

**Dubai Islamic Bank
Pakistan Limited**

Condensed Interim Financial Information
for the half year ended
June 30, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dubai Islamic Bank Pakistan Limited

Report on review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dubai Islamic Bank Pakistan Limited ("the Bank")** as at June 30, 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, and notes to the financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this 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 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended June 30, 2021 and 2020 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended June 30, 2021.

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


Chartered Accountants

Place: Karachi

Date: August 13, 2021

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	21,544,574	19,096,891
Balances with other banks	7	1,416,848	3,279,935
Due from financial institutions	8	1,472,631	2,397,516
Investments	9	66,401,623	66,579,570
Islamic financing and related assets	10	215,946,895	199,416,405
Fixed assets	11	3,944,011	3,685,492
Intangible assets	12	365,904	321,916
Deferred tax assets		-	-
Other assets	13	7,932,860	8,484,438
		319,025,346	303,262,163
LIABILITIES			
Bills payable	14	3,860,923	4,246,241
Due to financial institutions	15	30,252,711	17,350,949
Deposits and other accounts	16	238,484,642	237,553,365
Subordinated sukuk	17	7,120,000	7,120,000
Deferred tax liabilities	18	210,500	353,054
Other liabilities	19	12,781,915	12,014,856
		292,710,691	278,638,465
NET ASSETS		26,314,655	24,623,698
REPRESENTED BY			
Share capital		11,652,288	11,652,288
Reserves		2,826,003	2,474,851
Surplus on revaluation of investments	20	758,292	825,345
Unappropriated profit		11,078,072	9,671,214
		26,314,655	24,623,698

CONTINGENCIES AND COMMITMENTS

21

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

President & CEO

Chief Financial Officer

Director

Director

Director

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
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President & CEO

Chief Financial Officer

Director

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Dubai Islamic Bank Pakistan Limited
Condensed Interim Profit and Loss Account (Un-Audited)
For the half-year ended June 30, 2021

		Quarter ended June 30, 2021	Half year ended June 30, 2021	Quarter ended June 30, 2020	Half year ended June 30, 2020
	<i>Note</i>	----- Rupees in '000 -----			
Profit / return earned	22	5,464,508	10,804,208	7,258,181	14,964,279
Profit / return expensed	23	(2,597,661)	(5,138,863)	(4,011,936)	(8,798,067)
Net Profit / return		2,866,847	5,665,345	3,246,245	6,166,212
OTHER INCOME					
Fee and commission income	24	501,119	978,095	352,713	727,441
Dividend income		-	-	-	-
Foreign exchange income		229,433	498,272	206,956	362,659
Gain on securities	25	256,068	268,368	982	982
Other income / (loss)	26	408	(2,770)	374	648
Total other income		987,028	1,741,965	561,025	1,091,730
Total income		3,853,875	7,407,310	3,807,270	7,257,942
OTHER EXPENSES					
Operating expenses	27	(2,062,326)	(3,956,119)	(1,790,383)	(3,666,210)
Workers Welfare Fund		(30,597)	(66,258)	(29,477)	(59,744)
Other charges	28	(2,995)	(3,015)	-	(42)
Total other expenses		(2,095,918)	(4,025,392)	(1,819,860)	(3,725,996)
Profit before provisions		1,757,957	3,381,918	1,987,410	3,531,946
Provisions and write offs - net	29	(231,441)	(514,828)	(498,209)	(606,079)
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		1,526,516	2,867,090	1,489,201	2,925,867
Taxation	30	(570,327)	(1,111,332)	(580,625)	(1,142,353)
PROFIT AFTER TAXATION		956,189	1,755,758	908,576	1,783,514
----- Rupee(s) -----					
Basic & diluted earnings per share	31	0.82	1.51	0.78	1.53

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 half-year ended June 30, 2021

	Quarter ended June 30, 2021	Half year ended June 30, 2021	Quarter ended June 30, 2020	Half year ended June 30, 2020
	----- Rupees in '000 -----			
Profit after taxation for the period	956,189	1,755,758	908,576	1,783,514
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in revaluation of investments - net of tax	84,012	(67,053)	452,404	(845,274)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in defined benefit obligation	2,252	2,252	-	-
Total comprehensive income	<u>1,042,453</u>	<u>1,690,957</u>	<u>1,360,980</u>	<u>938,240</u>

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

President & CEO

Chief Financial Officer

Director

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Dubai Islamic Bank Pakistan Limited
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the half-year ended June 30, 2021

	Share capital	Statutory reserve	Surplus on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
Balance as at January 01, 2020	11,652,288	1,896,073	1,265,224	7,349,049	22,162,634
Total Comprehensive income for the period					
Profit after taxation for the half year ended June 30, 2020	-	-	-	1,783,514	1,783,514
Other comprehensive loss - net of tax	-	-	(845,274)	-	(845,274)
	-	-	(845,274)	1,783,514	938,240
Transfer to statutory reserve	-	356,703	-	(356,703)	-
Balance as at June 30, 2020	11,652,288	2,252,776	419,950	8,775,860	23,100,874
Total Comprehensive income for the period					
Profit after taxation for the half year ended December 31, 2020	-	-	-	1,110,377	1,110,377
Other comprehensive income - net of tax	-	-	405,395	7,052	412,447
	-	-	405,395	1,117,429	1,522,824
Transfer to statutory reserve	-	222,075	-	(222,075)	-
Balance as at December 31, 2020	11,652,288	2,474,851	825,345	9,671,214	24,623,698
Total Comprehensive income for the period					
Profit after taxation for the half year ended June 30, 2021	-	-	-	1,755,758	1,755,758
Other comprehensive (loss) / income - net of tax	-	-	(67,053)	2,252	(64,801)
	-	-	(67,053)	1,758,010	1,690,957
Transfer to statutory reserve	-	351,152	-	(351,152)	-
Balance as at June 30, 2021	11,652,288	2,826,003	758,292	11,078,072	26,314,655

