

**Dubai Islamic Bank  
Pakistan Limited**

Condensed Interim Financial Information  
For the period ended September 30, 2021

**Dubai Islamic Bank Pakistan Limited**  
**Condensed Interim Statement of Financial Position**  
*As at September 30, 2021*

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	19,357,562	19,096,891
Balances with other banks	7	2,018,627	3,279,935
Due from financial institutions	8	3,523,946	2,397,516
Investments	9	56,741,605	66,579,570
Islamic financing and related assets	10	224,514,768	199,416,405
Fixed assets	11	4,606,436	3,685,492
Intangible assets	12	419,607	321,916
Deferred tax assets		-	-
Other assets	13	10,326,504	8,484,438
		321,509,055	303,262,163
<b>LIABILITIES</b>			
Bills payable	14	4,262,805	4,246,241
Due to financial institutions	15	29,430,312	17,350,949
Deposits and other accounts	16	238,883,237	237,553,365
Subordinated sukuk	17	7,120,000	7,120,000
Deferred tax liabilities	18	1,657	353,054
Other liabilities	19	14,660,539	12,014,856
		294,358,550	278,638,465
<b>NET ASSETS</b>		<b>27,150,505</b>	<b>24,623,698</b>
<b>REPRESENTED BY</b>			
Share capital		11,652,288	11,652,288
Reserves		3,006,074	2,474,851
Surplus on revaluation of investments	20	693,786	825,345
Unappropriated profit		11,798,357	9,671,214
		27,150,505	24,623,698
<b>CONTINGENCIES AND COMMITMENTS</b>	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 and nine-months period ended September 30, 2021

		Quarter ended September 30, 2021	Nine months period ended September 30, 2021	Quarter ended September 30, 2020	Nine months period ended September 30, 2020
Note		----- Rupees in '000 -----			
Profit / return earned	22	5,769,402	16,573,610	5,686,303	20,650,582
Profit / return expensed	23	(2,634,761)	(7,773,624)	(2,837,103)	(11,635,170)
<b>Net Profit / return</b>		<b>3,134,641</b>	<b>8,799,986</b>	<b>2,849,200</b>	<b>9,015,412</b>
<b>OTHER INCOME</b>					
Fee and commission income	24	441,054	1,419,149	401,177	1,128,618
Dividend income		-	-	-	-
Foreign exchange income		237,549	735,821	184,006	546,665
Gain on securities	25	216,324	484,692	-	982
Other income	26	4,159	1,389	161	809
<b>Total other income</b>		<b>899,086</b>	<b>2,641,051</b>	<b>585,344</b>	<b>1,677,074</b>
<b>Total income</b>		<b>4,033,727</b>	<b>11,441,037</b>	<b>3,434,544</b>	<b>10,692,486</b>
<b>OTHER EXPENSES</b>					
Operating expenses	27	(2,087,124)	(6,043,243)	(1,778,650)	(5,444,860)
Workers Welfare Fund		(38,276)	(104,534)	(22,313)	(82,057)
Other charges	28	(16)	(3,031)	(270)	(312)
<b>Total other expenses</b>		<b>(2,125,416)</b>	<b>(6,150,808)</b>	<b>(1,801,233)</b>	<b>(5,527,229)</b>
<b>Profit before provisions</b>		<b>1,908,311</b>	<b>5,290,229</b>	<b>1,633,311</b>	<b>5,165,257</b>
Provisions and write offs - net	29	(429,180)	(944,008)	(462,175)	(1,068,254)
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		<b>1,479,131</b>	<b>4,346,221</b>	<b>1,171,136</b>	<b>4,097,003</b>
Taxation	30	(578,775)	(1,690,107)	(455,720)	(1,598,073)
<b>PROFIT AFTER TAXATION</b>		<b>900,356</b>	<b>2,656,114</b>	<b>715,416</b>	<b>2,498,930</b>
----- Rupee(s) -----					
<b>Basic &amp; diluted earnings per share</b>	31	<b>0.77</b>	<b>2.28</b>	<b>0.61</b>	<b>2.14</b>

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

President & CEO

Chief Financial Officer

Director

Director

Director

# Dubai Islamic Bank Pakistan Limited

## Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter and nine-months period ended September 30, 2021

	Quarter ended September 30, 2021	Nine months period ended September 30, 2021	Quarter ended September 30, 2020	Nine months period ended September 30, 2020
	----- Rupees in '000 -----			
Profit after taxation for the period	900,356	2,656,114	715,416	2,498,930
<b>Other comprehensive loss</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in revaluation of investments - net of tax	(64,506)	(131,559)	(217,966)	(1,063,240)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Movement in defined benefit obligation	-	2,252	-	-
<b>Total comprehensive income</b>	<b>835,850</b>	<b>2,526,807</b>	<b>497,450</b>	<b>1,435,690</b>

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President & CEO

Chief Financial Officer

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Dubai Islamic Bank Pakistan Limited  
Condensed Interim Statement of Changes in Equity (Un-Audited)  
For the nine-months period ended September 30, 2021

