

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Financial Position
As at March 31, 2021

		March 31, 2021 (Un-audited) ----- Rupees in '000 -----	December 31, 2020 (Audited)
	Note		
ASSETS			
Cash and balances with treasury banks	6	20,727,036	19,096,891
Balances with other banks	7	823,532	3,279,935
Due from financial institutions	8	4,582,758	2,397,516
Investments	9	73,068,626	66,579,570
Islamic financing and related assets	10	204,628,628	199,416,405
Fixed assets	11	3,931,857	3,685,492
Intangible assets	12	365,849	321,916
Deferred tax assets		-	-
Other assets	13	9,225,246	8,484,438
		317,353,532	303,262,163
LIABILITIES			
Bills payable	14	3,772,335	4,246,241
Due to financial institutions	15	23,465,867	17,350,949
Deposits and other accounts	16	245,167,154	237,553,365
Subordinated sukuk	17	7,120,000	7,120,000
Deferred tax liabilities	18	117,339	353,054
Other liabilities	19	12,438,635	12,014,856
		292,081,330	278,638,465
NET ASSETS		25,272,202	24,623,698
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		2,634,765	2,474,851
Surplus on revaluation of investments	20	674,280	825,345
Unappropriated profit		10,310,869	9,671,214
		25,272,202	24,623,698
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, 2021

	<i>Note</i>	March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
Profit / return earned	22	5,339,700	7,706,098
Profit / return expensed	23	(2,541,202)	(4,786,131)
Net Profit / return		2,798,498	2,919,967
OTHER INCOME			
Fee and commission income	24	476,976	374,728
Dividend income		-	-
Foreign exchange income		268,839	155,703
Gain on securities	25	12,300	-
Other (loss) / income	26	(3,178)	274
Total other income		754,937	530,705
Total income		3,553,435	3,450,672
OTHER EXPENSES			
Operating expenses	27	(1,893,793)	(1,875,827)
Workers Welfare Fund		(35,661)	(30,267)
Other charges	28	(20)	(42)
Total other expenses		(1,929,474)	(1,906,136)
Profit before provisions		1,623,961	1,544,536
Provisions and write offs - net	29	(283,387)	(107,870)
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		1,340,574	1,436,666
Taxation	30	(541,005)	(561,728)
PROFIT AFTER TAXATION		799,569	874,938
----- Rupee -----			
Basic & diluted earnings per share	31	0.69	0.75

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

President & CEO

Chief Financial Officer

Director

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Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the quarter ended March 31, 2021

	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
Profit after taxation for the period	799,569	874,938
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in revaluation of investments - net of tax	(151,065)	(1,297,678)
Total comprehensive income / (loss)	648,504	(422,740)

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, 2021

	Share capital	Statutory reserve	Surplus on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
Balance as at January 01, 2020	11,652,288	1,896,073	1,265,224	7,349,049	22,162,634
Total Comprehensive income for the quarter					
Profit after taxation	-	-	-	874,938	874,938
Other comprehensive loss - 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	11,652,288	2,071,061	(32,454)	8,048,999	21,739,894
Total Comprehensive income for the nine months period ended					
Profit after taxation	-	-	-	2,018,953	2,018,953
Other comprehensive income - net of tax	-	-	857,799	7,052	864,851
	-	-	857,799	2,026,005	2,883,804
Transfer to statutory reserve	-	403,790	-	(403,790)	-
Balance as at December 31, 2020	11,652,288	2,474,851	825,345	9,671,214	24,623,698
Total Comprehensive income for the quarter					
Profit after taxation	-	-	-	799,569	799,569
Other comprehensive loss - net of tax	-	-	(151,065)	-	(151,065)
	-	-	(151,065)	799,569	648,504
Transfer to statutory reserve	-	159,914	-	(159,914)	-
Balance as at March 31, 2021	11,652,288	2,634,765	674,280	10,310,869	25,272,202

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, 2021

	Note	March 31, 2021 ----- Rupees in '000 -----	March 31, 2020
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,340,574	1,436,666
Adjustments for:			
Depreciation	27	90,001	77,076
Depreciation on right-of-use assets	27	206,255	175,511
Amortisation	27	15,900	13,166
Finance cost on Ijarah (lease) liabilities	23	73,250	89,097
Gain on securities	25	(12,300)	-
Loss / (gain) on sale of fixed assets	26	3,178	(274)
Provisions and write offs - net	29	283,387	107,870
		<u>659,671</u>	<u>462,446</u>
		2,000,245	1,899,112
Increase in operating assets			
Due from financial institutions		(2,185,242)	(3,931,547)
Islamic financing and related assets		(5,497,356)	(4,140,964)
Others assets (excluding current taxation)		(679,456)	(2,124,215)
		<u>(8,362,054)</u>	<u>(10,196,726)</u>
(Decrease) / increase in operating liabilities			
Bills payable		(473,906)	(835,338)
Due to financial institutions		6,089,111	(911,771)
Deposits and other accounts		7,613,789	16,418,319
Other liabilities		99,154	(162,612)
		<u>13,328,148</u>	<u>14,508,598</u>
		6,966,339	6,210,984
Income taxes paid		(467,248)	(473,881)
Net cash generated from operating activities		<u>6,499,091</u>	<u>5,737,103</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(6,709,163)	(6,355,636)
Investments in fixed assets		(113,364)	(143,057)
Proceeds from sale of fixed assets		2,819	550
Investments in intangible assets		(59,834)	(31,940)
Net cash flow used in investing activities		<u>(6,879,542)</u>	<u>(6,530,083)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of Ijarah (lease) liabilities against right-of-use assets		(471,614)	(206,108)
Decrease in cash and cash equivalents		<u>(852,065)</u>	<u>(999,088)</u>
Cash and cash equivalents at beginning of the period		22,376,826	20,664,381
Cash and cash equivalents at end of the period	32	<u>21,524,761</u>	<u>19,665,293</u>

