,684,610	9,512,579	-	54,805,600
	March 31, 2019 (Un-audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Profit and Loss						
Net profit earned	1,364,082	432,032	(289,925)	655,713	123,493	2,285,395
Inter segment revenue - net	(1,253,652)	(43,150)	1,946,001	(515,041)	(134,158)	-
Other income	83,880	114,483	308,223	35,080	-	541,666
Total income	194,310	503,365	1,964,299	175,752	(10,665)	2,827,061
Segment direct expenses	(107,658)	(224,467)	(999,233)	(28,271)	-	(1,359,629)
Inter segment expense allocation	(21,104)	(22,899)	(137,111)	(9,528)	-	(190,642)
Total expenses	(128,762)	(247,366)	(1,136,344)	(37,799)	-	(1,550,271)
Provisions	(144,752)	(35,887)	(30,558)	-	10,665	(200,532)
Profit before tax	(79,204)	220,112	797,397	137,953	-	1,076,258
	December 31, 2019 (Audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Balance Sheet						
Cash and bank balances	-	458,849	3,031,880	1,246,953	15,926,699	20,664,381
Due from financial institutions	-	-	-	-	5,590,405	5,590,405
Investments	-	-	-	36,019,275	13,137,994	49,157,269
Net inter segment lending	-	6,386,966	103,762,990	-	-	110,149,956
Islamic financings and related assets						-
- performing	99,881,434	38,181,355	36,237,008	-	1,953,539	176,253,336
- non-performing - net	525,803	937,519	184,711	-	20,468	1,668,501
Others	3,710,689	2,876,985	3,664,459	941,411	111,182	11,304,726
Total Assets	104,117,926	48,841,674	146,881,048	38,207,639	36,740,287	374,788,574
Due to financial institutions	5,402,741	2,411,162	-	2,000,000	-	9,813,903
Deposits & other accounts	27,993,604	43,155,769	138,679,832	122,868	-	209,952,073
Net inter segment borrowing	67,988,683	-	-	34,240,681	7,920,592	110,149,956
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	2,732,898	3,274,743	8,201,216	514,528	866,623	15,590,008
Total liabilities	104,117,926	48,841,674	146,881,048	36,878,077	15,907,215	352,625,940
Equity	-	-	-	1,329,562	20,833,072	22,162,634
Total Equity and liabilities	104,117,926	48,841,674	146,881,048	38,207,639	36,740,287	374,788,574
Contingencies and Commitments	24,419,414	18,465,114	2,875,661	14,533,028	-	60,293,217

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:

