

**Dubai Islamic Bank
Pakistan Limited**

Condensed Interim Financial Information
for the half year ended
June 30, 2023



KPMG Taseer Hadi & Co.
Chartered Accountants
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**Independent auditor's review report to the members of
Dubai Islamic Bank Pakistan Limited**

Report on review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dubai Islamic Bank Pakistan Limited** ("the Bank") as at 30 June 2023 and the related condensed interim statement of profit and loss account and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cashflow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of these interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



KPMG Taseer Hadi & Co.

Other Matter

The financial information of the Bank for half year ended 30 June 2022 and for the year ended 31 December 2022 were respectively reviewed and audited by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated 26 July 2022 and 16 February 2023, respectively.

The figures for the quarter ended 30 June 2023 in the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 7 August 2023

Karachi

UDIN: RR2023101887G0zuTjWm

**KPMG Taseer Hadi & Co.
Chartered Accountants**

Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Financial Position
As at June 30, 2023

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	---- Rupees in '000 ----	
ASSETS			
Cash and balances with treasury banks	6	30,050,190	45,632,108
Balances with other banks	7	4,078,451	1,146,321
Due from financial institutions	8	7,930,919	23,500,000
Investments	9	111,248,016	103,361,135
Islamic financing and related assets	10	252,799,775	247,767,953
Property and equipment	11	1,614,513	1,655,824
Right-of-use assets	12	3,964,942	3,680,399
Intangible assets	13	443,313	409,352
Deferred tax assets	14	3,615,333	2,001,279
Other assets	15	20,735,835	16,236,091
Total assets		436,481,287	445,390,462
LIABILITIES			
Bills payable	16	4,644,004	7,207,894
Due to financial institutions	17	35,501,875	35,875,060
Deposits and other accounts	18	331,550,141	345,811,211
Lease liabilities	19	4,458,880	3,807,378
Subordinated sukuks	20	7,120,000	7,120,000
Deferred tax liabilities		-	-
Other liabilities	21	20,437,102	15,462,102
Total liabilities		403,712,002	415,283,645
NET ASSETS		32,769,285	30,106,817
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		4,447,664	3,875,828
Deficit on revaluation of investments	22	(876,975)	(674,055)
Unappropriated profit		17,546,308	15,252,756
		32,769,285	30,106,817

CONTINGENCIES AND COMMITMENTS

23

The annexed notes 1 to 40 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 half-year ended June 30, 2023

		Quarter ended		Half year ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Note		----- Rupees in '000 -----			
Profit / return earned	24	16,230,114	10,808,386	30,275,475	18,249,550
Profit / return expensed	25	(9,148,327)	(6,359,087)	(16,623,494)	(10,307,940)
Net Profit / return		7,081,787	4,449,299	13,651,981	7,941,610
OTHER INCOME					
Fee and commission income	26	638,995	618,002	1,096,428	1,100,621
Dividend income		-	-	-	-
Foreign exchange income		315,591	675,497	700,770	975,416
Gain on securities		-	-	-	-
Other income / (loss)	27	-	4,237	(17)	4,265
Total other income		954,586	1,297,736	1,797,181	2,080,302
Total income		8,036,373	5,747,035	15,449,162	10,021,912
OTHER EXPENSES					
Operating expenses	28	(2,950,531)	(2,442,430)	(5,746,364)	(4,699,544)
Workers Welfare Fund		(95,879)	(46,824)	(149,592)	(76,220)
Other charges	29	(10,600)	(110)	(14,576)	(1,819)
Total other expenses		(3,057,010)	(2,489,364)	(5,910,532)	(4,777,583)
Profit before provisions		4,979,363	3,257,671	9,538,630	5,244,329
Provisions and write offs - net	30	(2,414,608)	(916,486)	(4,288,197)	(1,433,332)
PROFIT BEFORE TAXATION		2,564,755	2,341,185	5,250,433	3,810,997
Taxation	31	(1,229,390)	(1,231,383)	(2,391,251)	(1,805,947)
PROFIT AFTER TAXATION		1,335,365	1,109,802	2,859,182	2,005,050
----- Rupee(s) -----					
Basic & diluted earnings per share	32	1.14	0.95	2.45	1.72

The annexed notes 1 to 40 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 half-year ended June 30, 2023

	Quarter ended		Half year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- Rupees in '000 -----			
Profit after taxation for the period	1,335,365	1,109,802	2,859,182	2,005,050
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in revaluation of investments - net of tax	294,526	(474,136)	(202,920)	(879,400)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Effect of change in tax rate on remeasurement gain on defined benefit obligations	6,206	2,661	6,206	2,661
Total comprehensive income	1,636,097	638,327	2,662,468	1,128,311

The annexed notes 1 to 40 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 half-year ended June 30, 2023

	Share capital	Statutory reserve	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
Opening balance as at January 01, 2022	11,652,288	3,092,713	683,374	12,138,684	27,567,059
Profit after taxation	-	-	-	2,005,050	2,005,050
Other comprehensive (loss) / income - net of tax	-	-	-	-	-
Movement in revaluation of investments - net of tax	-	-	(879,400)	-	(879,400)
Effect of change in tax rate on remeasurement gain on defined benefit obligations	-	-	-	2,661	2,661
	-	-	(879,400)	2,007,711	1,128,311
Transfer to statutory reserve	-	401,010	-	(401,010)	-
Opening balance as at July 01, 2022	11,652,288	3,493,723	(196,026)	13,745,385	28,695,370
Profit after taxation	-	-	-	1,910,524	1,910,524
Other comprehensive (loss) / income - net of tax	-	-	-	-	-
Movement in revaluation of investments - net of tax	-	-	(478,029)	-	(478,029)
Remeasurment loss on defined benefit obligation - net of tax	-	-	-	(21,048)	(21,048)
	-	-	(478,029)	1,889,476	1,411,447
Transfer to statutory reserve	-	382,105	-	(382,105)	-
Opening balance as at January 01, 2023	11,652,288	3,875,828	(674,055)	15,252,756	30,106,817
Profit after taxation	-	-	-	2,859,182	2,859,182
Other comprehensive (loss) / income - net of tax	-	-	-	-	-
Movement in revaluation of investments - net of tax	-	-	(202,920)	-	(202,920)
Effect of change in tax rate on remeasurement gain on defined benefit obligations	-	-	-	6,206	6,206
	-	-	(202,920)	2,865,388	2,662,468
Transfer to statutory reserve	-	571,836	-	(571,836)	-
Closing balance as at June 30, 2023	11,652,288	4,447,664	(876,975)	17,546,308	32,769,285