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

President & CEO

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Dubai Islamic Bank Pakistan Limited
Condensed Interim Cash Flow Statement (Un-Audited)
For the half-year ended June 30, 2021

		Half year ended June 30, 2021	Half year ended June 30, 2020
	Note	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,867,090	2,925,867
Adjustments for:			
Depreciation	27	161,518	154,873
Depreciation on right-of-use assets	27	441,068	368,106
Amortisation	27	33,412	25,377
Finance cost on Ijarah (lease) liabilities	23	142,285	176,278
Gain on securities	25	(268,368)	(982)
Loss / (gain) on sale of fixed assets	26	2,770	(648)
Provisions and write offs - net	29	514,828	606,079
		<u>1,027,513</u>	<u>1,329,083</u>
		3,894,603	4,254,950
Decrease / (increase) in operating assets			
Due from financial institutions		924,885	3,993,924
Islamic financing and related assets		(17,047,064)	(11,698,147)
Others assets		(112,007)	(1,673,184)
		(16,234,186)	(9,377,407)
(Decrease) / increase in operating liabilities			
Bills payable		(385,318)	(657,661)
Due to financial institutions		12,900,504	1,570,775
Deposits and other accounts		931,277	27,299,660
Other liabilities (excluding current taxation)		706,833	(670,310)
		<u>14,153,296</u>	<u>27,542,464</u>
		1,813,713	22,420,007
Income taxes paid		(955,447)	(1,009,356)
Net cash generated from operating activities		<u>858,266</u>	<u>21,410,651</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		419,655	(17,319,532)
Investments in fixed assets		(164,083)	(222,522)
Proceeds from sale of fixed assets		5,179	1,560
Investments in intangible assets		(77,400)	(106,893)
Net cash flow used in investing activities		183,351	(17,647,387)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of Ijarah (lease) liabilities against right-of-use assets		(458,279)	(443,187)
Decrease in cash and cash equivalents		583,338	3,320,077
Cash and cash equivalents at beginning of the period		<u>22,376,826</u>	<u>20,664,381</u>
Cash and cash equivalents at end of the period	32	<u>22,960,164</u>	<u>23,984,458</u>

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

President & CEO

Chief Financial Officer

Director

Director

Director

Dubai Islamic Bank Pakistan Limited

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

For the half-year ended June 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 June 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.

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		4,601,054	3,459,311
- foreign currencies		1,640,773	2,256,361
		<u>6,241,827</u>	<u>5,715,672</u>
With State Bank of Pakistan in			
- local currency current accounts	6.1	10,572,054	8,784,631
- foreign currency current accounts		96,388	72,420
- foreign currency deposit accounts			
- Cash reserve account	6.2	1,614,902	1,694,325
- Special cash reserve account	6.2	1,937,772	2,033,078
		<u>3,552,674</u>	<u>3,727,403</u>
With National Bank of Pakistan in			
- local currency current accounts		1,081,631	796,765
		<u>21,544,574</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.

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- in local currency current account		525,896	943,830
- in foreign currency current account		177	277
- in local currency deposit account		-	10
		<u>526,073</u>	<u>944,117</u>
Outside Pakistan			
- in current account	7.1	890,775	2,335,818
		<u>1,416,848</u>	<u>3,279,935</u>

7.1 This includes an amount of Rs. 88.72 million (December 31, 2020: Rs. 51.82 million) deposited with the holding company.

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
8 DUE FROM FINANCIAL INSTITUTIONS			
Wakalah	8.1	472,631	2,397,516
Musharaka - unsecured	8.2	1,000,000	-
		<u>1,472,631</u>	<u>2,397,516</u>

8.1 These carry expected yield of 0.02% (December 31, 2020: 0.02%) per annum with maturity upto July 02, 2021 (December 31, 2020: January 04, 2021).

8.2 These carry expected yield of 6.5% (December 31, 2020: Nil) per annum with maturity upto July 02, 2021 (December 31, 2020: Nil).

9 INVESTMENTS

9.1 Investments by types:	June 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) -----								
Available-for-sale securities								
Federal Government securities	2,676,953	-	10,100	2,687,053	1,500,000	-	(400)	1,499,600
Non-Government debt securities	43,236,518	(89,316)	1,272,385	44,419,587	45,623,504	(89,316)	1,212,713	46,746,901
Foreign securities	19,334,367	-	(39,384)	19,294,983	18,275,621	-	57,448	18,333,069
Total investments	65,247,838	(89,316)	1,243,101	66,401,623	65,399,125	(89,316)	1,269,761	66,579,570

9.2 Provision for diminution in value of investments	Note	June 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	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	*NPI	Provision	*NPI	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	89,316	89,316	89,316	89,316
	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>
Overseas	-	-	-	-
Total	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>	<u>89,316</u>

* NPI stands for non-performing investments.

