

**DUBAI ISLAMIC BANK
PAKISTAN LIMITED**

**Condensed Interim Financial
Information**

For the half year ended June 30, 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dubai Islamic Bank Pakistan Limited

Report 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 June 30, 2020 and the related condensed interim statement of profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, and notes to the financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 inquiries, 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended June 30, 2020 and 2019 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended June 30, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.


Chartered Accountants

Karachi

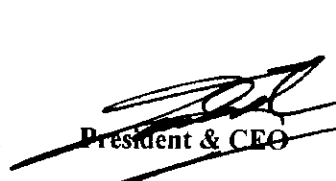
Date: August 05, 2020


Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Financial Position
As at June 30, 2020

	Note	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
----- Rupees in '000 -----			
ASSETS			
Cash and balances with treasury banks	6	22,718,185	19,417,428
Balances with other banks	7	1,266,273	1,246,953
Due from financial institutions	8	1,596,481	5,590,405
Investments	9	65,177,361	49,157,269
Islamic financing and related assets - net	10	189,013,905	177,921,837
Fixed assets	11	4,149,371	4,288,414
Intangible assets	12	285,578	204,062
Deferred tax assets		-	-
Other assets	13	9,441,273	6,812,250
		293,648,427	264,638,618
LIABILITIES			
Bills payable	14	2,314,646	2,972,307
Due to financial institutions	15	11,384,678	9,813,903
Deposits and other accounts	16	237,251,733	209,952,073
Subordinated sukuk	17	7,120,000	7,120,000
Deferred tax liabilities	18	295,661	750,167
Other liabilities	19	12,180,835	11,867,534
		270,547,553	242,475,984
NET ASSETS		23,100,874	22,162,634
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		2,252,776	1,896,073
Surplus on revaluation of investments	20	419,950	1,265,224
Unappropriated profit		8,775,860	7,349,049
		23,100,874	22,162,634
CONTINGENCIES AND COMMITMENTS			
	21		

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

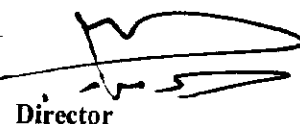
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President & CEO


Chief Financial Officer


Director


Director



Director

Dubai Islamic Bank Pakistan Limited
Condensed Interim Profit and Loss Account (Un-Audited)
For the half-year ended June 30, 2020


	Note	Quarter ended June 30, 2020	Half year ended June 30, 2020	Quarter ended June 30, 2019 Restated	Half year ended June 30, 2019
----- Rupees in '000 -----					
Profit / return earned	22	7,258,181	14,964,279	6,342,105	11,681,430
Profit / return expensed	23	(4,011,936)	(8,798,067)	(3,707,527)	(6,761,457)
Net Profit / return		3,246,245	6,166,212	2,634,578	4,919,973
OTHER INCOME					
Fee and commission income	24	352,713	727,441	427,643	851,511
Dividend income		-	-	-	-
Foreign exchange income		206,956	362,659	274,119	391,564
Gain on securities	25	982	982	-	271
Other income	26	374	648	898	980
Total other income		561,025	1,091,730	702,660	1,244,326
Total income		3,807,270	7,257,942	3,337,238	6,164,299
OTHER EXPENSES					
Operating expenses	27	(1,790,383)	(3,666,210)	(1,663,839)	(3,187,137)
Workers Welfare Fund		(29,477)	(59,744)	(33,145)	(56,623)
Other charges	28	-	(42)	(312)	(3,807)
Total other expenses		(1,819,860)	(3,725,996)	(1,697,296)	(3,247,567)
Profit before provisions		1,987,410	3,531,946	1,639,942	2,916,732
Provisions and write offs - net	29	(498,209)	(606,079)	(123,377)	(323,909)
PROFIT BEFORE TAXATION		1,489,201	2,925,867	1,516,565	2,592,823
Taxation	30	(580,625)	(1,142,353)	(608,106)	(1,128,068)
PROFIT AFTER TAXATION		908,576	1,783,514	908,459	1,464,755
----- Rupees -----					
Basic & diluted earnings per share	31	0.78	1.53	0.78	1.26

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

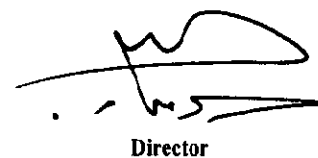
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President & CEO


Chief Financial Officer


Director


Director


Director

Dubai Islamic Bank Pakistan Limited
 Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the half-year ended June 30, 2020

	Quarter ended June 30, 2020	Half year ended June 30, 2020	Quarter ended June 30, 2019 Restated	Half year ended June 30, 2019
----- Rupees in '000 -----				
Profit after taxation for the period	908,576	1,783,514	908,459	1,464,755
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	452,404	(845,274)	85,103	412,214
Total comprehensive income	1,360,980	938,240	993,562	1,876,969

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

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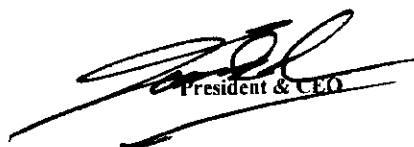
 President & CEO
  Chief Financial Officer
  Director
  Director
  Director

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the half-year ended June 30, 2020

	Share capital	Statutory reserve	(Deficit) / surplus on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
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 period					
Profit after taxation for the half year ended June 30, 2019	-	-	-	1,464,755	1,464,755
Other comprehensive income - net of tax	-	-	412,214	-	412,214
	-	-	412,214	1,464,755	1,876,969
Transfer to statutory reserve	-	292,951	-	(292,951)	-
Balance as at June 30, 2019	11,652,288	1,519,905	(408,453)	5,863,403	18,627,143
Total comprehensive income for the period					
Profit after taxation for the half year ended December 31, 2019	-	-	-	1,880,842	1,880,842
Other comprehensive income / (loss) - net of tax	-	-	1,673,677	(19,028)	1,654,649
	-	-	1,673,677	1,861,814	3,535,491
Transfer to statutory reserve	-	376,168	-	(376,168)	-
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 period					
Profit after taxation for the half year ended June 30, 2020	-	-	-	1,783,514	1,783,514
Other comprehensive loss - net of tax	-	-	(845,274)	-	(845,274)
	-	-	(845,274)	1,783,514	938,240
Transfer to statutory reserve	-	356,703	-	(356,703)	-
Balance as at June 30, 2020	11,652,288	2,252,776	419,950	8,775,860	23,100,874