The annexed notes 1 to 40 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 half-year ended June 30, 2023

		June 30, 2023	June 30, 2022
	Note	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		5,250,433	3,810,997
Adjustments:			
Depreciation	28	236,978	171,292
Depreciation on right-of-use assets	28	483,064	464,150
Amortisation	28	56,568	43,844
Finance charges on leased assets	25	243,518	150,679
Loss / (gain) on sale of property and equipment	27	17	(4,265)
Provisions and write offs - net	30	4,288,197	1,433,332
		5,308,342	2,259,032
		10,558,775	6,070,029
Decrease / (increase) in operating assets			
Due from financial institutions		15,569,081	1,031,302
Islamic financing and related assets		(9,320,019)	(61,241,729)
Others assets		(2,288,192)	(6,911,904)
		3,960,870	(67,122,331)
(Decrease) / increase in operating liabilities			
Bills payable		(2,563,890)	(3,272,293)
Due to financial institutions		(625,583)	31,079,566
Deposits and other accounts		(14,261,070)	51,893,413
Other liabilities (excluding current taxation)		2,042,955	867,322
		(15,407,588)	80,568,008
		(887,943)	19,515,706
Income tax paid		(2,944,520)	(1,373,630)
Net cash (used in) / flow from operating activities		(3,832,463)	18,142,076
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(8,423,887)	(19,210,948)
Investments in property and equipment		(284,161)	(147,634)
Disposal of property and equipment		2,220	7,390
Investments in intangibles		(90,529)	(63,481)
Net cash flow used in investing activities		(8,796,357)	(19,414,673)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(273,366)	(287,632)
Decrease in cash and cash equivalents		(12,902,186)	(1,560,229)
Cash and cash equivalents at beginning of the period		46,777,790	27,068,101
Cash and cash equivalents at end of the period	33	33,875,604	25,507,872

The annexed notes 1 to 40 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 half-year ended June 30, 2023

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. The Bank is principally engaged in corporate, commercial, consumer, investing and retail banking activities.
- 1.3** VIS Credit Rating Company Limited on June 26, 2023 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 June 30, 2023 (December 31, 2022: 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 PREPARATION

- 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 schemes as well as various long term refinancing facility of the SBP respectively as briefly explained in the notes to the audited annual financial statements for the year ended December 31, 2022. The transactions of purchases, sales and leases executed under these arrangements are not reflected in these financial statements 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 of

2.2 STATEMENT OF COMPLIANCE

This condensed interim financial information (financial information) has been prepared in accordance with the 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 Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are 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 IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39 - 'Financial Instruments: Recognition and Measurement' and IAS 40 - 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of IFRS 7 - 'Financial Instruments: Disclosures' through its notification S.R.O 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The SBP vide its BPRD Circular Letter No. 4 dated February 25, 2015, has clarified that the reporting requirements of IFAS 3, 'Profit and Loss Sharing on Deposits', for Islamic Banking Institutions (IBIs) relating to annual, half-yearly and quarterly financial statements would be notified by the SBP through issuance of specific instructions and uniform disclosure formats in consultation with IBIs. These reporting requirements have not been ratified to date. Accordingly, the disclosure requirements under IFAS 3 have not been considered in preparation of these financial statements.

- 2.3** The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2022.

3 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,

3.1 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 2022). However, such standards did not have any significant effect on this condensed interim financial information.

3.2 Standards, interpretations of 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 2022) and are not expected to have any material impact on the Bank's condensed interim financial information in the period of their initial application. The SBP vide its BPRD circular letter No. 07 of 2023 has extended the implementation date of IFRS 9 to January 01, 2024. However, during the transition period, the banks are required to carry out the parallel run reporting.

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, 2022.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual financial statements for the year ended December 31, 2022.

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- Rupees in '000 -----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		5,288,859	4,614,182
- foreign currencies		1,698,817	981,572
		<u>6,987,676</u>	<u>5,595,754</u>
With State Bank of Pakistan in			
- local currency current account	6.1	17,851,162	38,154,888
- foreign currency current account		91,324	34,744
- foreign currency deposit accounts			
- Cash reserve account		1,950,598	1,674,570
- Special cash reserve account		2,340,629	-
	6.1	<u>4,291,227</u>	<u>1,674,570</u>
With National Bank of Pakistan in			
- local currency current accounts		828,801	172,152
		<u>30,050,190</u>	<u>45,632,108</u>

- 6.1** These include local and foreign currency amounts required to be maintained by the Bank with the SBP under the Banking Companies Ordinance, 1962 and / or stipulated by the SBP. These accounts are non-remunerative in nature.

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	----- Rupees in '000 -----	
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- in current account		412,571	244,936
Outside Pakistan			
- in current accounts	7.1	3,665,880	901,385
		<u>4,078,451</u>	<u>1,146,321</u>

- 7.1** This includes an amount of Rs. 86.50 million (December 31, 2022: Rs. 128.64 million) deposited with the holding company.