10 ISLAMIC FINANCING AND RELATED ASSETS - NET

	Note	Performing		Non-Performing		Total	
		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		(Rupees in '000)					
Murabaha	10.1	21,590,472	22,207,236	665,260	1,564,003	22,255,732	23,771,239
Musawamah	10.2	3,158,187	2,839,456	152,701	117,761	3,310,888	2,957,217
Tijarah cum wakala	10.3	7,994,619	5,578,464	-	-	7,994,619	5,578,464
Istisna cum Wakala	10.4	11,256,896	13,177,273	550,947	714,160	11,807,843	13,891,433
Salam	10.5	2,165,495	1,994,493	-	-	2,165,495	1,994,493
Islamic Export Refinance Scheme - SBP	10.6	13,211,512	11,021,716	148,500	-	13,360,012	11,021,716
Other Islamic Refinance Schemes - SBP	10.7	10,761,725	7,818,593	8,000	-	10,769,725	7,818,593
Wakala Istithmar		24,069,347	21,581,515	415,255	316,413	24,484,602	21,897,928
Running Musharaka financing		34,113,307	31,057,053	655,901	-	34,769,208	31,057,053
Shirkatulmilk - Housing	10.8	10,398,401	8,926,567	504,681	397,772	10,903,082	9,324,339
Shirkatulmilk - Autos	10.9	23,548,801	19,306,168	364,919	328,295	23,913,720	19,634,463
Shirkatulmilk - Fleet financing	10.10	6,360,622	6,446,582	166,222	274,945	6,526,844	6,721,527
Shirkatulmilk - Others	10.11	13,746,465	14,967,156	2,467,452	1,898,143	16,213,917	16,865,299
Diminishing Musharaka - Others		30,051,094	29,671,794	643,639	27,159	30,694,733	29,698,953
Staff financing		2,232,356	2,130,373	56,162	48,784	2,288,518	2,179,157
Islamic financing and related assets (gross)		214,659,299	198,724,439	6,799,639	5,687,435	221,458,938	204,411,874
Provision against Islamic financing and related assets							
Specific	10.13	-	-	(3,335,706)	(3,082,610)	(3,335,706)	(3,082,610)
General		(2,176,337)	(1,912,859)	-	-	(2,176,337)	(1,912,859)
		(2,176,337)	(1,912,859)	(3,335,706)	(3,082,610)	(5,512,043)	(4,995,469)
Islamic financing and related assets - net of provision		212,482,962	196,811,580	3,463,933	2,604,825	215,946,895	199,416,405
						June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
						--- (Rupees in '000) ---	
10.1 Murabaha							
Financing						6,675,234	5,615,009
Inventory						14,833,712	17,458,558
Advance						746,786	697,672
						22,255,732	23,771,239
10.2 Musawamah							
Financing						3,244,672	2,858,989
Advance						66,216	98,228
						3,310,888	2,957,217
10.3 Tijarah cum wakala							
Financing						7,377,119	5,271,282
Inventory						617,500	307,182
						7,994,619	5,578,464
10.4 Istisna cum Wakala							
Financing						9,086,649	9,739,691
Advance						2,721,194	4,151,742
						11,807,843	13,891,433
10.5 Salam							
Financing						2,125,492	289,498
Advance						40,003	1,704,995
						2,165,495	1,994,493
10.6 Islamic Export Refinance Scheme - SBP							
Istisna - Advance						265,000	66,100
Istisna - Financing						135,000	590,000
Running Musharaka - Financing						6,040,800	5,081,800
Wakala Istithmar - Financing						6,620,729	5,051,043
Murabaha - Advance						111,800	155,830
Murabaha - Financing						186,683	76,943
						13,360,012	11,021,716

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	--- (Rupees in '000) ---	
10.7 Other Islamic Refinance Schemes - SBP		
Islamic Long Term Financing Facility		
-Diminishing Musharaka - Financing	3,141,046	2,253,306
Payment of Wages and Salaries Refinance Scheme		
-Shirkatulmilk - Financing	2,867,112	3,622,962
-Running Musharaka - Financing	817,853	1,090,470
-Murabaha - Financing	167,701	124,595
-Murabaha - Advance	-	84,865
Islamic Financing Facility for Combating COVID 19		
-Musharaka - Financing	853,212	372,593
Islamic Finance Facility For Renewable Energy		
-Diminishing Musharaka - Financing	305,509	248,638
Islamic Temporary Economic Refinance Facility		
-Musharaka - Financing	2,437,461	21,164
-Shirkatulmilk - Financing	179,831	-
	<u>10,769,725</u>	<u>7,818,593</u>
10.8 Shirkatulmilk - Housing		
Financing	10,646,273	9,197,469
Advance	256,809	126,870
	<u>10,903,082</u>	<u>9,324,339</u>
10.9 Shirkatulmilk - Autos		
Financing	21,008,125	17,074,482
Advance	2,905,595	2,559,981
	<u>23,913,720</u>	<u>19,634,463</u>
10.10 Shirkatulmilk - Fleet financing		
Financing	6,055,964	6,249,580
Advance	470,880	471,947
	<u>6,526,844</u>	<u>6,721,527</u>
10.11 Shirkatulmilk - Others		
Financing	16,213,917	16,865,299
10.12 Particulars of Islamic financing and related assets (gross)		
In local currency	220,325,916	203,870,742
In foreign currencies	1,133,022	541,132
	<u>221,458,938</u>	<u>204,411,874</u>

10.13 Islamic financing and related assets include Rs. 6,799.639 million (December 31, 2020: Rs. 5,687.435 million) which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
	Non-Performing	Provision held	Non-Performing	Provision held
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	135,382	-	3,553	-
Substandard	610,666	60,974	50,540	8,584
Doubtful	1,344,012	541,123	260,698	12,989
Loss	4,709,579	2,733,609	5,372,644	3,061,037
	<u>6,799,639</u>	<u>3,335,706</u>	<u>5,687,435</u>	<u>3,082,610</u>