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

President & CEO

Chief Financial Officer

Director

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Dubai Islamic Bank Pakistan Limited

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

For the quarter ended March 31, 2021

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 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.
- 1.3** 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 as at March 31, 2021 (December 31, 2020: 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, 2020. 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.

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 audited financial statements of the Bank for the year ended December 31, 2020.

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

There are certain other new and amended standards that became effective during the period (enumerated in note 2 to the annual audited financial statements of the Bank for the year 2020). However, such standards did not have any significant effect on this condensed interim financial information. 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. Pakistan Banks' Association has approached SBP for deferment of IFRS 9, pending the finalization of draft guidelines by SBP for the implementation of IFRS 9. Accordingly, the Bank has not adopted IFRS 9 in this condensed interim financial statements.

3.2.2 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 (enumerated in note 2 to the annual audited financial statements of the Bank for the year 2020) and are not expected to have any material impact on the Bank's condensed interim financial information in the period of their initial application.

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

All critical accounting estimates adopted in the preparation of this condensed interim financial information is the same as that applied in the preparation of the annual audited financial statements for the year ended December 31, 2020.

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, 2020. 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.

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		3,720,456	3,459,311
- foreign currencies		2,690,267	2,256,361
		<u>6,410,723</u>	<u>5,715,672</u>
With State Bank of Pakistan in			
- local currency current accounts	6.1	10,038,199	8,784,631
- foreign currency current accounts		15,464	72,420
- foreign currency deposit accounts			
- Cash reserve account	6.2	1,588,766	1,694,325
- Special cash reserve account	6.2	1,906,412	2,033,078
		<u>3,495,178</u>	<u>3,727,403</u>
With National Bank of Pakistan in			
- local currency current accounts		767,472	796,765
		<u>20,727,036</u>	<u>19,096,891</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.

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- in local currency current account		481,917	943,830
- in foreign currency current account		2,347	277
- in local currency deposit account		-	10
		<u>484,264</u>	<u>944,117</u>
Outside Pakistan			
- in current account	7.1	339,268	2,335,818
		<u>823,532</u>	<u>3,279,935</u>

7.1 This includes an amount of Rs. 14.51 million (December 31, 2020: Rs. 51.82 million) deposited with the holding company.

		March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
8 DUE FROM FINANCIAL INSTITUTIONS			
Wakalah	8.1	4,582,758	2,397,516
		<u>4,582,758</u>	<u>2,397,516</u>

8.1 These carry expected yield ranging from 0.09% to 0.18% (December 31, 2020: 0.02%) per annum with maturities upto April 02, 2021 (December 31, 2020: January 04, 2021).

9 INVESTMENTS

9.1 Investments by types:	March 31, 2021 (Un-audited)				December 31, 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----								
Available-for-sale securities								
Federal Government securities	5,340,360	-	33,550	5,373,910	1,500,000	-	(400)	1,499,600
Non-Government debt securities	44,003,645	(89,316)	1,169,029	45,083,358	45,623,504	(89,316)	1,212,713	46,746,901
Foreign securities	22,776,583	-	(165,225)	22,611,358	18,275,621	-	57,448	18,333,069
Total investments	72,120,588	(89,316)	1,037,354	73,068,626	65,399,125	(89,316)	1,269,761	66,579,570

9.2 Provision for diminution in value of investments	Note	March 31, 2021 (Un-audited) ----- (Rupees in '000) -----	December 31, 2020 (Audited)
Opening balance		89,316	77,881
Charge for the period / year		-	11,435
Closing balance	9.2.1	<u>89,316</u>	<u>89,316</u>

9.2.1 Particulars of provision against debt securities

Category of classification	March 31, 2021 (Un-audited)		December 31, 2020 (Audited)	
	*NPI	Provision	*NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	89,316	89,316	89,316	89,316
	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>
Overseas	-	-	-	-
Total	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>

* NPI stands for non-performing investments.