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		----- Rupees in '000 -----	
8 DUE FROM FINANCIAL INSTITUTIONS			
Musharaka - unsecured		<u>7,930,919</u>	<u>23,500,000</u>

9 INVESTMENTS

9.1 Investments by types:

	June 30, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value
	----- Rupees in '000 -----							
Available-for-sale securities								
Federal Government securities	51,227,915	-	(287,850)	50,940,065	47,237,843	-	(218,500)	47,019,343
Non-Government debt securities	38,976,114	(89,316)	966,095	39,852,893	39,273,566	(89,316)	1,047,563	40,231,813
Foreign securities	22,852,862	-	(2,397,804)	20,455,058	18,121,595	-	(2,011,616)	16,109,979
Total investments	113,056,891	(89,316)	(1,719,559)	111,248,016	104,633,004	(89,316)	(1,182,553)	103,361,135

9.1.1 Investments given as collateral

No investments given as collateral as at June 30, 2023 (December 31, 2022: Nil).

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	----- Rupees in '000 -----	
9.2 Provision for diminution in value of investments		
9.2.1 Opening balance	89,316	89,316
Charge for the period / year	-	-
Closing balance	89,316	89,316

9.2.2 Particulars of provision against debt securities

Category of classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	*NPI	Provision held	*NPI	Provision held
	----- Rupees in '000 -----			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	89,316	89,316	89,316	89,316
	89,316	89,316	89,316	89,316
Overseas	-	-	-	-
Total	89,316	89,316	89,316	89,316

* NPI stands for non-performing investments.

Provision against Islamic financing and related assets

		June 30, 2023	December 31, 2022
		(Un-audited)	(Audited)
		--- Rupees in '000 ---	
10.1	Murabaha		
	Financing	16,160,101	4,550,410
	Inventory	7,623,855	14,775,412
	Advance	402,595	988,090
		<u>24,186,551</u>	<u>20,313,912</u>
10.2	Musawamah		
	Financing	6,086,208	5,589,734
	Advance	-	102,602
		<u>6,086,208</u>	<u>5,692,336</u>
10.3	Tijarah cum wakala		
	Financing	14,790,349	10,125,486
	Inventory	1,914,571	3,755,124
		<u>16,704,920</u>	<u>13,880,610</u>
10.4	Istisna cum Wakala		
	Financing	8,246,998	12,918,728
	Advance	7,011,406	5,482,622
		<u>15,258,404</u>	<u>18,401,350</u>
10.5	Salam		
	Financing	1,496,584	-
	Advance	-	182,070
		<u>1,496,584</u>	<u>182,070</u>
10.6	Islamic Export Refinance Scheme - SBP		
	Istisna - Advance	599,993	200,000
	Istisna - Financing	19,000	419,000
	Running Musharaka - Financing	9,182,379	8,900,800
	Wakala Istithmar - Financing	6,084,919	6,975,158
		<u>15,886,291</u>	<u>16,494,958</u>

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		--- Rupees in '000 ---	
10.7 Other Islamic Refinance Schemes - SBP			
Islamic Long Term Financing Facility			
-Diminishing Musharaka - Financing		4,182,650	4,534,058
Payment of Wages and Salaries Refinance Scheme			
-Shirkatulmilk - Financing		16,394	199,665
-Murabaha - Financing		534	17,614
		16,928	217,279
Islamic Financing Facility for Combating COVID 19			
-Musharaka - Financing		528,353	633,493
Islamic Finance Facility For Renewable Energy			
-Diminishing Musharaka - Financing		1,442,075	966,331
Islamic Temporary Economic Refinance Facility			
-Musharaka - Financing		345,469	384,184
-Shirkatulmilk - Financing		11,150,946	10,809,500
		11,496,415	11,193,684
Other Islamic Refinance Facilities			
-Musharaka - Financing		623,182	474,411
		18,289,603	18,019,256
10.8 Shirkatulmilk - Housing			
Financing		17,270,249	17,348,216
Advance		-	337,950
		17,270,249	17,686,166
10.9 Shirkatulmilk - Autos			
Financing		21,040,880	24,544,215
Advance		59,135	571,462
		21,100,015	25,115,677
10.10 Shirkatulmilk - Fleet financing			
Financing		4,053,758	4,596,342
Advance		457,833	314,620
		4,511,591	4,910,962
10.11 Particulars of Islamic financing and related assets (gross)			
In local currency		268,172,872	258,581,768
In foreign currencies		430,084	701,169
		268,602,956	259,282,937
10.12	Islamic financing and related assets include Rs. 15,047.71 million (December 31, 2022: Rs. 9,815.47 million) which have been placed under non-performing status as detailed below:		

Category of Classification	June 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Non-Performing	Provision held	Non-Performing	Provision held
	----- Rupees in '000 -----			
Domestic				
Other Assets Especially Mentioned	176,504	-	62,572	156
Substandard	231,648	24,323	379,570	31,104
Doubtful	1,870,458	826,388	95,632	15,042
Loss	12,769,102	11,768,035	9,277,692	8,289,668
	15,047,712	12,618,746	9,815,466	8,335,970

10.13 Particulars of provision against Islamic financing and related assets:

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	8,335,970	3,179,014	11,514,984	4,034,938	2,913,326	6,948,264
Charge for the period / year	4,444,098	5,421	4,449,519	4,590,781	265,688	4,856,469
Reversals during the period / year	(161,322)	-	(161,322)	(226,615)	-	(226,615)
	4,282,776	5,421	4,288,197	4,364,166	265,688	4,629,854
Amounts written-off	-	-	-	(63,134)	-	(63,134)
Closing balance	12,618,746	3,184,435	15,803,181	8,335,970	3,179,014	11,514,984

10.13.1 As allowed by the SBP, the Bank has availed benefit of Forced Sale Value (FSV) amounting to Rs. 1,129.34 million (December 31, 2022: Rs. 1,078.16 million) in determining the provisioning against non performing Islamic financings as at June 30, 2023. The additional profit arising from availing the FSV benefit - net of tax as at June 30, 2023 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 575.96 million (December 31, 2022: Rs. 549.86 million).

10.13.2 General provisioning is held against consumer finance portfolio and small enterprise financings 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.