10.14 Particulars of provision against Islamic financing and related assets:

	June 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	731,675	263,478	995,153	551,435	1,779,801	2,331,236
Reversals during the period / year	(478,579)	-	(478,579)	(207,430)	-	(207,430)
	253,096	263,478	516,574	344,005	1,779,801	2,123,806
Amounts written-off	-	-	-	-	-	-
Closing balance	3,335,706	2,176,337	5,512,043	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.2,194.25 million (December 31, 2020: Rs. 2,428.75 million) in determining the provisioning against non performing Islamic financings as at June 30, 2021. The additional profit arising from availing the FSV benefit - net of tax as at June 30, 2021 which is not available for distribution as either cash or stock dividend to shareholders amounted to Rs. 1,338.49 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	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--- (Rupees in '000) ---	
11 FIXED ASSETS			
Capital work-in-progress	11.1	14,469	49,485
Property and equipment		1,390,472	1,360,840
Right-of-use assets		2,539,070	2,275,167
		<u>3,944,011</u>	<u>3,685,492</u>
11.1 Capital work-in-progress			
Civil works		14,469	7,453
Equipment		-	42,032
		<u>14,469</u>	<u>49,485</u>
		June 30, 2021 (Un-audited)	June 30, 2020
		--- (Rupees in '000) ---	
11.2 Additions to fixed assets			
Furniture and fixtures		14,554	22,641
Electrical, office and computer equipment		134,969	180,116
Leasehold improvements		42,775	73,109
Vehicles		6,801	-
		<u>199,099</u>	<u>275,866</u>
		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		--- (Rupees in '000) ---	
12 INTANGIBLE ASSETS			
Capital work-in-progress - Advance to suppliers		74,815	97,215
Computer software		291,089	224,701
		<u>365,904</u>	<u>321,916</u>

	June 30, 2021 (Un-audited) --- (Rupees in '000) ---	June 30, 2020
12.1 Additions to intangible assets		
Directly purchased (including transfer from CWIP)	<u>99,800</u>	<u>91,443</u>
	June 30, 2021 (Un-audited) --- (Rupees in '000) ---	December 31, 2020 (Audited) --- (Rupees in '000) ---
13 OTHER ASSETS		
Profit / return accrued in local currency - net	4,192,164	4,186,904
Profit / return accrued in foreign currencies - net	98,527	125,053
Advances, deposits and other prepayments	1,144,514	1,252,297
Mark to market gain on forward foreign exchange contracts	181,360	103,621
Current taxation (payments less provisions)	-	239,947
Acceptances	1,923,859	2,349,243
Commission receivable	57,451	100,036
Others	<u>334,985</u>	<u>129,083</u>
	<u>7,932,860</u>	<u>8,486,184</u>
Less: Provision held against other assets	13.1 -	(1,746)
	<u>7,932,860</u>	<u>8,484,438</u>
13.1 Provision held against other assets		
Others - Trackers	-	1,746
13.1.1 Movement in provision held against other assets		
Opening balance	1,746	1,746
Charge for the year	-	-
Reversals during the year	(1,746)	-
Closing balance	-	1,746
14 BILLS PAYABLE		
In Pakistan	3,852,984	4,238,196
Outside Pakistan	<u>7,939</u>	<u>8,045</u>
	<u>3,860,923</u>	<u>4,246,241</u>
15 DUE TO FINANCIAL INSTITUTIONS		
Secured		
Musharaka from the State Bank of Pakistan under Islamic Export Refinance Scheme	12,988,021	9,402,906
Investment from the State Bank of Pakistan under Islamic Long Term Financing Facility	3,136,740	2,122,770
under Payment of Wages and Salaries Refinance Scheme	3,851,574	4,916,563
under Islamic Financing Facility for Combating COVID 19	328,212	260,000
under Islamic Finance Facility For Renewable Energy	300,658	148,710
under Islamic Temporary Economic Refinance Facility	1,651,248	-
Unsecured		
Musharaka acceptance	5,000,000	500,000
Wakala acceptance	2,995,000	-
Overdrawn nostros	1,258	-
	<u>30,252,711</u>	<u>17,350,949</u>
15.1 Particulars of due to financial institutions with respect to currencies		
In local currency	30,252,711	17,350,949
In foreign currencies	-	-
	<u>30,252,711</u>	<u>17,350,949</u>

16 DEPOSITS AND OTHER ACCOUNTS

	June 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) -----					
Customers						
Current deposits	59,922,215	14,161,159	74,083,374	53,425,406	14,133,682	67,559,088
Savings deposits	86,847,755	8,498,264	95,346,019	80,408,915	9,175,796	89,584,711
Term deposits	27,348,297	10,239,978	37,588,275	37,172,369	10,717,224	47,889,593
Others	11,111,692	-	11,111,692	8,784,309	-	8,784,309
	185,229,959	32,899,401	218,129,360	179,790,999	34,026,702	213,817,701
Financial institutions						
Current deposits	488,960	27,925	516,885	316,442	52,549	368,991
Savings deposits	14,392,849	-	14,392,849	17,799,775	-	17,799,775
Term deposits	5,445,548	-	5,445,548	5,566,898	-	5,566,898
	20,327,357	27,925	20,355,282	23,683,115	52,549	23,735,664
	205,557,316	32,927,326	238,484,642	203,474,114	34,079,251	237,553,365

Note

**June 30,
2021
(Un-audited)**

December 31,
2020
(Audited)

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

17 SUBORDINATED SUKUK

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

- 17.1** In December 2018, the Bank issued regulatory Shari'a compliant perpetual, unsecured, subordinated privately placed Additional Tier I Sukuk based on Mudaraba of Rs. 3,120 million as instrument of redeemable capital under section 66 of the Companies Act, 2017. The brief description of sukuk is as follows:

Credit rating	A+ (Single A - Plus) by VIS Credit Rating Company Limited.
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 9.33% 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 7.85% per annum.
Call option	The Bank may call Tier II Sukuk with prior approval of SBP on or after five years from the date of issue.
Loss absorbency	The Tier II Sukuk, at the option of the SBP, will be fully and permanently converted into common shares upon the occurrence of a point of non-viability trigger event as determined by SBP or for any other reason as may be directed by SBP.
Lock-in-clause	Profit and/or redemption amount can be held back in respect of the Tier II Sukuk, if such payment will result in a shortfall in the Issuer's minimum capital or capital adequacy ratio requirement.