		Performing		Non-Performing		Total	
		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Note		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
----- (Rupees in '000) -----							
Murabaha	10.1	20,998,886	22,207,236	1,518,409	1,564,003	22,517,295	23,771,239
Musawamah	10.2	3,021,746	2,839,456	141,416	117,761	3,163,162	2,957,217
Tijarah cum wakala	10.3	6,741,420	5,578,464	-	-	6,741,420	5,578,464
Istisna cum Wakala	10.4	12,001,696	13,177,273	651,479	714,160	12,653,175	13,891,433
Salam	10.5	3,023,239	1,994,493	-	-	3,023,239	1,994,493
Islamic Export Refinance Scheme - SBP	10.6	12,283,589	11,021,716	148,500	-	12,432,089	11,021,716
Other Islamic Refinance Schemes - SBP	10.7	8,199,874	7,818,593	-	-	8,199,874	7,818,593
Wakala Istithmar		22,866,869	21,581,515	315,927	316,413	23,182,796	21,897,928
Running Musharaka financing		29,616,714	31,057,053	658,701	-	30,275,415	31,057,053
Shirkatulmilk - Housing	10.8	9,757,659	8,926,567	452,236	397,772	10,209,895	9,324,339
Shirkatulmilk - Autos	10.9	21,786,253	19,306,168	371,088	328,295	22,157,341	19,634,463
Shirkatulmilk - Fleet financing	10.10	6,516,330	6,446,582	159,608	274,945	6,675,938	6,721,527
Shirkatulmilk - Others	10.11	15,071,937	14,967,156	1,490,345	1,898,143	16,562,282	16,865,299
Diminishing Musharaka - Others		29,242,381	29,671,794	645,580	27,159	29,887,961	29,698,953
Staff financing		2,166,258	2,130,373	61,090	48,784	2,227,348	2,179,157
Islamic financing and related assets (gross)		203,294,851	198,724,439	6,614,379	5,687,435	209,909,230	204,411,874
Provision against Islamic financing and related assets							
Specific	10.13	-	-	(3,360,091)	(3,082,610)	(3,360,091)	(3,082,610)
General		(1,920,511)	(1,912,859)	-	-	(1,920,511)	(1,912,859)
		(1,920,511)	(1,912,859)	(3,360,091)	(3,082,610)	(5,280,602)	(4,995,469)
Islamic financing and related assets							
- net of provision		201,374,340	196,811,580	3,254,288	2,604,825	204,628,628	199,416,405

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
--- (Rupees in '000) ---		
10.1 Murabaha		
Financing	5,384,164	5,615,009
Inventory	15,795,594	17,458,558
Advance	1,337,537	697,672
	<u>22,517,295</u>	<u>23,771,239</u>
10.2 Musawamah		
Financing	3,064,185	2,858,989
Advance	98,977	98,228
	<u>3,163,162</u>	<u>2,957,217</u>
10.3 Tijarah cum wakala		
Financing	5,505,944	5,271,282
Inventory	1,235,476	307,182
	<u>6,741,420</u>	<u>5,578,464</u>
10.4 Istisna cum Wakala		
Financing	9,840,988	9,739,691
Advance	2,812,187	4,151,742
	<u>12,653,175</u>	<u>13,891,433</u>
10.5 Salam		
Financing	2,967,749	289,498
Advance	55,490	1,704,995
	<u>3,023,239</u>	<u>1,994,493</u>
10.6 Islamic Export Refinance Scheme - SBP		
Istisna - Advance	82,400	66,100
Istisna - Financing	330,000	590,000
Running Musharaka - Financing	5,543,190	5,081,800
Wakala Istithmar - Financing	6,177,943	5,051,043
Murabaha - Advance	68,200	155,830
Murabaha - Financing	230,356	76,943
	<u>12,432,089</u>	<u>11,021,716</u>

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	--- (Rupees in '000) ---	
10.7 Other Islamic Refinance Schemes - SBP		
Islamic Long Term Financing Facility		
-Diminishing Musharaka - Financing	2,614,640	2,253,306
Payment of Wages and Salaries Refinance Scheme		
-Shirkatulmilk - Financing	3,291,956	3,622,962
-Running Musharaka - Financing	954,162	1,090,470
-Murabaha - Financing	192,086	124,595
-Murabaha - Advance	-	84,865
Islamic Financing Facility for Combating COVID 19		
-Musharaka - Financing	403,212	372,593
Islamic Finance Facility For Renewable Energy		
-Diminishing Musharaka - Financing	280,236	248,638
Islamic Temporary Economic Refinance Facility		
-Musharaka - Financing	404,609	21,164
-Shirkatulmilk - Financing	58,973	-
	<u>8,199,874</u>	<u>7,818,593</u>
10.8 Shirkatulmilk - Housing		
Financing	9,373,623	9,197,469
Advance	836,272	126,870
	<u>10,209,895</u>	<u>9,324,339</u>
10.9 Shirkatulmilk - Autos		
Financing	18,597,693	17,074,482
Advance	3,559,648	2,559,981
	<u>22,157,341</u>	<u>19,634,463</u>
10.10 Shirkatulmilk - Fleet financing		
Financing	5,718,276	6,249,580
Advance	957,662	471,947
	<u>6,675,938</u>	<u>6,721,527</u>
10.11 Shirkatulmilk - Others		
Financing	<u>16,562,282</u>	<u>16,865,299</u>
10.12 Particulars of Islamic financing and related assets (gross)		
In local currency	209,048,733	203,870,742
In foreign currencies	860,497	541,132
	<u>209,909,230</u>	<u>204,411,874</u>

10.13 Islamic financing and related assets include Rs. 6,614.379 million (December 31, 2020: Rs. 5,687.435 million) which have been placed under non-performing status as detailed below:

	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)	
Category of Classification	Non-Performing	Provision held	Non-Performing Provision held
	----- (Rupees in '000) -----		
Domestic			
Other Assets Especially Mentioned	101,053	-	3,553 -
Substandard	307,392	64,515	50,540 8,584
Doubtful	1,388,711	543,792	260,698 12,989
Loss	4,817,223	2,751,784	5,372,644 3,061,037
	<u>6,614,379</u>	<u>3,360,091</u>	<u>5,687,435</u> <u>3,082,610</u>