10.13.3 In addition to the above, the Bank has maintained a general provision of Rs. 2,914 million (December 31, 2022: Rs. 2,914 million) against financing made on prudent basis, in view of the prevailing economic conditions. This general provision is in addition to the existing requirements of Prudential Regulations.

			June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
			--- Rupees in '000 ---	
11	PROPERTY AND EQUIPMENT	<i>Note</i>		
	Capital work-in-progress	<i>11.1</i>	83,811	50,723
	Property and equipment		1,530,702	1,605,101
			<u>1,614,513</u>	<u>1,655,824</u>
11.1	Capital work-in-progress			
	Civil works		5,915	8,768
	Equipment		77,896	41,955
			<u>83,811</u>	<u>50,723</u>
11.2	Additions to property and equipment			
	Furniture and fixtures		21,930	7,778
	Electrical, office and computer equipment		101,915	77,708
	Leasehold improvements		40,971	20,944
	Vehicles		-	34,455
			<u>164,816</u>	<u>140,885</u>
12	RIGHT-OF-USE ASSETS	<i>Note</i>		
	Buildings on leasehold land			
	Cost		7,013,472	5,188,669
	Accumulated depreciation		(3,333,073)	(2,415,669)
	Net carrying amount at the start of the period / year		<u>3,680,399</u>	<u>2,773,000</u>
	Additions during the period / year		815,792	1,877,592
	Deletions during the period / year		(48,185)	(52,789)
	Depreciation charge for the period / year		(483,064)	(917,404)
	Net carrying amount at the end of the period / year		<u>3,964,942</u>	<u>3,680,399</u>
13	INTANGIBLE ASSETS			
	Capital work-in-progress - Advance to suppliers		70,261	59,148
	Computer software	<i>13.1</i>	373,052	350,204
			<u>443,313</u>	<u>409,352</u>

		June 30, 2023	June 30, 2022
		(Un-audited)	
		--- (Rupees in '000) ---	
13.1	Additions to intangible assets		
	Directly purchased	79,416	46,304
		June 30, 2023 (Un-audited)	
14	DEFERRED TAX ASSETS / (LIABILITIES)	At Jan 1, 2023	At June 30, 2023
		Recognised in P&L	Recognised in OCI
		----- Rupees in '000 -----	
	Deductible temporary differences on:		
	Provision against non-performing Islamic financing and related assets	1,446,259	2,681,733
	Provision against other assets	3,867	4,407
	Deficit on revaluation of investments	508,498	842,584
	Deficit on defined benefit plan	44,478	50,684
	Accelerated tax depreciation and amortisation	(1,823)	35,925
		2,001,279	3,615,333
		December 31, 2022 (Audited)	
		At Jan 1, 2022	At Dec 31, 2022
		Recognised in P&L	Recognised in OCI
		----- Rupees in '000 -----	
	Deductible temporary differences on:		
	Provision against non-performing Islamic financing and related assets	302,873	1,446,259
	Provision against other assets	3,507	3,867
	Deficit on revaluation of investments	(436,911)	508,498
	Deficit on defined benefit plan	25,940	44,478
		(104,591)	2,003,102
	Taxable temporary differences on:		
	Accelerated tax depreciation and amortisation	(201)	(1,823)
		(104,792)	2,001,279
		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
		--- Rupees in '000 ---	
15	OTHER ASSETS		
	Profit / return accrued in local currency	12,479,703	9,915,595
	Profit / return accrued in foreign currencies	255,150	197,375
	Advances, deposits and other prepayments	1,046,757	863,106
	Mark to market gain on forward foreign exchange contracts	194,558	566,774
	Acceptances	6,648,071	4,436,519
	Commission receivable	10,771	14,278
	Others	109,818	251,437
		20,744,828	16,245,084
	Less: Provision held against other assets	(8,993)	(8,993)
		20,735,835	16,236,091
16	BILLS PAYABLE		
	In Pakistan	4,633,223	7,196,760
	Outside Pakistan	10,781	11,134
		4,644,004	7,207,894
17	DUE TO FINANCIAL INSTITUTIONS		
	Secured		
	Musharaka from the State Bank of Pakistan under Islamic Export Refinance Scheme	15,286,618	15,878,463
	Investment from the State Bank of Pakistan under Islamic Long Term Financing Facility	3,922,777	4,268,281
	under Payment of Wages and Salaries Refinance Scheme	-	375,164
	under Islamic Financing Facility for Combating COVID 19	520,564	591,857
	under Islamic Finance Facility For Renewable Energy	410,139	466,849
	under Islamic Temporary Economic Refinance Facility	11,486,740	10,819,396
	under other Islamic Refinance Facilities	622,000	474,411
		32,248,838	32,874,421
	Other Musharaka acceptance	3,000,000	3,000,000
	Total Secured	35,248,838	35,874,421
	Unsecured		
	Overdrawn nostro accounts	253,037	639
		35,501,875	35,875,060

18 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	76,402,984	19,337,130	95,740,114	68,772,344	17,032,944	85,805,288
Savings deposits	107,555,007	13,137,294	120,692,301	114,270,169	8,752,595	123,022,764
Term deposits	33,337,444	31,902,996	65,240,440	44,015,825	26,456,553	70,472,378
Others*	16,990,169	-	16,990,169	11,840,762	-	11,840,762
	234,285,604	64,377,420	298,663,024	238,899,100	52,242,092	291,141,192
Financial institutions						
Current deposits	306,866	36,772	343,638	208,483	43,930	252,413
Savings deposits	30,977,088	-	30,977,088	52,293,215	-	52,293,215
Term deposits	1,566,391	-	1,566,391	2,124,391	-	2,124,391
	32,850,345	36,772	32,887,117	54,626,089	43,930	54,670,019
	267,135,949	64,414,192	331,550,141	293,525,189	52,286,022	345,811,211

* This includes deposits in respect of margin accounts and call deposit receipts.