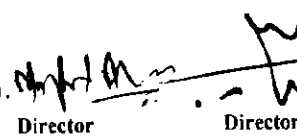
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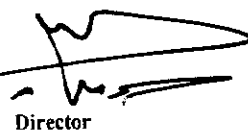
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President & CEO


Chief Financial Officer


Director



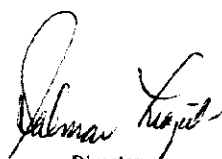
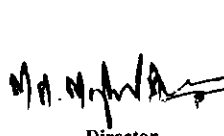
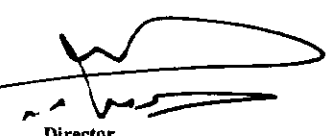

Director


Director

Dubai Islamic Bank Pakistan Limited
Condensed Interim Cash Flow Statement (Un-Audited)
For the half-year ended June 30, 2020

	Half year ended June 30, 2020	Half year ended June 30, 2019
	— Rupees in '000 —	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,925,867	2,592,823
Adjustments for:		
Depreciation	154,873	161,360
Depreciation on right-of-use assets	368,106	326,916
Amortisation	25,377	31,176
Gain on securities	(982)	(271)
Gain on sale of fixed assets	(648)	(980)
Provisions and write offs - net	606,079	323,909
Finance cost on Ijarah (lease) liabilities	176,278	172,647
	<u>1,329,083</u>	<u>1,014,757</u>
	4,254,950	3,607,580
Decrease / (increase) in operating assets		
Due from financial institutions	3,993,924	(218,778)
Islamic financing and related assets	(11,698,147)	(18,056,006)
Others assets	(1,673,184)	(4,718,800)
	<u>(9,377,407)</u>	<u>(22,993,584)</u>
(Decrease) / increase in operating liabilities		
Bills payable	(657,661)	608,004
Due to financial institutions	1,570,775	21,082,624
Deposits and other accounts	27,299,660	23,032,794
Other liabilities (excluding current taxation)	(670,310)	2,059,793
	<u>27,542,464</u>	<u>46,783,215</u>
	22,420,007	27,397,211
Income taxes paid	(1,009,356)	(1,043,281)
Net cash generated from operating activities	<u>21,410,651</u>	<u>26,353,930</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	(17,319,532)	(11,161,180)
Payment of Ijarah (lease) liabilities against right-of-use assets	(443,187)	(505,074)
Investments in fixed assets	(222,522)	(136,822)
Proceeds from sale of fixed assets	1,560	23,681
Investments in intangible assets	(106,893)	(75,926)
Net cash flow used in investing activities	<u>(18,090,574)</u>	<u>(11,855,321)</u>
Increase in cash and cash equivalents	3,320,077	14,498,609
Cash and cash equivalents at beginning of the period	20,664,381	18,988,985
Cash and cash equivalents at end of the period	<u>23,984,458</u>	<u>33,487,594</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

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 30, 2020 has reaffirmed the Bank's medium to long-term rating at 'AA' (Double A) and the short term rating at 'A-1+' (A-One Plus) with stable outlook.
- 1.4 The Bank is operating through 235 branches (including 25 sub-branches) as at June 30, 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, Interim Financial Reporting, 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.

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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

In June 2019, the Bank adopted IFRS 16 'Leases' with effect from January 01, 2019 as directed by the SBP vide its BPRD Circular Letter No. 8 dated April 30, 2019 and BPRD Circular No. BPRD/RPD/2019/17 dated July 26, 2019. Accordingly, the financial information for the quarter ended June 30, 2019 has been restated.

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 directed the banks in Pakistan to implement IFRS 9 with effect from January 01, 2021.

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 risks associated with COVID-19 and on an ongoing basis conducts assessment of its portfolio and operations to ensure the risks are minimized.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 625 basis points to 7 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 and profit 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.

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		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees in '000) ———	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		2,719,058	2,614,985
- foreign currencies		<u>2,186,187</u>	<u>875,744</u>
		4,905,245	3,490,729
With State Bank of Pakistan in			
- local currency current accounts			
- foreign currency current accounts	6.1	13,361,858	11,957,210
- foreign currency deposit accounts		18,526	6,824
- Cash reserve account	6.2	<u>1,617,571</u>	<u>1,502,099</u>
- Special cash reserve account	6.2	<u>1,940,968</u>	<u>1,802,411</u>
		3,558,539	3,304,510
With National Bank of Pakistan in			
- local currency current accounts		<u>874,017</u>	<u>658,155</u>
		<u>22,718,185</u>	<u>19,417,428</u>

6.1 The local currency current account is maintained with the State Bank of Pakistan (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.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees in '000) ———	
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- in local currency current accounts		617,334	773,233
- in foreign currency current account		1,374	448
- in local currency deposit account		<u>10</u>	<u>10</u>
		618,718	773,691
Outside Pakistan			
- in foreign currencies current accounts	7.1	<u>647,555</u>	<u>473,262</u>
		<u>1,266,273</u>	<u>1,246,953</u>