10.14 Particulars of provision against Islamic financing and related assets:

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	3,082,610	1,912,859	4,995,469	2,738,605	133,058	2,871,663
Charge for the period / year	674,593	7,652	682,245	551,435	1,779,801	2,331,236
Reversals during the period / year	(397,112)	-	(397,112)	(207,430)	-	(207,430)
	277,481	7,652	285,133	344,005	1,779,801	2,123,806
Amounts written-off	-	-	-	-	-	-
Closing balance	3,360,091	1,920,511	5,280,602	3,082,610	1,912,859	4,995,469

10.14.1 As allowed by the SBP, the Bank has availed benefit of Forced Sale Value (FSV) amounting to Rs.2,224.04 million (December 31, 2020: Rs. 2,428.75 million) in determining the provisioning against non performing Islamic financings as at March 31, 2021. The additional profit arising from availing the FSV benefit - net of tax as at March 31, 2021 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 1,445.62 million (December 31, 2020: Rs. 1,578.69 million).

10.14.2 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 to the existing general provision requirement under prudential regulation, the Bank has also maintained a general provision of Rs.1,764 million (December 31, 2020: Rs.1,764 million) against financing made on prudent basis, in view of the prevailing economic conditions.

	Note	March 31, 2021 (Un-audited)	December 31, 2020 (Audited)
		--- (Rupees in '000) ---	
11 FIXED ASSETS			
Capital work-in-progress	11.1	33,979	49,485
Property and equipment		1,393,692	1,360,840
Right-of-use assets		2,504,186	2,275,167
		<u>3,931,857</u>	<u>3,685,492</u>
11.1 Capital work-in-progress			
Civil works		11,405	7,453
Equipment		22,574	42,032
		<u>33,979</u>	<u>49,485</u>
11.2 Additions to fixed assets			
Furniture and fixtures		11,227	19,367
Electrical, office and computer equipment		93,243	120,157
Leasehold improvements		24,400	53,438
		<u>128,870</u>	<u>192,962</u>
12 INTANGIBLE ASSETS			
Capital work-in-progress - Advance to suppliers		75,530	97,215
Computer software		290,319	224,701
		<u>365,849</u>	<u>321,916</u>

		March 31, 2021 (Un-audited) --- (Rupees in '000) ---	March 31, 2020 (Audited) --- (Rupees in '000) ---
12.2	Additions to intangible assets		
	Directly purchased	<u>81,519</u>	<u>27,107</u>
13	OTHER ASSETS		
	Profit / return accrued in local currency - net	4,766,649	4,186,904
	Profit / return accrued in foreign currencies - net	195,438	125,053
	Advances, deposits and other prepayments	1,283,138	1,252,297
	Mark to market gain on forward foreign exchange contracts	135,344	103,621
	Current taxation (payments less provisions)	11,818	239,947
	Acceptances	2,636,978	2,349,243
	Commission receivable	98,278	100,036
	Others	97,603	129,083
		<u>9,225,246</u>	<u>8,486,184</u>
	Less: Provision held against other assets	-	(1,746)
		<u>9,225,246</u>	<u>8,484,438</u>
14	BILLS PAYABLE		
	In Pakistan	3,764,642	4,238,196
	Outside Pakistan	7,693	8,045
		<u>3,772,335</u>	<u>4,246,241</u>
15	DUE TO FINANCIAL INSTITUTIONS		
	Secured		
	Musharaka from the State Bank of Pakistan under Islamic Export Refinance Scheme	12,097,689	9,402,906
	Investment from the State Bank of Pakistan under Islamic Long Term Financing Facility	2,436,323	2,122,770
	under Payment of Wages and Salaries Refinance Scheme	4,439,494	4,916,563
	under Islamic Financing Facility for Combating COVID 19	297,593	260,000
	under Islamic Finance Facility For Renewable Energy	273,535	148,710
	under Islamic Temporary Economic Refinance Facility	295,426	-
	Unsecured		
	Musharaka acceptance	3,000,000	500,000
	Wakala acceptance	600,000	-
	Overdrawn nostros	25,807	-
		<u>23,465,867</u>	<u>17,350,949</u>
15.1	Particulars of due to financial institutions with respect to currencies		
	In local currency	23,440,060	17,350,949
	In foreign currencies	25,807	-
		<u>23,465,867</u>	<u>17,350,949</u>

16 DEPOSITS AND OTHER ACCOUNTS

	March 31, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	52,746,647	13,816,034	66,562,681	53,425,406	14,133,682	67,559,088
Savings deposits	82,737,694	7,868,905	90,606,599	80,408,915	9,175,796	89,584,711
Term deposits	29,208,133	10,000,245	39,208,378	37,172,369	10,717,224	47,889,593
Others	9,463,868	-	9,463,868	8,784,309	-	8,784,309
	174,156,342	31,685,184	205,841,526	179,790,999	34,026,702	213,817,701
Financial institutions						
Current deposits	308,061	31,089	339,150	316,442	52,549	368,991
Savings deposits	31,836,930	-	31,836,930	17,799,775	-	17,799,775
Term deposits	7,149,548	-	7,149,548	5,566,898	-	5,566,898
	39,294,539	31,089	39,325,628	23,683,115	52,549	23,735,664
	213,450,881	31,716,273	245,167,154	203,474,114	34,079,251	237,553,365