19 LEASE LIABILITIES

	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
---- Rupees in '000 ----		
Outstanding amount at the start of the period / year	3,807,378	2,666,266
Additions during the period / year	681,350	1,638,177
Lease payments	(273,366)	(857,750)
Finance charges on leased assets	243,518	360,685
Outstanding amount at the end of the period / year	4,458,880	3,807,378

19.1 Lease liabilities Outstanding

Not later than one year	547,432	583,641
Later than one year and upto five years	2,139,684	1,778,472
Over five years	1,771,764	1,445,265
Total at the year end	4,458,880	3,807,378

20 SUBORDINATED SUKUKS

	Note	June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
---- Rupees in '000 ----			
Additional Tier I Sukuk	20.1	3,120,000	3,120,000
Tier II Sukuk	20.2	4,000,000	4,000,000
		7,120,000	7,120,000

20.1 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 23.68% 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.

- 20.2** In December 2022, 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 form 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 22.84% 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.

June 30, December 31,
2023 2022
(Un-audited) (Audited)
--- Rupees in '000 ---

21 OTHER LIABILITIES

Profit / return payable in local currency	3,510,006	3,178,501
Profit / return payable in foreign currencies	381,563	169,666
Deferred income murabaha / musawamah / SBP refinance schemes	3,970,133	2,224,289
Accrued expenses	914,272	1,060,452
Advance from financing customers	1,063,965	1,206,145
Mark to market loss on forward foreign exchange contracts	102,175	22,728
Acceptances	6,648,071	4,436,519
Current taxation (provisions less payments)	1,867,708	1,147,215
Security deposits against Islamic financing and related assets	6,649	35,173
Payable to dealers, contractors, etc.	179,970	188,750
Workers welfare fund payable	861,384	711,792
Payable to Employees Old Age Benefit Institution (EOBI)	170,240	158,729
Sundry Creditors	168,213	174,157
Others	592,753	747,986
	<u>20,437,102</u>	<u>15,462,102</u>

22 DEFICIT ON REVALUATION OF INVESTMENTS

Deficit on revaluation of Available-for-sale securities

Sukuk certificates	(1,719,559)	(1,182,553)
Less: Related deferred tax asset	842,584	508,498
	<u>(876,975)</u>	<u>(674,055)</u>

		June 30, 2023 (Un-audited)	December 31, 2022 (Audited)
	Note	--- Rupees in '000 ---	
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	22,267,942	26,997,386
Commitments	23.2	95,187,954	92,028,518
Other contingent liabilities	23.3	211,480	211,480
		<u>117,667,376</u>	<u>119,237,384</u>
23.1 Guarantees			
Financial guarantees		10,000	14,874
Performance guarantees		9,576,932	10,565,865
Other guarantees		12,681,010	16,416,647
		<u>22,267,942</u>	<u>26,997,386</u>
23.2 Commitments			
Documentary credits and short-term trade-related transactions			
- Letters of credit		45,008,866	43,094,462
Commitments in respect of:			
- Forward foreign exchange contracts	23.2.1	44,199,633	41,440,976
- Islamic financing and related assets		5,629,989	7,096,289
Commitments for acquisition of:			
- Property and equipment		128,467	162,172
- Intangible assets		220,999	234,619
		<u>95,187,954</u>	<u>92,028,518</u>
23.2.1 Commitments in respect of forward foreign exchange contracts			
Purchase		34,970,341	33,437,162
Sale		9,229,292	8,003,814
		<u>44,199,633</u>	<u>41,440,976</u>
23.3 Other contingencies			

The income tax authorities have amended assessment orders of the Bank for prior years including the tax year 2022. The disallowances were mainly due to IFRS 16 “Leases” related adjustments, charge/reversals 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 Honorable Sindh High Court and subsequently the Honorable Supreme Court of Pakistan against the order of the Honorable 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.

	June 30 2023 (Un-audited) --- Rupees in '000 ---	June 30 2022
24 PROFIT / RETURN EARNED		
On Islamic financing and related assets to customers	21,902,742	13,942,341
On investments in available-for-sale securities	7,928,874	4,185,460
On deposits / placements with financial institutions	443,859	121,749
	<u>30,275,475</u>	<u>18,249,550</u>
25 PROFIT / RETURN EXPENSED		
Deposits and other accounts	13,434,349	7,623,276
Subordinated sukuku	692,782	432,768
Due to financial institutions	1,831,535	1,572,847
Finance charges on leased assets	243,518	150,679
Cost of foreign currency swaps	421,310	528,370
	<u>16,623,494</u>	<u>10,307,940</u>
26 FEE & COMMISSION INCOME		
Consumer finance related fees	343,802	341,305
Credit related fees	54,949	57,526
Investment banking fees	81,491	104,134
Branch banking customer fees	44,153	53,278
Card related fees	141,692	115,680
Commission on trade	199,666	169,359
Commission on guarantees	64,239	99,959
Commission on cash management	77,772	41,258
Commission on remittances including home remittances	6,654	6,252
Commission on bancassurance	8,841	19,296
Rebate income	68,480	66,288
Others	4,689	26,286
	<u>1,096,428</u>	<u>1,100,621</u>
27 OTHER (LOSS) / INCOME		
(Loss) / gain on sale of property and equipment - net	<u>(17)</u>	<u>4,265</u>

28 OPERATING EXPENSES

June 30
2023
(Un-audited)
--- Rupees in '000 ---

Total compensation expense

2,400,061

1,947,258

Property expense

Utilities cost

365,421

231,739

Security

152,200

142,851

Repair & maintenance (including janitorial charges)