	March 31, 2020 (Un-audited)						December 31, 2019 (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,	-	36,608	-	-	-	36,608	-	43,126	-	-	-	43,126
Deposited during the period / year	-	4,299,802	-	-	-	4,299,802	-	83,983,617	-	-	-	83,983,617
Withdrawals during the period / year	-	(4,287,930)	-	-	-	(4,287,930)	-	(83,990,135)	-	-	-	(83,990,135)
Closing balance	-	48,480	-	-	-	48,480	-	36,608	-	-	-	36,608
Investments												
As at January 1,	-	-	-	-	-	-	1,290,092	-	-	-	-	1,290,092
Investments made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Investments disposed-off during the period / year	-	-	-	-	-	-	(1,290,092)	-	-	-	-	(1,290,092)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Islamic financing and related assets												
As at January 1,	-	-	-	169,899	-	169,899	-	-	-	184,341	-	184,341
Disbursed during the period / year	-	-	-	-	-	-	-	-	-	34,365	-	34,365
Repaid during the period / year	-	-	-	(8,429)	-	(8,429)	-	-	-	(46,365)	-	(46,365)
Adjustments *	-	-	-	11,465	-	11,465	-	-	-	(2,442)	-	(2,442)
Closing balance	-	-	-	172,935	-	172,935	-	-	-	169,899	-	169,899
Due to Financial Institutions												
As at January 1	-	-	-	-	-	-	-	-	-	-	-	-
Borrowed during the period / year	-	-	-	-	-	-	-	13,918,700	-	-	-	13,918,700
Repaid during the year period / year	-	-	-	-	-	-	-	(15,618,330)	-	-	-	(15,618,330)
Exchange adjustment	-	-	-	-	-	-	-	1,699,630	-	-	-	1,699,630
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
As at January 1,	-	70,228	5,646	80,174	1,331,515	1,487,563	-	43,932	5,929	259,166	1,070,790	1,379,817
Received during the period / year	-	1,235,325	16,803	162,917	79,269	1,494,314	-	2,975,721	235,914	648,021	1,540,482	5,400,138
Withdrawals during the period / year	-	(1,237,794)	(15,211)	(124,968)	(34,152)	(1,412,125)	-	(2,949,425)	(236,197)	(804,934)	(1,279,757)	(5,270,313)
Adjustments *	-	-	(453)	731	-	278	-	-	-	(22,079)	-	(22,079)
Closing balance	-	67,759	6,785	118,854	1,376,632	1,570,030	-	70,228	5,646	80,174	1,331,515	1,487,563
Other Liabilities												
As at January 1,	-	-	-	-	-	-	-	-	-	-	-	-
Withheld during the period / year	-	-	-	14,000	-	14,000	-	-	-	-	-	-
Paid during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments *	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	14,000	-	14,000	-	-	-	-	-	-
(Rupees in '000)												
	March 31, 2020 (Un-audited)						March 31, 2019 (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 and allowances	-	-	2,429	2,842	-	5,271	-	-	1,650	4,642	-	6,292
Remuneration to key management personnel (Including bonus)	-	-	-	127,314	-	127,314	-	-	-	125,148	-	125,148
Profit earned on investments	-	-	-	-	-	-	13,598	-	-	-	-	13,598
Profit earned on financings	-	-	-	3,667	-	3,667	-	-	-	3,006	-	3,006
Profit expensed on deposits	-	-	12	948	45,072	46,032	-	-	31	3,074	27,565	30,671
Profit expensed on other liabilities	-	-	-	157	-	157	-	-	-	-	-	-
Contribution made to gratuity fund	-	-	-	-	18,600	18,600	-	-	-	-	16,500	16,500
Contribution made to provident fund	-	-	-	-	26,475	26,475	-	-	-	-	23,402	23,402
Contingencies and commitments												
Foreign currency purchase contracts	-	6,125,718	-	-	-	6,125,718	-	6,353,003	-	-	-	6,353,003
Foreign currency sale contracts	-	6,113,718	-	-	-	6,113,718	-	6,353,003	-	-	-	6,353,003

* Primarily relates to those directors, associates and key management personnel who are no longer related parties or have become related parties of the Bank as at March 31, 2020.

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

36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

March 31, December 31,
2020 2019
(Un-audited) (Audited)
----- Rupees in '000 -----

Minimum Capital Requirement (MCR):

Paid-up capital	11,652,288	11,652,288
-----------------	-------------------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital	21,531,270	20,709,655
Eligible Additional Tier I (ADT I) Capital	3,120,000	3,120,000
Total Eligible Tier I Capital	24,651,270	23,829,655
Eligible Tier II Capital	4,180,759	5,398,283
Total Eligible Capital (Tier I + Tier II)	28,832,029	29,227,938

Risk Weighted Assets (RWAs):

Credit Risk	163,105,832	150,016,588
Market Risk	535,162	819,371
Operational Risk	19,820,569	19,820,569
Total RWAs	183,461,563	170,656,528

Common Equity Tier I Capital Adequacy Ratio

11.74%	12.14%
---------------	--------

Tier I Capital Adequacy Ratio

13.44%	13.96%
---------------	--------

Total Capital Adequacy Ratio

15.72%	17.13%
---------------	--------

Leverage Ratio (LR):

Eligible Tier I Capital	24,651,270	23,829,655
Total Exposures	332,863,502	311,597,281
Leverage Ratio	7.41%	7.65%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	52,834,424	55,984,443
Total Net Cash Outflow	22,682,526	27,417,495
Liquidity Coverage Ratio	232.93%	204.19%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	230,756,530	212,998,329
Total Required Stable Funding	207,986,260	195,663,912
Net Stable Funding Ratio	110.95%	108.86%

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
----------------------------	--------------------------------	-----------------	-----------------	-----------------