Note

March 31,
2021
(Un-audited)
---- (Rupees in '000) ----

December 31,
2020
(Audited)

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 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 9.04% 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 AA - Minus) by 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 7.85% 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

Taxable temporary differences on:

Surplus on revaluation of investments

Deductible temporary differences on:

Accelerated tax depreciation and amortisation

Provision against non-performing Islamic

financing and related assets

Provision against other assets

Deficit on defined benefit plan

March 31, 2021 (Un-audited)			
At Jan 1, 2021	Recognised in P&L	Recognised in OCI	At March 31, 2021
----- (Rupees in '000) -----			
444,416	-	(81,342)	363,074
444,416	-	(81,342)	363,074
695	(11,763)	-	(11,068)
(71,741)	(143,221)	-	(214,962)
(611)	611	-	-
(19,705)	-	-	(19,705)
(91,362)	(154,373)	-	(245,735)
353,054	(154,373)	(81,342)	117,339

December 31, 2020 (Audited)

At Jan 1, 2020	Recognised in P&L	Recognised in OCI	At Dec 31, 2020
----- (Rupees in '000) -----			
17,028	(16,333)	-	695
681,275	-	(236,859)	444,416
698,303	(16,333)	(236,859)	445,111
75,977	(147,718)	-	(71,741)
(611)	-	-	(611)
(23,502)	-	3,797	(19,705)
51,864	(147,718)	3,797	(92,057)
750,167	(164,051)	(233,062)	353,054

March 31, 2021 (Un-audited) December 31, 2020 (Audited)
--- (Rupees in '000) ---

19 OTHER LIABILITIES

Profit / return payable in local currency	1,094,293	1,105,687
Profit / return payable in foreign currencies	42,884	52,108
Deferred income murabaha / musawamah	1,774,813	1,859,707
Accrued expenses	535,095	739,702
Advance from financing customers	1,151,171	1,030,405
Mark to market loss on forward foreign exchange contracts	162,022	29,688
Acceptances	2,636,978	2,349,243
Security deposits against Islamic financing and related assets	249,337	198,691
Ijarah (lease) liabilities	2,353,895	2,317,006
Payable to dealers, contractors, etc.	1,300,441	957,794
Workers Welfare Fund payable	424,725	389,065
Payable to Employees Old Age Benefit Institution (EOBI)	119,671	114,237
Others	593,310	871,523
	12,438,635	12,014,856

20 SURPLUS ON REVALUATION OF INVESTMENTS

Surplus on revaluation of Available-for-sale securities

Sukuk certificates	1,037,354	1,269,761
Less: Related deferred tax liability	(363,074)	(444,416)
	674,280	825,345

21 CONTINGENCIES AND COMMITMENTS

		March 31, 2021 (Un-audited) --- (Rupees in '000) ---	December 31, 2020 (Audited)
	Note		
Guarantees	21.1	15,624,652	16,431,358
Commitments	21.2	41,449,783	35,378,273
Other contingent liabilities	21.3	211,480	211,480
		<u>57,285,915</u>	<u>52,021,111</u>
21.1 Guarantees			
Financial guarantees		26,647	26,647
Performance guarantees		5,328,381	5,537,835
Other guarantees		10,269,624	10,866,876
		<u>15,624,652</u>	<u>16,431,358</u>
21.2 Commitments			
Documentary credits and short-term trade-related transactions			
Import letters of credit		39,082,891	24,712,924
Commitments in respect of:			
- Forward foreign exchange contracts - net	21.2.1	(3,739,001)	4,516,172
- Islamic financing and related assets		5,790,000	5,744,000
Commitments for acquisition of:			
- Fixed assets		165,492	252,413
- Intangible assets		150,401	152,764
		<u>41,449,783</u>	<u>35,378,273</u>
21.2.1 Commitments in respect of forward foreign exchange contracts - net			
Purchase		9,604,871	14,577,741
Sale		(13,343,872)	(10,061,569)
		<u>(3,739,001)</u>	<u>4,516,172</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.

	March 31, 2021	March 31, 2020
	(Un-audited)	
	----- Rupees in '000 -----	
22 PROFIT / RETURN EARNED		
On Islamic financing and related assets to customers	4,204,847	6,147,316
On investments in available-for-sale securities	1,119,600	1,135,194
On investments in held-to-maturity securities	-	52,256
On deposits / placements with financial institutions	15,253	371,332
	<u>5,339,700</u>	<u>7,706,098</u>
23 PROFIT / RETURN EXPENSED		
Deposits and other accounts	2,156,128	4,178,174
Subordinated sukuk	146,201	258,131
Due to financial institutions	181,999	60,290
Finance cost on Ijarah (lease) liabilities	73,250	89,097
Cost of foreign currency swaps	(16,376)	200,439
	<u>2,541,202</u>	<u>4,786,131</u>
24 FEE & COMMISSION INCOME		
Consumer finance related fees	147,730	148,588
Credit related fees	45,275	45,772
Investment banking fees	23,670	3,500
Branch banking customer fees	28,089	19,215
Card related fees	51,786	48,589
Commission on trade	105,625	49,374
Commission on guarantees	17,798	18,130
Commission on cash management	11,684	9,354
Commission on remittances including home remittances	3,974	4,454
Commission on bancassurance	7,862	2,876
Rebate income	33,035	24,440
Others	448	436
	<u>476,976</u>	<u>374,728</u>
25 GAIN ON SECURITIES		
Realised		
Debt securities	12,300	-
26 OTHER (LOSS) / INCOME		
(Loss) / gain on sale of fixed assets - net	(3,178)	274