105,109

100,046

Takaful charges

998

466

Depreciation

41,154

41,511

Depreciation on right-of-use assets

483,064

464,150

1,147,946

980,763

Information technology expenses

Software maintenance

315,177

197,390

Hardware maintenance

154,587

88,984

Depreciation

128,006

59,067

Amortisation

56,568

43,844

Networking and connectivity charges

89,958

73,417

Outsourced services cost

28,500

20,380

Takaful charges

1,357

712

Others

2,079

1,388

776,232

485,182

Other operating expenses

Directors' fee and allowances

9,507

4,225

Fees and allowances to Sharia'h Board members

8,644

6,797

Legal and professional charges

43,624

22,483

Outsourced services cost

93,525

81,977

Travelling and conveyance

22,124

15,683

NIFT clearing charges

28,897

19,480

Depreciation

67,818

70,714

Training and development

8,892

8,063

Postage and courier charges

19,950

18,035

Communications

179,931

132,863

Stationary and printing

112,600

96,179

Marketing, advertising and publicity

129,063

96,758

Auditors' remuneration

4,393

3,600

Brokerage, commission and bank charges

223,295

256,716

Tracker related charges

76,512

72,466

Cash transportation charges

163,102

127,639

Repair and maintenance

62,952

60,162

Subscription fees

13,345

12,586

Takaful charges

24,616

18,664

Deposit premium cost

68,681

67,045

Others

60,654

94,206

1,422,125

1,286,341

5,746,364

4,699,544

		June 30 2023 (Un-audited) --- Rupees in '000 ---	June 30 2022
	<i>Note</i>		
29 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		<u>14,576</u>	<u>1,819</u>
30 PROVISIONS & WRITE OFFS - NET			
Provision against Islamic financing and related assets		<u>4,288,197</u>	<u>1,433,332</u>
31 TAXATION			
Current		3,665,013	1,573,076
Deferred			
- for the period		(1,071,673)	232,871
- prior year		<u>(202,089)</u>	<u>-</u>
		<u>2,391,251</u>	<u>1,805,947</u>
32 BASIC AND DILUTED EARNINGS PER SHARE			
Profit for the period		<u>2,859,182</u>	<u>2,005,050</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>2.45</u>	<u>1.72</u>
33 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6	30,050,190	24,374,027
Balances with other banks	7	4,078,451	1,152,532
Overdrawn nostro accounts	17	<u>(253,037)</u>	<u>(18,687)</u>
		<u>33,875,604</u>	<u>25,507,872</u>

34 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:

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 prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

On-Balance sheet Financial Instruments	June 30, 2023 (Un-audited)						Fair Value			
	Carrying 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	-	50,940,065	-	-	-	50,940,065	-	50,940,065	-	50,940,065
Non-Government debt securities	-	39,852,893	-	-	-	39,852,893	-	39,852,893	-	39,852,893
Foreign securities	-	20,455,058	-	-	-	20,455,058	-	20,455,058	-	20,455,058
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	194,558	-	194,558	-	194,558	-	194,558
Financial assets - disclosed but not measured at fair value										
Cash and balances with treasury banks	-	-	-	30,050,190	-	30,050,190				
Balances with other banks	-	-	-	4,078,451	-	4,078,451				
Due from financial institution	-	-	-	7,930,919	-	7,930,919				
Islamic financings and related assets - net	-	-	252,799,775	-	-	252,799,775				
Other asset	-	-	-	19,476,804	-	19,476,804				
	-	111,248,016	252,799,775	61,730,922	-	425,778,713				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	102,175	102,175	-	102,175	-	102,175
Financial liabilities - disclosed but not measured at fair value										
Bills payable	-	-	-	-	4,644,004	4,644,004				
Due to financial institutions	-	-	-	-	35,501,875	35,501,875				
Deposits and other accounts	-	-	-	-	331,550,141	331,550,141				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	15,503,412	15,503,412				
	7,120,000	-	-	-	387,301,607	394,421,607				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts	-	-	-	44,292,016	-	44,292,016	-	44,292,016	-	44,292,016
----- Rupees in '000 -----										
On-Balance sheet Financial Instruments	December 31, 2022 (Audited)						Fair Value			
	Carrying 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	-	47,019,343	-	-	-	47,019,343	-	47,019,343	-	47,019,343
Non-Government debt securities	-	40,231,813	-	-	-	40,231,813	-	40,231,813	-	40,231,813
Foreign securities	-	16,109,979	-	-	-	16,109,979	-	16,109,979	-	16,109,979
Other assets										
Unrealized gain on foreign exchange contracts	-	-	-	566,774	-	566,774	-	566,774	-	566,774
Financial assets - not measured at fair value										
Cash and balances with treasury banks	-	-	-	45,632,108	-	45,632,108				
Balances with other banks	-	-	-	1,146,321	-	1,146,321				
Due from financial institution	-	-	-	23,500,000	-	23,500,000				
Islamic financings and related assets - net	-	-	247,767,953	-	-	247,767,953				
Other asset	-	-	-	14,838,527	-	14,838,527				
	-	103,361,135	247,767,953	85,683,730	-	436,812,818				
Financial liabilities - measured at fair value										
Other liabilities										
Unrealized loss on foreign exchange contracts	-	-	-	-	22,728	22,728	-	22,728	-	22,728
Financial liabilities - not measured at fair value										
Bills payable	-	-	-	-	7,207,894	7,207,894				
Due to financial institutions	-	-	-	-	35,875,060	35,875,060				
Deposits and other accounts	-	-	-	-	345,811,211	345,811,211				
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000				
Other liabilities	-	-	-	-	14,944,947	14,944,947				
	7,120,000	-	-	-	403,861,840	410,981,840				
Off-balance sheet financial instruments - measured at fair value										
Forward foreign exchange contracts	-	-	-	41,985,022	-	41,985,022	-	41,985,022	-	41,985,022