	Share capital	Statutory reserve	Surplus on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
<b>Balance as at January 01, 2020</b>	11,652,288	1,896,073	1,265,224	7,349,049	22,162,634
<b>Total Comprehensive income for the period</b>					
Profit after taxation	-	-	-	2,498,930	2,498,930
Other comprehensive loss - net of tax	-	-	(1,063,240)	-	(1,063,240)
	-	-	(1,063,240)	2,498,930	1,435,690
Transfer to statutory reserve	-	499,786	-	(499,786)	-
<b>Balance as at September 30, 2020</b>	11,652,288	2,395,859	201,984	9,348,193	23,598,324
<b>Total Comprehensive income for the period</b>					
Profit after taxation	-	-	-	394,961	394,961
Other comprehensive income - net of tax	-	-	623,361	7,052	630,413
	-	-	623,361	402,013	1,025,374
Transfer to statutory reserve	-	78,992	-	(78,992)	-
<b>Balance as at December 31, 2020</b>	11,652,288	2,474,851	825,345	9,671,214	24,623,698
<b>Total Comprehensive income for the period</b>					
Profit after taxation	-	-	-	2,656,114	2,656,114
Other comprehensive (loss) / income - net of tax	-	-	(131,559)	2,252	(129,307)
	-	-	(131,559)	2,658,366	2,526,807
Transfer to statutory reserve	-	531,223	-	(531,223)	-
<b>Balance as at September 30, 2021</b>	<b>11,652,288</b>	<b>3,006,074</b>	<b>693,786</b>	<b>11,798,357</b>	<b>27,150,505</b>

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 Cash Flow Statement (Un-Audited)  
For the nine-months period ended September 30, 2021

		<b>Nine months period ended September 30, 2021 ----- Rupees in '000 -----</b>	<b>Nine months period ended September 30, 2020</b>
<i>Note</i>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Profit before taxation	<b>4,346,221</b>	4,097,003
	<b>Adjustments for:</b>		
	Depreciation	27 <b>242,875</b>	235,499
	Depreciation on right-of-use assets	27 <b>664,982</b>	594,463
	Amortisation	27 <b>52,410</b>	38,741
	Finance cost on Ijarah (lease) liabilities	23 <b>227,879</b>	265,631
	Gain on securities	25 <b>(484,692)</b>	(982)
	Gain on sale of fixed assets	26 <b>(1,389)</b>	(809)
	Provisions and write offs - net	29 <b>944,008</b>	1,068,254
		<b>1,646,073</b>	2,200,797
		<b>5,992,294</b>	6,297,800
	<b>Decrease / (increase) in operating assets</b>		
	Due from financial institutions	<b>(1,126,430)</b>	5,590,405
	Islamic financing and related assets	<b>(26,044,117)</b>	(10,944,258)
	Others assets	<b>(1,002,767)</b>	(2,000,171)
		<b>(28,173,314)</b>	(7,354,024)
	<b>(Decrease) / increase in operating liabilities</b>		
	Bills payable	<b>16,564</b>	(4,949)
	Due to financial institutions	<b>12,076,912</b>	7,486,400
	Deposits and other accounts	<b>1,329,872</b>	24,856,021
	Other liabilities (excluding current taxation)	<b>438,343</b>	(228,056)
		<b>13,861,691</b>	32,109,416
		<b>(8,319,329)</b>	31,053,192
	Income taxes paid	<b>(1,532,646)</b>	(1,899,356)
	<b>Net cash (used in) / generated from operating activities</b>	<b>(9,851,975)</b>	29,153,836
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Net investments in available for sale securities	<b>10,190,250</b>	(27,437,859)
	Net investments in held to maturity securities	<b>-</b>	4,000,000
	Investments in fixed assets	<b>(240,351)</b>	(323,596)
	Proceeds from sale of fixed assets	<b>19,431</b>	1,818
	Investments in intangible assets	<b>(150,102)</b>	(158,023)
	<b>Net cash generated from / (used in) investing activities</b>	<b>9,819,228</b>	(23,917,660)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Payment of Ijarah (lease) liabilities against right-of-use assets	<b>(970,341)</b>	(772,290)
	<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(1,003,088)</b>	4,463,886
	Cash and cash equivalents at beginning of the period	<b>22,376,826</b>	20,664,381
32	<b>Cash and cash equivalents at end of the period</b>	<b>21,373,738</b>	25,128,267

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

President & CEO

Chief Financial Officer

Director

Director

Director

# Dubai Islamic Bank Pakistan Limited

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

*For the nine-months period ended September 30, 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, 2021 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 September 30, 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.

#### **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. With regards to IFRS 9 implementation, the SBP vide its BPRD Circular Letter No. 24 of 2021 dated July 05, 2021 has directed the banks in Pakistan to implement IFRS 9 with effect from January 01, 2022.

## **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 are 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.



		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>			
<b>In hand</b>			
- local currency		4,911,836	3,459,311
- foreign currencies		1,240,372	2,256,361
		<u>6,152,208</u>	<u>5,715,672</u>
<b>With State Bank of Pakistan in</b>			
- local currency current accounts	6.1	9,279,344	8,784,631
- foreign currency current accounts		87,722	72,420
- foreign currency deposit accounts			
- Cash reserve account	6.2	1,514,672	1,694,325
- Special cash reserve account	6.2	1,817,486	2,033,078
		<u>3,332,158</u>	<u>3,727,403</u>
<b>With National Bank of Pakistan in</b>			
- local currency current accounts		506,130	796,765
		<u>19,357,562</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.

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7 BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
- in local currency current account		562,197	943,830
- in foreign currency current account		613	277
- in local currency deposit account		-	10
		<u>562,810</u>	<u>944,117</u>
<b>Outside Pakistan</b>			
- in current account	7.1	1,455,817	2,335,818
		<u>2,018,627</u>	<u>3,279,935</u>

**7.1** This includes an amount of Rs. 31.59 million (December 31, 2020: Rs. 51.82 million) deposited with the holding company.

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
<b>8 DUE FROM FINANCIAL INSTITUTIONS</b>			
<b>Unsecured</b>			
Wakalah	8.1	1,023,946	2,397,516
Musharaka	8.2	2,500,000	-
		<u>3,523,946</u>	<u>2,397,516</u>

**8.1** This carry expected yield of 0.05% (December 31, 2020: 0.02%) per annum with maturity at October 04, 2021 (December 31, 2020: January 04, 2021).