27 **OPERATING EXPENSES**

March 31, March 31,
2021 2020
(Un-audited)
----- Rupees in '000 -----

Total compensation expense 761,139 738,795

Property expense

Takaful charges	247	305
Utilities cost	73,340	100,095
Security	58,251	57,428
Repair & maintenance (including janitorial charges)	34,739	31,483
Depreciation	23,518	23,688
Depreciation on right-of-use assets	206,255	175,511
	396,350	388,510

Information technology expenses

Software maintenance	78,679	74,918
Hardware maintenance	36,396	35,134
Depreciation	30,160	22,294
Amortisation	15,900	13,166
Networking and connectivity charges	38,436	31,679
Outsourced services cost	8,387	7,500
Takaful charges	314	272
Others	935	350
	209,207	185,313

Other operating expenses

Directors' fee and allowances	3,161	2,429
Fees and allowances to Shari'a Board members	3,226	3,682
Legal and professional charges	6,843	13,222
Outsourced services cost	25,108	24,534
Travelling and conveyance	4,567	15,657
NIFT clearing charges	8,402	8,932
Depreciation	36,323	31,094
Training and development	2,789	1,716
Postage and courier charges	8,826	8,760
Communications	51,395	54,429
Stationary and printing	23,750	33,695
Marketing, advertising and publicity	31,181	29,174
Auditors' remuneration	1,800	1,800
Brokerage, commission and bank charges	97,751	105,626
Tracker related charges	42,455	42,732
Cash transportation charges	60,787	27,356
Repair and maintenance	24,617	23,956
Subscription fees	4,491	5,168
Takaful charges	14,907	15,981
Deposit premium cost	30,559	30,067
Others	44,159	83,199
	527,097	563,209
	1,893,793	1,875,827

		March 31, 2021	March 31, 2020
	<i>Note</i>	(Un-audited)	
		----- Rupees in '000 -----	
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		<u><u>20</u></u>	<u><u>42</u></u>
29 PROVISIONS & WRITE OFFS - NET			
Provision against Islamic financing and related assets - net	10.14	<u><u>285,133</u></u>	<u><u>107,870</u></u>
Reversal of provision against other assets		<u><u>(1,746)</u></u>	<u><u>-</u></u>
		<u><u>283,387</u></u>	<u><u>107,870</u></u>
30 TAXATION			
Current		<u><u>695,378</u></u>	<u><u>577,360</u></u>
Deferred		<u><u>(154,373)</u></u>	<u><u>(15,632)</u></u>
		<u><u>541,005</u></u>	<u><u>561,728</u></u>
31 BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		<u><u>799,569</u></u>	<u><u>874,938</u></u>
		---- (Number) ----	
Weighted average number of ordinary shares		<u><u>1,165,228,776</u></u>	<u><u>1,165,228,776</u></u>
		---- (Rupees) ----	
Earning per share - basic and diluted		<u><u>0.69</u></u>	<u><u>0.75</u></u>
32 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	6	<u><u>20,727,036</u></u>	<u><u>18,841,982</u></u>
Balance with other banks	7	<u><u>823,532</u></u>	<u><u>823,380</u></u>
Overdrawn nostros	15	<u><u>(25,807)</u></u>	<u><u>(69)</u></u>
		<u><u>21,524,761</u></u>	<u><u>19,665,293</u></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, 2021 (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	-	4,533,550	-	-	-	4,533,550	-	4,533,550	-	4,533,550
Non-Government debt securities	-	45,083,358	-	-	-	45,083,358	41,545,858	3,537,500	-	45,083,358
Foreign securities	-	22,611,358	-	-	-	22,611,358	22,611,358	-	-	22,611,358
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	135,344	-	135,344	-	135,344	-	135,344
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	20,727,036	-	20,727,036				
Balances with other banks	-	-	-	823,532	-	823,532				
Due from financial institution	-	-	-	4,582,758	-	4,582,758				
Investments	-	840,360	-	-	-	840,360				
Islamic financings and related assets - net	-	-	204,628,628	-	-	204,628,628				
Other asset	-	-	-	8,302,245	-	8,302,245				
	-	73,068,626	204,628,628	34,570,915	-	312,268,169				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	162,022	162,022	-	162,022	-	162,022
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	3,772,335	3,772,335				
Due to financial institutions	-	-	-	-	23,465,867	23,465,867				
Deposits and other accounts	-	-	-	-	245,167,154	245,167,154				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	9,876,460	9,876,460				
	7,120,000	-	-	-	282,443,838	289,563,838				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	(3,739,001)	-	(3,739,001)	-	(3,765,679)	-	(3,765,679)
December 31, 2020 (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	-	1,499,600	-	-	-	1,499,600	-	1,499,600	-	1,499,600
Non-Government debt securities	-	46,746,901	-	-	-	46,746,901	43,709,401	3,037,500	-	46,746,901
Foreign securities	-	18,333,069	-	-	-	18,333,069	18,333,069	-	-	18,333,069
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	103,621	-	103,621	-	103,621	-	103,621
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	19,096,891	-	19,096,891				
Balances with other banks	-	-	-	3,279,935	-	3,279,935				
Due from financial institution	-	-	-	2,397,516	-	2,397,516				
Investments	-	-	-	-	-	-				
Islamic financings and related assets - net	-	-	199,416,405	-	-	199,416,405				
Other asset	-	-	-	7,520,987	-	7,520,987				
	-	66,579,570	199,416,405	32,398,950	-	298,394,925				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	29,688	29,688	-	29,688	-	29,688
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	4,246,241	4,246,241				
Due to financial institutions	-	-	-	-	17,350,949	17,350,949				
Deposits and other accounts	-	-	-	-	237,553,365	237,553,365				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	9,560,376	9,560,376				
	7,120,000	-	-	-	268,740,619	275,860,619				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts - net	-	-	-	4,516,172	-	4,516,172	-	4,590,105	-	4,590,105