18 DEFERRED TAX LIABILITIES

Taxable temporary differences on:

Surplus on revaluation of investments

Deductible temporary differences on:

Accelerated tax depreciation and amortisation

Provision against non-performing Islamic

financing and related assets

Provision against other assets

Deficit on defined benefit plan

June 30, 2021 (Un-audited)			
At Jan 1, 2021	Recognised in P&L	Recognised in OCI	At June 30, 2021
----- (Rupees in '000) -----			
444,416	-	40,393	484,809
444,416	-	40,393	484,809
695	(15,545)	-	(14,850)
(71,741)	(165,761)	-	(237,502)
(611)	611	-	-
(19,705)	-	(2,252)	(21,957)
(91,362)	(180,695)	(2,252)	(274,309)
353,054	(180,695)	38,141	210,500

December 31, 2020 (Audited)

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

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

19 OTHER LIABILITIES

Profit / return payable in local currency	1,098,550	1,105,687
Profit / return payable in foreign currencies	73,297	52,108
Deferred income murabaha / musawamah	2,223,172	1,859,707
Accrued expenses	587,332	739,702
Advance from financing customers	1,291,798	1,030,405
Mark to market loss on forward foreign exchange contracts	86,701	29,688
Acceptances	1,923,859	2,349,243
Current taxation (provisions less payments)	96,633	-
Security deposits against Islamic financing and related assets	225,378	198,691
Ijarah (lease) liabilities	2,705,983	2,317,006
Payable to dealers, contractors, etc.	1,078,348	957,794
Workers Welfare Fund payable	455,322	389,065
Payable to Employees Old Age Benefit Institution (EOBI)	125,161	114,237
Others	810,381	871,523
	12,781,915	12,014,856

20 SURPLUS ON REVALUATION OF INVESTMENTS

Surplus on revaluation of Available-for-sale securities

Sukuk certificates	1,243,101	1,269,761
Less: Related deferred tax liability	(484,809)	(444,416)
	758,292	825,345

21 CONTINGENCIES AND COMMITMENTS

		June 30, 2021 (Un-audited) --- (Rupees in '000) ---	December 31, 2020 (Audited)
	Note		
Guarantees	21.1	17,089,440	16,431,358
Commitments	21.2	57,359,356	35,378,273
Other contingent liabilities	21.3	211,480	211,480
		<u>74,660,276</u>	<u>52,021,111</u>
21.1 Guarantees			
Financial guarantees		26,647	26,647
Performance guarantees		5,472,349	5,537,835
Other guarantees		11,590,444	10,866,876
		<u>17,089,440</u>	<u>16,431,358</u>
21.2 Commitments			
Documentary credits and short-term trade-related transactions			
Import letters of credit		40,749,154	24,712,924
Commitments in respect of:			
- Forward foreign exchange contracts - net	21.2.1	5,350,531	4,516,172
- Islamic financing and related assets		9,136,000	5,744,000
- Other commitments	21.2.2	1,813,291	-
Commitments for acquisition of:			
- Fixed assets		151,908	252,413
- Intangible assets		158,472	152,764
		<u>57,359,356</u>	<u>35,378,273</u>
21.2.1 Commitments in respect of forward foreign exchange contracts - net			
Purchase		17,789,800	14,577,741
Sale		12,439,269	10,061,569
		<u>5,350,531</u>	<u>4,516,172</u>
21.2.2 Other commitments			
Purchase of foreign securities		1,813,291	-
21.3 Other contingencies			

The income tax authorities have amended assessment orders of the Bank for prior years including the tax year 2019. The disallowances were mainly due to reversal of provision against financing, provision against investments and Workers Welfare Fund. The Bank has filed appeals before the various appellate forums against these amendments. For the tax year 2015, tax authorities have issued a notice to amend assessment against the adjustment of minimum tax paid in prior years amounting to Rs. 211.48 million. The management of the Bank approached Sindh High Court and subsequently the 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.

	June 30, 2021	June 30, 2020
	(Un-audited)	
	----- Rupees in '000 -----	
22 PROFIT / RETURN EARNED		
On Islamic financing and related assets to customers	8,516,701	11,872,771
On investments in available-for-sale securities	2,190,212	2,366,360
On investments in held-to-maturity securities	-	103,939
On deposits / placements with financial institutions	97,295	621,209
	<u>10,804,208</u>	<u>14,964,279</u>
23 PROFIT / RETURN EXPENSED		
Deposits and other accounts	4,378,930	7,619,760
Subordinated sukuk	297,061	499,103
Due to financial institutions	302,759	239,409
Finance cost on Ijarah (lease) liabilities	142,285	176,278
Cost of foreign currency swaps	17,828	263,517
	<u>5,138,863</u>	<u>8,798,067</u>
24 FEE & COMMISSION INCOME		
Consumer finance related fees	303,064	266,312
Credit related fees	81,158	65,002
Investment banking fees	72,010	50,350
Branch banking customer fees	54,153	37,226
Card related fees	105,466	89,319
Commission on trade	205,711	107,052
Commission on guarantees	35,727	31,287
Commission on cash management	19,977	19,310
Commission on remittances including home remittances	9,086	9,781
Commission on bancassurance	20,014	4,770
Rebate income	66,747	46,306
Others	4,982	726
	<u>978,095</u>	<u>727,441</u>
25 GAIN ON SECURITIES		
Realised		
Debt securities	<u>268,368</u>	<u>982</u>
26 OTHER (LOSS) / INCOME		
(Loss) / gain on sale of fixed assets - net	<u>(2,770)</u>	<u>648</u>