**8.2** These carry expected yield ranging from 7.25% to 7.5% (December 31, 2020: Nil) per annum with maturity upto October 06, 2021 (December 31, 2020: Nil).

## 9 INVESTMENTS

9.1 Investments by types:	September 30, 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) -----								
<b>Available-for-sale securities</b>								
Federal Government securities	2,519,843	-	11,890	2,531,733	1,500,000	-	(400)	1,499,600
Non-Government debt securities	43,116,660	(89,316)	1,147,103	44,174,447	45,623,504	(89,316)	1,212,713	46,746,901
Foreign securities	10,057,064	-	(21,639)	10,035,425	18,275,621	-	57,448	18,333,069
<b>Total investments</b>	<b>55,693,567</b>	<b>(89,316)</b>	<b>1,137,354</b>	<b>56,741,605</b>	<b>65,399,125</b>	<b>(89,316)</b>	<b>1,269,761</b>	<b>66,579,570</b>

9.2 Provision for diminution in value of investments	Note	September 30, 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	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	*NPI	Provision	*NPI	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
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>
<b>Overseas</b>	-	-	-	-
<b>Total</b>	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>

\* NPI stands for non-performing investments.

**10 ISLAMIC FINANCING AND RELATED ASSETS - NET**

Note		Performing		Non-Performing		Total		
		September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	
		2021	2020	2021	2020	2021	2020	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
----- (Rupees in '000) -----								
	Murabaha	10.1	21,031,839	22,207,236	379,094	1,564,003	21,410,933	23,771,239
	Musawamah	10.2	3,399,394	2,839,456	165,063	117,761	3,564,457	2,957,217
	Tijarah cum wakala	10.3	7,039,618	5,578,464	192,000	-	7,231,618	5,578,464
	Istisna cum Wakala	10.4	11,569,257	13,177,273	550,947	714,160	12,120,204	13,891,433
	Salam	10.5	1,183,266	1,994,493	-	-	1,183,266	1,994,493
	Islamic Export Refinance Scheme - SBP	10.6	15,167,283	11,021,716	136,322	-	15,303,605	11,021,716
	Other Islamic Refinance Schemes - SBP	10.7	12,746,082	7,818,593	8,000	-	12,754,082	7,818,593
	Wakala Istithmar		26,051,828	21,581,515	416,156	316,413	26,467,984	21,897,928
	Running Musharaka financing		36,263,046	31,057,053	655,901	-	36,918,947	31,057,053
	Shirkatulmilk - Housing	10.8	11,178,641	8,926,567	535,491	397,772	11,714,132	9,324,339
	Shirkatulmilk - Autos	10.9	26,107,696	19,306,168	380,975	328,295	26,488,671	19,634,463
	Shirkatulmilk - Fleet financing	10.10	5,932,784	6,446,582	152,284	274,945	6,085,068	6,721,527
	Shirkatulmilk - Others	10.11	13,694,649	14,967,156	2,525,669	1,898,143	16,220,318	16,865,299
	Diminishing Musharaka - Others		29,952,182	29,671,794	641,722	27,159	30,593,904	29,698,953
	Staff financing		2,351,059	2,130,373	47,743	48,784	2,398,802	2,179,157
	Islamic financing and related assets (gross)		223,668,624	198,724,439	6,787,367	5,687,435	230,455,991	204,411,874
	Provision against Islamic financing and related assets							
	Specific	10.13	-	-	(3,750,869)	(3,082,610)	(3,750,869)	(3,082,610)
	General		(2,190,354)	(1,912,859)	-	-	(2,190,354)	(1,912,859)
			(2,190,354)	(1,912,859)	(3,750,869)	(3,082,610)	(5,941,223)	(4,995,469)
	Islamic financing and related assets - net of provision		221,478,270	196,811,580	3,036,498	2,604,825	224,514,768	199,416,405
							September 30,	December 31,
							2021	2020
							(Un-audited)	(Audited)
							--- (Rupees in '000) ---	
	Murabaha							
	Financing						6,545,039	5,615,009
	Inventory						14,165,239	17,458,558
	Advance						700,655	697,672
							21,410,933	23,771,239
	Musawamah							
	Financing						3,491,358	2,858,989
	Advance						73,099	98,228
							3,564,457	2,957,217
	Tijarah cum wakala							
	Financing						6,473,248	5,271,282
	Inventory						758,370	307,182
							7,231,618	5,578,464
	Istisna cum Wakala							
	Financing						8,612,921	9,739,691
	Advance						3,507,283	4,151,742
							12,120,204	13,891,433
	Salam							
	Financing						1,025,357	289,498
	Advance						157,909	1,704,995
							1,183,266	1,994,493
	Islamic Export Refinance Scheme - SBP							
	Istisna - Advance						529,000	66,100
	Istisna - Financing						310,000	590,000
	Running Musharaka - Financing						8,135,800	5,081,800
	Wakala Istithmar - Financing						6,328,805	5,051,043
	Murabaha - Advance						-	155,830
	Murabaha - Financing						-	76,943
							15,303,605	11,021,716