35 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	June 30, 2023 (Un-audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Others	Inter-segment Elimination	Total
	Rupees in '000						
Condensed Interim Profit and Loss Account							
Net Profit / return	7,818,629	605,248	(3,275,861)	8,454,195	49,770	-	13,651,981
Inter segment revenue - net	(6,466,398)	2,409,979	12,631,400	(8,525,228)	(49,753)	-	-
Other income / (loss)	330,321	415,443	773,185	278,249	(17)	-	1,797,181
Total income	1,682,552	3,430,670	10,128,724	207,216	-	-	15,449,162
Segment direct expenses	(372,440)	(1,016,532)	(3,642,204)	(79,659)	(799,697)	-	(5,910,532)
Inter segment expense allocation	(73,135)	(161,981)	(535,125)	(29,456)	799,697	-	-
Total expenses	(445,575)	(1,178,513)	(4,177,329)	(109,115)	-	-	(5,910,532)
(Provisions) / reversal	(726,227)	(3,568,561)	6,591	-	-	-	(4,288,197)
Profit before tax	510,750	(1,316,404)	5,957,986	98,101	-	-	5,250,433
Condensed Interim Statement of Financial Position							
Cash and bank balances	-	1,119,212	5,868,463	4,078,451	23,062,515	-	34,128,641
Due from financial institutions	-	-	-	7,930,919	-	-	7,930,919
Investments	-	-	-	111,248,016	-	-	111,248,016
Net inter segment lending	-	36,421,780	144,263,553	-	15,449,491	(196,134,824)	-
Islamic financings and related assets - performing	162,130,095	38,304,221	47,365,127	-	2,571,366	-	250,370,809
- non-performing	314,755	1,440,567	673,644	-	-	-	2,428,966
Others	11,350,920	3,987,588	7,424,589	3,897,960	3,712,879	-	30,373,936
Total Assets	173,795,770	81,273,368	205,595,376	127,155,346	44,796,251	(196,134,824)	436,481,287
Due to financial institutions	21,692,710	10,556,128	-	3,253,037	-	-	35,501,875
Deposits & other accounts	72,986,941	65,236,146	193,240,963	86,091	-	-	331,550,141
Net inter segment borrowing	71,582,047	-	-	124,552,777	-	(196,134,824)	-
Subordinated sukuk	-	-	-	-	7,120,000	-	7,120,000
Others	7,534,072	5,481,094	12,354,413	140,416	4,029,991	-	29,539,986
Total liabilities	173,795,770	81,273,368	205,595,376	128,032,321	11,149,991	(196,134,824)	403,712,002
Equity	-	-	-	(876,975)	33,646,260	-	32,769,285
Total Equity and liabilities	173,795,770	81,273,368	205,595,376	127,155,346	44,796,251	(196,134,824)	436,481,287
Contingencies and							
Commitments	38,267,065	31,771,443	3,215,493	44,201,895	211,480	-	117,667,376

June 30, 2022 (Un-audited)

Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Others	Inter- segment Elimination	Total
----- Rupees in '000 -----						

Condensed Interim Profit and Loss Account

Net Profit / return	4,881,921	1,318,011	(1,275,710)	2,972,281	45,107	-	7,941,610
Inter segment revenue - net	(4,022,946)	254,263	7,038,385	(3,222,881)	(46,821)	-	-
Other income	670,309	429,648	790,385	185,695	4,265	-	2,080,302
Total income	1,529,284	2,001,922	6,553,060	(64,905)	2,551	-	10,021,912
Segment direct expenses	(298,719)	(814,126)	(2,960,729)	(73,999)	(630,010)	-	(4,777,583)
Inter segment expense allocation	(67,319)	(131,037)	(408,633)	(23,021)	630,010	-	-
Total expenses	(366,038)	(945,163)	(3,369,362)	(97,020)	-	-	(4,777,583)
Provisions	(1,072,848)	(295,986)	(61,947)	-	(2,551)	-	(1,433,332)
Profit before tax	90,398	760,773	3,121,751	(161,925)	-	-	3,810,997

December 31, 2022 (Audited)

Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Inter- segment Elimination	Total
----- Rupees in '000 -----						

Condensed Interim Statement of Financial Position

Cash and bank balances	-	884,448	4,711,307	1,146,321	40,036,353	-	46,778,429
Due from financial institutions	-	-	-	23,500,000	-	-	23,500,000
Investments	-	-	-	103,361,135	-	-	103,361,135
Net inter segment lending	-	30,737,695	144,643,559	-	-	(175,381,254)	-
Islamic financings and related assets - performing	141,724,106	50,052,050	51,890,228	-	2,622,073	-	246,288,457
- non-performing	144,163	888,008	447,325	-	-	-	1,479,496
Others	11,838,368	1,939,323	5,588,431	4,252,285	364,538	-	23,982,945
Total Assets	153,706,637	84,501,524	207,280,850	132,259,741	43,022,964	(175,381,254)	445,390,462
Due to financial institutions	21,262,593	11,611,828	-	3,000,639	-	-	35,875,060
Deposits & other accounts	83,358,092	66,111,481	196,241,691	99,947	-	-	345,811,211
Net inter segment borrowing	44,504,794	-	-	129,231,862	1,644,598	(175,381,254)	-
Subordinated sukuk	-	-	-	-	7,120,000	-	7,120,000
Others	4,581,158	6,778,215	11,039,159	601,348	3,477,494	-	26,477,374
Total liabilities	153,706,637	84,501,524	207,280,850	132,933,796	12,242,092	(175,381,254)	415,283,645
Equity	-	-	-	(674,055)	30,780,872	-	30,106,817
Total Equity and liabilities	153,706,637	84,501,524	207,280,850	132,259,741	43,022,964	(175,381,254)	445,390,462
Contingencies and Commitments	39,378,385	32,561,815	5,601,115	41,446,049	250,020	-	119,237,384

36 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, associated companies, 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 includes financing, deposits and foreign currencies transactions. These transactions are executed substantially on the same terms including profit rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk. Contributions to staff retirement benefit plan are made in accordance with the terms of the contribution plan. Remuneration and other benefits to the executives are determined in accordance with the terms of their appointment.