7.1 This includes an amount of Rs. 22.27 million (December 31, 2019: Rs. 36.61 million) deposited with the holding company.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		(Rupees in '000) ———	
8 DUE FROM FINANCIAL INSTITUTIONS			
Wakala Placements		1,596,481	-
Bai Muajjal receivable from Scheduled Banks - secured		-	3,590,405
Musharaka - unsecured		-	2,000,000
		<u>1,596,481</u>	<u>5,590,405</u>

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9 INVESTMENTS

9.1 Investments by types:	June 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value
	(Rupees in '000)							
Available-for-sale securities								
Federal Government securities	500,000	-	1,150	501,150	9,898,236	-	(98,982)	9,799,254
Non-Government debt securities	46,752,490	(77,881)	1,785,005	48,459,614	22,639,475	(77,881)	2,208,716	24,770,310
Foreign securities	17,356,675	-	(1,140,078)	16,216,597	10,750,940	-	(163,235)	10,587,705
	64,609,165	(77,881)	646,077	65,177,361	43,288,651	(77,881)	1,946,499	45,157,269
Held-to-maturity securities								
Federal Government securities	-	-	-	-	4,000,000	-	-	4,000,000
Total investments	64,609,165	(77,881)	646,077	65,177,361	47,288,651	(77,881)	1,946,499	49,157,269

9.2 Provision for diminution in value of investments	Note	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		(Rupees in '000)	
Opening balance		77,881	70,495
Charge for the period / year		-	7,386
Closing balance	9.2.1	77,881	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 June 30, 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 debt securities

Category of classification	June 30, 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.

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10 ISLAMIC FINANCING AND RELATED ASSETS - NET

	Note	Performing		Non-Performing		Total	
		June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
(Rupees in '000)							
Murabaha	10.1	20,925,081	24,946,574	1,631,284	523,325	22,556,365	25,469,899
Musawamah	10.2	2,304,631	2,340,333	111,944	87,295	2,416,575	2,427,628
Tijarah cum wakala	10.3	7,826,952	4,730,303	-	-	7,826,952	4,730,303
Istisna cum Wakala	10.4	12,822,640	11,462,103	742,809	546,980	13,565,449	12,009,083
Sajam	10.5	2,197,012	1,438,986	-	-	2,197,012	1,438,986
Islamic Export Refinance Scheme - SBP	10.6	9,598,305	7,057,242	-	-	9,598,305	7,057,242
Other Islamic Refinance Schemes - SBP		2,173,950	938,963	-	-	2,173,950	938,963
Wakala Istithmar		20,444,153	19,593,584	316,977	167,765	20,761,130	19,761,349
Running Musharaka financing		30,756,616	27,179,165	-	-	30,756,616	27,179,165
Shirkatulmilk - Housing	10.7	8,523,397	9,254,227	498,117	378,671	9,021,514	9,632,898
Shirkatulmilk - Autos	10.8	15,587,631	16,979,101	384,619	316,301	15,972,250	17,295,402
Shirkatulmilk - Fleet financing	10.9	6,561,424	7,649,095	298,817	182,486	6,860,241	7,831,581
Shirkatulmilk - Others	10.10	16,021,921	14,958,776	1,962,054	2,207,427	17,983,975	17,166,203
Diminishing Musharaka - Others		28,745,941	25,771,325	31,868	76,930	28,777,809	25,848,255
Staff financing		1,963,930	1,953,559	59,574	52,984	2,023,504	2,006,543
Islamic financing and related assets (gross)		186,453,584	176,253,336	6,038,063	4,540,164	192,491,647	180,793,500
Provision against Islamic financing and related assets							
Specific	10.12	-	-	(2,972,884)	(2,738,605)	(2,972,884)	(2,738,605)
General		(504,858)	(133,058)	-	-	(504,858)	(133,058)
		(504,858)	(133,058)	(2,972,884)	(2,738,605)	(3,477,742)	(2,871,663)
Islamic financing and related assets - net of provision		185,948,726	176,120,278	3,065,179	1,801,559	189,013,905	177,921,837

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
(Rupees in '000)		
10.1 Murabaha		
Financing	6,542,685	8,678,014
Inventory	14,029,691	16,082,423
Advance	1,983,989	709,462
	22,556,365	25,469,899
10.2 Musawamah		
Financing	2,376,182	2,374,564
Advance	40,393	53,064
	2,416,575	2,427,628
10.3 Tijarah cum wakala		
Financing	7,317,575	3,780,540
Inventory	509,377	949,763
	7,826,952	4,730,303
10.4 Istisna cum Wakala		
Financing	9,762,807	8,144,766
Advance	3,802,642	3,864,317
	13,565,449	12,009,083

T/A

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	-- (Rupees in '000) --	
10.5 Salam		
Financing	2,197,012	288,986
Advance	-	1,150,000
	<u>2,197,012</u>	<u>1,438,986</u>
10.6 Islamic Export Refinance Scheme - SBP		
Istisna - Advance	50,000	363,000
Istisna - Financing	693,700	-
Murabaha - Advance	155,800	-
Murabaha - Financing	95,500	-
Running Musharaka - Financing	4,990,842	3,429,900
Wakala Istithmar - Financing	3,612,463	3,264,342
	<u>9,598,305</u>	<u>7,057,242</u>
10.7 Shirkatulmilk - Housing		
Financing	9,005,514	9,578,338
Advance	16,000	54,560
	<u>9,021,514</u>	<u>9,632,898</u>
10.8 Shirkatulmilk - Autos		
Financing	15,225,122	16,943,616
Advance	747,128	351,786
	<u>15,972,250</u>	<u>17,295,402</u>
10.9 Shirkatulmilk - Fleet financing		
Financing	6,735,512	7,628,398
Advance	124,729	203,183
	<u>6,860,241</u>	<u>7,831,581</u>
10.10 Shirkatulmilk - Others		
Financing	<u>17,983,975</u>	<u>17,166,203</u>
10.11 Particulars of Islamic financing and related assets (gross)		
In local currency	191,656,875	179,838,524
In foreign currencies	834,772	954,976
	<u>192,491,647</u>	<u>180,793,500</u>