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	--- (Rupees in '000) ---	
<b>10.7 Other Islamic Refinance Schemes - SBP</b>		
Islamic Long Term Financing Facility		
-Diminishing Musharaka - Financing	3,290,167	2,253,306
Payment of Wages and Salaries Refinance Scheme		
-Shirkatulmilk - Financing	2,389,047	3,622,962
-Running Musharaka - Financing	681,544	1,090,470
-Murabaha - Financing	141,767	124,595
-Murabaha - Advance	-	84,865
Islamic Temporary Economic Refinance Facility		
-Musharaka - Financing	4,368,718	21,164
-Shirkatulmilk - Financing	374,926	-
Other Islamic Refinance Facilities		
-Musharaka - Financing	1,507,913	621,231
	<u>12,754,082</u>	<u>7,818,593</u>
<b>10.8 Shirkatulmilk - Housing</b>		
Financing	11,536,532	9,197,469
Advance	177,600	126,870
	<u>11,714,132</u>	<u>9,324,339</u>
<b>10.9 Shirkatulmilk - Autos</b>		
Financing	22,828,874	17,074,482
Advance	3,659,797	2,559,981
	<u>26,488,671</u>	<u>19,634,463</u>
<b>10.10 Shirkatulmilk - Fleet financing</b>		
Financing	5,585,870	6,249,580
Advance	499,198	471,947
	<u>6,085,068</u>	<u>6,721,527</u>
<b>10.11 Shirkatulmilk - Others</b>		
Financing	16,220,318	16,865,299
<b>10.12 Particulars of Islamic financing and related assets (gross)</b>		
In local currency	228,130,475	203,870,742
In foreign currencies	2,325,516	541,132
	<u>230,455,991</u>	<u>204,411,874</u>

**10.13** Islamic financing and related assets include Rs. 6,787.367 million (December 31, 2020: Rs. 5,687.435 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non-Performing	Provision held	Non-Performing	Provision held
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned	70,792	-	3,553	-
Substandard	262,041	25,662	50,540	8,584
Doubtful	1,791,688	987,247	260,698	12,989
Loss	4,662,846	2,737,960	5,372,644	3,061,037
	<u>6,787,367</u>	<u>3,750,869</u>	<u>5,687,435</u>	<u>3,082,610</u>

**10.14 Particulars of provision against Islamic financing and related assets:**

	September 30, 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	1,188,356	277,495	1,465,851	551,435	1,779,801	2,331,236
Reversals during the period / year	(520,097)	-	(520,097)	(207,430)	-	(207,430)
	668,259	277,495	945,754	344,005	1,779,801	2,123,806
Amounts written-off	-	-	-	-	-	-
Closing balance	3,750,869	2,190,354	5,941,223	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.2,138.17 million (December 31, 2020: Rs. 2,428.75 million) in determining the provisioning against non performing Islamic financings as at September 30, 2021. The additional profit arising from availing the FSV benefit - net of tax as at September 30, 2021 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 1,304.28 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.2,014 million (December 31, 2020: Rs.1,764 million) against financing made on prudent basis, in view of the prevailing economic conditions.

	Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--- (Rupees in '000) ---	
<b>11 FIXED ASSETS</b>			
Capital work-in-progress	11.1	6,689	49,485
Property and equipment		1,383,069	1,360,840
Right-of-use assets		3,216,678	2,275,167
		<u>4,606,436</u>	<u>3,685,492</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		5,089	7,453
Equipment		1,600	42,032
		<u>6,689</u>	<u>49,485</u>
		September 30, 2021 (Un-audited)	September 30, 2020
		--- (Rupees in '000) ---	
<b>11.2 Additions to fixed assets</b>			
Furniture and fixtures		18,180	24,739
Electrical, office and computer equipment		193,273	240,394
Leasehold improvements		64,893	87,613
Vehicles		6,801	-
		<u>283,147</u>	<u>352,746</u>
		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--- (Rupees in '000) ---	
<b>12 INTANGIBLE ASSETS</b>			
Capital work-in-progress - Advance to suppliers		110,046	97,215
Computer software		309,561	224,701
		<u>419,607</u>	<u>321,916</u>

		September 30, 2021 (Un-audited) --- (Rupees in '000) ---	September 30, 2020
<b>12.1</b>	<b>Additions to intangible assets</b>		
	Directly purchased (including transfer from CWIP)	<u>137,271</u>	<u>118,588</u>
		September 30, 2021 (Un-audited) --- (Rupees in '000) ---	December 31, 2020 (Audited)
<b>13</b>	<b>OTHER ASSETS</b>		
	Profit / return accrued in local currency - net	5,172,800	4,186,904
	Profit / return accrued in foreign currencies - net	109,062	125,053
	Advances, deposits and other prepayments	987,089	1,252,297
	Mark to market gain on forward foreign exchange contracts	137,517	103,621
	Current taxation (payments less provisions)	-	239,947
	Acceptances	3,426,743	2,349,243
	Commission receivable	57,926	100,036
	Others	<u>435,367</u>	<u>129,083</u>
		<u>10,326,504</u>	<u>8,486,184</u>
	Less: Provision held against other assets	-	(1,746)
		<u>10,326,504</u>	<u>8,484,438</u>
<b>14</b>	<b>BILLS PAYABLE</b>		
	In Pakistan	4,254,237	4,238,196
	Outside Pakistan	<u>8,568</u>	<u>8,045</u>
		<u>4,262,805</u>	<u>4,246,241</u>
<b>15</b>	<b>DUE TO FINANCIAL INSTITUTIONS</b>		
	<b>Secured</b>		
	Musharaka from the State Bank of Pakistan under Islamic Export Refinance Scheme	13,094,915	9,402,906
	Investment from the State Bank of Pakistan under Islamic Long Term Financing Facility	3,241,875	2,122,770
	under Payment of Wages and Salaries Refinance Scheme	3,236,358	4,916,563
	under Islamic Temporary Economic Refinance Facility	4,229,779	-
	Other Islamic Refinance Facilities	984,934	408,710
	<b>Unsecured</b>		
	Musharaka acceptance	4,640,000	500,000
	Overdrawn nostros	<u>2,451</u>	<u>-</u>
		<u>29,430,312</u>	<u>17,350,949</u>
<b>15.1</b>	<b>Particulars of due to financial institutions with respect to currencies</b>		
	In local currency	29,427,861	17,350,949
	In foreign currencies	<u>2,451</u>	<u>-</u>
		<u>29,430,312</u>	<u>17,350,949</u>