27 **OPERATING EXPENSES**

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

Total compensation expense 1,652,755 1,516,636

Property expense

Takaful charges	489	584
Utilities cost	148,605	148,998
Security	116,832	113,821
Repair & maintenance (including janitorial charges)	71,046	61,586
Depreciation	46,924	48,357
Depreciation on right-of-use assets	441,068	368,106
	824,964	741,452

Information technology expenses

Software maintenance	165,401	150,561
Hardware maintenance	80,529	68,483
Depreciation	52,714	44,883
Amortisation	33,412	25,377
Networking and connectivity charges	76,784	63,323
Outsourced services cost	16,765	15,033
Takaful charges	633	581
Others	2,095	684
	428,333	368,925

Other operating expenses

Directors' fee and allowances	6,363	4,864
Fees and allowances to Shari'a Board members	6,412	6,865
Legal and professional charges	18,233	29,618
Outsourced services cost	56,700	55,655
Travelling and conveyance	8,684	20,713
NIFT clearing charges	17,324	18,008
Depreciation	61,880	61,633
Training and development	5,615	7,652
Postage and courier charges	17,778	17,236
Communications	102,047	104,395
Stationary and printing	49,675	59,897
Marketing, advertising and publicity	71,910	57,492
Auditors' remuneration	3,600	2,875
Brokerage, commission and bank charges	187,060	190,755
Tracker related charges	84,560	80,598
Cash transportation charges	119,624	50,770
Repair and maintenance	49,207	45,251
Subscription fees	9,454	9,567
Takaful charges	27,460	29,483
Deposit premium cost	61,118	50,829
Others	85,363	135,042
	1,050,067	1,039,198
	3,956,119	3,666,210

		June 30, 2021	June 30, 2020
	Note	(Un-audited)	
		----- Rupees in '000 -----	
28 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		<u>3,015</u>	<u>42</u>
29 PROVISIONS & WRITE OFFS - NET			
Provision against Islamic financing and related assets - net	10.14	<u>516,574</u>	<u>606,079</u>
Reversal of provision against other assets		<u>(1,746)</u>	<u>-</u>
		<u>514,828</u>	<u>606,079</u>
30 TAXATION			
Current		<u>1,292,027</u>	<u>1,141,711</u>
Deferred		<u>(180,695)</u>	<u>642</u>
		<u>1,111,332</u>	<u>1,142,353</u>
31 BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period		<u>1,755,758</u>	<u>1,783,514</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>1.51</u>	<u>1.53</u>
32 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	6	<u>21,544,574</u>	<u>22,718,185</u>
Balance with other banks	7	<u>1,416,848</u>	<u>1,266,273</u>
Overdrawn nostros	15	<u>(1,258)</u>	<u>-</u>
		<u>22,960,164</u>	<u>23,984,458</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:

June 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)									
Financial assets - measured at fair value									
Investments									
Federal Government securities	-	1,510,100	-	-	-	1,510,100	-	1,510,100	-
Non-Government debt securities	-	44,419,587	-	-	-	44,419,587	41,719,587	2,700,000	-
Foreign securities	-	19,294,983	-	-	-	19,294,983	19,294,983	-	-
Other assets									
Unrealized gain on foreign exchange contracts	-	-	-	181,360	-	181,360	-	181,360	-
Financial assets - not measured at fair value									
Cash and balances with treasury banks	-	-	-	21,544,574	-	21,544,574			
Balances with other banks	-	-	-	1,416,848	-	1,416,848			
Due from financial institution	-	-	-	1,472,631	-	1,472,631			
Investments	-	1,176,953	-	-	-	1,176,953			
Islamic financings and related assets - net	-	-	215,946,895	-	-	215,946,895			
Other asset	-	-	-	6,862,671	-	6,862,671			
	-	66,401,623	215,946,895	31,478,084	-	313,826,602			
Financial liabilities - measured at fair value									
Other liabilities									
Unrealized loss on foreign exchange contracts	-	-	-	-	86,701	86,701	-	86,701	-
Financial liabilities - not measured at fair value									
Bills payable	-	-	-	-	3,860,923	3,860,923			
Due to financial institutions	-	-	-	-	30,252,711	30,252,711			
Deposits and other accounts	-	-	-	-	238,484,642	238,484,642			
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000			
Other liabilities	-	-	-	-	9,664,207	9,664,207			
	7,120,000	-	-	-	282,349,184	289,469,184			
Off-balance sheet financial instruments - measured at fair value									
Forward foreign exchange contracts - net	-	-	-	5,350,531	-	5,350,531	-	5,445,190	-
Purchase of foreign securities	-	1,813,291	-	-	-	1,813,291	1,813,291	-	-
	-	1,813,291	-	-	-	1,813,291	1,813,291	-	-
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)									
Financial assets - measured at fair value									
Investments									
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	-	-
Other assets									
Unrealized gain on foreign exchange contracts	-	-	-	103,621	-	103,621	-	103,621	-
Financial assets - not measured at fair value									
Cash and balances with treasury banks	-	-	-	19,096,891	-	19,096,891			
Balances with other banks	-	-	-	3,279,935	-	3,279,935			
Due from financial institution	-	-	-	2,397,516	-	2,397,516			
Investments	-	-	-	-	-	-			
Islamic financings and related assets - net	-	-	199,416,405	-	-	199,416,405			
Other asset	-	-	-	7,520,987	-	7,520,987			
	-	66,579,570	199,416,405	32,398,950	-	298,394,925			
Financial liabilities - measured at fair value									
Other liabilities									
Unrealized loss on foreign exchange contracts	-	-	-	-	29,688	29,688	-	29,688	-
Financial liabilities - not measured at fair value									
Bills payable	-	-	-	-	4,246,241	4,246,241			
Due to financial institutions	-	-	-	-	17,350,949	17,350,949			
Deposits and other accounts	-	-	-	-	237,553,365	237,553,365			
Subordinated sukuk	7,120,000	-	-	-	-	7,120,000			
Other liabilities	-	-	-	-	9,560,376	9,560,376			
	7,120,000	-	-	-	268,740,619	275,860,619			
Off-balance sheet financial instruments - measured at fair value									
Forward foreign exchange contracts - net	-	-	-	4,516,172	-	4,516,172	-	4,590,105	-

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).