10.12 Islamic financing and related assets include Rs. 6,038.063 million (December 31, 2019: Rs. 4,540.164 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Non-Performing	Provision held	Non-Performing	Provision held
	(Rupees in '000)			
Domestic	88,149	-	53,990	-
Other Assets Especially Mentioned	208,247	23,023	467,090	57,317
Substandard	631,804	86,288	856,995	80,302
Doubtful	5,109,863	2,863,573	3,162,089	2,600,986
Loss	<u>6,038,063</u>	<u>2,972,884</u>	<u>4,540,164</u>	<u>2,738,605</u>

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10.12.1 Particulars of provision against Islamic financing and related assets:

	June 30, 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	311,497	371,800	683,297	766,561	33,325	799,886
Reversals during the period / year	(77,218)	-	(77,218)	(84,866)	-	(84,866)
	234,279	371,800	606,079	681,695	33,325	715,020
Amounts written-off	-	-	-	-	-	-
Closing balance	2,972,884	504,858	3,477,742	2,738,605	133,058	2,871,663

10.12.1.1 As allowed by the SBP, the Bank has availed benefit of Forced Sale Value (FSV) amounting to Rs.2,500 million (December 31, 2019: Rs. 961.903 million) in determining the provisioning against non performing Islamic financings as at June 30, 2020. The additional profit arising from availing the FSV benefit - net of tax as at June 30, 2020 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 1,625 million (December 31, 2019: Rs. 625.237 million).

10.12.1.2 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.

In addition, the Bank has also maintained a general provision of Rs.314 million (December 31, 2019: Nil) against financing made on prudent basis, in view of the prevailing economic conditions. This general provision is in addition to the existing requirements of Prudential Regulations.

10.13 The bank has also allowed relaxation amounting to Rs. 44,039 million in repayment of principal and / or profit in terms of SBP COVID 19 relief circulars.

	Note	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		--- (Rupees in '000) ---	
11			
FIXED ASSETS			
Capital work-in-progress	11.1	24,982	78,326
Property and equipment		1,364,317	1,244,237
Right-of-use assets		2,760,072	2,965,851
		<u>4,149,371</u>	<u>4,288,414</u>
11.1			
Capital work-in-progress			
Civil works		11,323	38,485
Equipment		13,659	39,841
		<u>24,982</u>	<u>78,326</u>
		June 30, 2020 (Un-audited)	June 30, 2019 (Un-audited)
		--- (Rupees in '000) ---	
11.2			
Additions to fixed assets			
Property and Equipment (Including transfer from CWIP)			
Furniture and fixtures		22,641	1,862
Electrical, office and computer equipment		180,116	100,486
Vehicles		-	36,991
Leasehold improvements		73,109	7,191
		<u>275,866</u>	<u>146,530</u>

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		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
12 INTANGIBLE ASSETS	<i>Note</i>	-- (Rupees in '000) --	
Capital work-in-progress	<i>12.1</i>	70,217	54,767
Computer software		215,361	149,295
		<u>285,578</u>	<u>204,062</u>
12.1 Capital work-in-progress			
Advance to suppliers		<u>70,217</u>	<u>54,767</u>
12.2 Additions to intangible assets			
Directly purchased (including transfer from CWIP)		<u>91,443</u>	<u>69,324</u>
13 OTHER ASSETS			
Profit / return accrued in local currency - net		5,432,336	3,993,851
Profit / return accrued in foreign currencies - net		148,998	74,051
Advances, deposits and other prepayments		692,708	635,908
Mark to market gain on forward foreign exchange contracts		197,472	87,102
Acceptances		2,674,764	1,718,925
Commission receivable		170,274	178,978
Others		126,467	125,181
		<u>9,443,019</u>	<u>6,813,996</u>
Less: Provision held against other assets	<i>13.1</i>	(1,746)	(1,746)
		<u>9,441,273</u>	<u>6,812,250</u>
13.1 Provision held against other assets			
Others - Trackers		<u>1,746</u>	<u>1,746</u>
14 BILLS PAYABLE			
In Pakistan		2,305,056	2,963,411
Outside Pakistan		9,590	8,896
		<u>2,314,646</u>	<u>2,972,307</u>

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		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	<i>Note</i>	— (Rupees in '000) —	
15 DUE TO FINANCIAL INSTITUTIONS			
Secured			
Musharaka from the State Bank of Pakistan			
under Islamic Export Refinance Scheme	15.1	9,250,305	6,897,280
Refinance from State Bank of Pakistan			
- under Islamic Long Term Finance Facility	15.2	1,221,592	916,623
- under Islamic Finance Facility For Renewable Energy	15.3	148,948	-
- under Payment of Wages and Salaries Refinance Scheme	15.4	763,833	-
Unsecured			
Musharka borrowings		-	1,500,000
Wakala borrowings		-	500,000
		<u>11,384,678</u>	<u>9,813,903</u>

- 15.1** These Musharaka are on a profit and loss sharing basis having maturity between July 08, 2020 to December 23, 2020 (December 31, 2019: January 07, 2020 to June 23, 2020) and are secured against demand promissory notes executed in favour 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
- 15.2** These are on a profit and loss sharing basis having maturity between September 14, 2020 to December 08, 2026 (December 31, 2019: February 02, 2024 to December 08, 2026) and are secured against demand promissory notes executed in favour 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
- 15.3** These are on a profit and loss sharing basis having maturity between February 11, 2030 to June 04, 2030 (December 31, 2019: Nil) and are secured against demand promissory notes executed in favour 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.
- 15.4** These are on a profit and loss sharing basis having maturity between October 01, 2022 to June 29, 2023 (December 31, 2019: Nil) and are secured against demand promissory notes executed in favour of the SBP. A limit of Rs. 3,353 million (December 31, 2019: Nil) has been allocated to the Bank by SBP under Islamic Refinance Scheme for payment of Wages and Salaries.