## 16 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Current deposits	62,740,471	15,814,836	78,555,307	53,425,406	14,133,682	67,559,088
Savings deposits	90,733,465	8,685,116	99,418,581	80,408,915	9,175,796	89,584,711
Term deposits	29,556,914	6,615,149	36,172,063	37,172,369	10,717,224	47,889,593
Others	5,759,899	-	5,759,899	8,784,309	-	8,784,309
	188,790,749	31,115,101	219,905,850	179,790,999	34,026,702	213,817,701
<b>Financial institutions</b>						
Current deposits	414,442	35,660	450,102	316,442	52,549	368,991
Savings deposits	13,904,437	-	13,904,437	17,799,775	-	17,799,775
Term deposits	4,622,848	-	4,622,848	5,566,898	-	5,566,898
	18,941,727	35,660	18,977,387	23,683,115	52,549	23,735,664
	207,732,476	31,150,761	238,883,237	203,474,114	34,079,251	237,553,365

Note

September 30,  
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 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 9.21% 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 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 8.15% 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

September 30, 2021 (Un-audited)			
At January 01, 2021	Recognised in P&L	Recognised in OCI	At September 30, 2021
----- (Rupees in '000) -----			
444,416	-	(848)	443,568
444,416	-	(848)	443,568
695	(22,573)	-	(21,878)
(71,741)	(326,335)	-	(398,076)
(611)	611	-	-
(19,705)	-	(2,252)	(21,957)
(91,362)	(348,297)	(2,252)	(441,911)
353,054	(348,297)	(3,100)	1,657

## December 31, 2020 (Audited)

**Taxable temporary differences on:**

Accelerated tax depreciation and amortisation

Surplus on revaluation of investments

**Deductible temporary differences on:**

Provision against non-performing Islamic

financing and related assets

Provision against other assets

Deficit on defined benefit plan

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

September 30, 2021 (Un-audited)      December 31, 2020 (Audited)  
--- (Rupees in '000) ---

**19 OTHER LIABILITIES**

Profit / return payable in local currency

Profit / return payable in foreign currencies

Deferred income murabaha / musawamah

Accrued expenses

Advance from financing customers

Mark to market loss on forward foreign exchange contracts

Acceptances

Current taxation (provisions less payments)

Security deposits against Islamic financing and related assets

Ijarah (lease) liabilities

Payable to dealers, contractors, etc.

Workers Welfare Fund payable

Payable to Employees Old Age Benefit Institution (EOBI)

Others

1,111,813	1,105,687
39,362	52,108
2,130,696	1,859,707
707,017	739,702
1,373,925	1,030,405
110,954	29,688
3,426,743	2,349,243
265,811	-
279,420	198,691
3,181,037	2,317,006
683,958	957,794
493,598	389,065
130,670	114,237
725,535	871,523
14,660,539	12,014,856

**20 SURPLUS ON REVALUATION OF INVESTMENTS****Surplus on revaluation of Available-for-sale securities**

Sukuk certificates

Less: Related deferred tax liability

1,137,354	1,269,761
(443,568)	(444,416)
693,786	825,345



## 21 CONTINGENCIES AND COMMITMENTS

		September 30, 2021 (Un-audited) --- (Rupees in '000) ---	December 31, 2020 (Audited)
	Note		
Guarantees	21.1	21,310,170	16,431,358
Commitments	21.2	57,289,195	35,378,273
Other contingent liabilities	21.3	211,480	211,480
		<u>78,810,845</u>	<u>52,021,111</u>
<b>21.1 Guarantees</b>			
Financial guarantees		105,939	26,647
Performance guarantees		5,476,512	5,537,835
Other guarantees		15,727,719	10,866,876
		<u>21,310,170</u>	<u>16,431,358</u>
<b>21.2 Commitments</b>			
<b>Documentary credits and short-term trade-related transactions</b>			
Import letters of credit		37,361,531	24,712,924
<b>Commitments in respect of:</b>			
- Forward foreign exchange contracts - net	21.2.1	10,933,964	4,516,172
- Islamic financing and related assets		8,757,000	5,744,000
<b>Commitments for acquisition of:</b>			
- Fixed assets		100,047	252,413
- Intangible assets		136,653	152,764
		<u>57,289,195</u>	<u>35,378,273</u>
<b>21.2.1 Commitments in respect of forward foreign exchange contracts - net</b>			
Purchase		19,580,186	14,577,741
Sale		8,646,222	10,061,569
		<u>10,933,964</u>	<u>4,516,172</u>
<b>21.3 Other contingencies</b>			

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 Honorable Supreme Court of Pakistan against the order of the Sindh High Court. The Honorable Supreme Court of Pakistan has granted leave to appeal. The appeal is expected to be fixed soon. Through Finance Act 2021 favorable amendment has been made to section 113(2)(c) strengthening Bank's stance on adjustment of minimum tax for the years where no tax was payable. The management of the Bank is confident that the appeals will be decided in favor of the Bank in respect of the aforementioned matters.