Usual transactions with related parties include deposits, financing, returns and provision of other banking services. Transactions with executives are undertaken at terms in accordance with employment agreements and service rules.

The details of transactions with related parties and balances with them are given below:

	June 30, 2023 (Un-audited)					December 31, 2022 (Audited)				
	Holding Company	Directors	Key management personnel	Others**	Total	Holding Company	Directors	Key management personnel	Others**	Total
Rupees in '000										
Balances with other banks										
As at January 1,	128,641	-	-	-	128,641	128,774	-	-	-	128,774
Deposited during the period / year	30,688,631	-	-	-	30,688,631	53,162,099	-	-	-	53,162,099
Withdrawals during the period / year	(30,730,775)	-	-	-	(30,730,775)	(53,162,232)	-	-	-	(53,162,232)
Closing balance	86,497	-	-	-	86,497	128,641	-	-	-	128,641
Islamic financing and related assets										
As at January 1,	-	-	205,096	-	205,096	-	-	169,974	-	169,974
Disbursed during the period / year	-	-	8,500	-	8,500	-	-	67,120	-	67,120
Repaid during the period / year	-	-	(35,272)	-	(35,272)	-	-	(51,057)	-	(51,057)
Adjustments *	-	-	12,060	-	12,060	-	-	19,059	-	19,059
Closing balance	-	-	190,384	-	190,384	-	-	205,096	-	205,096
Deposits and other accounts										
As at January 1,	73,931	1,963	101,325	1,406,741	1,583,960	87,254	6,705	110,850	1,056,088	1,260,897
Received during the period / year	3,630,440	11,677	595,226	367,823	4,605,166	10,764,588	4,945	934,867	652,181	12,356,581
Withdrawals during the period / year	(3,652,662)	(4,835)	(573,319)	(1,547,138)	(5,777,954)	(10,777,911)	(9,687)	(906,293)	(301,528)	(11,995,419)
Adjustments *	-	-	10	-	10	-	-	(38,099)	-	(38,099)
Closing balance	51,709	8,805	123,242	227,426	411,182	73,931	1,963	101,325	1,406,741	1,583,960
Other Liability										
As at January 1,	-	-	29,026	-	29,026	-	-	21,077	-	21,077
Withheld during the period / year	-	-	21,312	-	21,312	-	-	16,256	-	16,256
Paid during the period / year	-	-	(15,371)	-	(15,371)	-	-	(8,307)	-	(8,307)
Closing balance	-	-	34,967	-	34,967	-	-	29,026	-	29,026
	June 30, 2023 (Un-audited)					June 30, 2022 (Un-audited)				
	Holding Company	Directors	Key management personnel	Others**	Total	Holding Company	Directors	Key management personnel	Others**	Total
Rupees in '000										
Transactions during the period										
Profit earned on financings	-	-	4,662	-	4,662	-	-	4,825	-	4,825
Profit expensed on deposits	-	123	4,587	60,339	65,049	-	1	5,505	62,433	67,939
Profit expensed on other liability	-	-	2,595	-	2,595	-	-	1,156	-	1,156
Fees and allowances	-	9,507	5,415	-	14,922	-	4,225	5,415	-	9,640
Remuneration to key management personnel (including bonus)	-	-	250,406	-	250,406	-	-	223,223	-	223,223
Contribution made to gratuity fund	-	-	-	48,000	48,000	-	-	-	48,000	48,000
Contribution made to provident fund	-	-	-	75,140	75,140	-	-	-	65,594	65,594
Contingencies and commitments										
Foreign currency purchase contracts	8,486,657	-	-	-	8,486,657	-	6,572,652	-	-	6,572,652
Foreign currency sale contracts	8,486,657	-	-	-	8,486,657	-	6,572,652	-	-	6,572,652
Other guarantees	260,251	-	-	-	260,251	-	2,327	-	-	2,327

* Primarily relates to those directors, associates and key management personnel who are no longer related parties or have become related parties of the Bank as at June 30, 2023.

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

June 30, December 31,
2023 2022
(Un-audited) (Audited)
--- (Rupees in '000) ---

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital

	11,652,288	11,652,288
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier I (CET I) Capital

	31,943,910	29,700,887
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Eligible Additional Tier I (ADT I) Capital

	3,120,000	3,120,000
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Total Eligible Tier I Capital

	35,063,910	32,820,887
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Eligible Tier II Capital

	6,741,504	6,746,267
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Total Eligible Capital (Tier I + Tier II)

	41,805,414	39,567,154
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Risk Weighted Assets (RWAs):

Credit Risk

	219,320,306	219,701,355
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Market Risk

	873,285	1,386,293
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Operational Risk

	32,576,501	32,576,501
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Total

	252,770,092	253,664,149
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Common Equity Tier I Capital Adequacy ratio

	12.64%	11.71%
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Tier I Capital Adequacy Ratio

	13.87%	12.94%
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Total Capital Adequacy Ratio

	16.54%	15.60%
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Leverage Ratio (LR):

Eligible Tier I Capital

	35,063,910	32,820,887
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Total Exposures

	525,256,308	527,359,837
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Leverage Ratio

	6.68%	6.22%
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Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

	114,377,405	93,343,235
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Total Net Cash Outflow

	69,547,457	74,425,165
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Liquidity Coverage Ratio

	164.46%	125.42%
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Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

	296,143,257	286,050,477
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Total Required Stable Funding

	224,397,398	217,892,083
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Net Stable Funding Ratio

	131.97%	131.28%
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38 RECLASSIFICATIONS

Corresponding figures have been re-arranged and reclassified as follows, to facilitate comparisons and for better presentation.

Transfer from	Transfer to	Rupees in '000
Fixed assets	Right-of-use assets	<u><u>3,680,399</u></u>
Other liabilities	Lease liabilities	<u><u>3,807,378</u></u>

39 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 01 August, 2023 by the Board of Directors of the Bank.

40 GENERAL

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

President & CEO

Chief Financial Officer

Director

Director

Director