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	— (Rupees in '000) —	
15.5 Particulars of due to financial institutions with respect to currencies		
In local currency	11,384,678	9,813,903
In foreign currency	-	-
	<u>11,384,678</u>	<u>9,813,903</u>

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6 DEPOSITS AND OTHER ACCOUNTS

	June 30, 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	41,825,918	14,177,130	56,003,048	40,074,829	11,994,495	52,069,324
Savings deposits	67,577,287	7,334,137	74,911,424	64,831,358	6,610,954	71,442,312
Term deposits	41,616,841	11,440,904	53,057,745	46,860,066	11,225,086	58,085,152
Others	12,044,002	-	12,044,002	7,203,371	-	7,203,371
	163,064,048	32,952,171	196,016,219	158,969,624	29,830,535	188,800,159
Financial institutions						
Current deposits	370,239	12,801	383,040	479,337	14,087	493,424
Savings deposits	37,943,526	-	37,943,526	16,134,765	-	16,134,765
Term deposits	2,908,948	-	2,908,948	4,523,725	-	4,523,725
	41,222,713	12,801	41,235,514	21,137,827	14,087	21,151,914
	204,286,761	32,964,972	237,251,733	180,107,451	29,844,622	209,952,073

7 SUBORDINATED SUKUK

	Note	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
(Rupees in '000)			
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

- 7.1 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 JCR-VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited).
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 13.03% 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.

- 7.2 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 AA - Minus) by JCR-VIS Credit Rating Company Limited (formerly JCR-VIS Credit Rating Company Limited).
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.

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18 DEFERRED TAX LIABILITIES

June 30, 2020 (Un-audited)			
At Jan 1, 2020	Recognised in P&L	Recognised in OCI	At June 30, 2020
----- (Rupees in '000) -----			
Taxable temporary differences on:			
Accelerated tax depreciation and amortisation	17,028	(9,019)	8,009
Provision against non-performing Islamic financing and related assets	75,977	9,661	85,638
Surplus on revaluation of investments	681,275	(455,148)	226,127
	<u>774,280</u>	<u>642</u>	<u>319,774</u>
Deductible temporary differences on:			
Provision against other assets	(611)	-	(611)
Deficit on defined benefit plan	(23,502)	-	(23,502)
	<u>(24,113)</u>	<u>-</u>	<u>(24,113)</u>
	<u>750,167</u>	<u>642</u>	<u>295,661</u>

December 31, 2019 (Audited)			
At Jan 1, 2019	Recognised in P&L	Recognised in OCI	At Dec 31, 2019
----- (Rupees in '000) -----			
Taxable temporary differences on:			
Accelerated tax depreciation and amortisation	36,007	(18,979)	17,028
Provision against non-performing Islamic financing and related assets	(34,893)	110,870	75,977
Surplus / (deficit) on revaluation of investments	(441,897)	-	681,275
	<u>(440,783)</u>	<u>91,891</u>	<u>774,280</u>
Deductible temporary differences on:			
Provision against other assets	(6,273)	5,662	(611)
Deficit on defined benefit plan	(13,257)	-	(23,502)
	<u>(19,530)</u>	<u>(10,245)</u>	<u>(24,113)</u>
	<u>(460,313)</u>	<u>97,553</u>	<u>750,167</u>

June 30,
2020
(Un-audited)
December 31,
2019
(Audited)
----- (Rupees in '000) -----

19 OTHER LIABILITIES

Profit / return payable in local currency	1,862,919	2,113,271
Profit / return payable in foreign currencies	179,571	51,664
Deferred profit murabaha / musawamah income	1,648,284	1,972,074
Accrued expenses	807,200	723,721
Advance from financing customers	888,863	958,530
Mark to market loss on forward foreign exchange contracts	14,610	540,182
Acceptances	2,674,764	1,718,925
Current taxation (provisions less payments)	217,311	84,958
Security deposits against Islamic financing and related assets	60,715	38,872
Ijarah (lease) liabilities	2,600,039	2,704,620
Payable to dealers, contractors, etc.	118,478	175,114
Workers Welfare Fund payable	350,718	290,973
Withholding tax payable	50,674	47,252
Payable to Employees Old Age Benefit Institution (EOBI)	103,115	92,509
Others	603,574	354,869
	<u>12,180,835</u>	<u>11,867,534</u>

20 SURPLUS ON REVALUATION OF INVESTMENTS

Surplus on revaluation of Available-for-sale securities - net

Sukuk Certificates	646,077	1,946,499
Less: Related deferred tax liability	(226,127)	(681,275)
	<u>419,950</u>	<u>1,265,224</u>

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21 CONTINGENCIES AND COMMITMENTS

		June 30, 2020	December 31, 2019
	<i>Note</i>	(Un-audited)	(Audited)
		-- (Rupees in '000) --	
Guarantees	21.1	15,260,859	14,823,737
Commitments	21.2	33,379,997	45,469,480
		<u>48,640,856</u>	<u>60,293,217</u>
21.1 Guarantees			
Financial guarantees		24,647	24,534
Performance guarantees		4,167,716	4,080,568
Other guarantees		11,068,496	10,718,635
		<u>15,260,859</u>	<u>14,823,737</u>
21.2 Commitments			
Documentary credits and short-term trade-related transactions			
Import letters of credit		20,380,123	24,588,918
Commitments in respect of:			
- Forward foreign exchange contracts - net	21.2.1	6,845,548	14,540,146
- Islamic financing and related assets		5,923,000	5,930,387
Commitments for acquisition of:			
- Fixed assets		100,877	283,704
- Intangible assets		130,449	126,325
		<u>33,379,997</u>	<u>45,469,480</u>
21.2.1 Commitments in respect of forward foreign exchange contracts - net			
Purchase		13,948,677	29,644,778
Sale		7,103,129	15,104,632
		<u>6,845,548</u>	<u>14,540,146</u>
21.3 Tax contingencies			