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).

March 31, 2021 (Un-audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
(Rupees in '000)						
Condensed Interim Profit and Loss Account						
Net profit earned	1,549,944	360,167	(98,924)	1,113,273	(125,962)	2,798,498
Inter segment revenue - net	(1,187,835)	309,864	1,722,887	(973,281)	128,365	-
Other income	114,340	166,335	381,094	96,310	(3,142)	754,937
Total income	476,449	836,366	2,005,057	236,302	(739)	3,553,435
Segment direct expenses	(105,097)	(336,958)	(1,221,662)	(34,534)	(1,746)	(1,699,997)
Inter segment expense allocation	(25,200)	(27,042)	(165,451)	(11,784)	-	(229,477)
Total expenses	(130,297)	(364,000)	(1,387,113)	(46,318)	(1,746)	(1,929,474)
(Provisions) / reversal	(201,983)	(62,295)	(21,594)	-	2,485	(283,387)
Profit before tax	144,169	410,071	596,350	189,984	-	1,340,574
Condensed Interim Statement of Financial Position						
Cash and bank balances	-	915,540	5,495,182	823,532	14,316,314	21,550,568
Due from financial institutions	-	-	-	4,582,758	-	4,582,758
Investments	-	-	-	73,068,626	-	73,068,626
Net inter segment lending	-	24,791,453	99,965,123	-	15,256,149	140,012,725
Islamic financings and related assets						
- performing	109,655,090	48,619,017	40,933,975	-	2,166,258	201,374,340
- non-performing - net	2,137,455	699,445	383,989	-	33,399	3,254,288
Others	4,764,938	3,152,121	3,999,911	1,423,169	182,813	13,522,952
Total Assets	116,557,483	78,177,576	150,778,180	79,898,085	31,954,933	457,366,257
Due to financial institutions	11,373,431	8,466,630	-	3,625,806	-	23,465,867
Deposits & other accounts	36,880,824	63,930,995	144,252,347	102,988	-	245,167,154
Net inter segment borrowing	64,837,175	-	-	75,175,550	-	140,012,725
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	3,466,053	5,779,951	6,525,833	319,461	237,011	16,328,309
Total liabilities	116,557,483	78,177,576	150,778,180	79,223,805	7,357,011	432,094,055
Equity	-	-	-	674,280	24,597,922	25,272,202
Total Equity and liabilities	116,557,483	78,177,576	150,778,180	79,898,085	31,954,933	457,366,257
Contingencies and Commitments	36,532,562	23,499,609	976,717	(3,722,973)	-	57,285,915
March 31, 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	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
December 31, 2020 (Audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
(Rupees in '000)						
Statement of Financial Position						
Cash and bank balances	-	664,470	5,051,202	3,279,935	13,381,219	22,376,826
Due from financial institutions	-	-	-	2,397,516	-	2,397,516
Investments	-	-	-	66,579,570	-	66,579,570
Net inter segment lending	-	14,300,344	110,991,528	-	15,698,098	140,989,970
Islamic financings and related assets						
- performing	110,586,862	46,604,659	37,489,678	-	2,130,381	196,811,580
- non-performing - net	1,688,848	612,825	282,827	-	20,325	2,604,825
Others	4,673,747	2,727,538	3,506,127	1,346,575	237,859	12,491,846
Total Assets	116,949,457	64,909,836	157,321,362	73,603,596	31,467,882	444,252,133
Due to financial institutions	9,948,601	6,902,348	-	500,000	-	17,350,949
Deposits & other accounts	34,374,277	52,462,074	150,574,493	142,521	-	237,553,365
Net inter segment borrowing	69,113,931	-	-	71,876,039	-	140,989,970
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	3,512,648	5,545,414	6,746,869	259,691	549,529	16,614,151
Total liabilities	116,949,457	64,909,836	157,321,362	72,778,251	7,669,529	419,628,435
Equity	-	-	-	825,345	23,798,353	24,623,698
Total Equity and liabilities	116,949,457	64,909,836	157,321,362	73,603,596	31,467,882	444,252,133
Contingencies and Commitments	23,693,783	20,946,146	2,834,699	4,546,483	-	52,021,111