	September 30, 2021 (Un-audited) ----- Rupees in '000 -----	September 30, 2020
<b>22 PROFIT / RETURN EARNED</b>		
On Islamic financing and related assets to customers	13,170,540	16,216,397
On investments in available-for-sale securities	3,263,537	3,684,614
On investments in held-to-maturity securities	-	103,939
On deposits / placements with financial institutions	139,533	645,632
	<u>16,573,610</u>	<u>20,650,582</u>
<b>23 PROFIT / RETURN EXPENSED</b>		
Deposits and other accounts	6,545,772	10,084,458
Subordinated sukuk	450,463	658,538
Due to financial institutions	523,352	361,492
Finance cost on Ijarah (lease) liabilities	227,879	265,631
Cost of foreign currency swaps	26,158	265,051
	<u>7,773,624</u>	<u>11,635,170</u>
<b>24 FEE &amp; COMMISSION INCOME</b>		
Consumer finance related fees	462,701	400,401
Credit related fees	94,714	104,770
Investment banking fees	80,510	65,350
Branch banking customer fees	78,436	60,724
Card related fees	152,748	145,358
Commission on trade	286,476	168,541
Commission on guarantees	59,332	53,179
Commission on cash management	36,280	29,335
Commission on remittances including home remittances	17,904	16,088
Commission on bancassurance	36,559	9,197
Rebate income	105,094	74,548
Others	8,395	1,127
	<u>1,419,149</u>	<u>1,128,618</u>
<b>25 GAIN ON SECURITIES</b>		
<b>Realised</b>		
Debt securities	<u>484,692</u>	<u>982</u>
<b>26 OTHER INCOME</b>		
Gain on sale of fixed assets - net	<u>1,389</u>	<u>809</u>

27 **OPERATING EXPENSES**

September 30,      September 30,  
2021                      2020  
(Un-audited)  
----- Rupees in '000 -----

**Total compensation expense** 2,559,097              2,335,897

**Property expense**

Takaful charges	731	952
Utilities cost	242,449	219,406
Security	175,714	170,738
Repair & maintenance (including janitorial charges)	110,607	93,113
Depreciation	70,122	72,635
Depreciation on right-of-use assets	664,982	594,463
	<b>1,264,605</b>	<b>1,151,307</b>

**Information technology expenses**

Software maintenance	254,397	207,575
Hardware maintenance	109,300	82,087
Depreciation	77,604	71,295
Amortisation	52,410	38,741
Networking and connectivity charges	115,132	94,999
Outsourced services cost	25,143	22,474
Takaful charges	900	991
Others	2,221	1,034
	<b>637,107</b>	<b>519,196</b>

**Other operating expenses**

Directors' fee and allowances	9,580	7,318
Fees and allowances to Shari'a Board members	9,522	9,948
Legal and professional charges	27,776	40,447
Outsourced services cost	85,948	80,627
Travelling and conveyance	14,360	24,074
NIFT clearing charges	25,616	25,769
Depreciation	95,149	91,569
Training and development	9,305	13,596
Postage and courier charges	26,855	25,883
Communications	155,721	147,293
Stationary and printing	76,971	81,658
Marketing, advertising and publicity	116,329	66,932
Auditors' remuneration	5,400	4,319
Brokerage, commission and bank charges	284,422	262,581
Tracker related charges	124,419	122,686
Cash transportation charges	167,616	77,914
Repair and maintenance	74,546	66,753
Subscription fees	14,762	13,097
Takaful charges	40,455	49,542
Deposit premium cost	91,678	76,243
Others	126,004	150,211
	<b>1,582,434</b>	<b>1,438,460</b>
	<b>6,043,243</b>	<b>5,444,860</b>

		September 30, 2021	September 30, 2020
	Note	(Un-audited)	
		----- Rupees in '000 -----	
<b>28 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		<u>3,031</u>	<u>312</u>
<b>29 PROVISIONS &amp; WRITE OFFS - NET</b>			
Provision against Islamic financing and related assets - net	10.14	945,754	1,056,819
Reversal of provision against other assets		(1,746)	-
Provision for diminution in the value of investments		-	11,435
		<u>944,008</u>	<u>1,068,254</u>
<b>30 TAXATION</b>			
Current		2,038,404	1,569,518
Deferred		(348,297)	28,555
		<u>1,690,107</u>	<u>1,598,073</u>
<b>31 BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit after taxation for the period		<u>2,656,114</u>	<u>2,498,930</u>
		---- (Number) ----	
Weighted average number of ordinary shares		<u>1,165,228,776</u>	<u>1,165,228,776</u>
		---- (Rupees) ----	
Earning per share - basic and diluted		<u>2.28</u>	<u>2.14</u>
<b>32 CASH AND CASH EQUIVALENTS</b>			
Cash and balance with treasury banks	6	19,357,562	21,331,445
Balance with other banks	7	2,018,627	3,796,924
Overdrawn nostros	15	(2,451)	(102)
		<u>21,373,738</u>	<u>25,128,267</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:

September 30, 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
----- (Rupees in '000) -----									
<b>Financial assets - measured at fair value</b>									
<b>Investments</b>									
Federal Government securities	-	1,411,890	-	-	-	1,411,890	-	1,411,890	-
Non-Government debt securities	-	44,174,447	-	-	-	44,174,447	41,474,447	2,700,000	-
Foreign securities	-	10,035,425	-	-	-	10,035,425	10,035,425	-	-
<b>Other assets</b>									
Unrealized gain on foreign exchange contracts	-	-	-	137,517	-	137,517	-	137,517	-
<b>Financial assets - not measured at fair value</b>									
Cash and balances with treasury banks	-	-	-	19,357,562	-	19,357,562	-	-	-
Balances with other banks	-	-	-	2,018,627	-	2,018,627	-	-	-
Due from financial institution	-	-	-	3,523,946	-	3,523,946	-	-	-
Investments	-	1,119,843	-	-	-	1,119,843	-	-	-
Islamic financings and related assets - net	-	-	224,514,768	-	-	224,514,768	-	-	-
Other asset	-	-	-	9,274,047	-	9,274,047	-	-	-
	-	56,741,605	224,514,768	34,311,699	-	315,568,072	-	-	-
<b>Financial liabilities - measured at fair value</b>									
<b>Other liabilities</b>									
Unrealized loss on foreign exchange contracts	-	-	-	-	110,954	110,954	-	110,954	-
<b>Financial liabilities - not measured at fair value</b>									
Bills payable	-	-	-	-	4,262,805	4,262,805	-	-	-
Due to financial institutions	-	-	-	-	29,430,312	29,430,312	-	-	-
Deposits and other accounts	-	-	-	-	238,883,237	238,883,237	-	-	-
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000	-	-	-
Other liabilities	-	-	-	-	11,360,584	11,360,584	-	-	-
	7,120,000	-	-	-	284,047,892	291,167,892	-	-	-
<b>Off-balance sheet financial instruments - measured at fair value</b>									
Forward foreign exchange contracts - net	-	-	-	10,933,964	-	10,933,964	-	10,960,527	-
	-	-	-	10,933,964	-	10,933,964	-	10,960,527	-
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
----- (Rupees in '000) -----									
<b>Financial assets - measured at fair value</b>									
<b>Investments</b>									
Federal Government securities	-	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	-
Foreign securities	-	18,333,069	-	-	-	18,333,069	18,333,069	-	-
<b>Other assets</b>									
Unrealized gain on foreign exchange contracts	-	-	-	103,621	-	103,621	-	103,621	-
<b>Financial assets - not measured at fair value</b>									
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	-	-	-
<b>Financial liabilities - measured at fair value</b>									
<b>Other liabilities</b>									
Unrealized loss on foreign exchange contracts	-	-	-	-	29,688	29,688	-	29,688	-
<b>Financial liabilities - not measured at fair value</b>									
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	-	-	-
<b>Off-balance sheet financial instruments - measured at fair value</b>									
Forward foreign exchange contracts - net	-	-	-	4,516,172	-	4,516,172	-	4,590,105	-
	-	-	-	4,516,172	-	4,516,172	-	4,590,105	-

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).

	September 30, 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	4,886,400	1,228,700	(242,606)	3,315,520	(388,028)	8,799,986
Inter segment revenue - net	(3,622,703)	788,371	5,416,281	(2,968,031)	386,082	-
Other income	420,214	463,211	1,047,258	708,979	1,389	2,641,051
Total income	1,683,911	2,480,282	6,220,933	1,056,468	(557)	11,441,037
Segment direct expenses	(371,932)	(1,083,589)	(3,901,231)	(103,350)	-	(5,460,102)
Inter segment expense allocation	(75,812)	(82,085)	(497,382)	(35,427)	-	(690,706)
Total expenses	(447,744)	(1,165,674)	(4,398,613)	(138,777)	-	(6,150,808)
(Provisions) / reversal	(737,665)	(108,650)	(98,250)	-	557	(944,008)
Profit before tax	498,502	1,205,958	1,724,070	917,691	-	4,346,221
Condensed Interim Statement of Financial Position						
Cash and bank balances	-	1,184,787	4,967,421	2,018,627	13,205,354	21,376,189
Due from financial institutions	-	-	-	3,523,946	-	3,523,946
Investments	-	-	-	56,741,605	-	56,741,605
Net inter segment lending	-	8,739,702	108,447,819	-	18,054,486	135,242,007
Islamic financings and related assets - net						
- performing	124,633,339	47,513,388	46,980,484	-	2,351,059	221,478,270
- non-performing	1,766,594	815,140	434,894	-	19,870	3,036,498
Others	5,974,315	3,414,605	4,480,902	1,404,448	78,277	15,352,547
Total Assets	132,374,248	61,667,622	165,311,520	63,688,626	33,709,046	456,751,062
Due to financial institutions	16,924,326	7,863,535	-	4,642,451	-	29,430,312
Deposits & other accounts	34,381,228	47,764,813	156,581,969	155,227	-	238,883,237
Net inter segment borrowing	77,281,674	-	-	57,960,333	-	135,242,007
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	3,787,020	6,039,274	8,729,551	236,829	132,327	18,925,001
Total liabilities	132,374,248	61,667,622	165,311,520	62,994,840	7,252,327	429,600,557
Equity	-	-	-	693,786	26,456,719	27,150,505
Total Equity and liabilities	132,374,248	61,667,622	165,311,520	63,688,626	33,709,046	456,751,062
Contingencies and Commitments	40,228,943	26,179,709	1,247,306	10,943,407	211,480	78,810,845
	September 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	6,384,037	976,603	(2,085,781)	3,998,046	(257,493)	9,015,412
Inter segment revenue - net	(4,732,510)	991,498	6,680,657	(3,191,361)	251,716	-
Other income	277,378	422,954	743,827	232,106	809	1,677,074
Total income	1,928,905	2,391,055	5,338,703	1,038,791	(4,968)	10,692,486
Segment direct expenses	(312,111)	(854,962)	(3,586,776)	(151,665)	-	(4,905,514)
Inter segment expense allocation	(72,971)	(72,714)	(441,879)	(34,151)	-	(621,715)
Total expenses	(385,082)	(927,676)	(4,028,655)	(185,816)	-	(5,527,229)
(Provisions) / reversal	(643,312)	(307,601)	(110,874)	(11,435)	4,968	(1,068,254)
Profit before tax	900,511	1,155,778	1,199,174	841,540	-	4,097,003
	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 - net						
- performing	110,586,862	46,604,659	37,489,678	-	2,130,381	196,811,580
- non-performing	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	23,482,303	20,946,146	2,834,699	4,546,483	211,480	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:

	September 30, 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
<hr/> <b>(Rupees in '000)</b> <hr/>												
<b>Balances with other banks</b>												
As at January 1	-	51,819	-	-	-	51,819	-	36,608	-	-	-	36,608
Deposited during the period / year	-	30,341,498	-	-	-	30,341,498	-	30,701,598	-	-	-	30,701,598
Withdrawals during the period / year	-	(30,361,726)	-	-	-	(30,361,726)	-	(30,686,387)	-	-	-	(30,686,387)
Closing balance	-	31,591	-	-	-	31,591	-	51,819	-	-	-	51,819
<hr/>												
<b>Islamic financing and related assets</b>												
As at January 1	-	-	-	144,043	-	144,043	-	-	-	169,899	-	169,899
Disbursed during the period / year	-	-	-	48,220	-	48,220	-	-	-	18,255	-	18,255
Payments during the period / year	-	-	-	(61,592)	-	(61,592)	-	-	-	(46,694)	-	(46,694)
Adjustments *	-	-	-	7,254	-	7,254	-	-	-	2,583	-	2,583
Closing balance	-	-	-	137,925	-	137,925	-	-	-	144,043	-	144,043
<hr/>												
<b>Deposits and other accounts</b>												
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	-	12,814,074	23,922	696,041	7,858,982	21,393,019	-	12,459,354	78,241	474,496	3,066,738	16,078,829
Withdrawals during the period / year	-	(12,798,136)	(24,213)	(700,513)	(7,850,027)	(21,372,889)	-	(12,387,414)	(71,279)	(456,543)	(2,963,434)	(15,878,670)
Adjustments *	-	-	141	4,000	-	4,141	-	-	(453)	(301)	-	(754)
Closing balance	-	158,106	12,005	97,354	1,443,774	1,711,239	-	142,168	12,155	97,826	1,434,819	1,686,968
<hr/>												
<b>Other Liability</b>												
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
<hr/>												
	September 30, 2021 (Un-audited)					September 30, 2020 (Un audited)						
	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total
<hr/> <b>(Rupees in '000)</b> <hr/>												
<b>Transactions during the period</b>												
Fees and allowances	-	-	9,580	7,937	-	17,517	-	-	7,318	7,874	-	15,191
Remuneration to key management personnel (Including bonus)	-	-	-	249,888	-	249,888	-	-	-	243,625	-	243,625
Profit earned on investments	-	-	-	-	-	-	-	-	-	-	-	-
Profit earned on financings	-	-	-	4,714	-	4,714	-	-	-	8,743	-	8,743
Profit expensed on deposits	-	-	236	3,252	71,082	74,570	-	-	374	3,408	126,218	130,000
Profit expense on due to financial institution	-	-	-	-	-	-	-	-	-	-	-	-
Profit expensed on other liability	-	-	-	914	-	914	-	-	-	670	-	670
Contribution made to gratuity fund	-	-	-	-	65,073	65,073	-	-	-	-	55,800	55,800
Contribution made to provident fund	-	-	-	-	91,723	91,723	-	-	-	-	82,193	82,193
	-	-										
<b>Contingencies and commitments</b>												
Foreign currency purchase contracts	-	5,897,785	-	-	-	5,897,785	-	5,061,944	-	-	-	5,061,944
Foreign currency sale contracts	-	5,897,785	-	-	-	5,897,785	-	5,051,944	-	-	-	5,051,944

\* 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 September 30, 2021.

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

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

September 30, 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><u>26,048,060</u></u>	<u><u>23,489,541</u></u>
Eligible Additional Tier I Capital	<u><u>3,120,000</u></u>	<u><u>3,120,000</u></u>
Total Eligible Tier I Capital	<u><u>29,168,060</u></u>	<u><u>26,609,541</u></u>
Eligible Tier II Capital	<u><u>6,884,140</u></u>	<u><u>6,738,204</u></u>
<b>Total Eligible Capital (Tier I + Tier II)</b>	<u><u>36,052,200</u></u>	<u><u>33,347,745</u></u>

**Risk Weighted Assets:**

Credit Risk	<u><u>189,048,681</u></u>	<u><u>173,567,219</u></u>
Market Risk	<u><u>476,257</u></u>	<u><u>415,765</u></u>
Operational Risk	<u><u>23,427,513</u></u>	<u><u>23,427,513</u></u>
<b>Total</b>	<u><u>212,952,451</u></u>	<u><u>197,410,497</u></u>

**Common Equity Tier I Capital Adequacy Ratio**

12.23% 11.90%

**Tier I Capital Adequacy Ratio**

13.70% 13.48%

**Total Capital Adequacy Ratio**

16.93% 16.89%

**Leverage Ratio:**

Eligible Tier I Capital	<u><u>29,168,060</u></u>	<u><u>26,609,541</u></u>
Total Exposures	<u><u>395,706,908</u></u>	<u><u>358,204,763</u></u>
<b>Leverage Ratio</b>	<u><u>7.37%</u></u>	<u><u>7.43%</u></u>

**Liquidity Coverage Ratio:**

Total High Quality Liquid Assets	<u><u>74,871,144</u></u>	<u><u>67,459,090</u></u>
Total Net Cash Outflow	<u><u>49,238,358</u></u>	<u><u>33,081,322</u></u>
<b>Liquidity Coverage Ratio</b>	<u><u>152.06%</u></u>	<u><u>203.92%</u></u>

**Net Stable Funding Ratio:**

Total Available Stable Funding	<u><u>216,179,867</u></u>	<u><u>248,445,467</u></u>
Total Required Stable Funding	<u><u>179,171,829</u></u>	<u><u>224,294,003</u></u>
<b>Net Stable Funding Ratio</b>	<u><u>120.66%</u></u>	<u><u>110.77%</u></u>



**37    DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on October 18, 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**