The income tax authorities have amended assessment orders of the Bank for prior years including the tax year 2019. The disallowances were mainly due to reversal of provision against financing, provision against investments and Workers Welfare Fund. The Bank has filed appeals before the various appellate forums against these amendments. For the tax year 2015, tax authorities have issued a notice to amend assessment against the adjustment of minimum tax paid in prior years amounting to Rs. 211.48 million. The management of the Bank approached Sindh High Court and subsequently the Honourable Supreme Court of Pakistan against the order of the Sindh High Court. The Honourable Supreme Court of Pakistan has granted leave to appeal. The appeal is expected to be fixed soon. The management of the Bank is confident that the appeals will be decided in favour of the Bank in respect of the aforementioned matters.

T/A

	Half year ended June 30, 2020	Half year ended June 30, 2019
	(Un-audited)	
	— Rupees in '000 —	
22 PROFIT / RETURN EARNED		
On Islamic financing and related assets to customers	11,872,771	9,247,615
On investments in available-for-sale securities	2,366,360	1,819,463
On investments in held-to-maturity securities	103,939	103,939
On deposits / placements with financial institutions	621,209	510,413
	<u>14,964,279</u>	<u>11,681,430</u>
23 PROFIT / RETURN EXPENSED		
Deposits and other accounts	7,619,760	5,573,437
Subordinated sukuk	499,103	411,684
Due to financial institutions	239,409	344,822
Finance cost on Ijarah (lease) liabilities	176,278	172,647
Cost of foreign currency swaps	263,517	258,867
	<u>8,798,067</u>	<u>6,761,457</u>
24 FEE & COMMISSION INCOME		
Consumer finance related fees	266,312	328,585
Credit related fees	65,002	52,642
Investment banking fees	50,350	46,567
Branch banking customer fees	37,226	53,304
Card related fees	89,319	105,278
Commission on trade	107,052	110,568
Commission on guarantees	31,287	29,987
Commission on cash management	19,310	25,015
Commission on remittances including home remittances	9,781	7,856
Commission on bancassurance	4,770	36,062
Rebate income	46,306	54,293
Others	726	1,354
	<u>727,441</u>	<u>851,511</u>
25 GAIN ON SECURITIES		
Realised		
Federal Government securities	982	271
	<u>982</u>	<u>271</u>
26 OTHER INCOME		
Gain on sale of fixed assets - net	648	980
	<u>648</u>	<u>980</u>

2/12

27 OPERATING EXPENSES

Half year
ended June
30, 2020

Half year
ended June
30, 2019

(Un-audited)

— Rupees in '000 —

Total compensation expense

1,516,636

1,385,685

Property expense

Takaful charges
Utilities cost
Security
Repair & maintenance (including janitorial charges)
Depreciation
Depreciation on right-of-use assets

584	734
148,998	130,443
113,821	78,603
61,586	43,398
48,357	49,067
368,106	326,916
741,452	629,161

Information technology expenses

Software maintenance
Hardware maintenance
Depreciation
Amortisation
Networking and connectivity charges
Outsourced services cost
Takaful charges
Others

150,561	119,576
68,483	41,144
44,883	48,676
25,377	31,176
63,323	56,524
15,033	13,082
581	594
684	472
368,925	311,244

Other operating expenses

Directors' fee and allowances
Fees and allowances to Shari'a Board members
Legal and professional charges
Outsourced services cost
Travelling and conveyance
NIFT clearing charges
Depreciation
Training and development
Postage and courier charges
Communications
Stationary and printing
Marketing, advertising and publicity
Auditors' remuneration
Brokerage, commission and bank charges
Tracker related charges
Cash transportation charges
Repair and maintenance
Subscription fees
Takaful charges
Deposit Premium Cost
Others

4,864	3,445
6,865	7,206
29,618	11,410
55,655	44,403
20,713	24,734
18,008	15,438
61,633	63,617
7,652	3,690
17,236	16,482
104,395	70,257
59,897	40,186
57,492	44,182
2,875	3,600
190,755	137,004
80,598	87,525
50,770	47,966
45,251	41,928
9,567	9,021
29,483	17,025
50,829	60,134
135,042	111,794
1,039,198	861,047
3,666,210	3,187,137

VIA

		Half year ended June 30, 2020	Half year ended June 30, 2019
	Note	(Un-audited) — Rupees in '000 —	
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		42	3,807
29 PROVISIONS & WRITE OFFS - NET			
Provision against Islamic financing and related assets - net	10.12.1	606,079	322,094
Provision for diminution in the value of investments		-	1,815
		<u>606,079</u>	<u>323,909</u>
30 TAXATION			
Current		1,141,711	1,082,057
Prior years		-	98,367
Deferred		642	(52,356)
		<u>1,142,353</u>	<u>1,128,068</u>
31 BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		1,783,514	1,464,755
		— (Number) —	
Weighted average number of ordinary shares		1,165,228,776	1,165,228,776
		— (Rupees) —	
Earning per share - basic and diluted		1.53	1.26
32 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	6	22,718,185	24,141,671
Balance with other banks	7	1,266,273	9,348,332
Overdrawn nostros	15	-	(2,409)
		<u>23,984,458</u>	<u>33,487,594</u>

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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:

On-Balance sheet Financial Instruments	June 30, 2020 (Un-audited)						Fair Value			
	Carrying Value					Total	Level 1	Level 2	Level 3	Total
	Held to Maturity	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities					
(Rupees in '000)										
Financial assets - measured at fair value										
Investments										
Federal Government securities	-	501,150	-	-	-	501,150	-	501,150	-	501,150
Non-Government debt securities	-	48,459,614	-	-	-	48,459,614	45,073,178	3,378,000	11,436	48,459,614
Foreign securities	-	16,216,597	-	-	-	16,216,597	16,216,597	-	-	16,216,597
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	197,472	-	197,472	-	197,472	-	197,472
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	22,718,185	-	22,718,185	-	-	-	22,718,185
Balances with other banks	-	-	-	1,266,273	-	1,266,273	-	-	-	1,266,273
Due from financial institution	-	-	-	1,596,481	-	1,596,481	-	-	-	1,596,481
Investments	-	-	-	-	-	-	-	-	-	-
Islamic financings and related assets - net	-	-	189,013,905	-	-	189,013,905	-	-	-	189,013,905
Other asset	-	-	-	8,565,013	-	8,565,013	-	-	-	8,565,013
	-	65,177,361	189,013,905	34,343,424	-	288,534,690	-	-	-	288,534,690
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	14,610	14,610	-	14,610	-	14,610
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	2,314,646	2,314,646	-	-	-	2,314,646
Due to financial institutions	-	-	-	-	11,384,678	11,384,678	-	-	-	11,384,678
Deposits and other accounts	-	-	-	-	237,251,733	237,251,733	-	-	-	237,251,733
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000	-	-	-	7,120,000
Other liabilities	-	-	-	-	9,789,467	9,789,467	-	-	-	9,789,467
	7,120,000	-	-	-	260,755,134	267,875,134	-	-	-	267,875,134
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	6,845,548	-	6,845,548	-	7,028,410	-	7,028,410
December 31, 2019 (Audited)										
On-Balance sheet Financial Instruments	Carrying Value					Total	Fair Value			
	Held to Maturity	Available for Sale	Financing and receivables	Other financial assets	Other financial liabilities		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	-	-	-	19,417,428
Balances with other banks	-	-	-	1,246,953	-	1,246,953	-	-	-	1,246,953
Due from financial institution	-	-	-	5,590,405	-	5,590,405	-	-	-	5,590,405
Investments	4,000,000	-	-	-	-	4,000,000	-	-	-	4,000,000
Islamic financings and related assets - net	-	-	177,921,837	-	-	177,921,837	-	-	-	177,921,837
Other asset	-	-	-	6,098,972	-	6,098,972	-	-	-	6,098,972
	4,000,000	45,157,269	177,921,837	32,440,860	-	259,519,966	-	-	-	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	-	-	-	2,972,307
Due to financial institutions	-	-	-	-	9,813,903	9,813,903	-	-	-	9,813,903
Deposits and other accounts	-	-	-	-	209,952,073	209,952,073	-	-	-	209,952,073
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000	-	-	-	7,120,000
Other liabilities	-	-	-	-	8,838,504	8,838,504	-	-	-	8,838,504
	7,120,000	-	-	-	232,116,969	239,236,969	-	-	-	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).

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34 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	June 30, 2020 (Un-audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Condensed Interim Profit and Loss Account						
Net profit earned	4,654,601	685,523	(1,704,586)	2,649,793	(119,119)	6,166,212
Inter segment revenue - net	(3,553,464)	672,542	4,918,245	(2,155,318)	117,995	-
Other income	188,253	252,066	500,900	149,863	648	1,091,730
Total income	1,289,390	1,610,131	3,714,559	644,338	(476)	7,257,942
Segment direct expenses	(201,217)	(553,646)	(2,371,811)	(110,031)	-	(3,236,705)
Inter segment expense allocation	(51,915)	(58,135)	(355,608)	(23,633)	-	(489,291)
Total expenses	(253,132)	(611,781)	(2,727,419)	(133,664)	-	(3,725,996)
Provisions	(95,637)	(59,377)	(137,444)	-	(313,621)	(606,079)
Profit before tax	940,621	938,973	849,696	510,674	(314,097)	2,925,867
Condensed Interim Statement of Financial Position						
Cash and bank balances	-	644,784	4,260,460	1,266,273	17,812,941	23,984,458
Due from financial institutions	-	-	-	1,596,481	-	1,596,481
Investments	-	-	-	65,177,361	-	65,177,361
Net inter segment lending	-	26,311,197	104,614,569	-	9,784,180	140,709,946
Islamic financings and related assets						
- performing	108,325,067	42,991,570	33,173,017	-	1,963,930	186,453,584
- non-performing - net	1,824,755	770,686	251,444	-	(286,564)	2,560,321
Others	5,517,825	2,748,669	3,720,308	1,777,654	111,766	13,875,222
Total Assets	115,667,647	73,466,906	146,019,798	69,817,769	29,386,253	434,358,373
Due to financial institutions	7,434,640	3,950,038	-	-	-	11,384,678
Deposits & other accounts	32,351,093	65,328,250	139,443,379	129,011	-	237,251,733
Net inter segment borrowing	72,109,725	-	-	68,600,221	-	140,709,946
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	3,451,962	4,187,131	6,584,033	169,239	398,777	14,791,142
Total Liabilities	115,347,420	73,465,419	146,027,412	68,898,471	7,518,777	411,257,499
Equity	-	-	-	419,203	22,681,671	23,100,874
Total Equity and liabilities	115,347,420	73,465,419	146,027,412	69,317,674	30,200,448	434,358,373
Contingencies and Commitments	19,393,199	19,888,680	2,495,352	6,863,625	-	48,640,856
	June 30, 2019 (Un-audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Condensed Interim Profit and Loss Account						
Net profit earned	3,136,993	1,015,847	(751,180)	1,166,787	351,526	4,919,973
Inter segment revenue - net	(2,888,564)	(132,714)	4,417,770	(1,033,168)	(363,224)	-
Other income	204,190	236,398	661,335	141,423	980	1,244,326
Total income	452,519	1,119,531	4,327,925	275,042	(10,718)	6,164,299
Segment direct expenses	(226,078)	(488,739)	(2,105,696)	(60,803)	-	(2,881,316)
Inter segment expense allocation	(43,952)	(42,981)	(258,778)	(20,540)	-	(366,251)
Total expenses	(270,030)	(531,720)	(2,364,474)	(81,343)	-	(3,247,567)
Provisions	(166,177)	(51,958)	(114,677)	(1,815)	10,718	(323,909)
Profit before tax	16,312	535,853	1,848,774	191,884	-	2,592,823
	December 31, 2019 (Audited)					
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	(Rupees in '000)					
Statement of Financial Position						
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	2,875,561	14,533,028	-	60,293,217