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 mainly 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, 2021 (Un audited)						December 31, 2020 (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	-	51,819	-	-	-	51,819	-	36,608	-	-	-	36,608
Deposited during the period / year	-	7,841,765	-	-	-	7,841,765	-	30,701,598	-	-	-	30,701,598
Withdrawals during the period / year	-	(7,879,071)	-	-	-	(7,879,071)	-	(30,686,387)	-	-	-	(30,686,387)
Closing balance	-	14,513	-	-	-	14,513	-	51,819	-	-	-	51,819
Islamic financing and related assets												
As at January 1	-	-	-	144,043	-	144,043	-	-	-	169,899	-	169,899
Disbursed during the period / year	-	-	-	27,299	-	27,299	-	-	-	18,255	-	18,255
Payments during the period / year	-	-	-	(19,866)	-	(19,866)	-	-	-	(46,694)	-	(46,694)
Adjustments *	-	-	-	7,733	-	7,733	-	-	-	2,583	-	2,583
Closing balance	-	-	-	159,209	-	159,209	-	-	-	144,043	-	144,043
Deposits and other accounts												
As at January 1	-	142,168	12,155	97,826	1,434,819	1,686,968	-	70,228	5,646	80,174	1,331,515	1,487,563
Received during the period / year	-	3,996,733	17,058	263,031	2,577,934	6,854,756	-	12,459,354	78,241	474,496	3,066,738	16,078,829
Withdrawals during the period / year	-	(4,035,972)	(8,512)	(232,248)	(2,640,573)	(6,917,305)	-	(12,387,414)	(71,279)	(456,543)	(2,963,434)	(15,878,670)
Adjustments *	-	-	-	3,102	-	3,102	-	-	(453)	(301)	-	(754)
Closing balance	-	102,929	20,701	131,711	1,372,180	1,627,521	-	142,168	12,155	97,826	1,434,819	1,686,968
Other Liability												
As at January 1,	-	-	-	12,374	-	12,374	-	-	-	-	-	-
Withheld during the period / year	-	-	-	12,070	-	12,070	-	-	-	-	13,474	13,474
Paid during the period / year	-	-	-	(3,367)	-	(3,367)	-	-	-	-	-	-
Adjustments *	-	-	-	-	-	-	-	-	-	-	(1,100)	(1,100)
Closing balance	-	-	-	21,077	-	21,077	-	-	-	-	12,374	12,374
(Rupees in '000)												
	March 31, 2021 (Un audited)						March 31, 2020 (Un audited)					
	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total
Transactions during the period												
Fees and allowances	-	-	3,161	2,976	-	6,137	-	-	2,429	2,962	-	5,391
Remuneration to key management personnel (Including bonus)	-	-	-	125,648	-	125,648	-	-	-	128,514	-	128,514
Profit earned on financings	-	-	-	1,889	-	1,889	-	-	-	3,667	-	3,667
Profit expensed on deposits	-	-	187	756	23,294	24,237	-	-	12	948	45,072	46,032
Profit expensed on other liability	-	-	-	229	-	229	-	-	-	157	-	157
Contribution made to gratuity fund	-	-	-	-	21,000	21,000	-	-	-	-	18,600	18,600
Contribution made to provident fund	-	-	-	-	29,131	29,131	-	-	-	-	26,475	26,475
Contingencies and commitments												
Foreign currency purchase contracts	-	5,778,020	-	-	-	5,778,020	-	6,125,718	-	-	-	6,125,718
Foreign currency sale contracts	-	5,778,020	-	-	-	5,778,020	-	6,113,718	-	-	-	6,113,718

* 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, 2021.

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

**CAPITAL ADEQUACY, LEVERAGE RATIO &
LIQUIDITY REQUIREMENTS**

March 31, December 31,
2021 2020
(Un-audited) (Audited)
----- Rupees in '000 -----

Minimum Capital Requirement:

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

Eligible Common Equity Tier I Capital	<u>24,244,267</u>	23,489,541
Eligible Additional Tier I Capital	<u>3,120,000</u>	3,120,000
Total Eligible Tier I Capital	<u>27,364,267</u>	26,609,541
Eligible Tier II Capital	<u>6,594,791</u>	6,738,204
Total Eligible Capital (Tier I + Tier II)	<u><u>33,959,058</u></u>	<u><u>33,347,745</u></u>

Risk Weighted Assets:

Credit Risk	<u>183,243,045</u>	173,567,219
Market Risk	<u>328,687</u>	415,765
Operational Risk	<u>23,427,513</u>	23,427,513
Total	<u><u>206,999,245</u></u>	<u><u>197,410,497</u></u>

Common Equity Tier I Capital Adequacy Ratio

11.71% 11.90%

Tier I Capital Adequacy Ratio

13.22% 13.48%

Total Capital Adequacy Ratio

16.41% 16.89%

Leverage Ratio:

Eligible Tier I Capital	<u>27,364,267</u>	26,609,541
Total Exposures	<u>377,482,948</u>	358,204,763
Leverage Ratio	<u><u>7.25%</u></u>	<u><u>7.43%</u></u>

Liquidity Coverage Ratio:

Total High Quality Liquid Assets	<u>77,218,301</u>	67,459,090
Total Net Cash Outflow	<u>44,926,140</u>	33,081,322
Liquidity Coverage Ratio	<u><u>171.88%</u></u>	<u><u>203.92%</u></u>

Net Stable Funding Ratio:

Total Available Stable Funding	<u>253,172,380</u>	248,445,467
Total Required Stable Funding	<u>227,096,960</u>	224,294,003
Net Stable Funding Ratio	<u><u>111.48%</u></u>	<u><u>110.77%</u></u>

37 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 26, 2021 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