	June 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	3,131,321	689,534	(163,730)	2,264,323	(256,103)	5,665,345
Inter segment revenue - net	(2,322,320)	583,413	3,506,901	(2,027,727)	259,733	-
Other income	297,399	306,207	725,027	416,102	(2,770)	1,741,965
Total income	1,106,400	1,579,154	4,068,198	652,698	860	7,407,310
Segment direct expenses	(226,523)	(698,733)	(2,501,946)	(67,923)	-	(3,495,125)
Inter segment expense allocation	(51,708)	(64,401)	(391,013)	(23,145)	-	(530,267)
Total expenses	(278,231)	(763,134)	(2,892,959)	(91,068)	-	(4,025,392)
Provisions	(364,618)	(95,599)	(53,751)	-	(860)	(514,828)
Profit before tax	463,551	720,421	1,121,488	561,630	-	2,867,090
Condensed Interim Statement of Financial Position						
Cash and bank balances	-	982,917	5,258,910	1,416,848	15,302,747	22,961,422
Due from financial institutions	-	-	-	1,472,631	-	1,472,631
Investments	-	-	-	66,401,623	-	66,401,623
Net inter segment lending	-	15,824,604	103,685,063	-	15,451,166	134,960,833
Islamic financings and related assets						
- performing	119,042,592	47,870,554	43,337,461	-	2,232,355	212,482,962
- non-performing - net	2,064,762	952,211	420,088	-	26,872	3,463,933
Others	4,222,385	2,741,309	4,028,931	1,159,535	90,615	12,242,775
Total Assets	125,329,739	68,371,595	156,730,453	70,450,637	33,103,755	453,986,179
Due to financial institutions	13,544,321	8,712,132	-	7,996,258	-	30,252,711
Deposits & other accounts	35,431,309	54,139,274	148,828,131	85,928	-	238,484,642
Net inter segment borrowing	73,571,018	-	-	61,389,815	-	134,960,833
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	2,783,091	5,520,189	7,902,322	220,344	427,392	16,853,338
Total liabilities	125,329,739	68,371,595	156,730,453	69,692,345	7,547,392	427,671,524
Equity	-	-	-	758,292	25,556,363	26,314,655
Total Equity and liabilities	125,329,739	68,371,595	156,730,453	70,450,637	33,103,755	453,986,179
Contingencies and Commitments	43,922,543	22,060,483	1,288,828	7,176,942	211,480	74,660,276
June 30, 2020 (Un-audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	----- (Rupees in '000) -----					
Condensed Interim Profit and Loss Account						
Net profit earned	4,654,601	685,523	(1,704,586)	2,649,793	(119,119)	6,166,212
Inter segment revenue - net	(3,553,464)	672,542	4,918,245	(2,155,318)	117,995	-
Other income	188,253	252,066	500,900	149,863	648	1,091,730
Total income	1,289,390	1,610,131	3,714,559	644,338	(476)	7,257,942
Segment direct expenses	(201,217)	(553,646)	(2,371,811)	(110,031)	-	(3,236,705)
Inter segment expense allocation	(51,915)	(58,135)	(355,608)	(23,633)	-	(489,291)
Total expenses	(253,132)	(611,781)	(2,727,419)	(133,664)	-	(3,725,996)
Provisions	(95,637)	(59,377)	(137,444)	-	(313,621)	(606,079)
Profit before tax	940,621	938,973	849,696	510,674	(314,097)	2,925,867
December 31, 2020 (Audited)						
	Corporate Banking	SME & Commercial Banking	Consumer Banking	Treasury	Other	Total
	----- (Rupees in '000) -----					
Statement of Financial Position						
Cash and bank balances	-	664,470	5,051,202	3,279,935	13,381,219	22,376,826
Due from financial institutions	-	-	-	2,397,516	-	2,397,516
Investments	-	-	-	66,579,570	-	66,579,570
Net inter segment lending	-	14,300,344	110,991,528	-	15,698,098	140,989,970
Islamic financings and related assets						
- performing	110,586,862	46,604,659	37,489,678	-	2,130,381	196,811,580
- non-performing - net	1,688,848	612,825	282,827	-	20,325	2,604,825
Others	4,673,747	2,727,538	3,506,127	1,346,575	237,859	12,491,846
Total Assets	116,949,457	64,909,836	157,321,362	73,603,596	31,467,882	444,252,133
Due to financial institutions	9,948,601	6,902,348	-	500,000	-	17,350,949
Deposits & other accounts	34,374,277	52,462,074	150,574,493	142,521	-	237,553,365
Net inter segment borrowing	69,113,931	-	-	71,876,039	-	140,989,970
Subordinated sukuk	-	-	-	-	7,120,000	7,120,000
Others	3,512,648	5,545,414	6,746,869	259,691	549,529	16,614,151
Total liabilities	116,949,457	64,909,836	157,321,362	72,778,251	7,669,529	419,628,435
Equity	-	-	-	825,345	23,798,353	24,623,698
Total Equity and liabilities	116,949,457	64,909,836	157,321,362	73,603,596	31,467,882	444,252,133
Contingencies and Commitments	23,482,303	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:

	June 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
(Rupees in '000)												
Balances with other banks												
As at January 1	-	51,819	-	-	-	51,819	-	36,608	-	-	-	36,608
Deposited during the period / year	-	13,206,580	-	-	-	13,206,580	-	30,701,598	-	-	-	30,701,598
Withdrawals during the period / year	-	(13,169,684)	-	-	-	(13,169,684)	-	(30,686,387)	-	-	-	(30,686,387)
Closing balance	-	88,715	-	-	-	88,715	-	51,819	-	-	-	51,819
Islamic financing and related assets												
As at January 1	-	-	-	144,043	-	144,043	-	-	-	169,899	-	169,899
Disbursed during the period / year	-	-	-	39,500	-	39,500	-	-	-	18,255	-	18,255
Payments during the period / year	-	-	-	(53,270)	-	(53,270)	-	-	-	(46,694)	-	(46,694)
Adjustments *	-	-	-	7,333	-	7,333	-	-	-	2,583	-	2,583
Closing balance	-	-	-	137,606	-	137,606	-	-	-	144,043	-	144,043
Deposits and other accounts												
As at January 1	-	142,168	12,155	97,826	1,434,819	1,686,968	-	70,228	5,646	80,174	1,331,515	1,487,563
Received during the period / year	-	8,387,714	98,592	562,790	5,165,705	14,214,801	-	12,459,354	78,241	474,496	3,066,738	16,078,829
Withdrawals during the period / year	-	(8,443,959)	(22,880)	(531,354)	(5,174,169)	(14,172,362)	-	(12,387,414)	(71,279)	(456,543)	(2,963,434)	(15,878,670)
Adjustments *	-	-	49	2,339	-	2,388	-	-	(453)	(301)	-	(754)
Closing balance	-	85,923	87,916	131,601	1,426,355	1,731,795	-	142,168	12,155	97,826	1,434,819	1,686,968
Other Liability												
As at January 1,	-	-	-	12,374	-	12,374	-	-	-	-	-	-
Withheld during the period / year	-	-	-	12,070	-	12,070	-	-	-	13,474	-	13,474
Paid during the period / year	-	-	-	(3,367)	-	(3,367)	-	-	-	-	-	-
Adjustments *	-	-	-	-	-	-	-	-	-	(1,100)	-	(1,100)
Closing balance	-	-	-	21,077	-	21,077	-	-	-	12,374	-	12,374
(Rupees in '000)												
	June 30, 2021 (Un audited)						June 30, 2020 (Un audited)					
	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total	Associated companies	Holding Company	Directors	Key management personnel	Others**	Total
(Rupees in '000)												
Transactions during the period												
Fees and allowances	-	-	6,363	5,583	-	11,946	-	-	4,864	5,407	-	10,271
Remuneration to key management personnel (Including bonus)	-	-	-	183,534	-	183,534	-	-	-	187,925	-	187,925
Profit earned on financings	-	-	-	3,542	-	3,542	-	-	-	6,646	-	6,646
Profit expensed on deposits	-	-	219	1,955	46,555	48,729	-	-	188	2,373	86,715	89,276
Profit expensed on other liability	-	-	-	558	-	558	-	-	-	454	-	454
Contribution made to gratuity fund	-	-	-	-	44,118	44,118	-	-	-	-	37,200	37,200
Contribution made to provident fund	-	-	-	-	60,462	60,462	-	-	-	-	53,272	53,272
Contingencies and commitments												
Foreign currency purchase contracts	-	6,035,660	-	-	-	6,035,660	-	5,495,144	-	-	-	5,495,144
Foreign currency sale contracts	-	5,945,660	-	-	-	5,945,660	-	5,495,144	-	-	-	5,495,144

* 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, 2021.

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

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

June 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>25,202,819</u>	23,489,541
Eligible Additional Tier I Capital	<u>3,120,000</u>	3,120,000
Total Eligible Tier I Capital	<u>28,322,819</u>	26,609,541
Eligible Tier II Capital	<u>6,934,629</u>	6,738,204
Total Eligible Capital (Tier I + Tier II)	<u><u>35,257,448</u></u>	<u><u>33,347,745</u></u>

Risk Weighted Assets:

Credit Risk	<u>188,012,780</u>	173,567,219
Market Risk	<u>645,139</u>	415,765
Operational Risk	<u>23,427,513</u>	23,427,513
Total	<u><u>212,085,432</u></u>	<u><u>197,410,497</u></u>

Common Equity Tier I Capital Adequacy Ratio

11.88% 11.90%

Tier I Capital Adequacy Ratio

13.35% 13.48%

Total Capital Adequacy Ratio

16.62% 16.89%

Leverage Ratio:

Eligible Tier I Capital	<u>28,322,819</u>	26,609,541
Total Exposures	<u>370,990,608</u>	358,204,763
Leverage Ratio	<u><u>7.63%</u></u>	<u><u>7.43%</u></u>

Liquidity Coverage Ratio:

Total High Quality Liquid Assets	<u>75,349,215</u>	67,459,090
Total Net Cash Outflow	<u>45,319,527</u>	33,081,322
Liquidity Coverage Ratio	<u><u>166.26%</u></u>	<u><u>203.92%</u></u>

Net Stable Funding Ratio:

Total Available Stable Funding	<u>256,844,188</u>	248,445,467
Total Required Stable Funding	<u>230,581,765</u>	224,294,003
Net Stable Funding Ratio	<u><u>111.39%</u></u>	<u><u>110.77%</u></u>

37 DATE OF AUTHORISATION FOR ISSUE

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

38 GENERAL

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

President & CEO	Chief Financial Officer	Director	Director	Director
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