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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:

	June 30, 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	-	12,513,994	-	-	-	12,513,994	-	83,983,617	-	-	-	83,983,617
Withdrawals during the period / year	-	(12,528,330)	-	-	-	(12,528,330)	-	(83,990,135)	-	-	-	(83,990,135)
Closing balance	-	22,272	-	-	-	22,272	-	36,608	-	-	-	36,608
Investments												
As at January 1,	-	-	-	-	-	-	1,290,092	-	-	-	-	1,290,092
Investments made during	-	-	-	-	-	-	-	-	-	-	-	-
Investments redeemed during	-	-	-	-	-	-	(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
Payments during the period / year	-	-	-	(15,689)	-	(15,689)	-	-	-	(46,365)	-	(46,365)
Adjustments *	-	-	-	11,106	-	11,106	-	-	-	(2,442)	-	(2,442)
Closing balance	-	-	-	165,316	-	165,316	-	-	-	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	-	2,615,478	29,169	226,145	152,724	3,023,516	-	2,975,721	235,914	648,021	1,540,482	5,400,138
Withdrawals during the period / year	-	(2,596,841)	(26,768)	(200,763)	(263,228)	(3,087,600)	-	(2,949,425)	(236,197)	(804,934)	(1,279,757)	(5,270,313)
Adjustments *	-	-	(453)	703	-	250	-	-	-	(22,079)	-	(22,079)
Closing balance	-	88,865	7,594	106,259	1,221,011	1,423,729	-	70,228	5,646	80,174	1,331,515	1,487,563
Other Liability												
As at January 1,	-	-	-	-	-	-	-	-	-	-	-	-
Withheld during the period / year	-	-	-	14,000	-	14,000	-	-	-	-	-	-
Paid during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	14,000	-	14,000	-	-	-	-	-	-
(Rupees in '000)												
	June 30, 2020 (Un-audited)					June 30, 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 to directors	-	-	4,864	5,185	-	10,049	-	-	3,445	6,985	-	10,430
Remuneration to key management personnel (including bonus)	-	-	-	185,701	-	185,701	-	-	-	181,590	-	181,590
Profit earned on investments	-	-	-	-	-	-	29,088	-	-	-	-	29,088
Profit earned on financings	-	-	-	6,646	-	6,646	-	-	-	6,180	-	6,180
Profit expensed on deposits	-	-	188	2,373	86,715	89,276	-	-	58	3,762	60,200	64,020
Profit expensed on other liability	-	-	-	454	-	454	-	-	-	-	-	-
Profit expensed on due to Financial Institutions	-	-	-	-	-	-	-	208,878	-	-	-	208,878
Contribution made to gratuity fund	-	-	-	-	37,200	37,200	-	-	-	-	22,016	22,016
Contribution made to provident fund	-	-	-	-	53,272	53,272	-	-	-	-	48,859	48,859
Contingencies and commitments												
Foreign currency purchase contracts	-	5,495,144	-	-	-	5,495,144	-	7,745,726	-	-	-	7,745,726
Foreign currency sale contracts	-	5,495,144	-	-	-	5,495,144	-	7,829,641	-	-	-	7,829,641

* 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 June 30, 2020.

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

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36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

June 30, December 31,
2020 2019
(Un-audited) (Audited)
----- Rupees in '000 -----

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	22,409,570	20,709,655
Eligible Additional Tier I (ADT I) Capital	3,120,000	3,120,000
Total Eligible Tier I Capital	25,529,570	23,829,655
Eligible Tier II Capital	4,924,809	5,398,283
Total Eligible Capital (Tier I + Tier II)	30,454,379	29,227,938

Risk Weighted Assets (RWAs):

Credit Risk	160,015,589	150,016,588
Market Risk	258,640	819,371
Operational Risk	19,820,569	19,820,569
Total RWAs	180,094,798	170,656,528

Common Equity Tier I Capital Adequacy Ratio

Common Equity Tier I Capital Adequacy Ratio	12.44%	12.14%
Tier I Capital Adequacy Ratio	14.18%	13.96%
Total Capital Adequacy Ratio	16.91%	17.13%

Leverage Ratio (LR):

Eligible Tier I Capital	25,529,570	23,829,655
Total Exposures	350,421,840	311,597,281
Leverage Ratio	7.29%	7.65%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	61,781,485	55,984,443
Total Net Cash Outflow	27,680,858	27,417,495
Liquidity Coverage Ratio	223.19%	204.19%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	241,660,399	212,998,329
Total Required Stable Funding	208,722,640	195,663,912
Net Stable Funding Ratio	115.78%	108.86%

F/A


37 DATE OF AUTHORISATION FOR ISSUE

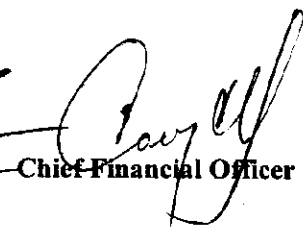
This condensed interim financial information was authorised for issue on 20 JUL 2020 by the Board of Directors of the Bank.


38 GENERAL

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

R/A


President & CEO


Chief Financial Officer


Director


Director


Director